

Legislative Assembly,

Monday, 14th March, 1892.

Railways Act, 1878, Further Amendment Bill: in committee—Hawkers and Pedlars Bill: in committee—Further Assistance to Midland Railway Company: Message from His Excellency forwarding Government proposals: motion by the Premier—Game Bill: Legislative Council's Amendment: Message—Adjournment.

THE SPEAKER took the chair at 7:30 p.m.

PRAYERS.

RAILWAYS ACT, 1878, FURTHER AMENDMENT BILL.

The House went into Committee on this bill.

Clause 1—Power to Commissioner to take land before, during, or after the construction of a railway:

THE ATTORNEY GENERAL (Hon. S. Burt) said attention was called, on the second reading of the bill, to the desirability of providing for compensation to be paid in cases where the value of land, taken after the opening of a line of railway, had been increased by reason of the railway. He moved the following sub-section to be added to this clause:

"2. Notwithstanding anything contained in the Principal Act, in estimating the compensation to be paid in respect of any lands taken at any time after the public opening of the railway, and the damage (if any) sustained by the owner thereof, regard may be had to the increased value (if any) arising from the establishment of the railway, of the lands taken, severed, or injuriously affected."

Agreed to without remark.

Clause, as amended, put and passed.

Clauses 2 and 3:

Put and passed.

Clause 4—Penalty for crossing a railway line when an engine is approaching within a distance of a quarter of a mile:

MR. R. F. SHOLL said he would like to point out that this clause might cause some hardship and inconvenience to the public. It provided that no one should be allowed to cross a railway, whether riding, driving, or walking when an approaching engine was within a quarter of a mile. He believed that North Perth Station was within a quarter of a mile from the William-street crossing, and,

under this clause, anybody who wanted to cross the line here, with the train at North Perth, would have to wait until the train, if there were any passengers for North Perth, discharged the passengers, and came on to the main station. This would mean a very serious delay, and, as there was a great deal of traffic in William Street, it would cause considerable inconvenience if people had to wait all this time before they could cross the line.

MR. RICHARDSON said that in addition to that these engines when coming round a curve in the line would not be visible a quarter of a mile off, and therefore could not be seen by people crossing the line.

THE ATTORNEY GENERAL (Hon. S. Burt) said that was provided for in the clause. If it could be shown that an approaching engine could not have been seen nor heard, it would be a sufficient defence to any charge under this section.

Clause put and passed.

Clauses 5 to 9:

Put and passed.

Clause 10—Plan of railway to be open to inspection:

THE ATTORNEY GENERAL (Hon. S. Burt) moved that this clause be struck out, with the view of substituting another clause.

Agreed to, and clause struck out.

Clauses 11 and 12:

Put and passed.

New clause:

THE ATTORNEY GENERAL (Hon. S. Burt) said some discussion took place on the second reading about the custody of the plans of railways authorised to be constructed, and it was suggested that the provisions of the present bill with respect to plans should apply to Railway Acts already passed. To meet these suggestions, he had now to move the following new clause: "Before the second reading of any Special Act in the Legislative Assembly or in the Legislative Council, a copy of the map referred to in such Act, showing the line of the proposed railway, shall be laid upon the table of the House, and if such Act be passed by both Houses the said copy map shall be signed, for the purpose of identification, by the Clerk of the Parliaments, and lodged by him for record and public inspection, free of charge, at the office of the Supreme Court; and such copy shall

be thereafter admitted in all courts of law and elsewhere as evidence of the line authorised by the said Special Act. The original of such map deposited in the office of the Commissioner of Railways shall also be available for public inspection, free of charge, at all reasonable times. The provisions of this section as to the signing and recording by the Clerk of the Parliaments, and the public inspection of any copy map, and its admissibility as evidence, and also as to the public inspection of any original map, shall apply in the case of the Special Acts passed during the last and the present Session of Parliament."

Clause—put and passed.

Preamble and title:

Agreed to.

Bill reported, with amendments.

HAWKERS AND PEDLARS BILL.

This bill passed through committee *sub silentio*.

FURTHER ASSISTANCE TO THE MIDLAND RAILWAY COMPANY.

THE PREMIER (Hon. Sir J. Forrest) delivered to Mr. Speaker the following message from His Excellency the Administrator:—

"In accordance with the requirements of Section 67 of the Constitution Act, the Administrator recommends to the Legislative Assembly the consideration and adoption of the following resolution:—

"That in consideration of the security offered by the Midland Railway Company, to be shared jointly by the Government and the National Bank of Australasia, that is to say:—£300,000 1st mortgage debentures (carrying $\frac{3}{4}$ ths interest in the completed railway and works) and 800,000 acres of lands, to be selected by the Government and held by them for sale to meet the guaranteed interest, the Government shall give a guarantee, in conjunction with the National Bank of Australasia, for the interest at 4 per cent. per annum for 10 years on the sum of £500,000 of the Midland Railway Company's debentures to be floated in London for the purpose

"of completing the Midland Railway, on the following conditions:—

- "1. That the Company float the said £500,000 of debentures, and out of the proceeds lodge in the said bank to the credit of the Government the sum of £309,000 to complete and equip the railway, this amount to be under the Government's sole control for payment to the contractor on a revised schedule to his present contract approved by the Government, and only to be paid on certificates passed by the Government.
- "2. That two years' interest at four per cent. per annum on the £500,000 be lodged with the said bank to the credit of the Government, to provide for the first two years' interest guaranteed by the Government and the bank.
- "3. That the existing advance of £78,200 made by the said bank on the company's account for the construction of the railway be repaid out of the proceeds of the said £500,000 debentures, the bank thereupon relinquishing certain securities they hold for this advance, estimated at £26,500.
- "4. That the £60,000 guaranteed by the Government (by agreement of the 4th November, 1891) be at once paid out of the proceeds of the said £500,000 debentures.
- "5. That all interest accruing on moneys deposited in the said bank be available for the payment of the guaranteed interest.
- "6. That the deposit of £10,000 now held by the Government, together with all interest accrued and accruing, be available at the option of the Government at any time for the payment of any interest to be provided by the Government. The said company shall not be entitled to claim any refund of the said deposit and accrued interest under clause 64 of the contract, dated 27th February, 1886, so long as any liability of the Government under the said guarantee shall

"continue, or so long as any money is paid in respect of such guarantee shall remain owing to the Government."

- "7. That the Government shall have the right of purchasing the railway, and the works connected therewith, at any time, on giving 12 months' notice of their intention to exercise such right; the price to be fixed by arbitration."

IN COMMITTEE.

THE PREMIER (Hon. Sir J. Forrest): Mr. Randell,—Sir, the motion that stands in my name (the resolution in His Excellency's message, *supra*) I am sure all members will agree with me is one of very great importance at the present time. The Midland Railway is a term that has been heard of and known of in this colony for several years, and I am afraid that it is a name which is not a very popular one, although the railway traverses a country which, I think, is not inferior in its power of production, in its climate, and in its capability of development, to any in the colony. Still, for all that, as I said before, this Midland Railway is a subject which the people of this colony are getting tolerably tired of. From its very inception almost, it seems to have been beset with difficulties. I say "almost," because we all remember—all, I believe, in this room will remember—the flourish of trumpets, the splendid banquet, and the congratulations from one to the other which brought in its existence. I remember very well being present some years ago at that magnificent banquet under those splendid red-gum trees near Guildford, at which hundreds of people were assembled on the occasion of turning the first sod of this railway; and I remember well the excellent speech made then by our late Governor. I do not think I would be saying too much if I were to say that we all felt that an era of prosperity had dawned upon us, and that great things were in store for us. I remember, too, very well the careful and deliberate remarks then made by the chairman at that banquet, Mr. Ewart, who was then Chairman of the Company. I remember that, when speaking of this Midland Railway and his company, he

said, "We are not philanthropists; we are hard business men; we have the money, and we intend to build this railway and make it a success for ourselves and for the colony." We all know that the contract was let, and a deposit of £10,000 paid down, and the survey contracts were also let at the same time; and we all believed we were dealing with people of large means and of great enterprise, and certainly with people who were prepared to carry out every word of the contract which they had entered into. But it was not very long before the troubles which have beset this work ever since became apparent. The contractor pushed on with his work at considerable speed, and at length we were brought face to face with the fact that he had spent some £88,000 and been paid but little of it by the concessionaires. Then, after many difficulties and much anxiety and a considerable lapse of time, a company was formed in London, and the work began in earnest, and, as the result, the position we find ourselves in to-day is that we certainly have something tangible, although not altogether what we would desire. The Company that was formed some two or three years ago have constructed 154 miles of railway, and I believe, although it has not up to the present moment been thoroughly equipped, still all the railway plant necessary under the contract with the contractor is in the colony, though it is not all at present free and available for the work. In November last, as members are aware—and especially one or two hon. members who sit on the other side of the House will remember—the Government guaranteed £60,000 to the National Bank of Australasia, to be advanced to the Company to assist this undertaking, on the understanding that if the money was not paid by the Company by November next the Government undertook to repay the amount. Well, that £60,000 has been expended, and the Company has been unable to raise the necessary funds to proceed with the work, owing to various causes—some of them of course we are aware of, and some probably we are not aware of; at any rate we know that in our own case, with the resources of the colony behind us, we have had some difficulty in obtaining our loan money at the price we

wish to pay for it. I say at the price we wish to pay for it, because I do not think the difficulty has been so much in obtaining the money as in obtaining it at the price we thought we were entitled to obtain it at. But we know there are great difficulties in raising money in the London market, and we now find that this Company, after having been assisted with £60,000 by the Government, or at any rate by the National Bank on the guarantee of the Government, is again in difficulties, and we are aware that the works have been stopped. With the exception of running one or two trains a week, which the contractor has to run, the whole of the works are now at a standstill. As I said before, the people of the colony have got pretty well tired of this Midland Railway. It appears to have been a sort of incubus upon the colony, or at any rate upon the minds of the colonists. I am not aware that it has done any considerable amount of harm; still it has been, as I say, a great incubus, weighing upon the people of the colony. I do not intend, to-night, to deal at any great length, in fact I will say very little, in reference to what has taken place in the past. I do not think it would repay me or the members of this House for me to investigate or ransack the records of the past in reference to this railway. I shall devote my attention and my remarks to the future, for that seems to me the only matter we have any concern with. Let the past be left behind to look after the past, without any great interference on our part. I think it may be taken for granted—and I believe that those who are connected with financial institutions and who know what is going on in the money market at home will tell you the same—I think we may take it for granted that unless the Government do something at the present time to assist this Company, this work will not be proceeded with. I believe, so far as the present Company is concerned, and those who are engaged in carrying out this work—we are assured of that by those who represent them—that unless they have this assistance, this undertaking must be a failure. I think we have evidence of that already. During the several months that have passed since we gave the guarantee of £60,000, the only money that has been

spent by the Company in this colony—with the exception of a small sum amounting to some £2,000—has been that £60,000; and we are now told by the agents and representatives of the Company that they are not able to raise the money at the present time to carry on the work. As members are aware, from the papers I have laid on the table, the Government have been appealed to, but I think it will be noticed that we have not been very eager to respond to the wishes of the Company or to rush into the breach. The other day we were asked by some members, who were very much afraid we were going to wreck our position—though I don't think that would have troubled them so much—who were afraid we were going to wreck the colony—we were asked to give a distinct pledge that we would do nothing financially to further assist this Company, except with the approval of this House, and we gave a pledge that we would not do so. I may say that we never intended to do so, and that we would not have done so, whether we had been asked for this pledge or not. I now come to the proposals standing in my name on the Notice Paper. The proposal of the Government is that the Company shall raise £500,000 by second mortgage debentures. Of course that means that these debentures will come in after the debenture bonds which are at present in existence; and the security for them will be the Company's lands and the railway itself, and everything belonging to the railway, after the first debenture holders have been satisfied. Our proposal is—and, as members are aware from the papers on the table, the Company have agreed to our proposals—what we propose is that out of this £500,000 the sum of £309,000, required for completing and equipping the line, shall be placed to the credit of the Government for that purpose. That is the estimate given by the Engineer-in-Chief, in the report which I have been able to place to-night, in print, before hon. members. The Engineer-in-Chief, it will be noticed, gives this sum of £309,000 as the amount he considers will be necessary to completely finish and equip this railway. This money, out of the proceeds of the debentures to be now floated, is to be deposited in the Bank

to the credit of this Government, and is only to be paid to the contractor on certificates passed by the Government, on a revised schedule of prices, which will be the same prices, or thereabouts, as are fixed by the Engineer-in-Chief in calculating the cost of all the works of this character that are now to be undertaken by the Government. The same schedule of rates will, no doubt, be suggested by the Engineer-in-Chief and be approved by the Government, and the amounts to be paid to the contractor for the work actually performed will only be paid upon certificates based upon this scale passed by the Government, after the work has been carried out to their satisfaction. Members will also notice that we have been careful to make a provision that the £60,000 which we have already guaranteed, and which will be due in November next, is to be returned to the Government at once. Therefore, this guarantee will be done with altogether. I rather regret this for one reason,—it will take away from some hon. members the only grievance they have had against the Government this session. The hon. member for East Perth (Mr. Canning) will not then be able to refer any longer to this guarantee of £60,000, because we will have it safely in the coffers of the colony, and to the credit of the colony.

MR. CANNING: I am glad to hear it.

