

Legislative Council,
Wednesday, 11th January, 1893.

Aboriginal Offenders Act Amendment Bill: third reading—Midland Railway Resolutions—Adjournment.

THE PRESIDENT (Hon. G. Shenton)
took the chair at 8 o'clock.

PRAYERS.

**ABORIGINAL OFFENDERS ACT
AMENDMENT BILL.**

This Bill was read a third time, and
passed.

**MIDLAND RAILWAY RESOLUTIONS.
IN COMMITTEE.**

THE COLONIAL SECRETARY (Hon. S. H. Parker): It must, sir, I am sure, be a cause of regret to hon. members, as also to the country generally, to have this Midland Railway question continually cropping up before the Legislature. It will be in the remembrance of hon. members that last year a proposal was made by the Company to the Government that the colony should, in conjunction with the National Bank, guarantee the interest for a certain number of years, on a second issue of debentures amounting to £500,000. Both Houses of Parliament, after considerable discussion, agreed to the proposals; but I am sorry to say that the Company was unable to raise the amount on the simple guarantee of the interest only, and consequently the work has since been at a standstill. The whole line, when complete, will be 275 miles long, and of this about 154 miles have been completed and placed in running order. The Company has now exhausted its funds and is unable to borrow any further money, even with the joint guarantee of the Government and the National Bank of the interest for ten years. Money-lenders naturally ask what there is to secure the principal, and in the absence of that security the Company has been unable to raise the money. Under these circumstances the Company made other proposals to the Government, which were submitted to Parliament, and both Houses appointed a select committee to confer with one another with a view to formulating some scheme by which this railway might, at an early date, be com-

pleted. This Joint Committee sat for many days, took evidence, and arrived at certain resolutions. The report of that committee, with the evidence and the resolutions which were arrived at, have now been before hon. members for some time. The committee virtually recommended the resolutions which have since been adopted by the Assembly, and which are contained in the Message which has been sent to this House. The Government, as far as this Midland Railway is concerned, feel that it is a legacy left to them by a former Administration—a legacy from the times when we did not enjoy self-government, and, under these circumstances, they felt that it was for Parliament, which represented the country generally, to determine what course should be pursued in regard to this railway for the future. The Government feel that it is the almost unanimous wish of the people of the country that this railway should be completed, and the Company being unable to do any further work without assistance, the Government have left it to Parliament to determine the way in which that assistance shall be given. With that view the Joint Committee was appointed. The Assembly has, I might almost say unanimously, affirmed the resolutions of the Joint Committee, and they have now been sent to this House for our concurrence. I cannot say that I have any high regard for the Midland Railway Company or for the persons concerned in it. When the matter was last before Parliament I thought it would be most unwise for us to do anything which would lead people to subscribe their money without there being any chance of being repaid the principal. I thought that if people were induced to subscribe, and subsequently discovered that it was only the interest that was guaranteed, they would come clamouring to the Government for relief on the ground that the Government had been a party to the misrepresentations by which they lost their money. But, as far as these resolutions are concerned, those persons who advance the necessary money will have no fear of loss. It has been proposed by the select committee, and affirmed by the Lower House, that the Government shall guarantee not only the interest, but the principal, of £500,000. I take it that in

agreeing to this the Lower House was actuated by a desire to have the railway completed. It is felt, I think, that this railway, with a gap of 123 miles incomplete, is almost useless for the purposes which were contemplated when it was undertaken—namely, to connect Geraldton and the important Victoria district with the capital and King George's Sound. With this gap, as I say, the railway is almost valueless, and I imagine that the Lower House thought, that without assistance of some kind, there was no prospect of getting it completed for many years to come, and that rather on the contrary there was every chance of the railway, within a very short time, being thrown on the hands of the Government. There is no desire, I am sure, on the part of the country that this should be so, and that the railway should have to be worked and maintained at the public expense. One of the principal objects of adopting a land-grant railway policy was not only that the lines should be constructed without any cost to the country, but that they should also be worked and maintained without any expense. We have no desire to see the two ends of this railway thrown upon the country, neither have we any desire to take over the line, for it must be obvious to hon. members that there is very little chance of the railway paying working expenses for many years to come. I am happy to say that the Great Southern Railway does pay, but then this railway must command more traffic in view of its terminus being at Albany. The object of the Government, however, is to see the Midland Railway completed in the first place, and secondly to see that the finished portions are not thrown upon their hands to be maintained at the public expense; but at the same time they have no desire to be parties to inducing persons to lend the Company any further moneys for the completion of the line with but little prospect of being repaid. The only chance, therefore, of accomplishing these objects is for the Government to guarantee the principal and interest, and the proposals of the Joint Committee are to that effect. In the first place these resolutions provide "that the Government shall guarantee the payment of the principal and interest of £500,000 4 per cent. bonds, to be created and issued by the Midland Railway Company, Limited, for

