

Legislative Assembly,

Thursday, 23rd November, 1899.

Question: Mineral Exhibits—Question: Harney v. Minister of Mines—Question: Railways and Local Tendering—Motion: Leave of Absence—Tramways Select Committee: Change of a Member, etc.
 Annual Estimates: Ways and Means Companies Act Amendment Bill, second reading, in Committee, Clauses 1 and 2, progress. Mines Regulation Amendment Bill, in Committee, new clause (tailings), reported.—Subiaco Tramways Bill, second reading, in Committee, reported. Motions for Papers, (1) John Smith, (2) Sergeant Mauchin—Motion: Royal Mint, to induce more business (negatived)—Motion: Banks, Assets and Liabilities Motion: Pilbarn Railway, to Construct—Adjournment.

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

PRAYERS.

QUESTION—MINERAL EXHIBITS.

MR. KINGSMILL asked the Premier whether it could by any means be arranged that the public of Western Australia should have an opportunity of inspecting the Mineral Exhibit to be sent from this colony to the Paris Exhibition, before such exhibit leaves the colony.

THE PREMIER replied that he had referred the question to the president of the Royal Commission, and had received the following answer:—"The question of arranging for a local exhibition of the mineral exhibits destined for Paris in Perth has been fully discussed by the Royal Commission, and in view of the fact of it being imperative that all exhibits shall be in Paris not later than the 28th February next, and that the bulk portion of the mineral exhibits have been specially packed, sealed, and catalogued ready for shipment, and that Mr. Holroyd, the curator, is still engaged collecting, and will be so up to the last moment, the Commission regret being unable to make any exhibition in Perth before the Exhibition in Paris, but suggest a display, if practicable, after the close of the Paris Exhibition."

QUESTION—HARNEY v. MINISTER OF MINES.

MR. ILLINGWORTH, for Mr. Vosper, asked the Attorney General whether it was the intention of the Government to appeal to the Privy Council against the decision given by the Full Court in the

case of Harney, Wilson, and Ramsden *versus* the Minister of Mines.

THE ATTORNEY GENERAL: Yes.

QUESTION—RAILWAYS AND LOCAL TENDERING.

MR. WILSON asked the Commissioner of Railways: 1, Whether it was the intention of the Government, in accordance with the resolution recently passed by this House, to call tenders within the colony for the rolling-stock proposed to be purchased. 2, If not, why not?

THE COMMISSIONER OF RAILWAYS replied:—Under the existing conditions the Government did not see that any advantage would result to the colony by doing so.

MOTION—LEAVE OF ABSENCE.

On motion by MR. LEAKE, leave of absence for one fortnight was granted to Mr. Oats (Yilgarn), on the ground of urgent private business.

TRAMWAYS SELECT COMMITTEE—CHANGE OF A MEMBER.

On motion by MR. LEAKE, the Hon. S. Burt was discharged from attending the Select Committee on Perth Tramways Act Amendment Bill, and Mr. Wood appointed in his place.

Select Committee also authorised to sit during adjournment of the House.

ANNUAL ESTIMATES.

Resolutions passed in Committee of Supply having been reported at the last sitting, the report was now adopted.

IN COMMITTEE OF WAYS AND MEANS.

Resolution was passed, giving effect to the votes of supply already agreed to, by granting the required amount out of the Consolidated Revenue Fund.

Resolution reported.

COMPANIES ACT AMENDMENT BILL.

SECOND READING.

THE ATTORNEY GENERAL (Hon. R. W. Pennefather): I rise to move the second reading of this Bill. As its title indicates, the Bill practically deals with that portion of the Companies Act which relates to foreign companies, and perhaps it would be just as well to give

a short *résumé* of the previous legislation on the subject since the passing of the principal Act. Our principal Act dealing with the law of companies was passed in 1893, and part of that Act points out the manner in which foreign companies may trade in this colony. Provision is made that they may trade and have an attorney here acting under the usual power, that the attorney should have an office here, and the usual penalties are inserted in the Act for enforcing these provisions. The first amendment of this Act was one which does not really affect the measure before the House. It was made in 1896, and contained some trivial amendments as to taking statutory declarations. In the following year, 1897, an Act was passed amending the principal Act and establishing for the first time what is termed a "colonial register"—that is to say, a register to be kept in the colony of the colonial shareholders who have interests in a foreign company. Some minor provisions were also made, but that was the substantial amendment of the Act. Then we come to the Act of 1898, and that is the Act with which we are almost entirely, I may say, at present concerned. The Act of 1898 repealed some of the provisions of the Act of the preceding year, and enacted, by Section 3, that a colonial register shall be established within a certain time—I think within two months—of the registration of the company, and there is a penalty of £2 per day on the attorney of the company for not carrying out this provision. By Section 4 it was enacted that meetings in respect of the reconstruction, or issue of uncalled capital or shares, should be held within a certain time, in order, it appears, to give the colonial shareholders an opportunity of being represented at the meeting—that is, all meetings outside the colony, or to be able to get someone to look after their interests. To that section there has been objection. It is shown beyond any doubt whatever that that provision is *ultra vires*—in other words, this Legislature cannot enforce any restrictions on foreign companies managing their own business in the country of domicile. There is no power whatever to do anything of the kind. That section of the Act is to be repealed, and we are going to see by the Bill what effective way there is of carry-

ing out the same idea as was intended to be carried out by that section. In addition to that, there are some other sections: that a company should keep a copy of the register in this colony, that is to say an exact copy of the register kept in the principal office, in the country of domicile. The Act of 1898, as members will remember, was brought in at the close of the session by a private member, and was certainly passed through the House rather hurriedly. Everybody was so keen that something of the kind was necessary that the Bill passed both Houses—I might almost characterise it—with indelicate speed. We see now that the Bill is practically unworkable, because when we enact that foreign companies shall hold meetings at certain times, we have no means of enforcing that provision; therefore in that way the Act of 1898 is inoperative. The present Bill, by its principal clauses, provides that the interests of colonial shareholders are to be conserved, and it expressly enacts that whenever the reconstruction of a foreign company takes place, whether it is under the management of directors or happens to be in the hands of a liquidator, it is incumbent on the directors or the liquidator to protect the interests of the shareholders. In other words, the shareholders must be consulted, and the way we give effect to that provision is this: we say to the foreign company, "You must conserve the rights of our colonial shareholders in the way enacted in the Bill, and if you do not we shall not allow you to carry on any business in the colony while you are in default; and in addition to that, we shall not allow you to deal in the property within our jurisdiction." That is completely within our power, and as far as the Legislature is concerned it is entitled to impose restrictions of that kind. The only question is the policy of it. I know it is urged, and has been urged by shareholders in the old country, that it is unreasonable that we should place any restriction on foreign companies. The argument practically is this: the companies say it is unfair to us who have established companies in Western Australia, that you in Western Australia should want to practically domicile the company there and control it, for as a matter of fact, when you applied for your shares you knew the company to

be established in London. That is the argument used, and no doubt it is a pretty strong one. It is only right that I should point that out to hon. members, because that objection has been urged at Home and in this country. But there is an answer to that argument. Hon. members, with their knowledge and experience, must know that the experience of shareholders in these foreign companies has not been a happy one. Their interests have not been conserved. I have had a little bit of personal experience: that should not influence one's opinions, but I was reconstructed out of a company. I cannot help mentioning that. The object of the amending Bill is to impose restrictions upon these companies, so that the interests of the shareholders shall be duly conserved. To sum it up in a few words, the Bill proposes to compel foreign companies to give reasonable notice to the colonial shareholders, within which time they shall make up their minds whether they will act in a certain direction or not. If there is to be a reconstruction or amalgamation as there is in some companies, the interests of the colonial shareholders shall not go by default, but they shall be allowed reasonable time in which to express their opinion whether they are in favour of the step proposed. I think hon. members will see that is a fair thing. We are acting within our statutory rights, and the only question at issue now is the policy of doing it. Considering the opinions that have been expressed of late in the House and outside, I am inclined to think the measure which I submit to the House is one which ought to be accepted. There are some minor alterations in the Bill which in Committee we can consider. This is a measure intended to protect the interests of colonial shareholders up to a reasonable extent, and we do not wish to go further than that. I think I can with confidence commend the measure to the consideration of hon. members.

Question put and passed.

Bill read a second time.

IN COMMITTEE.

Clause 1—agreed to.

Clause 2—Amendment of Section 3 of 62 Vict., No. 28:

THE ATTORNEY GENERAL moved that the following words at the end of the

clause be struck out:—"In respect of any contract, dealing or transaction in the said colony"; and that "whatsoever" be inserted in lieu thereof. The object of striking out the words was that if left in the clause, a question might arise as to whether a company could not sue in respect of a tort; and inasmuch as the object of the Bill was to prevent their suing at all, the striking out of these words would effect that object, and the clause would then apply to a breach of contract as well as to a tort.

HON. S. BURT: In Section 3 of the Act passed last year, which this Bill would amend, that provision obliged foreign companies to keep a local register. By an Act of the previous year, 61 Victoria, No. 35, there were other provisions as to the method of effecting transfers after a company was registered, and that Act required that transfers should be sent to England to the head office of the particular company. When the amending Bill of last year was before the House, it appeared to him that the two provisions would clash, and he informed the member in charge of the Bill (Mr. Higham) that this would be so; but the hon. member had a number of amendments which he believed would meet the case, but which he (Hon. S. Burt) did not consider suitable, and therefore he could not identify himself with those amendments, as he could not see how the provisions could be carried out. It was usual, and nearly always the case, that the directors of a company reserved to themselves the right of approving of a transfer or not; and this appeared to be necessary for protecting them against any arrears on calls that might be due in respect of the particular shares before the transfer should be registered. The amending Act of last year provided that the register of transfers should be effected in the same way as was done in England; but how could that be carried out, seeing that the Act of the previous year required that transfers should be sent to the head office, and in the case of an English company that would be sending the transfers to England to be approved by the directors there before the transfers could be registered. In dealing with the Bill of last year, the then Committee were under the impression that when a register was opened

in this colony, persons could take a transfer to the local office and get it registered at once; but that could not be done, as he had explained, because under the earlier Act, of which that was an amendment, a period of three months would probably elapse in sending the transfer to England, getting it registered there, and having it returned to this colony. Therefore the intention of the amending Act of last year could not be carried out. He did not know how we could compel a company domiciled in England to register a transfer, that company being an incorporated one wherever the company did business, and having also a constitution with articles of association by which it was usually provided that transfers must be approved by the directors. If therefore it was understood that by this Bill we were proposing to put a penalty on foreign companies for not bringing their system up to our requirements, well and good. He only wished to point out the difficulties of the case.

MR. MORAN: This Bill would repeal the provision as to sending transfers to England, would it not?

HON. S. BURT: No; it did not repeal that provision, and transfers must still be sent to the principal office to be registered. The subject was a difficult one, and he did not think it had been sufficiently considered. The member in charge of the Bill of last year had a number of amendments on the Notice Paper, but ultimately he withdrew them in favour of some general provision of the "etcetera" type, and it would be observed that the very word "etcetera" occurred in the middle of one of those clauses, meaning one did not know what.

MR. MORAN: Mining members were at a loss in the House in dealing with a technical subject of this kind, and if not assisted by legal members in the House this session might go past without any effectual remedy being provided against the existing evil. With the usual practice of a mining community, who made a great noise about some reform they wanted but who effected nothing, he regretted to say that no communication had been received from persons on the goldfields interested in this question. He had put the matter clearly before certain brokers at Kal-

goorlie, and they had promised to communicate with him as to what remedy should be provided, but he heard nothing more about it. Day after day leading articles appeared in goldfields newspapers about the tyranny of the Government in shielding foreign companies, and not providing remedial legislation. But why had not those persons, who complained so much and had so many grievances, done something to show members of this House what it was they really required in the way of legislation? He appealed to the legal members of this House to do all that they constitutionally could, in a difficulty of this kind, so as to get rid of such scandalous cases of injustice as that which was brought before the Assembly the other evening by the member for Albany. There being five legal members of this House, he suggested that the Bill should be referred to them as a select committee, to report as early as possible, say on Monday next.

THE ATTORNEY GENERAL agreed with the member for the Ashburton (Hon. S. Burt) as to the difficulty in regard to transfers. A transfer could only be made by the directors of the particular company; and inasmuch as there were no directors of foreign companies in this colony, these transfers must go to the principal office in England.

MR. ILLINGWORTH: When transfers went there, the difficulty was to get them back.

THE ATTORNEY GENERAL: A transfer could not be effected locally unless directors were appointed here to register the transfer.

MR. LEAKE: The companies could provide that machinery, by appointing local directors in the colony.

THE ATTORNEY GENERAL: This amending legislation would not have been necessary, if the English companies had only exercised the powers they had under the Colonial Register Act of 1883, that being an Imperial Act empowering English companies to adopt a colonial register; but English companies had not taken the power, under their articles of association, to do this, and they maintained that this colony could not compel them to do so, because their articles did not provide for such a thing being done. The reply was that the companies could do so according to colonial law.