THE PREMIER (Hon. Sir J. Forrest): Members will also see that it is proposed that the National Bank shall receive back the sum of £51,700, and also be paid for the rolling stock over which it has a bill of sale for £26,500, and also be paid for some rails, now in the colony, valued at £16,800, over which the bank also holds a bill of sale,—making a total of £95,000 advanced by the bank, which is to be repaid out of the £500,000 to be raised by debentures. While we shall be liable for about six and a half years interest, or £65,366, the National Bank will be liable for eight years interest, or about £80,000. I think the more this proposal of ours is scrutinised, the more the matter is investigated, the more it will be ascertained that the Government have been very careful to protect itself. The National Bank have come to the front in this matter—no doubt in their own interest, but still I say in the

interests of this colony as well—they have come forward in the most public-spirited and fair and liberal manner. It is also agreed that all interest accruing on moneys deposited in the bank shall be available for the payment of the guaranteed interest. This of course will be a considerable sum, because the £309,000 to be deposited in the bank for the completion of the work will not be spent all at once. At any rate it will yield something towards payment of the guaranteed interest, and this also will reduce the liability which the Government incurred. Then we also provide that the deposit of £10,000 made by the Company, and now held by the Government, together with all interest accrued and accruing, shall be at the absolute disposal of the Government, and available at any time for the payment of the guaranteed interest. I may also inform hon. members that we cannot be called upon to pay anything in the way of interest, under this proposal, for two years hence, and that the amount of the deposit in the hands of the Government, with accrued interest, will then be £14,634. We propose that the Company itself shall provide for the first two years interest on the £500,000, which will be £40,000, and place that amount in the bank to the credit of the Government, to be paid to those persons who subscribe the £500,000 debentures, in London or elsewhere. So that I think I have conclusively shown that if this agreement is entered into and carried out, the Government could not be called upon for one penny for the first two years after the guarantee is given. All the Government is really asked to do is to guarantee the interest for eight years, towards which we have one and a-half years interest already in hand in the deposit money and the accrued interest, amounting to £14,634, which virtually reduces our guarantee to six and a-half years. On the other hand the National Bank is willing to guarantee eight years interest, or £80,000. Finally we propose that the Government shall have the right of purchasing this railway and the works connected with it, on giving the Company a year's notice, the price to be fixed by arbitration. I consider that a very fair clause; I think it is fair to the Company and fair to the Government also.

It shows on the one hand that the Government value this railway when we wish to have the right to purchase it, when we consider it will be in the interest of the colony to do so. I will now deal with the question of the security that is offered to us for this guarantee, which, as I have pointed out, only amounts to about £65,000 so far as we are concerned. What is the security offered us by the Company? They offer us in the first place £300,000 first mortgage debentures. There were originally £1,000,000 first mortgage debentures issued, and this £300,000 is a part of it, being three-tenths of the whole issue. These debentures, therefore, are secured by a three-tenths interest in the completed railway and works. I take it we would also have a three-tenths interest in all the land which is vested in the first debenture holders, which is 2,400,000 acres. But in addition we are also offered the first choice of 800,000 acres of land, which we may sell at any time, if necessary, to provide the guaranteed interest as it becomes due. The security we now hold at the present moment for the guarantee of £60,000, as members are aware, is £90,000 first mortgage debentures and 200,000 acres of land, the greater portion of which has been selected by the Government on the Upper Irwin. But now for a guarantee which does really not amount to so much—because £60,000 payable in November next is worth more than £65,000 spread over ten years; therefore for a guarantee which is not so great as we gave some time ago they are ready to give us—instead of £90,000 first mortgage debentures and 200,000 acres of land—£300,000 first mortgage debentures (carrying three-tenths interest in the completed railway) and 800,000 acres of land, which we may select for ourselves.

MR. PARKER: Is that beyond what is secured to the debenture holders?

THE PREMIER (Hon. Sir J. Forrest): No, I do not think it is. There will have to be some arrangement made. It seems to me they would have to give us this out of the surplus, which is about one million, or they would have to cancel the debentures and give us the equivalent in land. That is a matter of arrangement, which, no doubt, could be carried out. In any case, we would have

720,000 acres and three-tenths interest in the completed railway, and also the land we are possessed of at the present moment, which we need not give up unless we like; so that, altogether, I think we would be pretty well secured. I should like to say this: those who think that the security we now have, or that we are now offered, is insufficient for a liability (and merely a liability) amounting to £65,366, spread over 10 years—well, I say they have no faith in this country.

MR. R. F. SHOLL: It is the Company we have no faith in, not the country.

THE PREMIER (Hon. Sir J. Forrest): I think they are really behind the times. They won't believe there is any good in this colony, and I think the sooner they leave it the better. If anyone in this House dares—I do not say it offensively—question that this security is not sufficient for a guarantee of £65,000, spread over ten years, I say he has no faith in the future of this country, and his desire must be to decry the lands of the colony, to decry the resources of the colony, and the prospects of the colony. I say we are as much interested in this railway as we are in any other in the colony. Our interests and the interests of these people are identical. You cannot separate them if you try. We have the same object in view, that object being the development of the resources of the colony. If they prosper, why, we must prosper; if they languish, the colony must languish. As I have often said before, nothing could do us so much injury—nothing could be such a bad advertisement for the colony—as that those English capitalists who embark their money here should have no return for their money. I only hope, as I have said on many occasions, that they may make fortunes by their investments here. We could not begrudge it to them, because, as I said, if they prosper, the country must prosper. I think we should only be too glad to congratulate them, and be pleased that they had been rewarded for their enterprise. But supposing this Company does fail to carry this contract, does anyone for one moment suppose that English capitalists would be the only ones to suffer? I think the colony is the one that will suffer. And what will it suffer? Stoppage of the works, non-employment of

labor, no development of its territory, failures of our people, association with disaster, and, above all, there will be no cheap and rapid means of communication for opening up this part of our country. We know that these people have had difficulties in the London money market. We have had difficulties ourselves. Do hon. members think for one moment that the National Bank would come to the rescue if there were any chances of these people being able to find this money without assistance? I am quite sure of this, that these works cannot go on for some time without assistance from somewhere; and, if they are stopped completely, a great deal of mischief will undoubtedly result. This railway from here to Geraldton is but the carrying out of the railway system inaugurated by the present Government. When all these lines are completed we shall have railways all over the colony, and those who wish to visit any parts of the colony will be able to go there without wasting their energy in driving or riding in the old humdrum way they have been used to, occupying weeks on a journey they will be able to do in a few hours. This thought occurred to me the other day, when we went on that railway excursion along this very line as far as Moore River. I could not help thinking that many a man had taken a week to cover that journey, which we did in one day, and in a small portion of the day. I consider this work is a national work, a work which we would have been bound to have undertaken ourselves, if this Company did not do so. The line, as I have said, runs through temperate parts of the colony, through a country which has a certain rainfall and a fairly productive soil, which we want to see settled. I think we have to consider this matter from the standpoint of self-interest. After all, we come back to that. We must look at it as it concerns ourselves, as it concerns the interests of the people of the country. I say the interests of the people of the country, because when I talk of the country I do not mean the trees and the rocks, but the people who live in it. We hear some persons speak as if the colony were some abstract thing, as if it consisted of the trees in it, or the rocks, or the dry beds of the creeks, or other objects of inanimate nature, and

not the people who live in it. The question we have to ask ourselves is: Is it desirable in the interests of the country itself that this railway should be proceeded with, and finished, at once? Or is it desirable that we should be associated, in our present circumstances, with disaster and with failure? I do not think there can be any difficulty in answering that question. Let us compare for a moment our position if we refuse to agree to these propositions and our position if we accept them. These works which may be said to be already stopped will be completely stopped.

MR. R. F. SHOLL: Oh, they won't stop.

THE PREMIER (Hon. Sir J. Forrest): The hon. member knows a lot about it. What does he care? He is certainly responsible, in a sense, to his constituents, but he is quite irresponsible as regards his remarks. The hon. member talks anyhow. He has no responsibility on his shoulders. He can go home to bed and sleep without anything to trouble his mind to-night.

MR. R. F. SHOLL: I don't think much troubles you either.

THE PREMIER (Hon. Sir J. Forrest): I say these works will either stop altogether or they will languish, if no assistance is given, and it will be publicly proclaimed to the world that a Company which had a subsidy of 12,000 acres of land for every mile of railway it constructed, a railway said to run through the most temperate portions of the colony, connecting two large and important towns, through country blessed with a fair rainfall and a productive soil,—it will be said that a Company which started in Western Australia under all these favorable circumstances had still been unable to carry out its contract; and it will be further said that the Government of the colony would not assist them in the least, thus practically showing that the Government itself had no faith in the country. That is what will be said. We will be associated with failure and with disaster, and the colony will get a very bad name, there is no doubt about that. Those who invested their money in the country will decry us and our country. I suppose the hon. member will agree with that—that those who lost their money here will not be disposed to be very friendly towards us.

MR. R. F. SHOLL: No; not for mixing ourselves up in a swindle.

THE PREMIER (Hon. Sir J. Forrest): Failures may occur, and in any case great losses will occur. Perhaps the hon. member will deny that this would be injurious to the people of the colony. Our territory will not be developed, cheap and rapid means of communication will be wanting, and the existing state of things will be continued indefinitely. On the other hand, if this line is proceeded with and is carried to a successful issue, if the proposals of the Government are approved of by the members of this House, and this work goes on as we have every reason to believe it will, what will be the result? Our territory will be developed, direct communication will be established with our Northern districts, a large amount of foreign capital will be expended in the colony at once, work will be found for hundreds of men, and the colony will not be associated with any failure. The hon. member (Mr. R. F. Sholl) laughs. I certainly cannot laugh myself at the idea of failure, in the present circumstances of the colony. We have put our hands to the plough, we have embarked on public works of great importance, we have a large loan to float, and this House desires to see the country go ahead; and, I think, that anything that is calculated to interfere with the progress and development of the colony is not a laughing matter. At any rate, I am not prepared to laugh at it.

MR. R. F. SHOLL: Nor I.

THE PREMIER (Hon. Sir J. Forrest): There is another matter, and an important one, too,—our revenue will be increased if this work is carried out. Last year we congratulated ourselves upon the good year that we went through, and the increase of our revenue, and some people were not inclined to give much credit to the Government for it; they said it was due to fortuitous circumstances. At any rate, I know we had a great deal of revenue come from this Midland Railway; and, if we had not had this work in full swing last year, I could not have given you that flourishing account of our affairs that I was able to when making my financial statement the other day. There is another consideration: if, this railway is proceeded with, as we may

hope to see it proceed if this money is raised, if things go on prosperously, and we have no disaster or failure, will it not attract people to our shores? The present Government have tried—though I know we have not satisfied some hon. members—but we have tried to encourage people to come here, and to come here of their own accord. We have tried the plan of making the country attractive, and of giving people facilities and encouraging them to come here and settle down. But if it goes abroad that a railway, running through some of the best parts of the colony, has turned out a failure, I think you will find that a report like that will not attract people here; but I believe that if we do get this railway built, people will be inclined to come here and settle on the land alongside of it, and that settlement and prosperity will result, instead of failure or disaster, and losses among our own people. And all this can be accomplished, what for? It must mean an outlay of a tremendous lot of money on the part of the Government to bring about all these desirable results. I think I have already told you that all this can be accomplished and brought about at a risk—only a risk—of £65,366, spread over ten years. By risking £65,000 we may have a railway through a portion of our territory that is second to none of it in climate, soil, and productiveness, a railway for our own benefit, a railway to open up our own resources, and to provide a cheap and easy means of communication for our own people. There is yet another feature of it: it is most desirable, in the interests of the debenture holders in England, that this work should be carried to completion. Some people appear to be very anxious indeed that the interests of the bondholders should be protected—and I am anxious too. I am very anxious that those who have placed their money in the hands of this Company, to be invested in the colony, in developing the resources of the country, should have some return for their money. Look at the position of these people in ten years' time if this railway goes ahead, and compare it with their position now, with this cloud hanging over it. Look, also, at the position of those who may lend this other half-a-million, when this railway is completed and in full working order; with all this

land granted to these people in fee simple, and with the proceeds arising from the sales of their land and the development of their land. Look also at the enhanced value of our own lands, with their frontage to this railway, between here and Geraldton. In fact, whichever way you look at it, we have every encouragement given us to assist this Company, in order to attain such great results at such a comparatively small risk, so far as we are concerned. Why, if I were asking this House for half-a-million of money, I think I should have made out a good case; but, as I have said, all that is asked of us is a guarantee for £65,000, extending over ten years. Some may say—and I dare say it may be so argued from their point of view—that if this line is completed, these people will not be able to work it. But I think that is a most senseless statement to put forward now, because that is a contingency that we always have had. We always knew, when we entered into these two land-grant railways—the one from Beverley to Albany, and this one from Guildford to Walk-away—we always knew that when these lines were built, if the promoters were not able to work them we were bound to do so. We have a right under the contract, in both cases, to do so, in default of the Company working the line, and to fine them £100 a day for every day they cease to work it. Therefore if anyone says that these Midland Railway people will not be able to work this railway when it is finished, my reply is, in the first place, I do not believe it; but, in any case, it is a contingency that has always existed. I do not think there is much in that argument; certainly there is nothing new in it. Now what will be our position if we spend this £65,000 in ten years? Our position will be this: that, in conjunction with the National Bank of Australasia, we will be three-tenths owners of the whole railway,—a railway that will have cost a million of money; and we will have our 800,000 acres of land alongside of it, unless in the meantime it will have been sold, and our indebtedness reduced thereby. I say we shall have a railway that will have cost a million of money, completed, and in working order. No interest to provide on the capital expended, no sinking fund of £50,000 to

provide, no principal to repay, and no other liabilities to meet; all for a risk—only a risk, as I have said—of having to pay £65,000, spread over ten years. I am aware that an amendment, or a counter-resolution, has been placed on the Notice Paper, comprising 22 questions, and members notice that the Government have tried, as far as they could, to reply to those questions, and the replies are in print and before members. Some of these questions, of course, are merely formal; they would have been answered in the natural course by me to-night. A great many of the others relate to matters which I do not think are of any great interest to members. But I have no doubt that the object of asking all these questions, and of moving that no action be taken until they are all answered—the object in view is a very good one, from the point of view of the hon. member who has put this motion forward, and that is delay. That would be the result if the hon. member had it in his power to carry this motion; it would mean delay, and delay in this case would result in injury to the colony and be disastrous to its best interests. You may depend upon it that unless some means such as the Government propose are adopted to assist this undertaking, the difficulties now surrounding it will not be got over. They will not be got over by asking 22 questions like the hon. member for York has asked. Many of these questions refer to things long passed; at all events they do not concern us at the present moment. Some of them refer to what some people were paid in England who sold this concession years ago; others refer to how much the debenture holders paid for their debentures, and so forth. I take it, as I said the other evening, we are not here to look after private interests. If the debenture holders have any grievance against the Company they must fight it out with the Company. If they had a grievance and the interest or the good name of the colony was concerned, one would have expected they would have represented it to the Government; but, as I said before, I have been a member of the Government for many years and I never heard nor saw any complaint from these people in England, who are supposed to have invested in this railway. I believe if they had any complaint they