the purpose of providing moneys for the completion of its contract with the Government; the minimum price of bonds to be fixed by the Government." Hon. members will see that the annual interest of this amount will be £20,000, and it is provided that in 1904 the repayment of the bonds, at the rate of £20,000 a year, shall begin. It is further provided that the Government shall be secured against all liability under the said guarantee by a first charge on the railway and everything appertaining thereto, including the lands on which it is constructed, and also on 2,400,000 acres of land to be selected by the Government—the whole free from encumbrances; and, that until the Government is released from the guarantee on the said bonds, the Company is not to sell any part of the said 2,400,000 acres without the consent in writing of the Government. All purchase moneys and rents arising from such lands, less five per cent., to be lodged with the Government, in trust for the payment of interest on and redemption of the said bonds. Then clause 5 provides that the said bonds and the interest thereon shall be paid by the Company; and in case of default by the Company, and as soon as the Government shall have paid under the guarantee £20,000, then after giving three calendar months' notice of its intention, and the Company continuing in default, the Government may enter and take possession of the whole of the railway, lands, rolling stock, and everything appertaining to the railway, together with any lands remaining unsold of the said 2,400,000 acres; and they shall all become the absolute property of the Government, freed from all rights of redemption, claims, or interest of the Company, the debenture-holders, and all other persons whomsoever. We may look at it in this light: if the Company continues to pay its interest and work the railway, of course there will be nothing for the Government to pay; but if the Government has to pay anything it will be one year's interest, and as soon as they do that they will give three months' notice to the Company, and if the amount is not at the expiration of that time paid, the Government will take the line and 2,400,000 acres of land. In other words, the Government will purchase the railway for £520,000 and about 900,000 acres of

land. I think I may say that, so far as the land is concerned, the fact of the shareholders of the Company being possessed of it will not be detrimental to the colony, because they cannot take it away, and in order to make anything out of it they must settle it. As far as the State is concerned, the first price of the land is nothing in comparison with having the land settled and occupied. To my mind, so long as the land is idle it is valueless, but immediately it becomes settled then it becomes of value. Therefore, so far as these 900,000 acres are concerned, we may put them out of the question, for the colony might say to anyone, "If you will settle the land you shall have it." In fact, the Homesteads Bill which was introduced into the Lower House went further, and not only gave the land, but proposed to lend money with which to improve it. I do not, therefore, think anything about the matter of the land, because after all it is here still and is taxable. As regards the £520,000, I do not think anyone will contend that the railway, when complete—the stations, the rolling stock, and everything else connected with it—will not be worth that amount. Presuming that the Company does make default, the country will make a good bargain; and I am not certain that, in the interests of the colony, it would not be a good thing if they did make default, so that we might get rid of this Company altogether. It will be further observed that the £10,000 deposited under the original contract, and which now, with interest, amounts to something like £14,000, will be available to recoup the Government any interest they may have to pay. Assuming, then, that the Company does make default and the line becomes forfeited, the Government will have £14,000 in hand to recoup themselves part of the £20,000 they pay. It will be observed by the seventh clause that the sum of £482,000 out of the proceeds of the said bonds shall be deposited with the Government, to be applied in manner following:—“(a.) The repayment of £60,000, already guaranteed to the National Bank of Australasia by the Government on behalf of the Company, together with all interest accrued thereon.” I trust hon. members will bear in mind that in the event of these proposals not being acceded to, and the Com-