MR. MORAN: Many English companies had colonial directors.

THE ATTORNEY GENERAL: In their case the thing could at once be done, but the appointment of local directors was not compulsory. Nearly all great efforts for reconstruction, amalgamation, etcetera, were made by shareholders moving in groups; and the colonial shareholder who had no access to the share register was completely at the mercy of the company's office in the old country. This Bill would be enforced by providing that companies declining to comply with its provisions could not alienate property held in this colony, nor carry on business here. The only disability to which the colonial shareholder would still be subject would be in respect of the time between the lodging of the transfer and its registration in England.

MR. MORAN: A great objection in a market like ours.

THE ATTORNEY GENERAL: True; but that must always remain a difficulty in dealing with a foreign company. The main object of the Bill was to provide for a register of colonial members. The next object was to enable shareholders here to be perfectly sure that the company could not reconstruct without giving to colonial shareholders due notice.

MR. MORAN: What was the defect in the Act passed last year?

THE ATTORNEY GENERAL: That Act had attempted to determine what notice the foreign company should give to its colonial shareholders; but that provision was *ultra vires*. By the present Bill, foreign companies were told that colonial shareholders must get so many months' notice, failing which such companies would be prevented from carrying on business here or from alienating colonial property. That was strictly within the right of this Parliament.

MR. EWING: The objection of the member for the Ashburton (Hon. S. Burt) was insuperable. In trying to conserve Australian interests we could not do impossibilities, nor override the Imperial Parliament, which gave certain powers to companies—amongst others the power to frame their own constitution within certain limits. In their constitution the companies provided that no share transfers should be effective until approved by the board of directors. We

could not alter that condition of affairs, and apparently nothing more could be done than had been done by the Act of last year, providing for an office of lodgment and of information in this colony. Strictly, that office would not contain a register of shares, because the transactions chronicled in such a book were not effective transactions until approved by the directors of the foreign company.

MR. MORAN: Could not the power to approve be delegated to local directors?

MR. EWING: Yes; if the foreign company could be persuaded to have such directors.

MR. MOORHEAD: Amend the Bill so as to compel them to do so.

MR. EWING: Would that be possible?

MR. MOORHEAD: Certainly; otherwise prohibit them from trading here.

MR. EWING: Possibly that might work; but English companies could frame their own constitutions irrespective of our approval so long as the English law was complied with.

MR. MOORHEAD: When trading in France they must comply with the French law.

MR. EWING: But a British colony could not overrule the laws of England.

MR. MOORHEAD: This would not be overruling.

MR. MORAN: There was no conflict of law.

MR. EWING: The matter was debatable; but no addition could be made by this Parliament to the constitution of English companies. We could not compel them to take notice of transfers registered in Australia, nor to have local directors to approve of transfers. It therefore appeared that all we could provide for was a local office for the receipt of transfers, and in which information regarding the position, number, and personality of the shareholders could be disclosed.

THE ATTORNEY GENERAL: We could not effect the constitution of foreign companies.

MR. EWING: Any addition to such constitution would impose more upon the company than was contemplated by the Imperial Act, and would therefore be *ultra vires*.

MR. MOORHEAD: As well say we could not tax the goods imported by an English company.

MR. MORAN : And a dividend tax was imposed !

MR. EWING : Such enactments did not affect a company's constitution.

MR. MORAN : We compelled foreign companies to have local attorneys.

MR. EWING : Every company doing business in a foreign company must, for its own protection, have an attorney. All we did was to provide certain methods for the appointment of attorneys.

HON. S. BURT said he had not been criticising the clause providing for notice to individual colonial shareholders. He desired to show exactly the ground on which the question of colonial transfers rested. No doubt Parliament could provide that foreign companies should not trade here without complying with the regulations ; but it was questionable whether it was wise to demand that foreign companies should do something which was not demanded from other companies, for the effect might be to debar foreign companies from trading here.

MR. LEAKE : This Bill referred only to mining and timber companies.

HON. S. BURT said he was referring to Act 61 Vict., No. 35, which provided for the transfer of shares on colonial registers, and which Clause 2 of this Bill sought to amend. That Act referred to all foreign companies. Though we could provide that all foreign companies must have local directors, it might not be politic to do so, because many companies would not trade here under such expensive conditions. We did not require all foreign companies to have a board of directors here, but Parliament said that foreign companies should have a colonial register, and when a transfer was put in, that transfer must be sent to the office of the company at its domicile, and if it appeared there were no encumbrance or unpaid calls registered against that share in England, the transfer must be sent back here to be entered on the register. That did away with the power of the board at home to express approval or disapproval as to a transfer coming to this colony. Parliament was altering the constitution of foreign companies to the extent that we had taken away from them the right of approving of a transfer or not. A company might say that they were likely to make more calls, that the transferee was a man of

means, while the transferee was in poverty, and therefore they would not approve of the transfer. The company might say that they had issued shares to good men, and that they had seen hitherto that these men only transferred to men of substance, therefore they had the right to disapprove of any transferee if they liked. In the colony a man could transfer to a pauper, if he liked, and the company could say nothing. That was what Parliament was doing, and it was said to be an injustice.

MR. EWING : Could we do it directly or indirectly ?

HON. S. BURT : We could say, " You shall have a board of directors here to approve of the transfers made here." All that was asked in the Bill was to make the penalty higher for not having a colonial register, and not having transfers entered on that register. Foreign companies complained about the establishment of the colonial register at all, because they said it was a great expense. As the law stood now, Parliament had taken away from English directors the right, under the constitution of the company, to approve or disapprove of a transferee.

MR. LEAKE : Parliament had no right to interfere with the constitution of companies in England. With regard to Section 4 of 61 Victoria, No. 35, some words could be inserted which would meet the objection raised, and when any transfer was desired at a local register it should be done subject to the articles of the company. We could compel directors to observe strictly the requirements of our local Act, and force them to appoint a local board as well as maintain their local register here. He did not hesitate to say that he wanted to see as much benefit locally out of foreign companies as possible, and if the brokering of these companies could be done in Perth instead of in Adelaide, he would insist on its being done here.

THE PREMIER : That was reasonable.

MR. LEAKE : We wanted to get as much benefit as we could out of our production of gold ; but foreign companies were represented by Australian boards, not in this country but in Adelaide, and we wanted these companies to bring their local boards here, and thus we should obtain the benefit of the business.

THE PREMIER: It would be a great convenience as well.

MR. LEAKE: Yes. It would also force business into Perth and other business centres, and altogether the country would derive much benefit. Let Parliament force foreign companies to do here what companies desired to do only in London. If Parliament said these companies should maintain their local boards, and penalised them if they did not keep boards here, we would find these companies would alter their constitution and make the necessary provision.

MR. MOORHEAD: That was the way to do it.

MR. LEAKE: There was one company—he thought it was the New Zealand Trust Company—carrying on business in Coolgardie which took advantage of this local Act; and the manager of that company had told him (Mr. Leake) that it suited them to have their local representation here. The manager naturally said, “If we are complying with the Act, why should not other companies be forced to do the same?” There were one or two companies which complied with the Act, and they thought all other companies should do the same. Foreign companies said they could not comply with the local Act because they were not so constituted; but that could be altered with a stroke of the pen. It was not asking these companies to do a great deal. People in London wanted to have the whole thing at their fingers’ ends, take as much out of the country as they could, and put back as little as possible. If we worked together, we could force foreign companies to do their business here, which would be all the better for this country.

THE PREMIER: They ought to do it here rather than in South Australia.

MR. LEAKE: That was one of the worst features of the whole transaction. The business went to Adelaide; the local representation was in Adelaide, while it ought to be done here. We were entitled to some consideration at this end, and if we insisted on the companies having local representation in the colony and a local register, we could compel them to act accordingly, and we would not be inflicting any hardship on the foreign companies, particularly when there were some mining companies trading here which already recognised the principle. Whilst

compelling these companies (not merely authorising them) to maintain local boards of directors, we could penalise them to such an extent that they would find it preferable to comply with our legislation rather than pay a heavy fine. We could force them to do what was necessary in our own interests, and, at the same time, without injuring the companies.

MR. MORAN: One phase of this question should be kept in view. If we did not take action immediately for compelling these companies to register in the colony and to have local directors, the effect would be that after federation came about we would have no chance of doing this at all. He had pointed this out to brokers at Kalgoorlie, when they called on him in reference to this difficulty; and he now suggested to the Committee that no time should be lost, so as to get the new system established before federation came in.

THE PREMIER: The Commonwealth would override our legislation.

MR. MORAN: Yes. Would Western Australian protests be considered by the Commonwealth Parliament before protests coming from Melbourne or Adelaide? No; there would be no chance whatever for our protest to receive attention after federation was adopted. Brokers on the goldfields complained bitterly of the way in which parties in Adelaide treated people here who sent scrip over to have transfers registered, and this also caused considerable expense. By passing a law this session, we could force the companies to open local registers and appoint local directors.

THE PREMIER: But even then the federal legislation would override our legislation.

MR. MORAN: Yes; he was aware of that, but the companies having once established their boards here, they would not be likely to do away with them and transfer their centre of colonial registration to some other colony. English investors would have saved millions of money by having local directors to safeguard their interests here, because it was evident that local directors, having a knowledge of the mines and what was going on here, would be in a much better position than directors in England would be to properly protect the interests of

shareholders. Therefore this legislation, while benefiting us, would also benefit the companies, instead of hurting them.

MR. LEAKE: This would help the coal-mining companies also.

MR. MOORHEAD: Looking at the various Acts on the subject, he suggested that it would be best to refer to a committee of the House for codification all the various Acts relating to company business. It was not in consonance with the dignity of the House to have to go before judges of the Supreme Court to interpret our legislation, and to be simply laughed at. Examples of this kind might be found in the amending Act that was passed last year, particularly in Section 4, in which occurred the words "and a manager, etcetera." What could be the meaning of "etcetera?" How could the meaning be limited? An information laid against a company based on words like that would not lie, and it would first be necessary to ascertain who was the "etcetera," and whether "etcetera" had failed to do anything. In Section 6 of the same Act, a provision relating to the keeping of a copy of the register was so indefinite that it was useless. There might be other grave faults in these Acts which ought to be, and could be, rectified if these statutes were referred to a committee of the House. He agreed with the remarks of the member for the Ashburton (Hon. S. Burt), that we could not compel foreign companies, incorporated under the Imperial Act, to amend their constitution to suit our requirements. We could not enforce that by local legislation, but we could do it indirectly by simply saying that a board of directors should be maintained in Western Australia, who should have power to register transfers, and that any company not having such a board should not be allowed to carry on business in this colony. If the companies did not choose to comply with that provision they could leave us.

THE ATTORNEY GENERAL: The only difficulty about referring these Acts to a committee of the House would be the want of sufficient time to deal with the subject and pass the necessary legislation this session. Section 4 of the amending Act of 1898 should certainly be amended at the earliest opportunity; but if we entered on a consolidation of all the Acts relating to companies, he

was afraid the work would not be completed soon enough for action this session.

MR. EWING: This Bill would be better than nothing. The consolidation could be effected next session.

THE ATTORNEY GENERAL: True. Even the Imperial Parliament had made about eight amendments since introducing their last principal Companies Act, about 1883.

HON. S. BURT: Better adjourn till Monday, and frame a clause.

THE ATTORNEY GENERAL: Yes; and thus remedy the imperfections of the 1897 Act. He moved that progress be reported.

Progress reported, and leave given to sit again.

MINES REGULATION AMENDMENT BILL.

IN COMMITTEE.

Consideration in Committee resumed from 12th October.

New clause proposed by MR. VOSPER (28th September), prohibiting the depositing of cyanide tailings, etc., in any mine, now further considered:

THE MINISTER OF MINES: The hon. member who had proposed the new clause was not in his place. Did he intend to proceed with it?

MR. GREGORY said he did not think the hon. member intended to proceed with the new clause, if another clause, which had been promised, were moved.

THE MINISTER OF MINES: All the clauses of the Bill had now been passed, and the Committee had adjourned to give time for considering the question of the use of cyanide tailings for filling up stopes. He had been asked to obtain the opinions of some bodies on the gold-fields, and such opinions were somewhat conflicting. The Chambers of Mines were much opposed to any alteration in the use of cyanide, while the Workers' Association at Boulder were uncompromising in their opposition to the use of tailings. The Committee had better adopt a middle course. Mining could not profitably be conducted without using cyanide tailings for filling stopes; but every possible care should be taken to prevent ill effects to the miners. Cyanide of potassium, combining with carbonic acid in the atmosphere, produced a most dangerous poison—prussic acid. But experts admitted that,

with ample ventilation in the mine, the danger was greatly minimised. Before making any hard-and-fast rule further information was desirable. He had been unable to ascertain whether in other countries such tailings were taken direct from the vats and put in the mines, or whether they were exposed to the air for any given period. If cyanide tailings were so exposed, the cyanide disappeared and the tailings became innocuous. The member for North-East Coolgardie (Mr. Vosper) had suggested that the use of cyanide might still be permitted, but that sufficient ventilation in the mine be provided for, so that currents of air might carry away the noxious gases. He (the Minister of Mines) therefore proposed to introduce in the Bill a clause, to stand as No. 1 of the "general rules," instead of the first rule now to be found in the Mines Regulations Act; and this clause obtained in Victoria, Queensland, and New Zealand, and provided for the amount of air per cubic foot which must be given to each man working in the mine. This clause had recently been introduced in these colonies when their Mining Acts had been consolidated; and after its introduction here it would be well to wait and to watch its operation before legislating with regard to the use of cyanide, though apparently legislation must follow. According to expert opinion, if the cyanide tailings were properly washed before being put into the mine there was no danger; and the tailings could be washed with less difficulty than might be imagined.