would have made it, and, it seems to me, if they remain silent, it is not our business. As I have said, I have nothing to do with the past unless it is prominently brought before me by those who have a grievance; and we have heard of no grievance from these debenture holders. Certainly I am not possessed of all the facts; I do not think I know of any facts other than those which are in possession of hon. members, and of course some of these facts I do not much like myself. There is no doubt there were a lot of bolstering up and doubtful transactions; but, perhaps, if they were explained they would not look so bad as they look on reading them off hand. I cannot see that any reference by me to these transactions, as to the way the Company was floated, or as to the interest that certain persons had in it, or as to the profit that certain persons made out of it—transactions which are not known to me or to the Government—will assist the matter. It may be interesting, no doubt, to some, to have an answer to all these questions put forward by the hon. member for York. I have replied to all I can, and I certainly think I have replied to all the important ones. I cannot see, even if all the replies were given, how we would be one iota further forward. The main thing we already know is that 154 miles of this railway are now completed and in working order. No one can deny that. The second thing that concerns us, I take it, is—how to complete the railway. The answer of the Government to that is very plain and very clear. My answer on behalf of the Government is—accept the motion that is now before you. What does it mean? It means that out of the £500,000 to be raised by the Company we shall have £309,000 placed at our disposal to complete the line; it means that we will get rid of a liability of £60,000; it means that the National Bank will get repaid the sum of £78,200 advanced on the Company's account; and it means that £447,200 will come into the colony supplied by people in England with the view of constructing a line of railway through our own territory. I would ask hon. members whether this is a small matter. In days gone by we would have thought a great deal of the prospect of having half-a-million of money spent in this

country; but, now we are going ahead faster, some of us do not probably think so much of it. But I think a great deal of it, for I see the value it would be to the country if this line were completed and this large expenditure of money incurred in developing our resources. I would ask members to assist the Government in these proposals. Taking into consideration everything they know, or can guess of, with reference to the early days of the Company, I ask is this a proposition to be rejected without the very gravest consideration? As for any responsibility we are asking this House to take upon itself now, it is not one-half so great as the responsibility which the Government took upon itself a few months ago, when we guaranteed £60,000 for this Company, knowing as we did that we had to answer to this House for our action. In one sense, it may be said that our responsibility is ten times greater now than it was then, because if this proposition is rejected it will mean disaster in many parts of the colony, if we prevent the completion of this great trunk line, and it will cause an injury which I believe will be far reaching in its consequences to many in this country. The stoppage of this railway must affect the people of the colony, and therefore it must concern the Government. As regards that £60,000 we knew it would only carry on this work over a few months, unless assistance from other sources could be obtained; but the present proposal is not for carrying on the work simply for a few months and build a few miles of railway, but to complete and equip the whole line and to make it a going concern. We have not come before this House unasked with a proposal to assist this Company. A few nights ago a resolution was passed here asking us to submit some proposal, and, if it was a reasonable proposition, the House would carefully consider it. We say here is a reasonable proposition. We have to consider the question from all its standpoints. We must be bold and patriotic. We must not think too much of a few pounds, with such important interests at stake. £65,000 spread over ten years—it is nothing at all. We have to think of the interests of the country, and what that £65,000 will do for us. I do not believe that the

men I see around me here, men who are interested in this great country, and whose destinies are committed to their care, I do not believe they are the men—I am sure they are not—to shirk their responsibility. It may be asked, and no doubt it will be asked—although the information is before members to-night in a letter addressed to the Government by the Company's representative—can the money be found by this Company on the conditions here named? That is the only fear I have got; can they find the money? Well, if they cannot, then my appeal is of no avail. But I am assured—and the letter is now before hon. members—that it can be found; and I see no reason why it should not be. If we can only look to the future and can form an idea of what the position and the resources of this country are likely to be in ten years time, it appears to me that the risk this Government is asked to take in guaranteeing this £65,000 is infinitesimal. When we bear in mind that those who will be asked to find this £500,000 required by the Company will be partakers to the extent of three-tenths in this magnificent property, with all its lands, the proceeds of which can be devoted to the payment of interest, it appears to me that these debenture holders will be running no great risk.

MR. PARKER: How will these second debenture holders share in that land?

THE PREMIER (Hon. Sir J. Forrest): They will get a second mortgage on it.

MR. PARKER: What about the first?

THE PREMIER (Hon. Sir J. Forrest): The first will have to be paid. If the hon. member thinks that this property will not be worth more than a million and a half in ten years time, he has very little faith in the future of the colony. The letter from the Company's representative says that immediately these proposals receive the approval of Parliament the necessary funds will be forthcoming, and that the contractor will be in a position to continue the work. That is at any rate reassuring. One thing is quite certain—and I would like members to notice this—if these people cannot find the money with this joint guarantee of the Government and the National Bank of Australasia, we may be positive they cannot find it without. I would like members to understand—of course I know

they do understand—that we have not to find any of this £500,000, and that we incur no liability at all in respect of it for the next two years. Not one sixpence of it have we to find. People in England will have to find it, and all we have to do is to guarantee the interest for the next ten years, and towards that we make it a condition that the first two years' interest shall be provided by the Company and deposited in the Bank to the credit of this Government, and beyond that we have their original deposit of £10,000 with accrued interest, which will become available at any time, at the option of the Government, for the payment of any interest that we may have to provide. We may not even have to find this £65,000. What with the sales of land and the sales of debentures, I hope and believe we shall not be called upon to repay this money ourselves. I do not know that I need say much more. I have no doubt—in fact, I am sure—that some members have what is vulgarly called a “down” upon this Midland Railway. I don't know why. Perhaps there are reasons, if they could be investigated; but I am not going to investigate them. But I say, after all, if you look at the thing all round,—with the exception of the trouble and anxiety that some members of the community have been put to, I do not know that we really have any great grudge against the present Company. They have built 154 miles of railway, which I was assured by the contractor to-day cost £526,848, including all rolling stock.

MR. PARKER: Including what rolling stock is not paid for?

THE PREMIER (Hon. Sir J. Forrest): I am not sure of that.

MR. PARKER: Then £60,000 belongs to the Government, and £95,000 to the National Bank.

THE PREMIER (Hon. Sir J. Forrest): At any rate, whatever grudge we may have against the Company, it appears that people in England are still prepared, notwithstanding all the troubles and difficulties of the Company, to find another half-a-million of money to finish the railway, and to open up and develop the resources of our colony,—no doubt in their own interests, but still the colony must benefit by it. All that is now wanted, so far as the Government are

aware—and we have acted in this matter in the most open way—all that is now asked, in order to complete this great work, is for this House to approve of the proposal of the Government. We are all agreed, I think, that in these early days of self-government it will not do for us to be associated with failure, if we can help it. It would do us a lot of injury. Our motto is to go forward. We have started very well indeed, better than any of us, I think, expected or anticipated, and, I will speak for myself and my colleagues, we are not afraid of the future. We believe that this country is capable of development. It has advanced; in spite of all the prognostications of the croakers to the contrary, it has advanced. We were told we would be ruined by the line to York, ruined by the Eastern Railway; we were told that steamers would ruin us; we were told that the telegraph would ruin us, and I don't know what not. Still, in spite of all, we have progressed, and we are in a better position to-day than ever.

MR. RICHARDSON: We thrive on ruin.

THE PREMIER (Hon. Sir J. Forrest): We thrive on ruin, as the hon. member says, according to some people. I am one of those who believe that the more cheap and easy means of transit we have the more is the country likely to prosper. Whatever decision is arrived at to-night, I hope this House will give the Government credit at any rate for acting openly and straightforwardly towards it; we have nothing to hide, nothing to keep back. We give you all the information we possess, and, as far as possible, we have tried to place members in the same position that we are in ourselves. We have carefully considered this matter; you may depend upon that. We have tried, in this anxious position that we find ourselves placed in, we have tried to consider the best interests of the country. We have come to a decision upon the matter, we have come to a unanimous decision upon the matter, as to the best course we should follow. Now, it is for this House to say whether the unanimous decision of the Government is to be adopted, or whether it is not to be adopted. As I said, we have given the matter our grave consideration; we have had to look at it all round—except that unfortunate part that is behind, and that

is past and gone; we have tried to look forward, and we have tried to brush away the cobwebs from our eyes as well as we could, and endeavored to restrict our vision, as far as we could, to one view, and that was the interests and prosperity and the advancement of the people of the colony.

MR. DE HAMEL: In rising to speak upon this motion placed before this House by the hon. the Premier, I must say that this House does require the information that the hon. member for York has requested the Government to furnish. I was under the impression that the hon. member would have led the debate, and given the views of members on this side of the House by pressing for that information. But, I intend, before I resume my seat, to move for a reference of this matter to a select committee, so that we may know that we have obtained the whole of the information possible. With these remarks, I shall now proceed to state why I think this House cannot ratify the resolution placed before us by the Government for our consideration to-night. The Government have not given us any real, solid information upon which we could come to any proper decision on this important question. It is impossible for us, I say, to decide on this question and give any proper answer to it, unless we are furnished with the fullest possible information on all matters in connection with this Midland Railway. The Premier has told us to-night that he has given us all the information that he can give us, but he has not given us enough; and, if the Premier is not in a position to give us more information than that which he has given us, then I say that he and the Government were not in a position to advocate the adoption of this scheme placed before us by them, and they cannot expect us to fall in with it, unless we have something more tangible than we have at present to go upon.

THE PREMIER (Hon. Sir J. Forrest): What more do you want?

MR. DE HAMEL: I say that it is necessary for us not only to consider the position that we should take up as regards adopting these new terms, but also to consider our present position with regard to the £60,000 already guaranteed; and it is necessary for us to trace up the

rights and the liabilities of all persons concerned in this undertaking. I will pass over with very few words the first stage in the history of this undertaking, but it must strike every member as strange that although this Company was floated with a nominal capital of £1,200,000, represented by 200,000 shares of £6 each, of which only £1 per share was called up, but actually nothing was paid prior to the incorporation of the Company; yet, in spite of this strange fact (that no money was paid by these shareholders), some £90,000 was expended in starting the construction of this railway, and in connection with those surveys to which the Premier referred. I want to know, we all want to know, and we *should* know, where this £90,000 came from, and who benefited by it, and who were entitled to it, before the Company was incorporated. Then we come to the incorporation of the Company. That took place on the 21st June, 1890—I ask members to note that, because it is a peculiar circumstance. On the 21st June this Company was first registered as a company, and on the 24th June, three days afterwards, a prospectus was issued, and the debenture list was closed on the 27th June. Now up to that time only £10,000, the amount of the guarantee deposited by the Company with this Government, appears to have been paid in respect of any portion of the £200,000 worth of shares. Debentures were subscribed to the extent of £500,000, and we have now to find out how this money was applied. I find that, out of this £500,000, £240,000 was paid to the promoters, £120,000 was handed over to the National Bank to enable them to guarantee the interest to the subscribers for four years, leaving a balance of only £140,000 for the construction of the railway. And, of the £240,000 that was handed over to the promoters, £100,000 was applied in some way in payment of the first call on 100,000 shares, or one-half the number of shares subscribed for. Up to this point we see four deliberate misappropriations of money,—in other words what we may call four deliberate swindles. First, there was the raising of the capital by debentures before the shareholders had, practically, paid one penny piece upon the shares they were supposed to hold; secondly, there was

the misappropriation of £100,000 of the debenture bondholders' money to pay a first call upon shares which they supposed had been paid at the time they advanced that money; thirdly, there was the misappropriation of £120,000 of the debenture bondholders' money to meet the first four years' interest on the money which they themselves had subscribed, arrangements having been made whereby this interest would be guaranteed by the National Bank. I say that alone, on the face of it, shows fraud. The bank of course had everything to gain and nothing to lose by this arrangement. They received the £120,000 in a lump sum, which they had to distribute half-yearly in sums amounting to £15,000, over a period of four years. There was perfect and absolute safety so far as the bank was concerned. In fact, the National Bank at that moment appeared to take the cake, undoubtedly. Then we come to what I call the fourth swindle, and that is the allotment of £240,000 of the bondholders' money to the promoters of this railway. The prospectus never mentioned one word, it never hints at any of these little diversions in any way whatever. That they were considered of a most serious and momentous nature is proved by the telegrams that were received on the subject from the Secretary of State, Lord Knutsford, by the then Government of this colony. As I have said, the subscription list was opened on the 24th June and closed on the 27th, and on the 28th Lord Knutsford telegraphed to the Acting Governor of Western Australia, as follows:—

Midland Railway Company yesterday opened tenders for 6 per cent. debentures. £500,000 only applied for out £1,000,000 offered. £120,000 of this to be set aside for payment of interest on debentures for four years; £240,000 for the purpose of concession, expenses, and promotion; leaving £140,000 for construction, for which £200,000 ordinary share capital is also said to be available. Directors, before proceeding to allotment, require withdrawal of notice of cancellation on 30th June,—[that is the cancellation of the contract, notice of which had been given by this Government]; but, [Lord Knutsford adds] having regard to above appropriation of debenture funds, Colonial Government would incur gravest responsibility to debenture bondholders, and unknown liabilities, by thus becoming parties to scheme. Cannot advise, therefore, withdrawal. Telegraph what are your views.

The reply to that telegram of Lord Knutsford's from the Officer Administering the Government here at the time (Sir Malcolm Fraser), and dated 29th June, was as follows :

Referring to your telegram of 28th June, Colonial Government withdraws cancellation of contract on 30th June. Will adhere to conditions of contract made with Bond, 21st March.

A reply was sent to this the very next day, by Lord Knutsford, in the following terms :

In view of responsibility incurred by Colonial Government, after knowledge of proposed application of debenture funds, I regret to learn that cancellation has been withdrawn. Have you given contractors notice of withdrawal?

The reply of the Acting-Governor on the 8th July to that was—

I have not had communication with contractor, but Keane has been informed cancellation referred to in my telegram of 29th June. Colonial Government does not understand responsibility, except in accordance with agreement 21st March. It is presumed that debenture bondholders understand what arrangements have been made.