pany coming to grief, the Government will still have to pay £60,000. Then £309,000, or so much thereof as may be required to complete and equip the railway according to the original contract, is to be handed over and expended under the sole control of the Government in payment of the contractor on a revised schedule of rates to be approved by the Government and on certificates to be passed by the Government. The contractor is not to be paid at the rate of £3,600 per mile, which was the price under his original contract, but at a fair rate, according to a schedule to be approved of by the Engineer-in-Chief; and if it is found that £309,000 is more than is necessary to complete the line, then the balance, by sub-section (f.), is to be invested by the Government and remain available for the redemption of the bonds. Then £95,000 will be repaid to the National Bank. Of this sum £45,000 is secured over the railway and over the rolling stock, and as regards the balance the Bank holds a number of the Company's bonds which were issued in the first instance, and as this scheme contemplates that the Government shall have a first charge on the railway, it is necessary that the first debenture-holders shall, in some manner, be satisfied. When the Company was first floated, debentures were subscribed for by the public; but, from the evidence taken before the select committee and the documents put in, it will be observed that nearly all these debentures are in the hands of what are known as the shareholders, and they are very few. Only about £180,000 worth of debentures are in the hands of the public, and the rest are held, I believe, by two or three shareholders. In order to give the security to the Government which is necessary under these resolutions, the consent of these people must be obtained, and no doubt they will look to their own interests and not surrender what they have unless they get something in place of it. The next item is a payment to the London and Joint Stock Bank in order to obtain the release of certain debentures which they hold, and any balance will be devoted to the purchase of additional rolling stock, wayside stations, telegraphs, and sidings, and the discharge of such other obligations of the Company as the Government may approve; and the balance of the said sum of

£482,000, after satisfaction of the above-named obligations, to be invested by the Government, and to be available for the redemption of the said bonds. Hon. members will observe that one great advantage of this scheme is that of the £500,000 no less than £482,000 will be handed over to the Government, and the Company will not be able to make away with it or any portion of it. The balance (£18,000) will go to the Company, and will be spent in raising the money and in the payment of any outstanding debts. Hon. members will remember that 200,000 acres of land on the Upper Irwin are held by the Government as security for the £60,000 already guaranteed, and under these proposals this land will form part of the 2,400,000 acres. At the present time the land for 40 miles on either side of the line from Walkaway to Guildford is locked up and has been for some years, and probably will be for some years more unless some arrangement is made with the Company; so that one considerable advantage from the adoption of these resolutions will be the fact that about March 1st next the whole of the area in the concession will be thrown open for selection. Then, clause 13 provides—“That clause 6 of the Agreement of 4th November, 1891, shall be maintained, ‘with the additional provision that the expression, ‘two miles of the Eastern Railway on either side thereof,’ shall ‘include two miles on both sides of any deviation thereof, as well as of the original line; the position of such deviation shall be notified to the Company ‘within twelve months from the date of ‘agreement.’” I may be permitted to remind hon. members that a due East and West line from the Midland junction, carries this forty-mile belt across the present Eastern Railway, and consequently a great portion of the land lying along the Eastern Railway, taking in portions of Northam and Toodyay, comes within the concession. In the agreement of November, 1891, the Government provided that two miles on either side should be exempt from the concession, and should remain the property of the Government; and now it is provided, in view of the deviation that is proposed to be made, that this two miles shall include any deviation made. Then the 14th Resolution provides: “That any prospectus, or

“printed or written representation published or made in England, containing “any reference to the guarantee, shall “be first approved by the Government.” This, I think, is a very wise provision, and I have no doubt that the Agent General will see that no misrepresentations are made, or that anything will be inserted in the prospectus of which the Government does not approve. Then, by clause 16, the works shall be resumed within one month of the completion of the proposed agreement, and the entire contract for the construction and equipment of the railway shall be completed within fifteen months from the same date. In default the Government shall be at liberty to enter upon and take possession of, and complete and equip the railway by its servants, agents, or contractors, and to expend the moneys deposited as aforesaid, in payment of the cost of such completion and equipment. Then there is another clause, which I do not think much of, and that is the one giving the Government power to purchase at a price to be fixed by arbitration. As far as my opinion is concerned, if the Company finishes the line, and pays the interest on its bonds, and pays the principal as it falls due, I see no necessity for the Government taking over the line and saddling the country with the price fixed by arbitration. I, myself, shall be glad to see the Company finish the line and make a handsome thing out of it. I may also say that if the Company does succeed, it will be a very good advertisement in the interests of Western Australia; and probably it will induce others to embark their funds in undertakings in this colony. It will be seen by clause 18 that the Company is to execute the agreement and obtain the money on or before March 31, 1893, and if they do not comply the Government is to be at liberty to withdraw from these proposals. By clause 20 it is provided, “That the foregoing resolutions in regard “to the proposals submitted to the Government by the Midland Railway Company (Limited), in a letter dated 25th November, 1892, for completing the “railway, form the basis of an agreement “to be entered into with the Company.” I do not know that I need dilate further on the clauses of these resolutions. They have been before the select committee of