MR. KINGSMILL: They were always washed.

HON. H. W. VENN: Where would the water come from?

MR. KINGSMILL: If not washed the mine-owner would lose the gold.

THE MINISTER OF MINES: True; for every particle of cyanide in the tailings contained gold, so thorough washing would be to the advantage of the mine. He therefore proposed that Sub-section 1 of Section 23 of the Mines Regulations Act of 1895 be struck out, and the following inserted in lieu thereof:—

An adequate amount of ventilation, that is to say not less than 100 cubic feet of air per minute for each man and boy, and 150 cubic feet per minute for each horse employed underground in a mine, excepting in cases where

noxious gases exist to a dangerous degree, when the quantity of air required shall be increased to 500 cubic feet respectively, and shall be constantly produced in every mine to such an extent that the shafts, winzes, levels, underground stables, and working places of such mines, and the travelling ways to and from such workings and places shall be in a fit state for working and passing therein. And all drives in quartz workings by which any two mines are connected, shall, if considered necessary by the Inspector of Mines, be kept open for ventilation and for escape drives, and upon the order of the Inspector of Mines, authorised by the Minister, companies shall construct such connecting drives, where the works are not more than 300 feet apart, for ventilation and escape at their joint expense, and where deemed necessary for the purposes of ventilation by the Inspector of Mines, if authorised by the Minister, all levels shall be connected with winzes. But this shall not apply to alluvial mines, except where in the opinion of the Inspector, if authorised by the Minister, it is considered necessary.

That was the clause he proposed to introduce, and it was familiar to mining members who had studied the mining regulations of other colonies. It would minimise the danger arising from the deposit of cyanide tailings in mines. Even if proper ventilation were provided and the cyanide tailings were deposited too quickly and the openings stopped up, the ventilation would cease. If that had been done in the Paddington Consols mine loss of life must have ensued. He trusted members would consider this question during the recess; then all would be in a position to deal with the question next session.

MR. GREGORY: The new clause submitted by the Minister providing for sufficient ventilation would meet the case for the present. If the Minister had not the power already, he should provide himself with the power, so that if it were found that there was anything dangerous or offensive in a mine, he would be able to pass a regulation dealing with the manner in which tailings should be deposited in mines. That power might be placed in the hands of the Minister, and if there was any chance of danger arising before Parliament met again, the Minister could pass a regulation and prevent the danger. The regulation of 100 cubic feet per man was in force in Victoria. That would not in any way interfere with the ordinary development work. The inspectors of mines had too much to do to interfere with small workings, and it was only

the big mines which required inspection to see that there was sufficient ventilation. The proposed new clause would satisfy members for the present, and it would minimise danger.

MR. KINGSMILL: It was to the interest of the mine owners to make as complete an extraction of the cyanide from the tailings as possible. The more offensive the cyanide fumes from the tailings were, the more gold was being left amongst the tailings, and members could depend upon it that the mine owners would clean the tailings as thoroughly as possible so as to get as much gold as they could out of the tailings. Worked-out stopes in mines must be filled with something, and tailings offered the handiest mode of refilling. If tailings were not available the manager had to fall back on breaking surface stuff, which was costly. The proposed new clause would meet with the approval of mine owners. The tailings should have as lengthy an exposure to the air as possible, because the fumes arising from them were very deadly; but we knew that the fumes disappeared very quickly. Many mines had not the facilities for exposing tailings, and in some cases stopes had to be filled very quickly.

Motion (Mr. Vosper's) put and negatived.

New Clause:

THE MINISTER OF MINES moved the insertion of the new clause which he had previously read.

Question put and passed.

Title—agreed to.

Bill reported with amendments.

At 6-25, the DEPUTY SPEAKER left the Chair.

At 7-30, Chair resumed.

SUBIACO TRAMWAYS BILL.

SECOND READING.

THE COMMISSIONER OF RAILWAYS (Hon. F. H. Piessé), in moving the second reading, said: It is hardly necessary for me to say much concerning this Bill. I need only inform the House that the promoters of this tramway have complied with the provisions of the Tramways Act, and that a provisional order has been issued by me as Commissioner of Railways, which order is embodied in the

schedule of the Bill. The local authority have, of course, given their consent, otherwise the provisional order would not have issued; and as the promoters have complied with every provision of the Act, there having been no objection to the granting of the provisional order, and as I see no objection to the passing of the Bill, I therefore move that it be now read a second time.

MR. GEORGE (Murray): I have no intention of opposing this Bill, and I rise only to state my opinion, which I think will also be the opinion of members generally, that we should have an assurance in regard to any Bills of this kind, which practically are private Bills for the granting of monopolies, that they have been examined by the responsible officers of the Government, and particularly with a view not merely of seeing that the particular Bill complies with the Standing Orders or complies with the rules and regulations of the Railway Department, but that the responsible officer of the department should see that the rights of the public are properly conserved in every particular. It may be said, as in this case, that the local authority have given their consent, and by this we assume that the local authority have carefully gone into the matter; but there is hardly any local authority, whether a city council or a town council in this colony, that is competent to deal with a matter of this sort, with all its difficulties and responsibilities. The main thing that generally obtains in the discussion of these matters is the question whether the convenience of the local public is served by the proposed work; and, so far as I can judge, these local authorities do not give to the examination sufficient consideration as to how these things are likely to affect those who will have to deal with them in future. Such bodies have not the sense of responsibility that is necessary for so important a matter, because these councils are continually changing in their composition, and frequently the older members who have dealt with such matters may have gone out of office, leaving in the council only those members who are not well acquainted with the particulars. Therefore it is incumbent on the Government to look into these Bills thoroughly, and not merely in a formal way. In the case

of every Bill that confers what is practically a monopoly in this colony, I should like it to be recognised that the duty of the Government department is to see that the rights of the people in the present and the future are thoroughly conserved.

THE COMMISSIONER OF RAILWAYS: It has all been thoroughly looked into by the Crown Law officers before the provisional order was issued.

MR. GEORGE: I said I had no doubt that, as far as the forms and regulations are concerned, they would be looked into; but my desire is that the department concerned in this work should see not merely that the forms are complied with, but that the interests of the people in the present and the future are conserved. Something more than a *pro forma* examination should be made.

THE COMMISSIONER OF RAILWAYS: Clause 7 provides for arbitration.

Question put and passed.

Bill read a second time.

IN COMMITTEE.

Bill passed through Committee without debate, reported without amendment, and the report adopted.

MOTION FOR PAPERS—ACCOUNT IN POST OFFICE SAVINGS BANK.

On motion by MR. ILLINGWORTH (for Mr. Vosper), ordered that there be laid on the table all papers connected with the account of John Smith in the Post Office Savings Bank, No. 15,422.

MOTION—POLICE SERGEANT, PROMOTION.

MR. ILLINGWORTH (for Mr. Vosper) moved:

That there be laid on the table of the House the papers connected with the promotion of Sergeant Munchin to the position of sub-inspector of police.

THE PREMIER said he must oppose this motion, because no appointment had been made. An application had been received, which had not yet been sent forward. Sergeant Munchin was, he understood, a mounted infantry soldier or a cavalryman of experience, and was applying for an appointment held by another officer who had been invalided; and the application would be dealt with

in due course. There were really no papers to lay on the table.

Motion, by leave, withdrawn.

MOTION—RAILWAY ADMINISTRATION (CENSURE).

MR. HOLMES (East Fremantle), referring to the order of the day for resuming debate on his motion, said this matter had been fully ventilated already, and he hoped good would result. He begged leave to withdraw the motion.

Motion, by leave, withdrawn.

MOTION—ROYAL MINT, TO INDUCE MORE BUSINESS.

MR. A. FORREST (West Kimberley) moved:

That it is advisable that the Government should take such steps as may be necessary to protect the colony's interest with reference to the small amount of gold at the present time being sent to the Royal Mint.

He said the Government should take some steps, either by legal or by moral suasion, to induce the banks to give the Mint sufficient gold for coinage to make that institution a paying concern. The colony had gone to great expense in building the Mint and for its upkeep, yet little or no gold was being coined. Although the minting charges had been considerably reduced, there was no reason why gold should not be coined here on the same terms as in Sydney and Melbourne. A memorandum from the Governor of the Mint showed that the original charges were 6d. 3 per 500 ounces; for 1,000 ounces, 5d. 5; for 1,500 ounces, 4d. 8; for 2,000 ounces, 4d. 3; for 2,500 ounces, 4d. 1; and for 5,000 ounces, 3d. 3. These had been reduced, and the charge was now, for 2,000 ounces, 4d. 5; and for 5,000 ounces, 2d. 7. Thus the Mint dealt with large customers on a fairly equitable basis; but the smaller gold producer, who brought in 500 ounces or less per month, had to pay nearly 4½d. per ounce for minting. Doubtless the Treasurer would say that it cost more to coin a sovereign here than it did in Victoria: the reply to complaints was that the charge made was a fraction cheaper than it would cost if the gold were sent to Victoria and minted; but it paid financial institutions to send the material direct to Melbourne, rather than to open the boxes here, take the gold to the Mint

for coinage, and then back to the bank for re-shipment to Melbourne or to London. This motion was not in the interests of the banks, but of the gold producers; and though he would doubtless get into hot water for moving it, he was not prepared to give way or to see the Mint languishing for want of raw material. In the month of July, when the Mint was started, 38,448 ounces had been received out of a gold return of 137,931 ounces: the balance had gone to other mints. In August the Mint received 42,322 ounces, and the total yield for that month was 145,397 ounces. That was a fair amount; but in September the Mint only received 28,998 ounces out of a total yield of 167,000 ounces; and in October, there was received 26,716 ounces out of a yield of 205,000 ounces. The colony could not endure that. The Governor of the Mint said he could now deal with 65,000 ounces a month, equivalent to a coinage of three millions a year, and that the Government, by formally applying for machinery, could double the Mint's capacity at a small extra cost.

THE PREMIER: £7,000.

MR. A. FORREST: The Governor of the Mint said the charges had been reduced on the 18th of October, and dealers could not possibly have their gold minted in Melbourne for less than the new charge, and that consequently there would probably be a considerable increase in the receipts of the Mint from this time onward. He (Mr. Forrest) did not know whether any increase had taken place, but the Government should bring pressure to bear on the banks and other gold exporters with this end in view. He could not advocate an export duty on gold, for the Mint could not coin all the gold locally produced.

MR. ILLINGWORTH: They could convert it into ingots.

MR. A. FORREST: Nevertheless, he would ask the Government to threaten the financial institutions with a duty if necessary, so as to make them come to terms. There was no reason why the Mint should charge more for coinage than the Mint in Melbourne, and the smaller producer should be treated as fairly as the large customer. To do so might cause the Mint a little trouble, but, nevertheless, it would be the fairer plan. He made the motion with the

assurance that the Government would take some action; for of what use was this Mint, dealing with 26,000 ounces of gold per month, while 205,000 ounces left the country unminted during the same period?

MR. LOCKE (Sussex) seconded the motion. The remedy was to put an export duty on the raw material. In spite of the large expenditure on the Mint, that institution did not pay working expenses, and this was a good opportunity for putting in the thin end of the wedge by placing an export duty on gold, which duty he hoped the Government would impose at the earliest opportunity.

MR. MORGANS (Coolgardie): Some steps should undoubtedly be taken to secure the coinage of a large portion of Western Australian gold in the local Mint. Notwithstanding the reduction in charges, the rate per ounce was a little higher than in Melbourne, where the charges were the same irrespective of the quantity of gold treated, whereas in the Perth Mint there was a difference of 50 per cent. between the cost of coining 50 and 50,000 ounces. Sound commercial reasons could be adduced for a differential charge; but the policy of the system was questionable. Seeing that the local Mint had the latest machinery and had a potential output nearly as great as the Melbourne Mint, why should not our charges be assimilated with those of Victoria? In Melbourne, gold could be coined at 2d. an ounce; but the Perth Mint charges included what would be the bank's commission, and the cost of freight, etcetera, bringing up the Perth charges to about 3½d. an ounce, or about 70 per cent. more than the Melbourne rate for the same quantity. If the Government intended the Mint to be of real use to the public, they must be prepared for a year or two to face some loss in working; but the ultimate effect of assimilating the local charges with those of the Melbourne Mint would be to divert a large quantity of the gold which now went to Melbourne, especially small shipments, to the local institution. Possibly the banks were to some extent interested in this question, as they made some profit on the shipments of gold to Melbourne; but the only point of importance was that the Perth Mint tariff should be such as would induce local gold producers to have

their gold coined in the colony, and the Government should adopt the Melbourne charges at once, for it was deplorable that so much splendid machinery should stand idle.