Of course the Government here had not the prospectus before them, and did not know what these arrangements were, or whether the bondholders knew or not; but we, looking at it now, see that it was impossible for the bondholders to know the use that was going to be made of their money. The next telegram we get to is one from Lord Knutsford, on the 4th July as follows :—

In my telegram of 28th June I did not mean legal responsibility but moral responsibility. Debenture bondholders not possessing information furnished to you as to appropriation of proceeds, may hereafter complain of your having allowed matter to proceed, and more especially so if Colonial Government should have to intervene under clause 63,—[that is the clause under which the Government can cancel the contract altogether]. It now appears that little more than £100,000 called on ordinary share capital is available for further construction, and that even this is provided out of £240,000 of proceeds of debentures paid as promotion money. Crown Agents are corresponding with Company as to provision of further funds, and result will be advised by telephone.

It will be seen that Lord Knutsford points out clearly that he considers the appropriation of proceeds was wrong,—was, in fact, a misappropriation of this money, and he puts it as plainly as he can to the Government here. The

reply to that, from the Acting Governor, was short and sweet,—

Inform Crown Agents that Midland Railway may proceed at once, on distinct understanding that terms of contract with Bond, 21st March, adhered to.

The reply of Lord Knutsford to that telegram shows the position taken up by the Colonial Office in this matter—a position I would ask this House to-night to take upon itself. In his telegram of the 10th July, addressed to the Acting Governor, he says :—

Referring to your telegram of July 8, I decline on my own part, and on that of Crown Agents, any responsibility in this matter; and as contract gives Colonial Government full power of action, it is for you to communicate such decision as you may arrive at direct to the Midland Railway Company, or its agent in the colony. Refer to article No. 66 of contract. Railway Company state that remaining debentures allotted, but have no information as to detailed particulars or appropriation of proceeds.

That terminated that correspondence, so far as Lord Knutsford is concerned. He distinctly declined to have anything to do with the matter, having regard to the way in which the money raised by the debentures had been misappropriated; and, I contend, that Lord Knutsford regarded the issue of these debentures as nothing more nor less than a swindle on the part of this Company. The next point in connection with the issue of these debentures on which I desire to touch is contained in a letter from Messrs. Payne, Son, and Pollock, the solicitors for the so-called Company, to the solicitors of the Crown Agents, Messrs. Sutton and Osmanney. It is a long letter, but it is only one paragraph I particularly wish to refer to. It was written on the 27th June, the very day that the sharelist closed. It says :

No doubt, as is usual in issues of this description, some of the subscribers have simply come in with a view of re-selling the bonds at a profit, and not as a matter of investment. Our experience—and on this point you will no doubt concur—of such people is that if for any reason there is any weakness in the market price of the security they attempt to withdraw their subscriptions, to the prejudice of the business, and with the result that the more solid investors are sometimes inclined to follow their lead. This inevitable contingency can be provided for by a prompt allotment, and, under the particular circumstances of the present case, it is the opinion of the Directors that every effort should be made to complete the allotment to-morrow evening.

I call particular attention to those words "under the particular circumstances of the present case." Why should there be all this hurry to complete the allotment? What were the particular circumstances of the present case. Messrs. Payne, Son, and Pollock were the Company's solicitors, and knew perfectly well that the shareholders were innocent of the way their money was going to be applied, and that if they got to know it they would withdraw their subscriptions, and that they could not be held liable until the allotment was made. Hence their hurry for completing the allotment. I say that even there, at the very first start of issuing these debentures, we find proof and corroboration of Lord Knutsford's views, that the issue of the debentures was a fraud and a swindle. I am surprised that Directors with names such as appear on this list now, and that solicitors such as Payne, Son & Pollock could be found to lend themselves to what I have no hesitation in designating as neither more nor less than a deliberate swindle. But they did so; we cannot get away from that. But we know this: we here were innocent of it; we in this colony knew nothing of it. The Government of that day knew, but the Government of that day is past and gone. The Acting Administrator is away and clear from us for ever, and there is no one here in the colony at the present time who can be held responsible with these people at home, in any degree, in connection with the working of a swindle such as this. On the 27th February last the Company was entitled absolutely to £600,000 acres of land, and by October last the whole of the moneys supplied by the issue of these debentures appeared to have been expended, and the works then were threatened with cessation. Then we find the National Bank beginning to move in the matter again, they having an interest at stake. They take, apparently, greater interest in this matter than we do, or than the Government does.

THE PREMIER (Hon. Sir J. Forrest): No, no!

MR. DE HAMEL: Well, we will see. They came forward again, and the result was that our Government gave a guarantee to the Bank for £60,000. Now the ostensible object of that Government guarantee was, undoubtedly, to find em-

ployment for the men who, we were told, would otherwise have been thrown out of work; and, if that £60,000 had been employed simply and solely in the way we, or many of us, thought and expected it would be employed, the result would have been the completion of another 30 miles of this railway, or the forming and laying of 30 miles of permanent way at least. Instead of that, we find from the printed returns placed before us showing the work done, that of the first £40,000 or so, expended out of this money, in October, November, and December last, one mile of railway was cleared and formed; the permanent way was laid over 14 miles; some drains were cut, little trifling drains on either side of the line, for a distance of 11 miles; 34 miles of fencing was put up, and 38 miles of the line was ballasted. No new work, practically, was done. The work done was simply to keep the concession alive, and also to enable the Company to obtain 300,000 more acres of land. The guarantee, however, was given, and that guarantee will have to be paid; and I hope the decision of this House will be to stand by that £60,000 guarantee, and to go no further. The security for that £60,000 is this: the Government may transfer to themselves the sum of £13,000 (being the amount of the Company's deposit, with accrued interest), and they may take £90,000 worth of bonds that are practically worthless, and they may take 200,000 acres of the Company's lands. Now, it does seem to me that if the Government take up these 200,000 acres of land and sell it cheap, say at 5s. an acre, or something like that, they might realise £50,000 towards this guarantee, and, by forfeiting the Company's deposit, they could make up the balance, and the colony may be recouped that money which was improperly lent to this Company, without the colony incurring any particular loss. At the same time there is no question that the security obtained for that £60,000 was practically valueless to us, because although they agreed to give us 200,000 acres of land, we, by giving them this guarantee, enabled them to complete 50 miles of railway which they could not have otherwise completed, and in this way they became entitled to 300,000 acres of land from the Government. So

that, after all said and done, the Company cleared 100,000 acres by the transaction; and if we had not given that guarantee the Company would have smashed up before now, and we would have been entitled to their deposit money. Therefore I say this security was practically worthless, though, as I have said, we may be able to recoup ourselves in the way I have indicated. But the net result of that £60,000 was to enable the Company to claim another 300,000 acres.

THE PREMIER (Hon. Sir J. Forrest): Fifty miles could not be constructed for £60,000.

MR. DE HAMEL: No, but the expenditure of this £60,000 enabled them to complete a section of 50 miles, so that they could claim another 300,000 acres. But in that guarantee we were only asked to give a guarantee to the Bank, and we have clean hands in that matter, and my desire is that we should keep them clean. But it seems to me that the Government in pressing upon us the adoption of this new scheme, seek to lead us into a course which will involve us in the very procedure which has been condemned so much by Lord Knutsford in that telegram. I quite admit that these proposals of the Government are more plausible than the £60,000 scheme, but I say that they are emphatically more dangerous, because, although the existing guarantee is to the Bank only, this new guarantee is a joint guarantee by the Government on behalf of this colony with the Bank to the English investors. That is the difference. We become partners with the National Bank in three-tenths of the railway, in connection with this guarantee.

MR. RICHARDSON: Do you think the Bank is a "bad mark," then?

MR. DE HAMEL: I think that no Government has any business to go into a private concern, and enter as it were into partnership to run a private venture,—for really that is what it comes to. I have pointed out that Lord Knutsford distinctly objected to the payment of that £120,000 of the bondholders' money to the National Bank, at the first going off of this concern, to pay the interest to the bondholders; but I find that the same principle is proposed to be adopted again in the present instance, and two years' interest out of the £500,000 now proposed to be raised is to be lodged with

the Bank, out of the debenture bondholders' own money. That was a thing that Lord Knutsford condemned in the previous instance, but we are now asked by the Government to-day to become a party to a similar arrangement, and I trust this House will abstain from committing itself to a thing which is not considered fair and square dealing on the London money market. I can only see one object to be attained by giving this two years' guarantee, or by paying this money of the subscribers into the bank to provide interest for them for two years, and that object is to keep all things quiet for that time so that in the meantime the Company may complete their railway and—what then? To claim nearly 3,000,000 acres of land more than they own at the present time.

THE PREMIER (Hon. Sir J. Forrest): How would that be?

MR. DE HAMEL: The total number of acres due to the Company, irrespective of any compensation moneys, will be 3,550,000 acres when the line is completed, whereas they are at present only entitled to 900,000 acres; therefore they will become entitled to 3,000,000 more acres, roughly.

THE PREMIER (Hon. Sir J. Forrest): Very roughly; 2,000,000 would be nearer the mark.

MR. DE HAMEL: When they get all this land, have we any guarantee that they will run this railway at all? I think we have absolutely none. The Premier has said that we had known this all along. In looking up the *Hansard* Parliamentary Debates of some years ago, I find that on the 16th September, 1885, the following remarks were made by the present hon. the Speaker, referring to these land-grant railways:—

Again, how were we going to insure these railways being worked, if they were constructed and the contractors got their land? We had some experience this year as to what our own railways cost us to work, even when constructed between the centres of population. We were told that on our main trunk line we were losing upward of £40,000 a year on a railway that was not 90 miles in length. What then would be the loss on a railway of three or four times that length, running through a thinly-populated country? If these railways were going to cost these syndicates as much as our railways cost us to maintain and to work them—and he was not going to cast a reflection upon our Railway Department by

hinting that our own lines were not maintained and worked on the most economical scale possible consistent with efficiency and safety—if our main line cost us over £40,000 a year, dead loss, what would be the result in the case of these other railways, which passed through a country that was not yet populated? He ventured to say that if these lines were made at all, they would, in a very few years, be run at such a loss that they would be abandoned by the syndicates; and, if they did not pay the syndicates to work them, neither would it pay us to work them.

That was said in that House seven years ago.

THE COMMISSIONER OF CROWN LANDS (Hon. W. E. Marmion): Was that said in reference to this Midland Railway?

MR. DE HAMEL: Not to that alone; it also referred to the Beverley-Albany line. The same hon. member said: "Another of the very great disadvantages of these land-grant railways was that such an immense quantity of land available for settlement had to be locked up for so many years, pending the completion of the contracts." Those very words have now become true in reference to this Midland Railway. And, as the hon. member whose words I have quoted said, "if it did not pay the syndicates to work these railways, neither would it pay us to work them."

THE PREMIER (Hon. Sir J. Forrest): That was said in reference to the Great Southern Railway; has it become true with regard to that line?

MR. DE HAMEL: It was said with reference to land-grant railways generally. We have it before us now that unless we guarantee this money to the Company they will not go on with this railway, but, if we do guarantee it, they will build a line that will have cost (to complete it) some £200,000 or £300,000; and when they have done so and got their land, they may refuse to work it and throw the whole cost of working it upon us, in addition to our share of this guarantee of £10,000 a year to the debenture bondholders for the next ten years. I say that everything tends to show that we should do wisest to keep to our present liability, the extent of which we know, rather than venture on the new liability now put before us with all its far-reaching consequences, which as yet we know nothing about. The Company have everything to gain and nothing to lose; and, as regards the bank, it is perfectly marvellous to see

how they manage to get out of it. At present they have a doubtful security for £95,000, and if we join with them in this other guarantee they say they will give up this security, if they are repaid the amount they have advanced to the Company. What member in this House cares one jot about the bank giving up this security? It is nothing to us, and it seems to me that the bank are the only ones (except the promoters) who are going to benefit by our giving this guarantee. I also ask the House to consider whether we have had any encouragement at any time to trust—not these unfortunate bondholders, of whom we shall hear more in a few years time, but such men as those who lent themselves to fraud in connection with the issue of the first debentures. I ask, have they fulfilled the terms of the contract on which this railway was let? The very first and foremost provision of that contract recites: "Whereas the Government is desirous of promoting the immigration of Europeans into the colony, it is hereby agreed," and so on. Really the whole gist of this land-grant railway system appears to have been a desire on the part of the Government to introduce settlers into the colony. Yet I think I am safe in saying that this particular Company has not introduced a single permanent settler into this colony since the Midland Railway was first started.

THE PREMIER (Hon. Sir J. Forrest): We have not asked them to.

MR. DE HAMEL: He says we have not asked them to. It is absolutely unnecessary that we should do so when it was a condition of their contract.

THE PREMIER (Hon. Sir J. Forrest): We waived it.

MR. PARKER: Who waived it?

THE PREMIER (Hon. Sir J. Forrest): The Government.

MR. DE HAMEL: Have the Government any right, after a contract is made with the sanction of this House, to waive the terms of that contract without the sanction of the House? I believe there is nothing in the records of *Hansard* to show that this House ever approved of the waiving of this condition as regards the introduction of immigrants.

THE PREMIER (Hon. Sir J. Forrest): It was not this present Government, but the former Government. The papers are on the table.

MR. DE HAMEL: Then we find that the contractor covenanted to sell the land granted by the Government to the Company, at a minimum rate of 500,000 acres for the first year, and guarantees to sell 400,000 acres at a minimum of 10s. an acre. Yet, up to the present time, I believe, not one single acre of this land has been sold, in accordance with that undertaking.

THE PREMIER (Hon. Sir J. Forrest): Nor granted from the Crown.