both Houses, and they have been before the Lower House. Hon. members have also had them before them for a considerable time, and no doubt are by now thoroughly acquainted with them. I can only ask the House to affirm them, not in the interests of the Company, or with a view to adding to the wealth of individuals, but in the interests of the colony; and we must bear in mind that if the worst comes on to the worst the colony will purchase the line and its rolling stock and equipment complete for £520,000, a sum considerably less than the cost price. I now move—"That the resolutions referring to the Midland Railway Company, as contained in Message No. 21 from the Legislative Assembly, be agreed to."

THE HON. J. MORRISON: I intend to move the following amendment:—"That all the words after 'That' be struck out, and that the following words be inserted in lieu thereof: 'this, the Legislative Council of Western Australia, having regard to the true interest of the colony, is of opinion that it is inadvisable for the Government to enter into any guarantee for the payment of either interest or principal as recommended, and suggests the advisability of the Government of this colony negotiating for the cancellation of the present Midland Railway concession, and obtaining possession of such portions of the railway as are now in course of construction, either by purchase or other equitable arrangement.'" This, I think, hon. members will agree is a very reasonable amendment. This Parliament has twice tried to help this unfortunate Company, without doing any good to them, and at the same time doing considerable harm to the colony. When they come a third time I think it is nearly time we said no. I am no friend of anything connected with forfeiture or sharp practice, but I do not think the Government have been sufficiently careful in analysing the Company they are going in with. We have only to judge them by their acts. £60,000 was lent to them, and this did no good. Then they asked for the guarantee of the interest on £500,000, and that was given; but it did no good. But how did the directors of the Company treat it? They say in their report: "Even with this 'limited assistance, the directors could 'have seen their way to make substantial

"progress, had not an impossible condition been imposed, namely, that the bonds should all be sold and placed, and the amount sufficient for completing the line deposited before any contract for the guarantee was signed." When they call what has been done for them "limited assistance," I cannot understand the Government going out of their way to give them further aid. The report goes on to say: "The tone, unfortunately, taken by certain individuals in the colony may be best illustrated by the public utterances of a member of the Government who is reported in the Press to have taken credit for having made the guarantee ineffective by the insertion, at the last moment, of the conditions above referred to." Now, is it likely that any member of the Government would do such a thing as this? When, therefore, we propose to have anything further to do with this Company we should remember their past actions. I find, when you get into bad company, the best thing to do is to pay them out and not go into any fresh partnerships with them. In this case we should not lend them more money and thus provide them with the powder and shot to shoot us with after. If they cannot carry out the work, let us enter into an equitable arrangement with them and clear them out altogether. Before our last Loan came out one would imagine that all London was in an uproar over the perfidy of the West Australian Government, judging by the telegrams that were sent out. What do the people in London know about the matter? At any rate, whatever was done was properly and honorably done. I wish I had brought some of the telegrams with me. I have received some letters from England which say that if the Company does not get its land the writers will consider it their duty to stop us getting our loan. If they can do all this, why cannot they get the paltry £500,000 they want. If this is a good Company I say they should be able to get this money at Home. We are all agreed that, in the best interests of the country, this railway should be completed; but I believe that the present syndicate is totally unable to carry out the work. From the commencement to the present time the undertaking has been loyally supported by the Government and the colony and the National