MR. GREGORY: The Mint had made a fair profit so far.

MR. MORGANS: Let the Government do what was necessary to induce the people to use the institution for the purpose for which it was intended.

THE PREMIER (Right Hon. Sir John Forrest): While agreeing with the member for West Kimberley (Mr. A. Forrest) and the member for Coolgardie (Mr. Morgans), yet the fact was that the minting of gold in this colony was a new business, and since the Mint had been opened he had not had time available for giving sufficient attention to this subject. He had been in communication with the Mint authorities, with the result that the charges had been reduced, and no doubt the present charges were framed on such a scale that it would pay better to send gold to the Mint here than send it away, so far as these charges affected the ordinary holder of gold, but in the case of banks and financial institutions there were other considerations and influences. The charges for minting gold here were lower on the whole than those in Sydney; but the Melbourne Mint was coining gold at less than actual cost, and it was difficult for us to meet a case of that kind. It appeared to be necessary that the charges here should be brought more into accord with the charges in Melbourne, and he would give the matter attention in order to see whether this could be done with the result desired; but it was not altogether the charges we had to contend with, although the cost here was actually less for bringing gold to the Mint, a reduction of 25 per cent. in railway rates being allowed on gold sent to the Mint here.

MR. A. FORREST: That reduction was made only lately.

THE PREMIER: Yes; and he had written to the Mint authorities asking them to make it more fully known, by publishing what were the charges here as compared with the charges elsewhere. Besides the advantage of a saving in the railway freight, the producer was saved the cost of shipment, insurance, and exchange; so that to the ordinary pro-

ducer even the rates now charged here were advantageous, as compared with the rates and charges for sending gold elsewhere. We had to deal not only with the local producer having all his business here, but we had to deal with large companies who required the gold in London or in the Eastern colonies, and it was almost as cheap for them to send gold away as to send sovereigns. We had also to deal with banks whose directors and shareholders were not here, and whose interests were elsewhere, and we knew that from the beginning the Mint had been a *bête noir* to the banks. Except in the case of the Western Australian Bank, the Mint interfered with the large profits made by these banks, which had not shown any consideration up to the present as regarded the local Mint, for in fact their interests ran counter to ours in this matter. Therefore we should not expect to receive any consideration from the banking institutions, unless they could make more profit by minting the gold here than by sending it away. That being so, we must see whether we could, on business lines, checkmate the banks, and he believed this could be done. Even if it were cheaper to mint the gold here, yet other ramifications affected the question, for in the case of people in London owning gold raised here, there were profits made in the refining and in other ways. No doubt London companies very much desired that the gold should be shipped to London rather than be minted in this colony. We also did not want to lose too much money in working the Mint, which was founded to assist the gold producers and to benefit the colony generally. With regard to the further expenditure of £7,000 on the Mint, there would be 18 months in which to expend the money, in getting the machinery and setting it up.

MR. A. FORREST: Better make sure of getting the gold first, before spending the money.

THE PREMIER: As to issuing bar gold instead of sovereigns, that was not done anywhere except in Melbourne, where small parcels of bar gold were issued for sending to India and the East. If we could issue bar gold here instead of coining the gold, we would have all the rates, except for the actual coining.

MR. VOSPER: It would pay better.

THE PREMIER: Probably it would; but the other colonies, especially Melbourne, were opposing it, and he had not been able to get the authority of the Imperial Government to do this.

MR. VOSPER: More federal spirit!

THE PREMIER: Yes. As soon as Parliament was over, he would give his personal attention to the matter, and see what could be done in the direction desired by hon. members. There was a difficulty even in getting people to realise the fact that it was cheaper to Mint gold here than to send it away. Directors of companies, having their shareholders elsewhere, would give instructions to their managers to take a certain course, and there were wheels within wheels which interfered with the gold coming to this Mint; still he would try to do what was possible in this direction.

MR. GEORGE (Murray): There was an easy way of dealing with this matter. The Government should charge a lower rate by railway for bringing gold to the Mint, than in the case of gold sent away. Carry out that principle, and a larger proportion of gold would come to the local Mint; and what extra amount might be gained in this way could go towards reducing any deficiency resulting from the working.

MR. ILLINGWORTH (Central Murchison): This was a question of great importance, and a complicated one. We could not do impossibilities. It might be suggested that we should put an export duty on uncoined gold; but we had to deal with the larger and more difficult question of exchange; and so long as this colony imported a much larger quantity of goods than it exported, the exchange must operate against this colony, and in that way the tendency would be for gold to be sent away. The banks always found it much to their advantage to export gold rather than to have the gold minted here, because the question of exchange always operated in that direction. The reason why Melbourne coined gold more cheaply than any of the other colonies was because Melbourne during the last 15 years or more had imported much more produce than was exported, and this arose from the fact that the capitalists of Australia resided in Melbourne to a larger extent than elsewhere in Australia. Therefore wool

leaving Sydney would be sold abroad, and the returns would come to Melbourne. In like manner silver sent from Broken Hill and exported from Adelaide would be owned mainly in Melbourne, and the returns would go there. While we should be glad to see our exports raised, yet any disabilities that were put against those persons who desired to send gold away would not be equivalent to the fact of the exchange being against us. If an export duty of 2s. 6d. an ounce were put on uncoined gold, this duty would bring in some revenue, but would not alter the fact that the question of exchange was much against us. Before the Government spent more money in extending the machinery of the Mint, they should do something to attract the gold to the Mint, and it would be a mistake to go to a large expense for increasing the capacity of coining gold unless the gold was likely to come to the Mint. As this colony exported only a small quantity of goods and imported a large quantity, the exchange operated against us to a material extent. He did not approve of the suggestion to put an export tax on gold, but for the purpose of getting gold to the Mint it might be worth while to do something in this direction. One of the minor questions at the time the Mint was undertaken was that one effect of establishing a Mint would be to give us accurate returns of the gold produced. The Mint was helping us only a little in this way, because the gold was going out of the colony in all directions.

MR. GREGORY (North Coolgardie): It seemed rather humiliating that a colony producing from 160,000 ounces to 200,000 ounces of gold per month, and with machinery capable of turning out 65,000 ounces a month, the Mint was turning out only 35,000 ounces a month. This seemed to indicate that the charges should be reduced to the Melbourne level at once; and he believed such reduction would attract a large proportion of the smaller parcels now sent away, and would compel the banks also to have their gold minted in this colony. The question of an export duty on gold was too serious to discuss at the end of the session. That expedient had been tried in other colonies, and had been a failure. Up to the present time the Mint had made a profit of about £6,000 during the short period

it had been working, according to information he had received; and this fact showed that the Mint charges must have been high to produce such a profit. It was not desired to get a profit out of the Mint, more especially at the beginning of its working, and when doing only half the work the machinery was capable of doing. The Premier should consider whether he could reduce the charges for minting.

THE PREMIER: As to profit, his opinion was that there was not any profit on the Mint up to the present, after paying all expenses.

MR. GREGORY: Yes; there was a profit, but not after paying interest on the money expended in starting the Mint. One thing he objected to was that small parcels should be charged so much more than was charged for large parcels; and if we could not get the gold from large companies, we ought to be able to attract it from those who had small parcels.

MR. VOSPER: Was it a fact that in the Imperial Mint no charge was made for minting gold?

THE PREMIER: The Mint authorities in England always had the gold refined before it went to the Mint, and they made a considerable profit on silver.

MR. GREGORY: It would not be wise to extend the machinery of the Mint until we were assured the gold would be forthcoming. As to the suggestion of a differential rate on the railway, he objected to that, because any charge made should be direct and not indirect.

MR. A. FORREST: The differential rate was in operation now.

MR. GREGORY: Yes; and he objected to it.

MR. QUINLAN (Toodyay): The mover of this motion was to be commended for the action he had taken, and he (Mr. Quinlan) had intended to bring this question forward himself. He knew it was an unpopular view with goldfields representatives to advocate a duty on gold sent out of the country, but that was his opinion. Considering the expenditure the country had undertaken in providing facilities of all kinds for developing the goldfields, and considering also the small return obtained in the shape of customs duties and the little indirect profit from the circulation of wages, he thought the country had not obtained a sufficient return from the

gold industry after spending so much capital on its development. The Government should devise a differential duty on gold sent to the local Mint, as distinguished from the gold sent elsewhere. He knew of an instance of seven boxes of gold which came here from Coolgardie, but only one went to the local Mint. The export of unminted gold lessened the assets of the country without any direct benefit, and the charges of the Perth Mint should be assimilated to those of all similar institutions, the capacity of the machinery being, if necessary, increased.

MR. ILLINGWORTH: We could not mint more than we circulated.

THE PREMIER: That was not so. In Melbourne sovereigns were coined in millions.

MR. QUINLAN: The colony should get some return for the gold produced; but so far the only return from the goldfields people was ingratitude, for they now asked for separation. Probably the next thing they would ask for would be the whole country.

MR. KINGSMILL (Pilbarra): A wholesale export duty on gold would be disastrous.

MR. A. FORREST: No one asked for that.

MR. KINGSMILL: The present dearth of gold in the Perth Mint was due to the fact that the charges were too high as compared with those of other mints, and the experiment should be tried of lowering the charges so as to make it profitable for exporters to have their coining done locally.

Question put and passed.

MOTION—BANKING INSTITUTIONS, ASSETS AND LIABILITIES.

MR. MONGER (York) moved:

That in the opinion of this House it is desirable that all banking institutions trading in Western Australia should at all times show assets in the colony equal to their liabilities therein, and that the Government be requested to introduce legislation during this session to this effect.

In moving this motion he had a dual object: To point out the position of the banking institutions operating in this colony, and to show that amongst them there were some which, though trading here for many years, had liabilities in the

colony far exceeding their assets. He did not infer that these institutions were not absolutely solvent; still it would be well if they showed greater respect for the commercial community by keeping their local assets equal to their local liabilities. His reason for bringing forward this motion so late was that there had been considerable delay in the production of the latest banking returns, and he had not cared to deal with figures nearly three months old. The Premier in his last Budget speech remarked in reference to the financial institutions of the colony:

I have never heard it said that the banks had any difficulty. It would appear, at any rate, that they had, as they had contracted their business in twelve months by £334,298. No one can regard this as satisfactory. I think we have got the right horse on which to put the saddle of depression. This so-called depression was caused by the curtailment of the advances of the financial institutions. Of the imports, we only received £135,000 in coin, and we sent away gold to the value of very nearly four millions.

The position had by no means improved since, and it appeared from more recent banking returns that if the Premier had then been justified in speaking as he did, he (Mr. Monger) was more than justified in calling attention to the latest figures. He was making no personal attack on the banks, nor did he make this motion with the view of venting any private spleen against these institutions; and when he informed hon. members that the banks to which the motion more particularly referred were two which neither he, nor probably any member in this House, had been privileged to do business with for many years past, that fact would be obvious. To make himself clear it would be necessary to refer to the returns of all the banks, and he would deal with the figures for June, 1898, June, 1899, and with the last banking returns on the 30th September. In conversation with one of the leading financiers of Perth, not directly associated with the banks, but doing considerable business with them, he had asked that gentleman: "Have you any idea of the banking statistics of this colony?" The answer was: "Yes." "What do you think the deposits are with the various banks?" He said: "I should imagine two and a half millions!" "What would you consider their ad-

vances?" "About four millions." He (Mr. Monger) said: "If you will reverse the figures, you will be very nearly correct;" and the gentleman was somewhat surprised. On 30th June, 1898, the amount of public and Government deposits in the various banks at Perth was £3,581,701, while the advances on that date amounted to £3,388,644, the advances and the deposits being thus very nearly on a par. On 30th June, 1899, the deposits were £3,656,543, and the advances £2,885,609. Though the deposits had increased during the year, the advances, as the Premier informed us, had been reduced by £324,000. In September last the deposits were £3,918,761, and the advances were further reduced to £2,765,258: in other words, in 15 months the deposits in the various banks in Western Australia had been increased by £337,060, and the advances had been reduced by £613,386.

MR. MORAN: Hear, hear. That was in favour of the banks.

MR. MONGER: In other words, the banks had not advanced within £1,143,500 of the amount of deposits received by them from the public of the colony. During the last three months the advances were reduced by £110,350, and the deposits were increased by £262,218. If that ratio were continued for a few years, the banks would have a terrible lot of money in hand, and no advances outstanding. A very able and interesting leading article had appeared in the *Morning Herald* of October 28th last. "The Press and the Banks" was a rather dangerous subject to deal with, but when the Press produced such a leader as this, one was perfectly justified in using it. The article was headed "Parliamentary Comedians," and in a little homily on the various methods of banking the writer said:

A bank's liabilities are either to its customers whose money it borrows, or on its note issue. It incurs both these liabilities on the strength of its perfect freedom to invest the money in its hands in the most profitable manner consistent with safety.