MR. DE HAMEL: It seems to me that the right way and the proper way to deal with this question is this: simply to tell the Company to finish their contract. I believe, myself, if we put on a bold front and say to the Company "Finish your contract; that's all you've got to do," that they will do so. I say this on the authority of the Premier himself, who, when speaking on this very subject, only a month or two ago, stated (as near as I can remember his words), when speaking of this railway, "Is it reasonable that the Company are going to lose the half-a-million of money they have spent on this line; what would we think of people who, after spending half-a-million upon a work of this kind, then abandoned it; in my opinion the forfeiture of the half-a-million they have expended is a long way off." Those are, as near as possible, the words used by the Premier himself some two months or so ago in this very House. I followed them very carefully, because I knew that he of all men must be behind the scenes, and knew everything that was going on. I regarded him as a responsible Minister of the Government and as a statesman, giving his views as a statesman to this House, and I thought his words were entitled to the very greatest weight being attached to them. When we find him now coming before us and telling us he believes this Company will break up unless we give this guarantee, then I say that the words he used in this House two months ago were mere idle words, mere vapouring; not the weighty words of a statesman at all, but the words of one who was temporising with the House, without reference to what was going to happen in the near future. I say that the course which is now open to us is very plain and very simple, and that is to say to this Company, "Finish your contract and work

your railway." If they refuse to finish their contract and to complete this line, then we have everything laid down and clear before us in the contract itself. The contract tells us plainly enough what we can do. By clause 39 we have power to compel them to open and work the line, as each section is finished, and, if they refused to do so, we can work it ourselves; and, by clause 58, if they fail to do all that is required of them under clause 39, the Government may work the line and call upon the contractor to pay every farthing expended by us in maintaining and repairing the line, and all the rolling stock, and everything connected with the working of the railway; and the contractor is subject to a daily fine of £100, so long as the Government shall continue in possession of the line. That would be the result, if we gave them notice to finish their contract, and to work the line. And I say, having regard to the fact that this Company can claim nearly 3,000,000 acres of land by completing their contract, they will raise the money to do so, if we give them this notice. I will go further: I say that the Directors of this Company dare not, absolutely dare not, let it collapse. If we do not give them this guarantee, they will be sure to find the money somewhere. They dare not go before the bondholders and say, "We have been parties to a swindle; we induced you to part with your money upon false representations; we only spent £140,000 out of your £500,000 on the work of construction, the rest we pocketed ourselves or paid into the Bank to meet the interest due to you upon your debentures, without letting you know a word about it." I say these Directors dare no more let this railway collapse than they dare fly to the moon. They are bound to strain every nerve to complete the line, for they know that if there is an exposure, and they forfeit the work, the debenture bondholders will, as sure as faith, have some of these worthy Directors spend a certain time in prison. I say, therefore, that our proper course, and our straight course, is to tell the Company to finish their contract, and that we will then deal with them, or, if they fail to do so, we know what to do. If we adopt any other course, it is absolutely necessary we should have the fullest information with reference to all these

earlier transactions of which we have been able to gather some particulars from the telegrams I have read and the papers laid before us. We must have the fullest possible information before we, as sensible men, can possibly attempt to decide on a matter of so much importance as this. Let members bear in mind that this is a most serious and important matter, the most important in my opinion that has come before us during the whole session, and let them see that they do not commit the country to a course of action the end of which it is impossible for the Government or for anyone here to foresee. It seems to me also that the only men that we need trouble ourselves to deal with at all in this matter, the only men who have the actual control of the whole thing, are the very men we are not asked to deal with at all, and those are the debenture bondholders, whose money has gone to bolster up this concern so far. These first debenture holders have a mortgage over 2,400,000 acres of the Company's concession, and, being in that position, they can foreclose upon that land the very moment the Company cease to work the line. We could then, if necessary, deal with these bondholders, and treat them fairly and squarely, knowing that they had been induced to advance their money by fraud and wantonness, and that they were led to believe among other things that £200,000 had been actually paid in shares, whereas we now know that £90,000 was actually merely given in the form of £1 paid-up shares to the contractor, and the other £100,000 was actually taken out of the money subscribed by the debenture bondholders themselves. How it was done is a perfect mystery, but we have it as a fact. We have it that £90,000 worth of shares were handed to the contractor, and some thousands more to the directors, and that, as regards the remaining £100,000 shares, Herbert William Bond apparently stands as the only other shareholder.

THE PREMIER (Hon. Sir J. Forrest): You don't know that.

MR. DE HAMEL: All I take it is that £100,000 was paid as promotion money, and whom was it paid to? These are the things we want to ascertain. If we had good men, substantial men, in

this Company, the matter would be simple enough; we could call upon them to complete the line. But, if they are men of straw, and we give them this guarantee, we shall have this concession hawked about in the London market as in the past. Why should we have this Midland Railway business, with its frauds and swindles, cast up again, and the name of Western Australia be made to stink almost in financial circles, and the credit of the colony injured?

THE COMMISSIONER OF CROWN LANDS (Hon. W. E. Marmion): Would it not stink more if we allowed this work to collapse?

MR. DE HAMEL: Undoubtedly not.

THE COMMISSIONER OF CROWN LANDS (Hon. W. E. Marmion): How is that?

MR. DE HAMEL: I will tell the hon. member. I will answer him in the words of the Crown Agents, in a letter forwarded to the Government of the day here. It is a letter addressed to the Colonial Office, and is among the correspondence laid on the table. It was written after this Government refused to be guided by Lord Knutsford's advice, in the telegrams I have already read. The 13th paragraph of this letter effectually answers the hon. member's question:—"The construction of the Midland Railway," the Crown Agents say, "will probably be now proceeded with, and the line may eventually be completed, but it is a question whether the credit of the colony in this country would not have been strengthened, and its Government placed in a position for dealing hereafter with the construction of this important line on a much less hazardous and more economical basis, if Lord Knutsford's advice had been followed, and advantage had been taken of the opportunities of putting, once and for all, an end to the existing concession." These words have the same force and the same effect at the present day as they had then. They completely meet the Commissioner of Crown Lands' objection that to allow this Company to collapse would damage us in the eyes of the financial world at home. I say it would not do anything of the kind. On the other hand, if we adopt the only proper course open to us, and tell the Company they must finish their line, the Directors will be bound to raise the money, and

they will finish it rather than run the risk of a prosecution at the instance of the first debenture bondholders. One final word before I resume my seat. This is a question which has cropped up since we were returned as members to this House, and I say there is not a member here who has a right to give a vote in favor of pledging the country to this scheme at all, without first going back to his constituents. I contend we are bound to do that. The Government have no right to press this matter, and members have no right to vote upon it, without going back and asking their constituents what they wish to be done in the matter, and whether they agree to our incurring this liability.

THE PREMIER (Hon. Sir J. Forrest): We voted over a million of money without going back to our constituents.

MR. DE HAMEL: That was under entirely different circumstances. It was known to the country beforehand that the Government were going in for a loan. The Premier told his constituents so at Bunbury when he announced his policy, and the whole country knew all about it. But not a word has been said about this Midland Railway scheme, and I ask members to pause before they venture to commit their constituents to a line of action which, I believe, 99 out of every 100 men in this colony, if appealed to, would entirely disapprove.—[**SEVERAL MEMBERS**: No, no.]—Some hon. members say "no." Very well. Then I say all the more reason why we should be sent back to our constituents, and get their approval before we can commit them to this course of action. I beg to move "That the resolution be referred to a Select Committee, with power to call for persons and papers."

MR. PARKER: I hope that in the course of the few remarks I shall make on this question, this evening, I shall adopt the suggestion of (I think) the Premier the other evening, and bear in mind that although we are protected by Parliamentary privilege—that is, although we, as members of this House, are at liberty to say anything we please in our places here without fear of prosecution—I hope, I say, I shall be so guarded in my language that I shall say nothing in this House on this occasion that I should not be able and

prepared to say outside this House. It seems to me that this Midland Railway Company has been an unfortunate speculation for this colony ever since its inception. We know that the work started with a great flourish of trumpets, but we also know that its construction was commenced virtually without any funds whatever. We all remember that wonderful survey of the whole line, when Mr. Price Williams drove over the country to be traversed in the course of a week. Most of us also remember that brilliant gathering at that luncheon at the Midland Junction when the first sod was turned by the Governor of the colony. I had not the pleasure myself of being present on that occasion, but of course I heard a great deal about it. We also know that shortly after the work was commenced by the contractor, and when he had expended certain moneys, and incurred considerable liabilities, the original syndicate or company completely came to grief. The fact of the matter was the work was commenced without any funds to carry it on, beyond some £15,000, of which £10,000 had to be deposited with the Government as a guarantee of good faith. We also know that after the thing collapsed strenuous efforts were made to start a new company to take over the original syndicate's liabilities and their concession. We remember, some of us, the state of tension this colony was in for a long period; and some of us also know the disaster which it caused to some persons in this colony. Towards the end of 1889, the Legislature of the day passed a resolution, which was moved by the hon. member for the Swan (Mr. Loton) to the effect that in the event of the contractor failing to complete and open for public traffic 100 miles at least of the railway by the 27th February, 1890, the Government should rescind the contract and that the guarantee deposit of £10,000 should be absolutely forfeited. That resolution was carried by the old Legislative Council unanimously (for there was no division on the subject), and it was presented in due course to His Excellency the then Governor, Sir Frederick Broome. We also find that, shortly afterwards, Governor Broome proceeded to England, and, apparently, acting on his own responsibility, he extended the time for the completion of this 100 miles of railway,

from the 27th February to the 30th June, by an agreement he made with the Company.

THE PREMIER (Hon. Sir J. Forrest): With the approval of the Government here.

MR. PARKER: With the approval of the Government here, I understand; that is, with the approval of the acting Governor for the time being and his Executive Council, this time was extended to the 30th June, 1890. Then the Company made every effort to raise the money to carry on the work, and we have heard that they issued a prospectus, which has been referred to by the hon. member for Albany. It is a matter of great regret, I think, that the Administrator for the time being and his Executive Council did not then act on the advice given them by the Colonial Office and the Crown Agents. Lord Knutsford, it appears, advised them in the strongest terms not to have anything further to do with the Midland Railway Company. He told them that although they were not legally bound they were morally bound to look after the interests of the debenture holders, whose money was being devoted to purposes foreign to the purposes for which the prospectus had led them to believe the money had been raised. It appears from the prospectus that the £500,000 was to be raised for the construction of the railway, but the Crown Agents discovered that, out of the whole of that half-a-million which was raised, only some £140,000 would be available for the work of construction, that the rest had been swallowed up in promotion money, and in the payment of interest on the debentures when it became due. In these circumstances, the Secretary of State for the Colonies, Lord Knutsford, in the strongest terms possible advised the then Executive not to withdraw their notice of cancellation of the contract, but to take advantage of the forfeiture clause and put an end to it. I say that the then Administrator and his Executive have a great deal to answer for. Had they taken that advice, that most proper advice, this Midland Railway Company would have been at an end, and the present Premier and his colleagues would have been in a position, when they framed their public works policy, to have put forward this railway

as one of those which it was desirable, in the interests of the colony, to undertake. No one, I think, at the present time, can but say that it would have been much better for this colony if this Company had collapsed then and there, their contract forfeited, and this work proceeded with as a Government Railway, as one of the items in the public works policy of the Ministry. Unfortunately this was not done. Lord Knutsford's advice was disregarded, and this railway went on again for some time; but, in consequence of the misappropriation of the funds raised, and before 150 miles were constructed and opened for traffic, the Company was again in difficulties, and unable to find the necessary funds to proceed with the work. And, although with the assistance of the £60,000 guaranteed by the Government, 154 miles are now open for traffic, still the necessary rolling stock is not there, so that actually at the present moment the Company are in default. These despatches and telegrams from the Crown Agents and Lord Knutsford remained in the custody of the Government, and I presume the present Government had full opportunity of perusing them. Yet, notwithstanding the facts disclosed by these papers, we find this Government, in November last, only some six weeks before the meeting of Parliament, taking upon themselves the responsibility of guaranteeing an advance of £60,000 to this Company. It always struck me that the only thing that would warrant the Government in the action they took on that occasion would have been that they were satisfied that this guarantee would insure the line being carried out to a completion. If such had been the result of that guarantee, no one, I think, would have blamed the action of the Government. But when we bear in mind that these despatches and telegrams were in possession of the Government, and that they had every opportunity of considering them, and when they had no guarantee that the work would be prosecuted to a finish, I cannot but think that the Government acted most rashly in having anything whatever to do with this Company. We know you cannot touch pitch without being defiled, and I think if the members of the Government had looked closely into those despatches and

sought to obtain all information possible with regard to this Company, they would never have deemed it right and proper to have in any way identified the colony with the finances of the Midland Railway Company. What do we now find with regard to that £60,000? We find that the Government actually guaranteed the payment of this money to the contractor, for work to be done in accordance with the rates agreed upon between the contractor and the Company, and that they never even took the trouble to ascertain what those rates were. Not only did they not trouble themselves to look up these despatches and telegrams, but they actually never concerned themselves as to what the contract rates between the Company and the contractor were. They never had the contract before them to see whether the rates were fair and reasonable rates, but guaranteed the payment of the money without actually knowing at what rate the work performed was to be valued at. We find this to have been the case from the paper laid on the table by the Premier this evening, purporting to be a reply to certain questions of which I had given notice. One of those questions was to ask the Government for a copy of the contract between Mr. Keane and the Company, and the answer was—"The Government have not a copy." So that we find them advancing this £60,000, not only without troubling themselves to look up the despatches in their possession, or obtaining any information as to the position of the Company, but actually without taking the trouble to obtain a copy of the contract, to see at what rates the work to be paid for was to be charged. If anyone will look at another return laid on the table, some days ago, showing the expenditure on these works during the months this £60,000 was being paid to the contractor, it will be seen what exorbitant rates are payable to the contractor under his contract with the Company.

THE PREMIER (Hon. Sir J. Forrest): Question.

MR. PARKER: The hon. gentleman questions it. Take the item of fencing, for instance.

THE PREMIER (Hon. Sir J. Forrest): If you take one item, take the lot.

MR. PARKER: I will take the item of fencing, for which I find the rate is

£137 per mile. Who ever heard of such an exorbitant price as that for fencing a line of railway?

MR. RICHARDSON: Is not that for the double fencing—the fencing on both sides of the line?