Bank, and in fact more has been done here than in London. If we have done so much in the past, why cannot we do the whole thing ourselves? We have no right as a colony to lend money to bolster up private individuals, but as the matter has been brought forward it must be dealt with. There are three parties connected with this matter—the Government, the Company, and the National Bank—and now the move is to let the Bank out. I have no objection to leaving the Company out and going on with the Bank; and I think that the Bank, in its own interests, should be asked to keep in. I put it in this way: “Given (1) that the Midland Railway must be done in the interests of the colony; (2) that the present Syndicate or Company is unable to carry out the work; (3) that the undertaking from its commencement to the present time has been loyally supported by various colonists financially, by the Government; and (4) by the National Bank. Then it is required (1) that the line be completed, equipped, and worked; (2) that equitable arrangements be made to cause the Syndicate or Company to give up the concession and line as far as made; (3) on condition that West Australian interests in particular are looked after, including repayment of £60,000, and work and advances done and made by contractors and others; and (4) that the National Bank, in its own interests, be asked to assist the Government in carrying out the above acts. In order to accomplish the above, it is necessary—1st, that the total amount of work completed and in course of completion, together with actual rolling stock, be valued at its present value (not cost); 2nd., that on the fair value being ascertained, the Government give the Company 6,000 acres (always excepting any now held as security) per mile on all miles completed; 6,000 acre blocks to be estimated at £1,500, or 5s. per acre. The total value of such 6,000 acre blocks, at £1,500 each to be deducted from the gross valuation; the balance of said valuation to be paid by Government in 6,000 acre blocks, at £1,500 each, or by Treasury bills bearing $3\frac{1}{2}$ per cent. interest, redeemable, or any of them, within 40 years, on Government giving six months’ notice of its intention to redeem any. Those redeemed to be determined by lot, the choice of mode of

payment left to Company, always remembering the £60,000 advanced. On receipt of title deeds and payment of balance in land or bills, the Company to absolutely renounce all interest in concession or railway line. That the whole of the lands (3,000,000 acres, more or less), selected or to be selected as payment for the line, be made over to a trust (members of said trust to be appointed by both Houses of Parliament). In order to complete the line, a sum of £300,000 might be required, and it is to the interest of the National Bank to assist the Government in providing this sum. The money should be raised on debentures, all or any number redeemable at any time the Government thinks fit, and bearing interest at 4 per cent. or $4\frac{1}{2}$ per cent. The specific security for same and Treasury bills to be the lands (3,000,000 acres) already selected, always excepting those now held as security for advance of £60,000; such selected lands to be open for sale at a price not under 5s. per acre, and the proceeds of all sales to be lodged to a separate account for redeeming Treasury bills and debentures. When sufficient land has been sold to retire the same, the said Treasury bills, etc., are to be retired, and the balance of selected lands to return to the general Crown Lands Department. The completion of the work to be given to Mr. Keane, on salary, and the work carried out and supervised by Government.” The Colonial Secretary says that if the Company finishes the line, and then cannot pay the £20,000, the whole thing will become forfeited; but if we are to judge by what the Premier said last night, I do not think anything of the kind will happen. In fact, if the Company is unable to work it we shall probably lend them more money, out of which they will pay us back anything we may have paid on their account. I believe when the 31st March comes we shall find that the Company has done nothing, and they will then come in and ask for something more. When the guarantee of interest on the £500,000 was asked for we were told that if it were granted the men would start work on the following Thursday, but they have not started yet. In the second paragraph of the directors’ report they say: “Believing that the delay in the receipt of this land was only a temporary matter, the directors, as stated,

applied to the Government for assistance, and at the same time took steps for the formation of a land company, on a basis which would have given the funds required for the completion of the line." This is quite true. They did take steps towards forming a land company, and I have a copy of the prospectus here; and I may tell hon. members that there are some peculiar things in it. Let us take for example the analysis of the land the people in England are asked to subscribe to. The report says:—"The land bought from the railway is part of that described in the final report of the Commission on Agriculture (this has just been issued and can be seen at the office of the Company) and is situate ——. It consists of rich river deposits, extending along flats on either side of the River Swan from below Guildford until it becomes lost in the Darling Range. The extreme fertility of the flats is fully described in the report." Why should we support a Company like this? We have gone too far already, and I think it is time we put the peg in. I say, instead of lending them money, we should negotiate with them with a view to cancelling the present contract. Let us buy them out. They have 150 miles complete, which, at £3,000 per mile, would mean £450,000. Against this we should save 150 blocks of land of 6,000 acres each, which, say at £1,500 a block, would give us £225,000, leaving us £225,000 to pay by debentures on that account. Then there are 123 miles unfinished, which, according to the Engineer-in-Chief, will cost £309,000. This would give us £534,000 to find in debentures. As against this we should have, at 12,000 acres per mile on 273 miles, 3,276,000 acres, less 6,000 acres per mile (900,000 acres) on the 150 miles complete, or a total of 2,376,000 acres. This, at 5s. per acre, would be worth £594,000, with which to redeem the £534,000, thus leaving a surplus, after buying the railway and finishing the line, of £60,000, which would pay off the amount the Government are already liable for. And then, as a net profit on the transaction, we should have the completed line. I beg to move the amendment which I have already read.