Everyone admitted that.

As long as its credit is good, payment will be taken in its notes, and it will have so much the more money to invest. With this tendency of liability to outstrip assets, the liberty to lay out the bank's money on easily realisable

and fairly steady securities becomes of great importance.

This was the portion of the article to which he wished to call attention :

There are few such securities here, and they cannot be bought or sold on demand.

That article could never have emanated from the pen of the editor. No newspaper having this colony's interest at heart would have thought of publishing the statement that there were few securities here which could be bought or sold on demand. He congratulated the editor on these great and noble ideas, which no doubt were the ideas entertained by the two banks to which he (Mr. Monger) would presently refer. If the Press of this colony intended to advertise to the world opinions of this sort, one could sympathise with the big foreign banks operating here, who would naturally come to the conclusion that when one of our leading papers held such opinions, bankers were perfectly justified in investing money elsewhere. The article concluded by stating the risks the Legislature of any country must run in attempting to deal with these great institutions :

The experiment, however, if attempted in this or any other session would not be wholly useless; for, by ruining the credit of the banks in this colony, it would drive them away from it, and our reward would be the lesson that a foolish interference can more easily destroy banking than those other forms of commercial business which have found in legislative restriction their greatest enemy.

As for the two banks to which he would refer, their retirement from the colony would be a benefit, because their liabilities in the colony far exceeded their local assets. The position of all the banks trading in Western Australia might be briefly summarised as follows: The liabilities of the Western Australian Bank were £1,526,276, and its assets £1,893,886. The liabilities of the National Bank were £483,691, and its assets £891,037. The Union Bank, which was one of the banks to which he wished particularly to refer, had liabilities in Western Australia of £1,125,786, and assets of £782,230.

MR. GEORGE: Then it was bankrupt?

MR. MONGER: Absolutely, as far as Western Australia was concerned. The liabilities of the Bank of New South Wales were £450,606, and its assets £699,725. The liabilities of the Com-

mmercial Bank were £129,242, and its assets £296,951. The Bank of Australasia was another institution he wished to bring under the notice of hon. members. Its liabilities were £589,247, and its assets £375,817. In other words, the surplus of the Western Australian Bank was £367,610; of the National Bank, £407,346; of the Bank of New South Wales, £249,119; and of the Commercial Bank, £167,709. The deficiency in the case of the Union Bank was £343,556, and in that of the Bank of Australasia £204,430: in other words, these two institutions owed the public of Western Australia £550,000. In June, 1898, the Union Bank held deposits amounting to £996,537, and its advances totalled £590,285; but look at the differences in June, 1899! The bank's deposits then were £988,684—a very slight falling off—and its advances were £439,140. This bank's deposits in September, 1899, had further increased to £1,041,376, while its advances had fallen to £410,484. The Bank of Australasia in June, 1888, held deposits of £396,925, while its advances were £146,753. In June, 1899, its deposits had increased to £510,591, while its advances had declined to £118,339. Subsequently it became more liberal. In September, 1899—three months later—the deposits had increased to £541,756, and the advances had gone back in a sort of Irishman's rise to £109,442. The wording of the motion was very mild, and it was surprising that the editor of any intelligent newspaper could have spoken of it in terms of such strong disapproval. The motion sought to provide that all banking institutions should at all times show assets in the colony equal to the liabilities; and he would like some hon. member to move to add the following words: "And that these assets shall at all times be distributable amongst the Western Australian creditors." The motion might have been received in a fair and reasonable manner by those whom it affected; and if they had no confidence in the people and the resources of Western Australia, why should this Legislature, representing the people, have any confidence in them? Greater institutions than the Union Bank of Australasia had come to an end. A few years ago one who said that the firm

of Baring Brothers would ever collapse would have been deemed mad; and the City of Glasgow Bank, and other institutions far bigger than those to which he referred, had also come to grief. If these local banks had no confidence in the colony, the colony should have no confidence in them, and should make them keep assets here equal to their liabilities, and to do so they would have to import 550,000 sovereigns. These institutions threatened, in this inspired leading article, that they would clear out of the colony; and he (Mr. Monger) said in reply: "A darned good job too." Before dealing generally with the other banks, he would read one letter out of many he had received:

I notice with pleasure your motion before the House *re* banks, etc. I would suggest you go further, and inquire if banks are acting up to the requirements of their charters, in that they have crippled the commercial enterprise of the colony by refusing the material assistance required by growing businesses during a time of prosperity. You will note we have not had the usual seven years of plenty. Our good time was narrowed down to two years—when the banks called in all over-drafts—and Perth and Fremantle are now paralysed, and the trading public have either to starve or go to the Jews, whilst business is going elsewhere. I would point out that our business houses are so retrenched and crippled as to be unable to stock themselves with goods required for our fast developing gold mines. If you require further proof, watch manifest lists of our cargoes from the Eastern colonies, and you will note from 600 to 900 packages hardware in each vessel, besides machinery. But it naturally follows if banks will not assist commerce, and our mining continues to expand as it is doing now and must be for years to come, strangers must eat the cake, whilst we dwindle down to a pettifogging trade. More than this, the spirit of enterprise once crushed begets a want of confidence not easily restored. Of course the banks to justify themselves will say: Ah! we foresaw all this, etc. It is not so in this case. They have created this depression by a wilful act of disregard to the pronounced results of prosperity as shown in our returns of gold, copper, timber, pearlshell, tin, coal, and agriculture. If there was any probability of these resources giving out, there would be a reason for the banks to protect themselves; but as most of our enterprises are only scratching upon the first initial letter of the alphabet of development, I contend a cruel wrong has been inflicted upon this community. Two short years ago the restive young horse called Prosperity had plumed himself upon having accomplished so much satisfactorily, and was prepared for greater events; but our trainer, Mr. Banker, has altered all

this, taken away his food from him, and so broken his spirit that the question is now: will he ever be fit again? Many years ago the banks commenced this kind of thing in New South Wales, and John Robertson, the Premier at that time, stated in the House that unless the banks relaxed their rigour, he should at an early date move for a consideration of the charters held by said banks, with a view to ascertaining if they were acting up to the requirements of their charters, and if not he was prepared to go further and move their suspension. The banks took the hint quickly, and there was no need for a scrutiny of their charters. Fifty years ago there were banks and bankers; now we have pawnshops overseerred by a most disagreeable class of officers whose only word is "No." I submit these suggestions for your perusal, and if you can make use of any you are welcome.

That quotation was an expression of opinion from a person who had evidently suffered reverses in late years. He must pay a tribute to that old institution so long associated with Western Australia, and which had been fair and reasonable in dealing with its customers, he meant the Western Australian Bank. The time had nearly arrived when we should say that, as far as Government funds were concerned, there should be but one bank in which those funds should be placed, and that should be the old institution which had done so much for the colony, and in which the people here had the greatest confidence. But at the same time he must also pay a tribute of respect to two other institutions, one of these being the old National Bank, the second oldest one in the colony. There were only two banks in the colony whose total advances exceeded the total deposits, one of these being the National; and the public of Western Australia might well speak kindly of this institution, to a certain extent. He would also pay a tribute of respect to the Commercial Bank, whose surplus over deposits invested in this colony amounted to £167,000. He believed it was the only bank which, when a large municipal loan was recently going round the city, took up the unallotted balance that was offered. He must say a kindly word of the old Bank of New South Wales, and although its advances did not exceed the deposits in this colony, yet its assets in this colony exceeded its liabilities by £249,000. In criticising those financial institutions which refused to keep a fair amount of surplus in the

colony, it was only right to praise those which did something for the colony. At the present moment the total surplus of the banks doing business in this colony amounted to £907,000, these being assets over liabilities; and he was going to pay one tribute of respect to another old institution associated with the colony, namely the firm of Dalgety and Company, Limited, which had almost as much money invested in Western Australia as all the associated banks put together. There was one other institution, the A.M.P. Society, which had £1,070,000 invested in the colony, or £70,000 more invested in Western Australia than the whole of the associated banks together. On these figures and with this explanation, it would appear that the public of Western Australia were not under any obligations personally to the whole of the banks, taking them on their own figures, but that we were under more obligation to Dalgety and Company and the A.M.P. Society. Indeed, had it not been for Dalgety and Company commencing business here in a time of depression in the market for station properties, he doubted whether there would have been any poor squatter left in the North to carry on business. The banks would not render any assistance to squatters at that time, and but for the timely start of this firm in Western Australia our North-West industry and many institutions in the colony would have been practically ruined. One of those banks that would have caused that ruin was the Union Bank of Australia. There were considerable sums made up of small advances held by the different banks, and he understood the Government Savings Bank depositors were only allowed to deposit a certain sum during each year. He would like to say, especially in times when the Government of the colony wanted money, that it was better to borrow money locally at 3 per cent. at par from the public, in preference to paying the rates we had recently paid in the London market; and he commended this idea to the Premier for consideration. Not being himself quite in touch with the Government, he did not know of any temporary accommodation or assistance they might have obtained recently; but he believed that on one occasion the Government had obtained an advance of half-a-million

from the associated banks here, and the Government immediately sent the money to London and made a substantial profit out of it. He believed that was the only obligation the Government had been under to the associated banks in this colony, and those banks had not advanced the money on that occasion out of pure philanthropy. In the discussion on the Mint, this evening, it was pointed out that the banks were doing all they could to block the working of that institution; and the motion he now submitted would have the effect, to a great extent, of doing what was desired by members who spoke in relation to the Mint. By giving effect to this motion, the two banking institutions he had particularly referred to would have to import almost immediately 500,000 sovereigns into this colony, or bullion to that value.

Mr. VOSPER (North-East Coolgardie): In seconding the motion, he had no idea that the hon. member could have made out so strong a case, and he offered hearty congratulations to the mover on the manner in which the subject had been brought forward, and on the excellent information which had been given. The evidence given by the hon. member must have come as a revelation to most members in this House, for few of us were in the habit of studying the banking returns so closely as the hon. member had done, so as to make such deductions from the figures as he had drawn. The description given by the hon. member was one that might well excite apprehension and even alarm among hon. members. It had occurred to him (Mr. Vosper) that it was an almost unsolvable problem to account for the financial depression which had been felt for some time in this colony, and it was still felt to some extent in most kinds of business. While, on the other hand, as an evidence that there should be no depression under present circumstances, we saw that every branch of industry in the colony was flourishing, that our gold export was increasing, that the goldfields were being extended, and that we held the premier position in the British Empire in respect of gold output, while we also saw an encouraging development in the production of tin. The result of all this activity and progress in the industries of the colony

should be an increase of prosperity in all departments of commercial life; yet people were acting as if they were all in as impecunious a condition as when the depression was in full force some time ago. The most valuable clue had been afforded in the remarks made by the mover of this motion; for while the accumulating earnings of the people were being drawn out of the colony to be invested elsewhere, and while financial institutions here were offering so little accommodation to persons engaged in business, as shown by the figures submitted, these facts were calculated to bring about depression. It was an anomalous fact that while every industry in the colony was in a more flourishing condition now than at any previous period, yet business generally was less flourishing than at any previous time. He could not agree with the doctrine laid down by the writer of the newspaper extract which had been read, that there were no valuable securities connected with Western Australia which could be bought and sold readily. His own opinion was that, having regard to the figures which the Premier had placed before members when speaking on the Loan Bill the previous evening, the facts showed that a small group of mines in this colony were worth about forty millions of money, as estimated by British investors, that 120 acres of land in this colony were worth not less than forty millions sterling. It should be evident that the colony which possessed such mines and such land should enjoy some reflected value in regard to other of its properties and other of its lands. For example, that valuable area of 120 acres was in the vicinity of Kalgoorlie and the Boulder; and if that area of land was worth so vast a sum in the market, then the land surrounding it or in the vicinity must bear some appreciable value. We all knew how difficult it was to obtain any advance on a gold-mining security, yet there was no better security in the world than the security of a good property in the Kalgoorlie district. By those engaged in the gold-mining industry he was informed that it was extremely difficult to get any assistance whatever, financially, because this kind of business was regarded as risky. We had been told, in fact, that the commerce of this colony was

being driven to the Jews, generally. We knew, and it was especially the case in America, that gangs or rings or bonds of capitalists would combine together for producing depression, by operating on certain kinds of properties or securities so as to depreciate their value, with the object of getting control of those securities and afterwards benefiting by the rising value which that operation might bring about.

MR. GEORGE: Were they Christians?