MR. PARKER: I do not know whether it is or not. In any case it is a most exorbitant price, and the rates all through are most exorbitant. Yet the Government, without any inquiry, apparently jumped at this proposal to guarantee the Company the payment of £60,000 for work to be done at rates which they knew nothing about. That, I think, is where they are so much to blame in this matter. I repeat that, all through, this has been a most unfortunate undertaking, from beginning to end. It may be said, why look into the past, what we have to look to now is what is best in the interests of the colony. Well, I cannot but think that in considering what is best in the interests of the colony, we are bound to consider how this Company that we are asked to assist has acted in the past, and how they have expended the moneys which they have already had at their disposal. It is obvious that they are men of great ingenuity who were concerned in the promotion of this Company, and, unless we are very wide awake, we may find that their ingenuity may involve us in considerable loss. Therefore I deem it is most advisable for us, before we go one step further in this matter, to make sure of our ground. Do not let us be what is vulgarly called "dropped" again. We know what happened with the first £500,000 raised by this Company. We know that half-a-million only lasted a few months. We know that the promoters and the directors absorbed some hundreds of thousands of it, and that not much more than a quarter of it was applied to the construction of the line, with the result that the Government having assisted them to the extent of £60,000, are now asked to assist them again. Let us make sure of our ground before we take another step; and I do not see how we are to make sure of our ground unless we have the fullest information as to the past actions of the men we are now dealing with, and also their present financial position, so far as this Company is concerned. We

have been told by the Premier, and it also appears in the resolution before us, that a portion of the security offered by the Company for the Government guarantee they now seek is £300,000 first mortgage debentures. From that, I gather that £700,000 of these debentures (the original issue being a million) have already been disposed of. It is not distinctly so stated, and the Government apparently do not know whether they have been disposed of, or how they have been disposed of. My reason for saying that is this: the Government, in answer to my question as to the total number and value of the debentures allotted and the debenture money received by the Company, say it is not known to the Government. We know from the deed of trust laid on the table, as between the Company and the trustees acting on behalf of the debenture holders, that there was authority to issue £1,000,000 debentures, and, if the Company have issued more than £700,000, it is obvious that the Government cannot have £300,000 of these first mortgage debentures, as part security for this guarantee.

THE PREMIER (Hon. Sir J. Forrest): It is there offered to us; it would be absurd to offer it unless they have it.

MR. PARKER: It is also obvious that the Government themselves have no information on the subject. They tell us so. They say they do not know the number and value of the debentures already allotted. I presume they have applied to the Company for this information, and if the Company are not in a position to give that information, how are they in a position to say that they will give us this £300,000 first mortgage debentures? By the trust deed I have referred to, the Company agreed to assign to certain trustees, on behalf of the debenture bondholders, in respect of the first issue of £1,000,000, 2,400,000 acres of the land the Company would become entitled to in payment for constructing this railway. They also assigned to these trustees, as a further security, the whole of the railway and the plant. Consequently, if the Government take this £300,000, the balance of the first issue of £1,000,000, they will not, as the Premier imagines, become possessed of a $\frac{3}{10}$ ths interest in the completed railway, nor $\frac{3}{10}$ ths interest in the Company's land.

THE PREMIER (Hon. Sir J. Forrest): Why not?

MR. PARKER: I will endeavor to explain. By virtue of the trust deed, if any debentures are not paid, or if the interest is not paid, the trustees may step in and sell the whole of these lands to repay the debenture holders.

THE PREMIER (Hon. Sir J. Forrest): They have only security over 2,400,000 acres. There will be 1,000,000 more when the line is completed.

MR. PARKER: Yes, but the Government may not get a single acre. The trustees may sell the whole of this railway and everything relating to it.

THE PREMIER (Hon. Sir J. Forrest): For our benefit?

MR. PARKER: Not for our benefit alone. The amount realised will be proportionately applied to repay the debenture holders, and the interest due to them. Therefore the hon. gentleman is entirely wrong in thinking that the Government will have a complete three-tenths interest themselves. The trustees, acting for all the debenture holders, will have the right to sell the whole thing, railway, lands, and all; and the Government will not have a right to step in themselves and sell it.

THE PREMIER (Hon. Sir J. Forrest): We never said we would.

MR. PARKER: The hon. gentleman says the Government are to have 800,000 acres of land as security from the Company.

THE PREMIER (Hon. Sir J. Forrest): That is their offer, and I believe they will be able to carry it out.

MR. PARKER: The Government will simply share with the other debenture holders. They will not be in a position to take three-tenths of the land, nor of the railway, to themselves. The trustees will see to that. The Government, no doubt, will get three-tenths of the net proceeds, whatever that may be.

THE PREMIER (Hon. Sir J. Forrest): That will be enough for us for our share of this guarantee.

MR. PARKER: I am not arguing whether it is a bad or a good security—that is not my point; but that the Government are laboring under an erroneous impression in supposing they are going to have three-tenths of the whole of the railway and of the lands belonging to it.

That is quite contrary to the provisions of the trust deed. I may also point out this: the Premier told us that the whole risk the colony will undertake in giving this guarantee will not be more than £65,000, extending over a period of ten years.

THE PREMIER (Hon. Sir J. Forrest): So it is.

MR. PARKER: I understand we are to be jointly and severally liable with the National Bank for eight years' interest, at 4 per cent., on £500,000. That comes to £160,000. Deducting the £14,500—the amount of the £10,000 deposit, with accrued interest—we have £145,000, for which the Government will be jointly and severally liable with the bank. Therefore, the risk is not £65,000, but £145,000. Whenever any person becomes bound jointly with another person, he always runs the risk of having himself to meet the whole of the liability incurred. If anyone embarking in business enters into a joint guarantee with another party, and thinks he will be only liable for half the amount of the guarantee, he will find himself very much mistaken. And when this Government enters into a joint guarantee with the National Bank in this matter—I am not saying one word or hinting at any unsoundness on the part of that institution—but when we enter into this joint guarantee, we must run the risk of the whole of this liability, which, as I have said, is £145,000. So long as we hold ourselves jointly liable, we are liable for the whole, and our risk is for the whole.

THE PREMIER (Hon. Sir J. Forrest): I have not said that.

MR. PARKER: The hon. gentleman, apparently, does not understand the meaning of his own language. I will read it to him: "That in consideration of the security offered by the Midland Railway Company, to be shared jointly by the Government and the National Bank"—

THE PREMIER (Hon. Sir J. Forrest): It does not say "severally."

MR. PARKER: I may inform the hon. gentleman again that when anyone enters jointly into a risk with another person, his risk is for the whole of the liability, and not for a part. Therefore, in this case, the Government are risking, not £65,000, but £145,000. My

idea with regard to this matter is this: I fully concur in the remark that it is absolutely necessary this line should be completed; but what we have to consider now is not the desirability of completing this railway, but whether we should assist this Company to complete it. There are other ways of doing it. The Government might allow this Company to collapse, and finish the railway themselves. It may be said that the Company will not collapse for some time, but that they will struggle on. I do not think, myself, unless the Government give this guarantee that the present Company will last long. If those particularly interested are not prepared to disgorge some of those ill-gotten earnings they have put into their pockets, so as to complete this line, I do not think we shall have to wait long before the whole thing collapses. I do not think you will find the contractor going on with the work, and the Government will have no difficulty in putting an end to the contract and taking possession of the railway.

THE PREMIER (Hon. Sir J. Forrest): Not so long as they work it.

MR. PARKER: I don't think they will work it very long.

THE PREMIER (Hon. Sir J. Forrest): They might.

MR. PARKER: Not unless they are prepared to disgorge a portion of the debenture holders' money which they put in their pockets.

THE PREMIER (Hon. Sir J. Forrest): The debenture holders may wish to hold on.

MR. PARKER: I do not think the debenture holders would be inclined to hold on. Moreover, their interest is provided for them until 1894, and they could not step in until the interest ceases to be paid. I believe there are only 450 or 500 of them altogether, and I do not think they are men of very large means; probably, they were simply tempted to go into this affair by the high rate of interest offered, and can ill afford to incur any further liability. I do not suppose they are likely to be in a position to stake what capital they have in working this railway. As I have said, the interest on these debentures was, from the first, provided for at the Bank, out of these people's own money, for four years, and

that term expires in 1894; and, as soon as that interest ceases to be paid, we shall find that, if the Company has not collapsed before that time, it will certainly collapse then. Therefore, unless the Government assists them, or unless that other contingency I have referred to arises—I am afraid it is a somewhat remote contingency—and these people disgorge some of their ill-gotten gains to carry on the work, I do not think we shall have to wait long before the Government could obtain possession of this railway, and carry it on themselves. If the Company collapses, we shall find the trustees stepping in and selling these lands for what they will fetch, and selling the railway—if it is still in their possession; and, if the Government only wait until then, they may in all probability get this railway for a mere song.

THE PREMIER (Hon. Sir J. Forrest): A splendid prospect!

MR. PARKER: I am putting forward what is likely to occur, if the Government refrain from assisting this Company. But I am under the impression, from what I have seen and the correspondence that has taken place, that we shall not have to wait until 1894 for this undertaking to collapse. I believe the whole thing will collapse, and that the line will be thrown on the hands of the Government to work it, within a month, if we decide not to have anything to do with it. What position will we be in then? We shall be in this position: for the work that has been done—that is, 154 miles—the Company are entitled to 924,000 acres of land, which I should say ought to be assigned for the benefit of the debenture holders; whereas if the line is completed its full length of 278 miles, we shall have to part with 3,336,000 acres, so that we should save the difference between 3,336,000 acres and 924,000 acres, by not assisting the Company to complete this work. If we do not give them this assistance they will lose 2,412,000 acres of land, which we should gain. This land, if sold even at 2s. 6d. an acre, would realise over £300,000, which would be about sufficient to complete the line. Is it not better, bearing in mind what we now know about the antecedents of this Company, how it was established, and how the money raised was appropriated,—is it not better for us

at once to say, "We will have nothing further to do with you; we will not assist you in raising any more debentures, upon apparently no security whatever; we will not take upon ourselves any moral responsibility in inveigling people to invest their money in your company; we will have nothing to do with you; you may carry out your contract, if you can; if not, we will take it over and complete it ourselves." It may be said that the Government would find some difficulty in finding the money themselves to complete this work. It may be said that we could not raise the £300,000 necessary to complete it. I do not know whether the Premier thinks so. I know that when we had the Mullewa Railway before us the other day, the Government made very light of spending some £60,000 or £70,000 extra upon that work, and said there would be no difficulty in raising the money when it was required. In the same way I think it would be better for us to raise this £300,000 ourselves. No doubt with the credit of the colony what it is at present we would be able to raise £300,000 to complete this railway as a Government line. I should like to know what security these people who are expected to lend this £500,000 to the Midland Company are going to have for their money. Possibly, with the ingenuity and fertility of resource shown by the Directors in the past they may be able to induce some people to let them have this other half-a-million; but, as for the security, I fail to see where it is to come from. We are told that the £300,000 remaining unallotted from the first issue of debentures are to be assigned to the Government; therefore the security for the first £1,000,000 debentures will be entirely gone, and the only security these new people will have for the repayment of their £500,000 will be a second mortgage on this railway. We know full well that a second mortgage will be absolutely valueless, when the first mortgage of £1,000,000 which is a first charge on this railway, has been paid off. It is all very well for the Premier to ask what will be the position of the colony and the position of this railway in ten years' time, and to say that by that time it will be very easy for the Company to repay this money and to provide the interest when the time for doing so

arrives. Before that time does arrive the trustees will probably have sold the whole of the railway. Does anyone suppose, bearing in mind the present circumstances of this Company, at their wits' end for money to build another mile,—does anyone suppose that if they do manage to complete it, they will work it afterwards? No; this colony will have to work it. And how will the Company pay the interest then?

THE PREMIER (Hon. Sir J. Forrest): By selling their land.

MR. PARKER: He says "by selling their land." We know that 2,400,000 acres of it will go to the trustees, and what will be the value of the other million acres? We know that under the most favorable circumstances the sale of a large quantity of land is a very slow process. In fact, it is absurd on the face of it. The whole thing will collapse before the ten years are up, and these new men will absolutely get nothing for their money.

THE PREMIER (Hon. Sir J. Forrest): How will the colony suffer?

MR. PARKER: It strikes me the colony will suffer in this respect: I fear the present debenture holders if they find their interest is not paid will come to us and say, "You knew from the very first—you were warned by the Colonial Office and the Crown Agents—that the money we subscribed for building that line, and which was to obtain for us that land as security, was not devoted to that purpose, but that the greater portion of it passed into the pockets of the promoters; you knew that out of our £500,000 only £140,000 was applied to the construction of the railway; you knew this from the very first, and you were told by the Secretary of State that you would be held morally responsible for tacitly sanctioning this gross misappropriation of our money; therefore we hold you morally responsible for our misfortunes." That is what these bondholders will say, and that is how this colony will suffer in the eyes of the British public. I do not pretend that they will have any legal claim upon the colony, but it is a question whether they will not have a moral claim upon us, when we consider the warnings we had from the Colonial Office. And if we assist these ingenious men at Home to raise another half-a-million, by further

misrepresentations, by again imposing upon innocent persons and inducing them—some of them probably with a small amount of capital to spare—to invest their all in this undertaking, what will be our position then? After all the warnings we have had from the Crown Agents, and with all the knowledge we ourselves possess at the present time as to the past transactions of this Company, what will be our position then in the eyes of the English investing world, if we allow ourselves to be made tools in the hands of these ingenious persons for the purpose of enabling them to obtain another £500,000, without apparently making any provision for repaying it? That is the question we have to consider now—how far we are lending ourselves and the name of the colony and the credit of the colony, to enable these persons to obtain another half-a-million of money from the pockets of British investors, without really giving them any commensurate security. It has been said—we have been told by the Premier this evening—that the credit of the colony would suffer very much by being associated with failure. I cannot myself see how the credit of the colony will in any way suffer by the collapse of bogus companies. We know that companies of that kind collapse all over the world; but do we ever hear of Governments supporting such companies? Such a thing is unheard of. Is it not much more probable that the credit of the colony will suffer by being associated with such companies? If we suffer now by the failure of this Company, how much more—shall we not suffer, ten times more—by being associated with it, and by bolstering it up, when the bubble eventually bursts, and we shall have all these bondholders clamoring around us, and proclaiming to the world that through this colony allowing its name and credit to be associated with the ingenious persons who were the promoters of this concern they have lost a million and a half of money.

AN HON. MEMBER: Won't they say that now?

MR. PARKER: They will say so with much more force if we allow them to invest another half-a-million in this Company. They have some security now, they have the railway assigned to them, and that I do not think much of. But

these other persons who are to provide this further sum of £500,000 now asked for will absolutely have no security whatever for the repayment of the principal. We may rest assured that if the Government are to have three-tenths of the 2,400,000 acres of land which the Company would be entitled to, they will take care that they get the best of the land to be selected, and what then will be the value of the remainder? Why, no one would give sixpence an acre for the remainder.

AN HON. MEMBER: What did Mr. Hooley value it at?