THE HON. G. W. LEAKE: I shall second the motion of the Hon. Mr. Morrison. I cannot say that I altogether agree with him in regard to the details,

but I do most cordially in the principles he has enunciated. During the whole time this precious Midland Railway Company has been before us, I never could understand the extraordinary leniency with which it has been treated by the Government, and especially after the statement of the Treasurer that at the present time the Government really want a further loan of £230,000, £118,000 of which is for the Eastern Railway. When the Company put forward these proposals they must have had some notion that the Government would adopt them, and I must say I cannot understand it. Virtually the Company says, "We cannot carry out our contract, but if you will lend us the money to do it we will carry it out." Surely this is contrary to the principles which actuate mankind in dealing with contractors; but the coping-stone of the lot is the interesting document from which the Hon. Mr. Morrison has read an extract as to the extravagant fertility of the lands on the side of the Swan. Anyone who has seen these lands would simply say that the report is a lying one. I ask is it decent for the Government to deal with a number of people, which number is stated to be two (and I believe their names are known to gentlemen in this House), and come down with a proposal to burden the colony with a sum of £500,000 in order to relieve these two people and the National Bank? It is all very well to say that it is desirable that the railway should be completed. Of course it is, but it is desirable it should be completed by men in whom we can place reliance. At present we are in the position of being offered the guarantee of the payment of a bill by a man who is insolvent, and I think, in the interests of the colony, we should hold off from it. I shall vote with the Hon. Mr. Morrison against these propositions.

THE HON. T. BURGESS: I regret that so much of our valuable time has been taken up in connection with this unfortunate Midland Railway. At the close of last session we had a proposal brought before us which created a considerable amount of excitement and anxiety; and after being passed it fell through and had no effect. It is, however, unnecessary for me to take up the time of the House with any references to what has been

done in the past. I may say that I have no confidence in the Company whatever. I had very little faith in it from the commencement, and I have still less now. They began work, however, apparently with sufficient money to complete, but where they got it from has nothing to do with us. Still they have not completed, and the proposals now before the House are to enable them to do so. The conditions of these proposals have been fully pointed out by the Colonial Secretary, and I need not waste time in going over them again. As far as I can see everything necessary is embodied in them. My object is to see the line completed and the land thrown open for selection; and as far as I can see, if these proposals will bring these things about, we shall be doing a good thing for the colony without running any very great risk. The object of the Hon. Mr. Morrison is to get rid of this Company, and he proposes to enter into negotiations for a compromise. These proposals, to my mind, are a compromise. We are endeavoring to clear the Company out. I see no hope of their being able to complete the contract they originally made, and it is therefore the duty of the Government to endeavor to enter into an arrangement by which the line will be completed and the land opened up for selection. These resolutions are as liberal as the Government can make them, and at the same time they are most binding. If they are accepted we are undoubtedly pledging the colony to a loan of £500,000 and interest, but this we can well stand even at the present time if necessary. In doing this we are giving the Company a chance of taking advantage of their concession; if they cannot, then the Government must take the matter in hand.

THE HON. J. MORRISON: You will be afraid to.

THE HON. T. BURGESS: We shall take care we are not afraid to when the time comes. There is no doubt that the country has been led into a difficulty, and we cannot get out of it without a new arrangement. I look on this as a further loan, and considering that we have already agreed to what is virtually another loan of £230,000, it is a serious matter; but it is acknowledged that we must open the land and complete the line. I say it is a serious matter, because in addition to the £1,336,000 we have just borrowed,

this means a further loan of £1,250,000. There is the £230,000 recently passed; this £500,000, and then there is the money we shall have to find to complete the Fremantle harbor works. But we have got into a difficulty, and we must make the best of it. I do not think it necessary to say anything further, except to add that I shall support the resolutions.