MR. VOSPER: In his own experience, he had found the Christian money-lender was worse than the Jew, as a rule. By this peculiar action on the part of the associated banks in refusing assistance to industries in this colony, it would almost appear as if those banks were trying to drive the business away from the ordinary channels, and force it into the hands of the Jews as far as possible; and in making these remarks he was speaking of particular members of the association. To make a large sum out of the natural rebound that would take place after the cause of an artificial depression was removed was an operation not to be commended. Then, outside the banks, there were financiers operating apparently on their own account, yet the fact appeared to be that some of these persons were simply agents of one or other bank carrying on an underhand kind of finance. See how many insolvencies had taken place in Perth recently, because tradesmen had been driven to the necessity by the actions of the banks of having to go to these private financiers to raise money at a very high rate of interest, and in that way they had been driven into greater difficulties, or into insolvency; while at the same time the banks which had refused the ordinary accommodation were actually supporting the very men who had been the means of bringing these tradesmen to ruin by exacting exorbitant interest.

MR. ILLINGWORTH: And taking the very same securities.

MR. VOSPER: Yes; that was so. There had been a desire apparently to act the part of the horse-leech, to suck the blood of the colony, giving as little as possible in return. If the legislation suggested in this motion could be passed, we should have a guarantee first of the solvency of the banks themselves as

regarded their business and position in this colony, and a further guarantee of the solvency of ourselves as carrying on business in the colony. The tendency would be to promote the solvency of traders generally; and it did seem to him that in referring to some of these institutions as "leeches," the term applied justly to those banks which carried on their business in a certain manner, for they, like the horse-leech, were continually crying "Give! give!" and were never satisfied, while every pound we gave them went beyond our borders to be invested elsewhere, perhaps to assist persons in business elsewhere. Of course, there might be again the old threat that the banks would withdraw their capital if legislation of this kind were passed; but his own opinion was that the banks could not withdraw more capital than they were doing now, and if we succeeded in driving such banks away, we should succeed in driving away engines of depression, and thereby making room for institutions of a more liberal and beneficial kind to take their place. Some of our banks were treating the community in such a way that, when pressure came upon us, instead of the beating of the heart it was the throbbing of the ulcer; and this ulceration had gone on to such extent that the whole community was becoming debilitated and diseased. He earnestly hoped the motion would receive the favourable attention of hon. members, and be accepted as it stood, and that the Government would make an earnest effort this session to bring in legislation on the lines of the motion.

MR. MORAN (East Coolgardie) said he was not aware until this evening that such a case could be made by the mover; and, in common with other members, he regretted that the House heard far too little of the kind of speeches from the hon. member who had moved this motion. It was almost a pity that a member who had been able to bring forward a matter of such importance in such an absolutely able and precise form did not trouble the House with more speeches of the kind made this evening. The hon. member was hiding his light under a bushel, for he was evidently competent to deal with financial questions. His speech was suited to the occasion, his figures were concise and put

in a manner that did not weary hon. members, while at the same time those figures came as a general surprise. There was a feeling in British Parliaments that it was not desirable to interfere with private enterprise, while it was considered unwise to interfere with those old institutions which had grown up and had in various ways been useful and beneficial to a country; but still we were only the last of the Australian colonies to take this matter in hand. It had become almost an axiom that Parliament should have the ability and the will to watch every item of trade and industry, to protect those who were not able to protect themselves, and to see also whether the local financial institutions were in such a position as to withstand the shocks which might come across a new country. Therefore it became necessary that a motion of this kind should be considered. An argument often heard in regard to Australian banks was that we had financial institutions here with ramifications far and wide throughout the world, using their assets to benefit this colony, and having large assets elsewhere available whenever necessary; and, by way of contrast, it was said the Western Australian Bank, being only a local institution, would have only its assets in this colony to rely upon, and what reliance could this be when the colony got into difficulties? The Western Australian Bank as a local institution had this to rely on, that there was behind the local bank a compact colony with undoubted riches, with its investments made locally, and if such a bank supported by such a colony were not in a sound condition, then the judgment of those who were providing us with loans for our public works must be a bad judgment. If our colony was good enough for the world to lend us thirteen millions of money, surely a local institution trading solely in the colony must necessarily be in a sound condition. What, after all, had people to rely on but the wealth, and the backbone, and the business done in the colony? The argument that banks having ramifications throughout the world were in a stronger position could hardly be supported, on a fair view of the facts. Western Australia had been sending money to all the colonies through the banks, not only in a direct way, but also by those banks receiving

deposits from investors here and sending them to places elsewhere, to invest in or to support business in places which had shrunk considerably. To sum up in a word, there could be no prosperity here or in any part of the world, under such conditions as prevailed here, no matter how much we were producing, if the currency was not passing to and fro among the people to keep business going. We had not a lack of industries, but what we did lack was the necessary currency for keeping those industries going, and for paying wages.

MR. VOSPER : Supposing every British depositor sent his savings to France, to be invested?

MR. MORAN : Exactly so; what would be the result of that in England? Men were going about our goldfields towns unable to get employment, not because they were lazy or not experienced in their line of work, but because there was no currency to enable the industries to employ these men. There had been a strong tide of gold, a tide of money, setting out of Western Australia during the last four or five years, and that tide was not coming back. The circulation was not here, it was going away; and as Western Australia had been drained in the past, he could not shut his eyes to the fact that some of the banks were aiding to demoneytise this colony by taking the currency from us and using it elsewhere. We were all cognisant of these things, and it must be remembered there was a peculiar question coming rapidly to the front, and that was: should the State undertake the receiving of its people's money, using that money and keeping it as a State Bank? The motion before the House was only leading up to that larger problem; and the story told by the mover of the motion must raise the immediate question whether we, as a Parliament, were doing our duty if we allowed this thing to go on, and whether we did not consider there was something useful in the social idea of instituting a State Bank and keeping the people's money in the country. If a man put £1 in the State Bank, he had behind him the country as a guarantee: he had behind him not only that £40,000,000 of gold which had been referred to as the equivalent of a certain area of land at Kalgoorlie, but also every item of pro-

duce, every industry in the country was behind the man who put his money into the State Bank. We had our Agricultural Bank and our Savings Bank, and were not these the beginning of State banking? To make the system perfect, it was only needed that these banks should undertake ordinary banking business.

MR. GEORGE : Hon. members would then have to watch the Treasurer.

MR. MORAN : That would be easier than to watch the banker. We had the example of some of the banks in Queensland and Victoria: it had not been so easy to watch them; and it would be much easier to watch the Government of the country, who had to present accounts to Parliament, which represented all sections of the community. This debate would call attention to the fact that Western Australia lacked the ordinary means of doing business: the currency was not sufficient. It was pitiable that from a colony whose securities ought to be better than those of any other colony, money should be sent away for investment to the bankrupt colonies of the East. Many good men were here to-day because banks in Victoria had been, not sound, but rotten; and those men had come here to start afresh. He believed all the banks here, including the two particularly specified by the mover, were amongst the soundest in the world; nevertheless, they were not acting fairly towards this colony. He commended the hon. member, and hoped he would follow up the motion, continue to watch banking institutions in Western Australia, and to lend the House his valuable assistance.

MR. HUBBLE (Gascoyne) congratulated the mover (Mr. Monger) on the able manner in which the motion had been introduced. The figures quoted would open the eyes, not only of Western Australia, but of the world generally. Something should be done to assist the commerce of the colony, which had been most shamefully treated by the majority of our financial institutions during the last two or three years. The figures quoted must have astounded every member of the House, and should result in placing banks on a better footing with the commercial community. A certain bank in the colony was an absolute disgrace, and it was time its transactions

were brought to light. As an instance, a Fremantle bank-manager had to refer bills sent to him for discount to the chief manager in Perth, who had recently sent back one bill with the comment that he would not discount it because it had been signed by the office-boy in a certain Perth establishment. The bill in question was a station bill of one of the leading men in Perth—the member for West Kimberley (Mr. A. Forrest)—whose bills had been drawn on that particular firm for the last 10 or 20 years; yet this bank had the impertinence to decline to discount the bill for the reason stated. A more atrocious remark had never been made.

MR. VOSPER: Did the bank-manager know who was the drawer of the bill?

MR. HUBBLE: Yes; he knew all about it. He (Mr. Hubble) wished to emphasise his utter contempt for the way in which banking had been conducted of late, more especially in Fremantle; and there must be something radically wrong in the management of the particular bank referred to, seeing that nearly all its managers were being dismissed or shifted to some other part of the continent. If there were anybody in the world who could be described as worse than Shylock, that man was in Perth. This same institution had another customer in Fremantle, and they commenced to call on his resources. There was an overdraft of £3,000, and the customer's solicitors sent to Adelaide and realised £5,000 on one of the securities held by the bank, though the debt due the bank was only £3,000, and yet the bank had not been satisfied with that security! Another man who wished to reduce his overdraft applied to the banker for permission to sell two thousand pounds' worth of securities, asking the bank to take a bill at four months, to be held in escrow with that particular security; but the request was refused. Such a banker had lost his head, and should be shifted.

MR. ILLINGWORTH: Did he block the sale?

MR. HUBBLE: Yes; absolutely. This was called banking, but it was more like pawnbroking. The motion would have his strongest support.

MR. GEORGE (Murray) congratulated the mover on his very lucid speech. He (Mr. George) had been somewhat

alarmed at the figures quoted, but had found one ground for congratulation. The state of the country could not be very bad when deposits in the banks had increased in 15 months by £337,000, for this meant that people had been able to save that amount of money and to put it in what they considered safe quarters against "a rainy day." The banks should certainly show adequate assets in the colony; and a bank's assets should not only exceed the deposits, but should be held in trust for this colony, no matter what happened to the bank in other countries. At the time of the bank smash in Melbourne people in this colony lost the use of their money, although the branches here were perfectly sound; and the depositors had to accept preference shares or deferred deposit receipts. If the local assets of the banks had been ear-marked in respect of liabilities contracted here, that disaster would have been avoided. Thus the Western Australian Bank afforded a much better security than institutions hailing from the other colonies, because its money was invested locally, and it must rise and fall with the colony. The increase of deposits showed that the colony was progressing, though it might mean that people were becoming less enterprising investors. A State bank might be useful, but it would necessitate a special session of Parliament. The experiences of the Colonial Treasurer were not too pleasant now, but what would happen if he were hauled over the coals for refusing advances, was dreadful to contemplate.

MR. ROBSON: All hon. members would want overdrafts.

MR. GEORGE: "Children and fools should not handle edged tools." It would be most dangerous to entrust some people with overdrafts. Banks could not be blamed if, before lending money, they assured themselves that the borrowers were responsible people possessed of business acumen. It was pleasing to note that the people of the colony had been able to save £337,000 in the last 15 months, and there was no fear that the British public would think Western Australia was going down hill because some irresponsible person had written an article in one of our morning papers.

THE PREMIER (Right Hon. Sir John Forrest) regretted that the member for

York (Mr. Monger) should have felt it his duty to bring forward a motion of this sort, dealing with the financial institutions of the colony. He would not say the hon. member had not made out a good case, from his own point of view; but such discussions in regard to financial institutions of repute and of well-known stability could not do the colony any good. This debate, he thought, would do the country no good either at home or abroad. The question of banking law was of course one that the House had a perfect right to deal with, and that would doubtless have been dealt with long ago had it not been for a compact that all the colonies would legislate on the same lines. After the late unfortunate bank crisis in the East, a meeting of the representatives of the various Governments had been held in Melbourne, at which this had been decided, and one Government had undertaken to frame the measure, but nothing further had yet been done. No doubt a general banking law for the whole of Australia, dealing with various phases of banking and even with the matter brought forward by the hon. member (Mr. Monger), and so framed that, while the banks would not be unduly hampered, the general public would be secured to a greater extent than at present, would be very desirable. Many of us knew the fact stated by the hon. member, that some of the banking institutions in the colony had local assets far greater than their local liabilities, and that others had not. That would not be news to hon. members who watched the banking returns, for in these figures there was great fluctuation, and doubtless there always would be in countries where the banks were mostly branches of parent stocks situated elsewhere, which controlled the finance of the whole corporation. He would not say it was not a good thing for financial institutions to have assets in the colony in excess of their liabilities; still he was not prepared to say that was always wise, especially in regard to branches, and nearly all the corporations trading here were branches, there being scarcely any large parent institutions in this colony, if we excepted the Western Australian Bank and perhaps a dozen eminent firms. The remainder were branch institutions, the head offices being in one of the other colonies or in England. The result of the