MR. PARKER: If you select and leave half the frontage on either side of the line to the Government, I feel assured that we are taking a very sanguine view of the subject if we imagine we will get 2,400,000 acres out of the selection, which will be of good value. It will be observed that I gave notice of an amendment to the effect that this House would refuse to consider any proposition until we were furnished with fuller information on certain subjects, which information I asked for in the notice as printed. The first information I ask for is the names and addresses of the registered shareholders in the Company, with the number of shares held by each. Also the amounts paid up on each share; the date and amount of any call made on the shareholders; the amount realised by any call, and so on. I have already said that to the debenture holders is assigned the uncalled capital; and obviously if we wish to ascertain what the value of that uncalled capital is, it is advisable to know if there are any and what shareholders. I have great doubts whether the whole thing is not a bogus one—that they have no real shareholders; but if the uncalled capital is of any value, and the Government consider this mortgage will be valuable if we get a three-tenths interest in the Company's property, then obviously we should have the names and number of the shareholders, so that we may estimate the value of this uncalled capital. It will be observed that I do not ask this information from the Government, but I ask that it be placed on the table, and be certified to as correct by some officer of the Company. The Government tell us, in the printed answers they have furnished to my questions, that

the names and addresses of the registered shareholders are not known. I cannot but think the Government betrayed a great want of apprehension of their position when they lent the £60,000, without asking whether there were any shareholders of this Company. Again we find the Government answer to the second question is: "£1 paid up on each share, so far as known." The Government do not trouble to ascertain what amount is actually paid up; they say, "So far as known." Well, sir, I cannot but think that before we embark in this perilous undertaking, for our good name and reputation, the least we can require is that this Company which desires our assistance should give us all the information in its power. It is obvious that by using the telegraph to London an answer to these questions could be obtained for us, so that we should be fully informed as to how many shareholders there are and the amount of their liability. I gave notice of this amendment and the information I wanted some days ago, so that the Government might call on the Company to furnish this information.

THE PREMIER (Hon. Sir J. Forrest): Only on Friday.

MR. PARKER: I gave this notice so that the Government should be in a position to say to the Company, "We require this information." But they have not troubled to make any inquiry of the Company; they simply answer the question by saying "Not known to the Government." But I say it is known to the Company and to the Company's agent, and they have an agent here. I do not think it would be very much expense to wire out all the names of the shareholders, from London. Then again surely if the Company made a call on the 10th February, 1892, of 30s. a share, and there are 200,000 shares, a call of 30s. should realise £300,000, the very amount required to carry on this railway. Surely we ought to know whether those directors at Home are going to bag another £300,000; and also it affects the value of the uncalled capital, because it will be decreased in value by the amount which has been raised by this call. And surely it would not be difficult for the agent here to telegraph Home and ascertain how much this call realised; and if, as I fear is the case, this call realised

nothing—that there was not a single shareholder who was able or willing to pay this 30s. a share or any portion—I should like to know what is the value of the uncalled capital. And why should we assist these men, who refuse to pay a call of this kind? Why the directors should make the call, I don't know, unless it was to raise the money and unless there was some prospect of some portion of it being paid; but whether any portion was paid they are not going to let us know.

THE COMMISSIONER OF CROWN LANDS (Hon. W. E. Marmion): The money belongs to the debenture holders.

MR. PARKER: The fact of their having made a call presumes they have already obtained consent; and having obtained the consent, they made the call and may be keeping the money.

THE PREMIER (Hon. Sir J. Forrest): No, no.

MR. PARKER: I have already shown—

THE COMMISSIONER OF CROWN LANDS (Hon. W. E. Marmion): If they have retained this money, will it not reduce the amount to be spent on the line?

MR. PARKER: Not if they put it in their pockets. If we try to cope with the ingenuity of these gentlemen—

THE COMMISSIONER OF CROWN LANDS (Hon. W. E. Marmion): But you are dealing with the debenture holders.

MR. PARKER: Pardon me; we are dealing with the Directors of this Company, and having obtained their assent, they can keep the money.

THE COMMISSIONER OF CROWN LANDS (Hon. W. E. Marmion): Nonsense.

MR. PARKER: It is very easy to say "Nonsense." Some people who have no imagination or intelligence say anything. Very often when old men or women are squabbling, they say "Nonsense."

THE COMMISSIONER OF CROWN LANDS (Hon. W. E. Marmion): When they are answering another old woman.

MR. PARKER: I have no doubt about it. We find this Company has made a call, and the Government have not troubled to inquire whether that call has realised one penny; they have not asked the agent, apparently, to ascertain. We know this information with regard to the shareholders has been denied over and over again. It was asked for by the

member for East Perth, and we were then told the agent of the Company did not know who the shareholders were. That was some ten days ago, and now we find the Government say, not that they have inquired further into this matter—

THE PREMIER (Hon. Sir J. Forrest): Yes, we have.

MR. PARKER: I am only saying what you say, that is, "Not known to the Government." When the Government do desire to fall in with the views of hon. members, they can go to Mr. Keane, get information from him, and lay on the table the last balance sheet of the Company. They might have obtained more information from him. I will point out, why should they not go to Mr. Keane and ask for a copy of the contract? Is it because there is something in the contract which they do not desire this House to know?

THE PREMIER (Hon. Sir J. Forrest): No.

MR. PARKER: Then you have seen it?

THE PREMIER (Hon. Sir J. Forrest): That is an offensive remark.

MR. PARKER: After having seen it—

THE PREMIER (Hon. Sir J. Forrest): I have seen the contract, but not perused it. Mr. Keane is quite willing to let hon. members see it, but he will not allow it to be printed and laid on the table of the House.

MR. PARKER: The Government have not a copy; why is it not said so here, in the printed replies to my questions? The contract need not necessarily be printed if laid on the table. The hon. gentleman might have told us that he had seen the contract. If he had told us at first what Mr. Keane had said on the subject, it would have been better; but the hon. gentleman would not tell this until pressed into a corner.

THE PREMIER (Hon. Sir J. Forrest): You said I was keeping it back for a purpose.

MR. PARKER: I did not say you were keeping it back for a purpose, but that you did not deem it advisable to allow hon. members to see it.

THE PREMIER (Hon. Sir J. Forrest): Mr. Keane told me there was nothing in it that he wished to keep back, but that he was very willing to let anyone see it.

I said to him, "No, I will not do that unless I can lay it on the table of the House."

MR. PARKER: Could not the hon. gentleman have asked the Company if it was willing? If the Company's agent here is fully authorised to agree to the terms proposed, one would imagine he is fully authorised to agree to this minor matter of giving this information to this House. A number of these printed questions are answered by saying "Not known to the Government." I cannot help thinking the Government ought to have known, before they guaranteed the £60,000. The Company now say they are in a complete hole; therefore the least they can do is to furnish us with complete information. Another point I asked for information on was the number and value of debentures allotted, and the debenture money received by the Company. Surely it is easy enough for the Company to furnish that information. Cannot the Government tell us how much debenture money has been allotted? They simply tell us, "Not known to the Government." It will be observed that we are asked to guarantee the interest on £500,000, but apparently there is no limit, no minimum, as to the amount to be realised by these debentures. So far as I can see, under this arrangement the Company can issue these debentures at £50 or £60 per £100 debenture bond.

THE PREMIER (Hon. Sir J. Forrest): We have to receive £487,000.

MR. PARKER: There ought to be a minimum price at which the bonds shall be issued.

THE PREMIER (Hon. Sir J. Forrest): Unless the price is near to par they cannot raise the money we want.

MR. PARKER: Out of that amount, I understand that £447,000 would be expended in this colony.

THE PREMIER (Hon. Sir J. Forrest): And £40,000 more required for interest.

MR. PARKER: That statement is entirely erroneous. £155,000 has already been expended, and taking the Engineer's report it appears that the cost of construction will be £116,000, and the cost of rails and sleepers £103,000. Thus the £447,000 which the hon. gentleman said was going to be expended here is reduced down to something less than

£150,000 to be expended in this colony. To expend money in buying rails and buying machinery does not do us any good.

THE COMMISSIONER OF CROWN LANDS (Hon. W. E. Marmion): Does not do us any good?

MR. PARKER: Certainly it does not promote the prosperity of the colony.

THE PREMIER (Hon. Sir J. Forrest): Oh! oh!

MR. PARKER: The rails will do good to the mechanics and artisans at Home. The same may be said as to the rolling stock; but these things will not conduce to the payment of any wages in this colony, and will do no good here until the line is finished and in running order. So that the total expenditure in this colony only comes to about £150,000. I am perfectly willing, so far as I am concerned, to agree to the proposition of the hon. member for Albany, that this matter should be referred to a select committee. No doubt it will be said this is all for the purpose of delay. That is always the argument when anyone is desirous of rushing a matter through the House without proper consideration. I showed, by giving notice at the earliest possible moment of the information I required, that I did not wish for delay; but when we find that this information is not furnished, and that the Government apparently know very little about the circumstances and position of this Company, I think that, in the interest of this colony, some delay is necessary until we do gain the required information. Do not let us rush in and pledge the credit of the colony merely because some navvies may be out of employment for a few days. So far as I can see, there is nothing to be gained by rushing this matter through the House this evening. We are told there are men out of employment, but we know that these ingenious gentlemen at Home have done many things to further their object, and we saw recently a telegram in the papers, evidently inspired from Home, stating that unless the Government of this colony assisted the Midland Railway Company its securities would suffer in the market, and that the friends of the colony would suffer. We also saw that they gave notice of a call, which was afterwards withdrawn. I cannot help thinking that

that was a levy to induce the Government to come to the assistance of those persons here who may hold shares in the Company. I believe also that the discharged navvies were all brought down by train, purposely to make a display here of the unemployed, and they were brought before the Premier as a display of unemployed from the Midland Railway, and as a suggestion that "This is what you will have, if you don't give us this £500,000 we require." But are we going to be so foolish as to allow ourselves to be beguiled by such a palpable scheme as this, and to do this without further inquiry, and without insisting on this information, which it is the duty of this House to obtain? Will any hon. member dare to face his constituents if he allows this thing to pass through without further inquiry? Hon. members must bear in mind that in all places where large concerns are carried on, the stoppage of works is a certain possibility; but we are to consider the whole country. Perth and Fremantle are not to rule the colony; for if so, why do we get members to come here from other parts of the colony to assist in legislating for the whole? All the constituencies of the colony are represented here, so that they may give us their views; and I say the major portion of this colony is entirely opposed to assistance being given to the Midland Railway Company, and will resent the idea that their representatives should rush this matter through the House without proper consideration.

THE COMMISSIONER OF CROWN LANDS (Hon. W. E. Marmion): That will be decided by the voices in the House.

THE ATTORNEY GENERAL (Hon. S. Burt): I have listened with considerable attention to the two speeches with which this House has been favored from the occupants of the other bench, and I welcome any opinions which may be offered on this subject by any members of the House, for I shall be only too glad to sift those opinions and see what may be in them. I must confess that I have heard a very great deal that does not affect the tenor of the question, but that a great deal has been said on the subject that only tends to draw one out, and to lead us all to express our regret and astonishment at the steps taken to float the first issue of

the debentures of this Company. The hon. member for Albany, and with him the hon. member for York, apparently do not agree upon this question, because the one says, "Let them go on; they can finish the line well enough," while the other tells us that it is a moral certainty the contract must collapse in 1894. I see that they agree in asking for this select committee. I am not prepared to say it would be unwise to have a select committee, if it were possible to thresh out the subject any further, or obtain any information that would guide us in a decision as to what course we should pursue in the interest of Western Australia. If we seek a select committee only in order to use strong expressions about the ingenious gentlemen who pull the strings in London, and to throw more odium on them, I don't think we should trouble ourselves about that, because it does not advance this question. The hon. member for York tabled something in the shape of a resolution, that until information of this nature is furnished, it is desirable to defer arriving at any conclusion. I would submit to the House that the Government have virtually answered all those questions, with the exception of one or two, which I am inclined to think are immaterial and would not advance this matter. There are 22 questions on this paper, and with regard to Nos. 1, 2, 4, and 5, which the Government have not answered, I may say they are immaterial; they relate to the number of shareholders, the amount paid on the shares, the present liability, and so on. If I were of the same mind as the hon. member for York, I should say at once that all this is immaterial, because he says these shareholders do not really exist, and moreover that he has shown they paid up no capital whatever, and that £100,000 of the debenture money went to make that capital on which they sought to raise debenture money. Therefore there would appear to be no share capital, and the hon. member says the whole thing must collapse by 1894. If so, why trouble ourselves about these questions which the Government are unable to answer? If we did possess this information, how would it advance the main question? Take question 7, for instance: "An account showing the whole of the moneys

received by the Company, from whatever source, and how the same has been expended." The answer put down on the paper is, "Unknown to the Government;" but the report and balance sheet will show it. Question 13 asks, "The total number and value of debentures allotted, and the debenture money received by the Company?" Question 14 is: "The costs and charges of raising the debenture money, and to whom paid?" Both these questions are answered by the balance sheet and report; therefore they are virtually answered. Question 15 asks: "If the Company has repaid to the original syndicate, or to any person, and if so to whom, the £10,000 deposited by the syndicate with the Government?" Question 16 asks: "The rate of interest allowed by the National Bank as the interest money for debenture holders deposited with the bank?" Well, I say it won't help the solution of this main question to find out whether that money has been paid or not. The information is not ascertainable at this end.

MR. PARKER: I don't admit that.

THE ATTORNEY GENERAL (Hon. S. Burt): As to the rate of interest, in question 16, I take it that refers to the £120,000 which was deposited out of the first issue of debentures for the purpose of meeting the first year's interest; but the information asked for by the hon. member does not concern us. Out of 22 questions the Government have answered 15. Five we have not answered, and four of them are about shareholders and are immaterial. One relating to Mr. Keane's contract, and two more about the deposit and interest, we have no concern with. Fifteen are answered and seven are immaterial. What can we gain by having a select committee? If it can be shown we can gain anything that will enable us to come to a decision with clearer minds and clearer knowledge upon facts that affect this question, I should not be indisposed to join with others in supporting the reference to a select committee. The hon. member for Albany certainly took advantage of his position in this House to speak his mind freely with regard to the issue of the first half million of debentures, and he characterised it by a very harsh term indeed. I take it that the

hon. member was very much enraged at the manner in which these debentures were floated in London, and he pointed out that we might be increasing our moral responsibility if we have any further connection with these people. Now, amongst the people that we are likely to view with any compassion at all are the debenture holders. It must be recollected that these particular gentlemen did not undertake any responsibility here alluded to—that is, allowing operations to be commenced in this colony. It should also be remembered that the present Government were not in office. That was a moral responsibility. They took it. Therefore by that action certain debenture holders have come into being, and have lent their money upon the faith of statements put forward in the prospectus; and, if we are anxious for the debenture holders, the course we should adopt is the course suggested by the Government, and not to leave them in the position suggested by certain hon. members. They will be in a far better position, if we can see our way, in the interest of the colony, to help in raising this money in this way.