THE HON. J. G. H. AMHERST: I shall vote for the resolutions, and in doing so allow me to express my admiration of the lucid manner in which the Hon. the Colonial Secretary has placed them before us. If we support the amendment, it would mean the recommencement of negotiations, which might lead us into litigation, pending which the railway, incomplete as it would be, would remain a standing disgrace to us. These resolutions have been thoroughly thrashed out in select committee, and the interests of the colony have been thoroughly looked after and protected, and I hope, therefore, that they will receive the support of this House.

THE HON. D. K. CONGDON: I do not think it is necessary for us to go back and reflect on the characters of the directors or persons connected with the Company. What we have to consider is, first, whether it is desirable that this line should be completed? The general answer to that is that it is desirable. The next thing is, is this country secured against loss? Judging from the resolutions, I should say the country is amply secured. With the assistance which the Company will get the line will be completed, or the Government will be in a position to take it over with all the rolling stock and 2,400,000 acres of land. I see nothing to frighten us, and I shall support them.

THE COLONIAL SECRETARY (Hon. S. H. Parker): I would just like to say a few words in reply to what the Hon. Mr. Morrison has said. He suggests that the Government should enter into negotiations for obtaining the railway, either by purchase or other equitable arrangement. Surely there must be two parties to anything of the kind—the Government and the Company. If we approach the Company to surrender its concession they will, of course, demand the fullest value, and if the price asked

was not agreed to they would ask to go to arbitration. The arbitrators would certainly not award them less than £2,000 a mile, for none of our Government lines have been completed for less than that. It may be, that considering the low price that railways have been recently let at, they may be now built and equipped for that sum; but bearing in mind that this Company's contract was £3,600 per mile, and that the contractor has been paid at that rate, I do not think the arbitrators would award anything less than £2,000. At that rate the proposal of the hon. gentleman would give the Company £300,000.

THE HON. J. MORRISON: £450,000.

THE COLONIAL SECRETARY (Hon. S. H. Parker): I am taking it at the lesser sum of £2,000 per mile. Then, to complete the remainder, another £300,000 will be necessary; so that the hon. gentleman wishes us to pay £600,000, while the proposition that we are asked to agree to is that in the event of the Company failing to fulfil the conditions imposed by the resolutions we shall get the very same thing for £520,000.

THE HON. J. MORRISON: That is if the Government exercise the right of foreclosure.

THE COLONIAL SECRETARY (Hon. S. H. Parker): My hon. friend will see that an Act is to be passed, and this will provide that in the event of the Government having to take possession, under clause 5, the whole line shall become the absolute property of the Government, without any right of redemption. In other words, if ever the Government has to pay £20,000 on these bonds, the whole railway will become the absolute property of the Government, with the liability of the £500,000. I shall be glad to see the Company continue on and never ask the Government to pay, and we know that they never will, if they can, allow the line to fall into the hands of the Government. It seems to me, if the colony progresses, as we hope it will, the Company will be in a position to pay the interest without calling on the Government. Although I hope this will be so, I am not prepared to say, bearing in mind the *personnel* of the directors and the Company, that it will not be in the best interests of the colony if we have to pay the £500,000, and thus get rid of them altogether.

THE HON. J. MORRISON: There is no doubt that if ever stringent regulations were made to lend or borrow these are they, but I do not think the Company will accept them, and what I say is that we have no money to lend to bolster up a private enterprise. The Colonial Secretary says we shall get the line for £520,000. If that be so let us have it, but when the time comes the Government will be afraid of a law suit, which the Company is sure to threaten. I want to see the country clear of this Company altogether, and the only way to do it is to buy the concern right out.

Amendment—put and negatived.

Question—That the resolutions be agreed to—put and passed.

ADJOURNMENT.

The Council, at 9-55 o'clock p.m., adjourned until Thursday, 12th January, at 8 o'clock p.m.

Legislative Assembly,

Wednesday, 11th January, 1893.

The Claims of William Harris—Officers of Parliament Bill: second and third readings—West Australian Trustee, Executor, and Agency Company, Limited (Private) Bill: in committee—Scab Act, 1891, Amendment Bill: in committee—Transfer of Land Bill: in committee—The Estimates, 1893: further considered in committee—Defence Forces Bill: second reading; in committee: third reading—Adjournment.

THE SPEAKER took the chair at 4 p.m.

PRAYERS.

THE CLAIMS OF WILLIAM HARRIS.

MR. DEHAMEL asked the Commissioner of Crown Lands whether he received a letter dated the 16th December, 1892 (referring to a previous letter of the