system was doubtless not so good to this colony as if the parent institutions were here, because foreign companies, not having their head offices in the colony, as a rule took any profits made here to supplement the incomes of people living abroad. All knew that that was not a desirable state of affairs, but we could not help it. The colony had not been prominently before the world long enough to have parent institutions of its own, and the advent of foreign companies in our midst had generally been considered a matter for congratulation. The colony had suffered, and suffered severely, from the fact that companies having their offices and individuals having their homes elsewhere, had come here to promote their interest and to seek their fortune, and that the profits or wages earned were to a large extent sent abroad. In this way the money-order system had been largely availed of, and money earned here sent away for the support of families in other colonies. These disadvantages were notorious; but he was glad to say with the member for the Murray (Mr. George) that, notwithstanding all these disadvantages, the colony had been able to get along fairly well, and to go ahead. The hon. member had said the deposits in the banks had within the last 15 months increased by £337,000. In addition to that, there must have been quite £150,000 extra lodged in the Savings Bank during that time. Thus the deposits in the banks had increased notwithstanding all these disadvantageous circumstances, and the money in the Savings Bank, which generally came from the humbler classes of the community, had also increased. It must be remembered that the banks to a considerable extent traded with other people's money. They had their own capital, but they also had deposits, fixed or at call; and in order to pay interest on the capital to the shareholders, and to pay interest on fixed deposits, they had to invest their money. If they hid their money in a napkin they would not be able to pay the interest, because they were altogether dependent for their financial existence upon the profits they earned; and it therefore became necessary for them to invest the money entrusted to them to the largest extent that they could do with safety. The banks were only trustees for those

with them, either on deposit or at call. Bankers must be very careful, else they would lose these trust moneys, and would not be able to repay them when due or when demanded; and they must be allowed, as traders, a large amount of latitude. They must be the judges of their own business. Not being in business, he had only had to do with one or two banking institutions, but he had heard, no doubt correctly, that some banks were much less liberal than others. That would always be so. In our ordinary business life we found some persons more liberal than others, and so it was with bankers. And probably the branch banks doing business in this colony had to consider the interests of their corporations as a whole, and not merely the interests of the branches. That might be a bad thing for the colony, but no one would expect a banking institution doing business in many places to consider merely the interests of one place and to disregard the interests of others; nor would it be reasonable to say that every place should "stand on its own bottom." That would mean that while a branch in one place was flourishing, the other branches might be going to ruin; and no doubt a corporation doing business in many places, finding itself going backward in one country and making profits in another, would transfer capital from the prosperous place to rescue from ruin its business in places where it was not prosperous. Personally he took no exception to the terms of this motion, except to the last part of it, with which he could not agree. It was desirable as far as possible that institutions doing business here as trustees for the general public should show as nearly as possible assets in this colony equal to their liabilities; but whether it was desirable to ram that doctrine home in the way desired by the hon. member, he (the Premier) thought very questionable. He did not believe this motion would do any good, and that was his only reason for regretting it. Every discussion in a Legislature with reference to financial institutions of acknowledged repute and stability was much to be deprecated.

MR. VOSPER: Thou shalt not blaspheme a bank!

THE PREMIER: Well, that should not be done if it could be helped.

MR. VOSPER: A bank was a sacred thing!

THE PREMIER: These were all banks of acknowledged stability, and there was no ground for supposing the contrary. The hon. member (Mr. Monger) having made his speech, and other hon. members having expressed their views, it would perhaps be desirable that the motion be withdrawn. The last clause of the motion—that legislation should be introduced this session to give effect to the proposition—he (the Premier) could not support, for the thing was absolutely impossible; and, altogether, the hon. member would be wise if he did not press his motion to a division. The motion would do as much good if withdrawn as it would were it pressed.

MR. LOCKE moved the adjournment of the debate.

Motion put and negatived.

THE COMMISSIONER OF RAILWAYS (Hon. F. H. Piesse): Referring to the remarks of the hon. member for North-East Coolgardie (Mr. Vosper) in regard to the state of trade in this colony, the hon. member attributed the depression to the action of the banks. He (the Commissioner), as one of the oldest traders in this House, as one who had more to do with trade than probably anyone present, and having an experience in trade of over 25 years, must disagree with the hon. member that the depression and the difficulties which existed to-day in regard to local commerce and business were caused through the want of assistance by the banking institutions. The mover of the motion had made a statement from his point of view, which had commended his remarks to hon. members, and had placed before the country the position of the various banking institutions; but in regard to trade generally, and speaking as one who knew something about it, he (the Commissioner) did not attribute the depression or the difficulties which were felt by people in trade to the shortness of money resulting from the action of the banks. Throughout his long experience, he knew that where a man was conducting a legitimate business and attending to it, as a rule that man received every consideration which could be given to him from financial institutions. He had known many people who had been engaged in business which resulted in failure; yet, as a rule, there was a tend-

ency on the part of business people not to adhere to their proper and legitimate business, but rather to go from that business to take up something outside it. The merchant, instead of attending to his business, might go into land-jobbing, or sharebroking, or into politics as one hon. member suggested, thereby taking attention from the man's proper business. Many cases of ruin or disaster in business were known to him from causes of this kind, and such causes could not properly be attributed to the financial institutions. There were exceptions, probably; but in every line of business, and in his own line particularly, dealing as one did with thousands of people, one might misjudge customers here and there, and might withhold assistance which, if given, would be timely and useful; but as a rule it would be found that assistance was given to those persons who attended properly to their business.

MR. VOSPER said he had mentioned that as one of the causes.

THE COMMISSIONER OF RAILWAYS: When speaking on a previous occasion in regard to depression in the colony, he (the Commissioner) had said that although every industry was flourishing there was a difficulty in getting money, and he attributed that a great deal to over-trading by a large number of people engaged in business in proportion to the population, more people being in business than there was business to be done. In the city of Perth a very large number of persons were engaged in business, on a large or small scale; and where there was legitimate business to be done, this over-trading made the business unprofitable in many cases, so that the contest became one of the survival of the fittest, the weakest being run to earth by excessive competition, or beaten by the larger facilities which some men in business could command. It was so in every country, but this state of things had been intensified here by over-trading during the last few years. People had flocked here, attracted by our wealth, by the great gold output, and by other circumstances; but so long as the population to be served was not large, the number of persons now in business would be excessive. As a rule, and allowing for the caution which banks must exercise, those institutions

were more friendly to persons engaged in business than was generally believed; but there was a tendency among many of the men engaged in business to go into investments that were not in their proper sphere, and to take up some line which frequently ended in difficulty or loss of business, and ultimately in insolvency. As a rule, he had seen all classes of persons in business, and had had experience with many of them, and he knew that the banking institutions had been very useful. He could not see how we as a Parliament could dictate to the banks as to how they should carry on their business, any more than we could dictate to persons in any other line of business. The over-trading, in many cases the reckless trading, in others the injudicious trading, were the main causes of the present difficulty. Many adventurers came here, traded for a short time, and then dropped out, leaving behind many bad debts. The banks were complained of sometimes as being too hard-fisted, and perhaps they were not always as liberal as they might be; but, as a rule, this colony had not much to complain of as regarded its financial institutions.

MR. RASON moved the adjournment of the debate.

Motion put and passed, and the debate adjourned.

MOTION—PILBARRA GOLDFIELD RAILWAY.

MR. KINGSMILL (Pilbarra) moved:

That in the opinion of this House it is desirable that the Government should, at an early date, take into consideration the construction of a railway from Port Hedland to Marble Bar.

If any apology were due for submitting this motion, it should be that he had not submitted it before. The chief object of the motion was to assist in developing the Pilbarra goldfield. It was situated about 1,000 miles to the north of Perth, and occupied a great area of country. This goldfield had suffered a great deal from its remoteness, and from the expense and loss of time attached to the journey thither. The reputation which attached to the Pilbarra district in regard to its climate was ill-deserved. He had heard it described, with more humour than accuracy, as consisting of four months

summer and eight months Gehenna; that the "sheet of brown paper" which separated it from the nether region was becoming almost worn through; and that a man, after residing there a few years, returned to the more temperate climes a wreck. As he had himself been referred to as an example of the ill-effect of the Pilbarra climate, he did not feel in a wrecked condition, and he had every confidence in saying that such descriptions of the Pilbarra climate were absolutely undeserved, for although uncomfortably hot, there was no endemic sickness. This goldfield was not brought so much into notice on account of its nonrecognition by the metropolitan Press, for which perhaps the people in the district were themselves to blame. He would point out advantages which the district offered. Of all the goldfields in the colony, living was cheaper and better at Pilbarra than at any other goldfield, and there was abundance of fresh water. The district had a vast extent of gold-bearing country, and it offered a large field for prospectors. One other point he would like to emphasise was that the majority of mines there were locally owned, and the wealth produced from them was practically kept within the goldfield, or within the colony. In short, with the exception perhaps of one or two other goldfields, none of them offered as large an inducement for the working prospector as this field. As to the history of gold development, the total yield of gold to the end of October amounted to 152,332 ounces, representing an approximate value of £600,000, and the yield for the first 10 months of the present year amounted to 17,435 ounces. Referring to a supplement of the *Government Gazette* for October 27th, he found that this year showed every prospect and almost a certainty of being the record year for gold yield in the history of this field. The records showed that in 1895 the gold yield was 19,522oz.; and comparing these with the figures which showed the yield during the last 10 months, looking also at the prospect for the remainder of the year, he thought these figures were a sign that after the fleeting influence of the boom period which most goldfields had felt, this field continued to yield steadily and largely. Hon. members had an opportunity yesterday of seeing that the alluvial portion of the mining on that

field was not suffering from decay, for there was on exhibition in the precincts of this House the record nugget of Western Australia (the "Bobby Dazzler"), which had lately reached Perth, and showed what the Pilbarra goldfield was capable of producing. He did not base the claim for this railway on the gold production alone, but other minerals had been found in the Pilbarra district from time to time, and some were now being worked. There were large deposits of tin, copper, asbestos, lead, and other minerals; also (as one member suggested) diamonds. With regard to tin-mining, he had every hope that this field would turn out absolutely the greatest tin-producing part of Western Australia. Some years ago a tinfield was worked in the district, and the working ceased only through the great fall in the price of tin. Within the last few months another tinfield had been opened, about 60 miles distant from the previous one and within a few miles of Marble Bar. For the development of these other minerals more than in the case of gold, railway communication was necessary, because for the development of a goldfield certain articles of food, machinery, timber, and so on must be taken to the field, but for developing a tinfield and minerals of other kinds, in addition to the ordinary articles which had to be taken there, it would be necessary that the mineral ores should be brought to the coast for shipment. In this motion he asked the Government to take into consideration the construction of a railway from Port Hedland to Marble Bar; and the object of fixing on Marble Bar as a terminus was that it was absolutely the most central point on the goldfield, and from it all the roads to the various portions of the goldfield radiated. To the eastward they went to Bamboo Creek and Talga Talga, and to the south-east they went to other centres more or less important. Port Hedland, which had been recently opened to shipping, was a good harbour for steamer traffic, and the Government had already carried out a large and beneficial work by making a causeway, building a post office, erecting other necessary buildings, and by buoying a passage into the harbour. Unfortunately, part of the road from Port Hedland to the Pilbarra field was not in a

satisfactory condition, and to make it so would cost practically as much for a macadamised road as would construct a railway. With regard to the railway itself, the surveys already made some four years ago showed practically that no engineering difficulties had to be dealt with. The country to within fifteen miles of Marble Bar was absolutely a dead level, and from that point onward the deepest cutting would be 5 feet in soft rock. He was informed by the engineer who made the survey that only few creeks on the journey had to be crossed, and they could easily be traversed by means of low bridges, the principal cost of which would be the replacing of them after being covered up in flood time. He had heard that the Government had now a large quantity of light rails in stock which were not likely to be used on the present railways, and these rails could be used advantageously by constructing the Pilbarra line. As to water supply, there was absolutely no lack of the best of water. The material to be carried to the goldfield would consist principally of foodstuffs, machinery, timber for mining and building, and general merchandise; while the back loading would be tin and copper ores, gold concentrates, and wool. This railway was not simply and solely to be looked at from a goldfields point of view, because it would assist in a very large degree the pastoral industry. The North-West portion of the colony had always been looked upon as one of the best squatting districts of Western Australia, and there were several large stations which would be greatly benefited by the railway, amongst these DeGrey, Mulgie, Ben Dhu, Tarree, Warrawagine, Braeside, Warralong, Coogan Downs, Corrunna Downs, and Roy Hill. There was a vast extent of country, some taken up and some waiting to be taken up, to the south-east of Nullagine, on the stock route overland from Kimberley to the Murchison; and Northern members could no doubt be looked upon as certain supporters of the motion, while representatives of the Murchison and Eastern goldfields could not deny to others advantages which they had enjoyed for so long, and which had brought them so much prosperity. Many prospectors of the gold-

fields which those members represented were first attracted to the colony by the Pilbarra field, and he hoped this fact would be remembered in considering the motion, which only asked that the construction of this railway should be taken into consideration at an early date.

THE ATTORNEY GENERAL: How could the Government take the construction of this railway into consideration, when the hon. member was opposed to the Loan Bill?

MR. KINGSMILL: How did the Attorney General know that he (Mr. Kingsmill) was opposed to the Loan Bill? And even supposing he were opposed to that Bill, what had that fact to do with the question now before the House? There had been such things known as railways constructed out of revenue; and was it not possible for a member to be opposed to a Loan Bill on account of the time not being opportune for such a measure, and still to recognise that at some future time there might be a loan Bill which would have the support of the House?

THE PREMIER: What would the railway cost?