AN HON. MEMBER: You are helping the Company.

THE ATTORNEY GENERAL (Hon. S. Burt): I deny that we are helping the Company; we are helping ourselves; and by doing this, are we not helping those debenture holders far more than we could possibly do if we left the matter alone, and said to the Company, "You have broken your contract, and there is an end of it?" Therefore, I think we are incurring no more responsibility by approaching this question in the way we seek to do, but are rather atoning for the moral responsibility which the late Government undertook.

MR. PARKER: How about the future debenture holders?

THE COMMISSIONER OF CROWN LANDS (Hon. W. E. Marmion): They can look after themselves; they know the position.

THE ATTORNEY GENERAL (Hon. S. Burt): I hope to answer that in a moment. Those who think that our good name is involved by what has already taken place should be most anxious to redeem our good name, and that is to be done by proceeding as the Government propose. The hon. member for Albany raised the question whether the Com-

pany would run this railway or not when completed, and he quoted from a speech made in 1883. What he read to the House showed that the question of working the railway was well considered in 1883, and that we always had to face the contingency that at the end of the term we should possibly have to work the railway. Let it be remembered that most of us had misgivings that we should have to work the Great Southern Railway, but we are all rejoiced to find it is pushing itself into a prosperous position. The question now is this: "Is this railway to be completed; and if so, what are the best means of completing it?" The hon. member said, "Put on a bold front and tell the Company to finish their contract." But the papers laid on the table show that on the 10th February, and again on the 2nd March, the Government practically told them so. On the 7th March they returned to this question. The Government have considered that, and hence this proposal which we submit to the House now. Thus we have to a large extent put a bold front on and told them to finish the contract; and what do we find? It is material to ascertain that this Company cannot do anything without assistance. We must all admit that they have got no capital and have no shareholders worth the name. There is no money forthcoming there. Then they bring in the National Bank towards the conclusion, and surely the National Bank must be quite aware that this further capital cannot be raised by the Company, and that every means in London have been exhausted, both in the way of calls on shareholders, and in attempting to raise money on debentures without a Government guarantee. The hon. member for York, in the early part of his speech, suggested a policy which looked very hopeful, and I thought he was about to assist the proposal we had put before the House when he told us the Government should be very wary and circumspect in what they did. I admit the full force of that. I think we should approach this question in a most wary way, and, remembering the gentlemen we have to deal with, we should endeavor to take every possible precaution that these gentlemen, viewing them through the light of the transactions disclosed in these

papers, do not get the better of us. And you may be sure that the Government, having the knowledge of these proceedings with regard to the raising of the first issue of debentures, will be very careful that there are no loopholes in the proposals now before the House. The hon. member also asks us to be assured of the present financial position of this Company. I suppose the hon. member will not desire more than I have admitted, that the financial position is unsound—bankrupt, in fact. If we arrive at that, then the whole of the questions with regard to shareholders, calls, and everything of that sort, are cleared away. We say we have arrived at the conclusion that we can get no help from them without some assistance being given to them from us. I think the question now is, What is best to be done? Is it to leave the railway as it is, and leave the Company to run out their contract and collapse? Or is it desirable to push on with the works and not allow them to stop? That is the main point; and if so, which of two things ought we to do? That same question was put by the hon. member for York, who asked: "Is it not better to say we will have no more to do with you, the old Company, but will raise the £300,000 ourselves?" My contention is that we have not got the slightest chance of raising £300,000 ourselves. We had an authorised loan of one and a-quarter millions to raise, of which we have raised half-a-million in two instalments; and knowing that the London money market is bad, what chance have we of raising £300,000 within the next two years, in addition to the balance of that loan? I should not for a moment be one to ask this colony to raise £300,000 in two years, on the top of our present loan. I think, on the contrary, that this colony ought to endeavor to live within its means and within its own resources to some extent, and not live on loan money as other places have done for years, because we find that after the loan money has been spent, troubles commence. Then I come back to the same point, and ask is it not more reasonable to do the best we can with these ingenious gentlemen in London. And of course there is also this question: Is it desirable to allow them to make further misrepresentations in London,

under cover of the name of this colony? Depend upon it, the Government will take good care that any representations made in London shall be made only after being sanctioned by us, and that no prospectus shall be issued by these people for raising this further capital without the sanction of this Government for every word of it, and that the whole position shall be clearly set forth before the money is raised. We do not intend to allow them to have a free hand again. We will take care that the investing public shall understand exactly what they are doing. We will not allow the name of the colony to be made a bad use of.

MR. PARKER: I don't think they will be able to obtain the money under those circumstances.

THE ATTORNEY GENERAL (Hon. S. Burt): Instead of completing this line by raising money ourselves, which we will have to repay some twenty or thirty years hence, here we have an offer from these gentlemen, supported by the National Bank, in which they say they can raise the money. If we take every precaution to hedge them round, and see that no misrepresentations are made, I see no objection to their raising the money, because under this scheme we shall have the money required to complete each mile of this railway actually at hand, to the credit of the Company; and if it is found we can secure the £309,000 required, we shall be getting within measurable distance of the end of this line. You may be sure that every pound of the money will be applied, under our Engineer-in-Chief, to the prosecution of this work, and for no other object whatever. Then, with the £309,000 to complete the line, we shall simply have to guarantee the interest on the money, in conjunction with the guarantee of the National Bank. I think it cannot be contended that the National Bank is likely to fail in its undertaking to find half the interest, and if we are jointly concerned in guaranteeing this interest, the bank will loyally pay its share; therefore the guarantee will cost us, at the worst, in round numbers, £63,000, spread over ten years. This will be far more advantageous than raising the loan ourselves and repaying it; so that, without regard to the security, I think this is a far preferable course. I do not

think much of the security, myself. We shall get our share, but we shall get the railway finished, which is the thing we want. If they find the money, we shall get the railway completed; and if they don't, we shall be no worse off than we are now. It is said: "Why cannot the Company raise the further capital, for if they have got £5 per share uncalled, we want to know what these gentlemen are worth?" I will tell you why they cannot raise the capital. I have shown you how we trusted them to do something, and how the bank even satisfied itself that these people could not raise the money. They had a difficulty to raise even £500,000, and to do so they had even to misrepresent to a very alarming extent. All those endeavors and all that ingenuity produced nearly half-a-million of money. They say they cannot do it again. Do we think for a moment they can do it again, upon their own responsibility? It is not likely; and therefore when we find the straits to which they were driven, first to raise shareholders' capital, and then to raise debenture capital, is it likely they can raise any more? The National Bank have not only found it out, but we have found it out; and the Company are now at their wits' end for money. The question is whether it is for the interest of the colony that we should complete it or not. If so, which is best—to raise the money ourselves and repay the £300,000; or, under the security of this agreement, and under the auspices of the Government, in order to avoid misrepresentation, would it not be better to use the offer made to us, and complete this estimated work, at an expense to us of £56,000 spread over ten years? I say the latter alternative appears to me to be the better, by far. I will ask those who want a select committee, to examine the information now before the House, in the shape of answers to these questions, and to say whether anything can be gained by endeavoring to obtain further information by a select committee. I think it must be acknowledged, on reconsideration, that there will be no material advantage whatever to be gained by a select committee. If I thought so, I should be disposed to support it. Take, for instance, Keane's contract: I don't see why, except as a matter of curiosity, we should

examine the details of it. What does it matter whether he has had £4,000 or £2,000 a mile? We know the present position of the line; we know positively we can finish it for a certain amount, and what more do we want?

MR. RICHARDSON: As the hour is late, I move to report progress, and ask leave to sit again.

Question—That progress be reported—put.

The Committee divided, with the following result:

Ayes ...	...	...	13
Noes ...	...	...	15

Majority against ... 2

AYES.	NOES.
Mr. Canning	Mr. Baker
Mr. Darlôt	Mr. Burt
Mr. Harper	Mr. Clarkson
Mr. Loton	Mr. A. Forrest
Mr. Molloy	Mr. Hassell
Mr. Parker	Mr. Marmion
Mr. Quinlan	Mr. Paterson
Mr. Richardson	Mr. Pearse
Mr. E. F. Sholl	Mr. Phillips
Mr. H. W. Sholl	Mr. Piesse
Sir J. G. Lee Steere	Mr. Simpson
Mr. Traylen	Mr. Symon
Mr. De Hamel (Teller).	Mr. Throssell
	Mr. Venn
	Sir John Forrest (Teller).

Question—put and negatived.

Question—That the resolution be referred to a select committee—put.

The Committee divided with the following result:

Ayes ...	...	...	6
Noes ...	...	...	21

Majority against ... 15

AYES.	NOES.
Mr. Canning	Mr. Baker
Mr. Darlôt	Mr. Clarkson
Mr. Parker	Sir John Forrest
Mr. E. F. Sholl	Mr. A. Forrest
Mr. H. W. Sholl	Mr. Harper
Mr. De Hamel (Teller).	Mr. Hassell
	Mr. Loton
	Mr. Marmion
	Mr. Molloy
	Mr. Paterson
	Mr. Pearse
	Mr. Phillips
	Mr. Piesse
	Mr. Quinlan
	Mr. Richardson
	Mr. Simpson
	Mr. Symon
	Mr. Throssell
	Mr. Traylen
	Mr. Venn
	Mr. Burt (Teller).

Question put and negatived.

Debate continued.

MR. PARKER: It appears that not only do the Government desire to carry this resolution, but also that we shall not have an opportunity of seeing the information which I have asked for.

THE PREMIER (HON. SIR J. FORREST): I am going to ask for the adjournment of the debate, now that the House has settled the question of a select committee.

MR. PARKER: The Government are dividing against adjournment. The Attorney General informed us this evening that a considerable amount of the information asked for by myself is contained in a certain document laid on the table. Following on that, an hon. member moved to report progress, and what do we find the Government doing? Dividing against it. They don't want us to see the information that is laid on the table of the House; they do not desire that we shall see what this report contains. I intend now to move this amendment of mine on the Notice Paper. The Attorney General, in his remarks, said he did not see the necessity for obtaining the names and addresses of shareholders, and he said we knew there were no shareholders. I ask, are we going to support a company with no shareholders?

THE ATTORNEY GENERAL (HON. S. BURT): We are not going to support the Company, either.

MR. PARKER: Is it of no interest to the colony to know whether a call of 30s. a share has produced nothing, or if the shareholders are absolutely impecunious? I understood the Premier to say that Mr. Keane, the contractor, had received £536,000; of that sum the Bank has advanced £95,000, and the colony £60,000; so that from the Company he has received only some £380,000. The Company allotted to him £88,000 worth of shares; they issued in debentures £700,000; what has become of the £400,000 not accounted for? Is it of no interest for the colony to see whether there is none of the £400,000 remaining—whether the gentlemen in London are not playing on the colony to enable them to pocket the money and to get further moneys out of a confiding public?

THE COMMISSIONER OF CROWN LANDS (HON. W. E. MARMION): We get money out of the confiding public.

MR. PARKER: I don't think I shall get much of it, if he does. I think that all the surplus there is will still be found in the pockets of these gentlemen. I give them credit for such ingenuity that I do not think it is possible to make a

contract which will prevent them from getting a considerable portion of the money. I am not prepared to believe that they have not still got a considerable amount in hand, of which they are quietly making a nest egg, all for themselves. There is a deficiency of £400,000 to be accounted for without considering a portion of the share capital. The Attorney General said the share capital was nothing; but all I can say is that after what fell from the Attorney General, I am more convinced that we should be diminishing the credit of the colony immensely by allowing our names to be linked with such a concern as this; and the best possible course is to shake ourselves clear of it at once. The Premier has told us over and over again that the Government are fully secured for that £60,000; therefore, we need not consider it now, but let the Government realise that £60,000, and have nothing further to do with this Company. It will be a matter of much more interest to the colony to get rid of this Company, than to have the Company to go on as at present. I am glad the Attorney General has said it is not advisable for us to keep looking for borrowed money. I think it is rather a new policy for this present Government, and I can only hope the Attorney General will impress that policy on his colleagues. After the ill odour in which the Australian colonies have got on account of their borrowing propensities, I think we should try to develop our own resources and not live on borrowed money everlastingly from the British capitalists. The Premier has told us the disaster will be widespread; but I think the injury to the name of the colony by being associated with this concern in the future will bring much greater disaster than the lapse of the concern at present. I think the relapse of this concern will be a grand thing: it will clear the atmosphere, and get rid of an incubus. I now move to report progress and ask leave to sit again on Wednesday.

Question—put and passed.

Progress reported.

GAME BILL.

LEGISLATIVE COUNCIL'S AMENDMENT.

The following Message was received from the Legislative Council:

"With reference to Message No. 38 from the Legislative Assembly, on the subject of the amendment made by the Legislative Council in clause 9 of the Game Bill, and with which the Legislative Assembly has disagreed, the Legislative Council acquaints the Legislative Assembly that it does not insist on the said amendment, provided that the Legislative Assembly agree to the insertion of the words 'last mentioned' before 'person' in the sixth line, and 'first mentioned' before 'person' in the seventh line of the said clause."

Ordered—That the Message be considered at the next sitting of the House.

ADJOURNMENT.

The House adjourned at 12 o'clock, midnight.

Legislative Council,

Tuesday, 15th March, 1892.

Hawkers and Pedlars Bill: first reading—Railways Act, 1878, Further Amendment Bill: first reading—King George's Sound Garrison Discipline Bill: second reading: adjourned debate; referred to select committee—Adjournment.

THE PRESIDENT (Sir T. Cockburn-Campbell, Bart.) took the chair at 3 o'clock, p.m.

PRAYERS.

HAWKERS AND PEDLARS BILL.

This bill was received from the Legislative Assembly, and was read a first time.

RAILWAYS ACT, 1878, FURTHER AMENDMENT BILL.

This bill was received from the Legislative Assembly, and was read a first time.