MR. KINGSMILL: All that was asked was that the Government should take the construction of this railway into consideration.

THE PREMIER: It has been considered long ago, and a survey made.

MR. KINGSMILL: Three surveys had been made.

THE PREMIER: Then what was the use of asking the Government to consider the question?

MR. KINGSMILL: The Premier was not present when tangible proof was offered as to the advisability of the Government further considering the question.

THE PREMIER: When did the hon. member want the railway to be built?

MR. KINGSMILL: When the Government thought fit to build it.

THE PREMIER: Then it was not asked that the railway should be built at the present time?

MR. KINGSMILL: It was certainly absolutely impossible to build the railway to-morrow.

THE PREMIER: But was it asked that the railway should be built in a few months?

MR. KINGSMILL: What was desired was that the Government should let the House know next session whether they thought the railway worthy of being built; and the Government had better access to information than he had. The Pilbarra goldfield was on the upward grade; and furthermore, railways should in some instances at all events, be as much the cause as the effect of prosperity. Other efforts in railway building, which at the time looked somewhat "blue," had been attended with fortunate results. The Southern Cross railway originally had little to recommend it; but its construction had been justified by the good fortune which attended the efforts of Bailey, the discoverer of the Coolgardie field, who first came to the colony with the intention of going to Pilbarra. He (Mr. Kingsmill) hoped he was able to claim a reputation for not asking more from the Government than was absolutely necessary.

THE PREMIER: What did the hon. member want?

MR. KINGSMILL: That the Government should consider this project.

THE PREMIER: The project had been under consideration for the last five years.

MR. WILSON: With what result?

THE PREMIER: A survey had been made.

MR. KINGSMILL: Goods could not be carried on a survey.

THE PREMIER: A jetty had been built at Port Hedland, and a road constructed across the marsh. The Government had been a good friend to the hon. member's district, and had got very little thanks.

MR. KINGSMILL: That was an aspect of the case which was only too often forced on the House. He hoped his district had not received more than its due.

THE PREMIER: Hear, hear.

MR. KINGSMILL: If the district had not received more than its due, why these recriminations? If on account of the political opinions of the representative, a district had to suffer, that indicated a very low tone in parliamentary procedure. He did not imagine that such was the case, and would be sorry to believe so; and on this occasion he was asking no more than that the Government should consider

what, in their discretion, his district was entitled to.

THE PREMIER: The Government had done things for that district without being asked by the hon. member. A jetty had been provided, and also a road constructed across the marsh.

MR. KINGSMILL: As a member of Parliament, he had a certain amount of diffidence in asking for works in another member's district. Could the Government not find it within their discretion to recommend the construction of this railway, or at least such portion of it as would bridge the bad portion of the road from Port Hedland to the fields, a distance of about 150 miles? If that were done, his gratitude and that of the people of the Pilbarra goldfields would be earned.

MR. ILLINGWORTH (Central Murchison): Having supported a motion of a similar character before, he had great pleasure in seconding this proposal.

THE PREMIER (Right Hon. Sir J. Forrest): The construction of this railway had been in view for several years now, and a survey had been made. In addition, a splendid wharf had been built at Port Hedland, and a road constructed across the marsh; so that the Government were alive to the requirements of the district. The difficulty was that the early promise of the Pilbarra goldfield had not been sustained. A very large quantity of gold was produced there some years ago, but during recent years the output had much dwindled. He had not the figures before him, but he knew that in the last three years the output had been very small, as compared with previous years.

MR. KINGSMILL: The Premier was wrong in that respect, because in 1897 the output of gold was 11,955 ounces; in 1898, 11,662 ounces; and in 1899, up to date, 17,435 ounces.

THE PREMIER: According to those figures, the output was increasing; and as soon as it could be shown that a railway to Marble Bar would pay, the matter could be considered. He did not think it could be shown, however, that such a railway would pay, and that was the reason the Government had not moved in the matter. If the motion meant anything, it meant that the Government were to carry out this work.

MR. ILLINGWORTH: Would the Premier consider it?

THE PREMIER: What was the use of considering it, if one did not do more? He would give the member for Pilbarra credit for not moving a motion which merely meant nothing.

MR. KINGSMILL: An answer in the Governor's Speech next session would be expected by him.

THE PREMIER: The motion said, "at an early date." Everything was going to be next year, and not this. Why should we not do things this year as well as next? The member for Central Murchison (Mr. Illingworth) was opposed to everything in the way of borrowing money, yet he wanted us to embark on an expenditure of about half-a-million to build this line.

MR. ILLINGWORTH: Up to the present he had not spoken on the Loan Bill.

THE PREMIER: But the hon. member had interjected about fifty times, and his views were known. The hon. member supported those who had always been advocates of a do-nothing policy. It was no use to try and evade the responsibilities cast upon him to-night. The hon. member said he supported this proposal; and therefore next year the hon. member should be prepared to vote £400,000 or £500,000 for this work.

MR. ILLINGWORTH: It was asked for by him three years ago.

THE PREMIER: The hon. member knew nothing about the conditions of that part of the country, never having been there.

MR. ILLINGWORTH: The best information was in his possession.

THE PREMIER: The hon. member sat in his office and thought he knew, but he knew nothing about the state of affairs there. He was willing, on hearsay information, to receive a pledge for this country to spend half-a-million and build this railway, but he would not build a railway to Leonora.

MR. ILLINGWORTH: Who said that?

THE PREMIER: The interjections of the hon. member last night showed that he was altogether opposed to the second reading of the Loan Bill.

MR. ILLINGWORTH: Not such a word had been uttered by him.

THE PREMIER: The hon. member interjected a good many times.

MR. ILLINGWORTH said he had not spoken.

THE PREMIER: The hon. member had not even the courage of his opinions. He (the Premier) had no particular objection to this motion. He would take the subject into consideration, and he had done so for many a day. He only hoped that opportunity would be given him at some time to support a motion for constructing this railway.

MR. GEORGE: What about the Marra-dong railway (Williams district)?

THE PREMIER: The Marradong railway, too. The question as regarded these railways was whether they would pay.

MR. KINGSMILL: What about an answer in the Governor's Speech?

THE PREMIER said he would not pledge the Government.

MR. KINGSMILL: Would the right hon. gentleman not say "yes" or "no"?

THE PREMIER: No; he was not going to pledge himself in any way as to what would happen in relation to the next Governor's Speech. It seemed to him that the motion had been brought forward for some purposes of the hon. member's.

MR. KINGSMILL: More motives.

THE PREMIER: No. The hon. member wanted to show his constituents that he was doing something, but it was an empty form. Had the hon. member moved "That in the opinion of this House it is desirable that the Government should take measures for constructing a railway from Marble Bar to Port Hedland," one could have understood that. The hon. member had better keep quiet, or bring forward some motion on which he would have an opportunity of dilating on the resources of his electorate.

MR. KINGSMILL: As to whether he kept quiet or not, he should certainly please himself.

THE PREMIER: To introduce a motion of this kind was only playing with people, making them think the hon. member was doing something when he was doing nothing.

MR. KINGSMILL: Not a bit of it.

THE PREMIER: The hon. member was moving in a direction where his heart was not. If anyone had a work to perform, the least he could do was to move in a direct way in regard to it, and not ask the Government a puerile question of

this sort, requesting them to take it into consideration, as if responsible persons who had been in control for the last 10 years had not taken it into consideration! It had been considered over and over again, for years and years, and the Government only wanted an opportunity to carry it into effect as soon as the position of affairs warranted it.

The COMMISSIONER OF RAILWAYS moved the adjournment of the debate.

Motion put and negatived.

MR. GEORGE: The Premier could have given a reply in half a dozen words. All it was necessary to say was that he would not build the railway.

THE PREMIER: The member for Pilbarra had not asked him to do it. Had he done so, an answer would have been given.

MR. GEORGE: What the Premier would do with regard to the Loan Bill had no connection with this motion.

THE PREMIER: It had to do with this considerably.

MR. GEORGE: The Premier might leave alone the interjections by the member for Central Murchison and go on with the Loan Bill. He (Mr. George) took no notice of interjections, for he looked upon them as a sort of punctuation. As to this motion, if the railway suggested was going to cost £400,000 or £500,000—

MR. ROBSON: It would not cost half that.

MR. GEORGE: The Premier said so, and the right hon. gentleman would not tell them a lie.

THE PREMIER: It would cost that amount.

MR. GEORGE: Whether it would cost four or five hundred thousand, or two hundred and fifty thousand, as stated by the member for Geraldton (Mr. Robson), the colony could not afford to spend that money to build a railway to Port Hedland. He knew the member for Pilbarra, and did not think this motion was an electioneering dodge; but one much doubted whether, if the hon. member had to find the money himself, he would be willing to do so.

MR. ROBSON (Geraldton): The Premier had stated that if the railway would pay, it would be built; but one would like to ask him whether agricul-

tural lines were built with a view of paying directly.

THE PREMIER: Yes.

MR. ROBSON: They did not pay directly.

THE PREMIER: Which were they?

A MEMBER: Would the Goomalling line pay?

THE PREMIER: Yes.

MR. ROBSON: Some of the lines did not pay directly, but indirectly. When the Premier introduced his first public works policy to this House after responsible Government, his idea then was not to make railways pay at once. His Southern Cross railway was a non-paying line then, but it had been justified by good luck and circumstances. His Mullewa line at that time was, on the face of it, one of the wildest schemes ever brought before the country. It was a scheme introduced purely as a political sop for the squatters, who held a big preponderance of the voting power in this House; but in years afterwards the Murchison goldfields were found, and the country was opened up. Circumstances eventuated, and good luck fell at the feet of the Premier and justified the building of that railway; and knowing as we did that such had been the railway policy of the country, why should it be jammed down our throats that the goldfield railways would be built if it was shown they would pay, while as to agricultural railways they were built as a sop to agricultural members?

MR. MORGANS (Coolgardie): Every member of the House knew his personal opinion as to the construction of railways for the opening up of goldfields and mineral fields. He believed it was not only a good policy, but was the duty of the Government, seeing the importance of the development of goldfields and mineral fields in any portion of the country, that they should look on mineral and goldfields railways as a leading part of their policy at all times. With regard to this railway, he was bound to plead ignorance personally as to knowledge of the district; but he had received information about the district recently, and had met people who had just returned from there, and the opinions he had heard expressed about the field were so satisfactory that he had not the slightest hesitation in saying that it was quite a

proper policy for the Government to seriously take into consideration the construction of this railway, even at a cost of half a million.

THE PREMIER: That was what he said: it was the terms of the motion he objected to.

MR. MORGANS: The reason he supposed the member for Pilbarra couched the motion in these terms was that he was actuated by a desire not to force the Government too much. The hon. member, no doubt, felt that he was touching a tender spot. He (Mr. Morgans) would have made the motion more definite, and have said that a sum of money should be placed on the Estimates next year for the construction of the railway. In the district which had been so well and ably described by the member for Pilbarra, there was no doubt at all this colony possessed not only an important goldfield, but an important mineral field containing the baser metals, tin and copper. Notwithstanding the fact that in Western Australia we were accustomed to the production of gold, there was not a shadow of doubt that within a short period the production of the baser metals would form an important portion of our exports, particularly tin and copper. The principle in the United States with regard to the construction of railways was to build railways to districts for the purpose of opening them up; the Legislature of the United States did not wait until a district was opened up to build a railway; and this was the policy that should be adopted by the Government in this colony. The effect of the construction of a railway into a district which had undoubted resources insured a population. It would not be at all a difficult matter for the Government to send experts into the Pilbarra district to look at the tinfields and copper mines and obtain a reliable report as to the value of the field. If that were done he felt convinced the report would be so valuable that the Government would at once take into consideration the commencement of the construction of that railway. At the present moment there were dozens of really good gold-mines on the Pilbarra field which could be worked successfully only for want of fuel to crush the ores. A great difficulty was the want of fuel, and a friend of his who owned a

mine in that district, had to pay £3 or £4 a cord for firewood. Looking at that fact could we suppose it was possible, in these circumstances, to develop the important gold resources of that district. In addition to that there were the baser metals, tin and copper. How could anything be done with these unless there were means of carrying fuel to give motion to the machinery? The Government should not wait until the population was in this district, but should build the railway to develop the mines, and thus cause population to go there, therefore he had pleasure in lending his support to the member for Pilbarra; and he hoped the Government would take into serious consideration next year the construction or at least the commencement of the railway, say 50 miles of it. He knew the difficulties, and he knew that the Commissioner for Railways would say that it would necessitate another establishment. So it did; but the Government should face that. The Government in the meantime might ask the Minister of Mines to despatch one of his officials into the district to make a thorough examination of the probable future prospects of the district.

MR. MONGER: The district has been proved.

MR. MORGANS: If so all the better. Let the Government look into the prospects of the district, and if the report obtained showed that the Government were justified in commencing the line no one would raise any objection to it.

On motion by **MR. HUBBLE** debate adjourned.

ADJOURNMENT.

The House adjourned at 11.5 p.m. until the next Monday evening.