

Hon. J. M. MACFARLANE: Another board objects to the by-law and says—

The board considers the regulation unnecessary so far as it applies to this district, as it is neither suitable nor fair to be applied to all properties and, apparently, this is so in all other districts, as the Local Government Association has also protested against its promulgation.

The board's regulation governing the alignment of buildings provides that no building shall be erected within a distance of 30ft. from the street alignment unless with the approval of the board. It is considered essential that there should be discretionary powers, as many houses were built prior to the gazetting of this regulation, and it would be unfair to force new houses back beyond the alignment of existing houses and, further, there is a section of building allotments in the district with a depth of 100 feet, and if owners are compelled to build back 30 feet it would mean there would be practically no rear yard.

In view of the letters I have received, setting out conditions that have existed for a long time and detailing the extent to which the by-laws under discussion would affect the situation generally, I hope the House will carry the motion. The Government should then table a new set of regulations, framed in co-operation with the local authorities. A more desirable alternative would perhaps be to bring down an amendment to the Municipal Corporations Act, so that there may be a better understanding of present-day conditions and a more workable and practicable arrangement arrived at.

HON. J. NICHOLSON (Metropolitan) [6.13]: I am of opinion that the by-law specially referred to by Mr. Macfarlane is not only ultra vires, but is also inconsistent with the regulations already drafted under the Road Districts Act. This by-law, if enforced, would create a very serious position. We have only to look at the irregularities as to depth, width, etc., of certain blocks we know of. Let me mention one instance only—Bellevue terrace. The fall from within a few feet of the frontage to the road is very steep, and it would be impossible, with a 30ft. building alignment, to erect a dwelling on a block of land in that locality. I support the motion.

On motion by Hon. J. A. Dimmitt, debate adjourned.

House adjourned at 6.15 p.m.

Legislative Assembly.

Tuesday, 13th September, 1938.

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The SPEAKER took the Chair at 4.30 p.m., and read prayers.

QUESTION—CAVES HOUSE.

New Building, Completion.

Mr. WILLMOTT asked the Minister representing the Chief Secretary: 1, What is the date specified for the completion of the new Caves House at Yallingup? 2, Will the building be completed by that date? 3, Are such arrangements being made for the furnishing of the new building that it will be available for next Christmas and New Year trade?

The MINISTER FOR JUSTICE replied: 1, 15th November, 1938. 2, Operations have been hampered by adverse weather conditions, but, given favourable weather, it is hoped to complete in time for the buildings to be used for the Christmas business. 3, Yes.

QUESTION—DAIRY PRODUCE BOARD.

State Representation.

Mr. McLARTY asked the Minister for Agriculture: 1, Have any representations been made by the Government in regard to the inequality of State representation of the producers on the Australian Dairy Produce Board? 2, If not, will he press the claims of Western Australian producers for direct and separate representation on the board?

The MINISTER FOR AGRICULTURE replied: 1, No. 2, The request will receive consideration when evidence in support of the claim for greater representation on the board is produced.

BILL—PENSIONERS (RATES EXEMPTION) ACT AMENDMENT.

Read a third time and transmitted to the Council.

BILL—STATE GOVERNMENT INSURANCE OFFICE.

Further report of Committee adopted.

BILL—MULLEWA ROAD BOARD LOAN RATE.

Second Reading.

Debate resumed from the 6th September.

MR. DONEY (Williams - Narrogin) [4.35]: This small Bill is necessary to correct an entirely inadvertent and purely technical error on the part of the Mullewa Road Board in the wording of an advertisement inserted by it in the "Government Gazette," setting out the board's intention to borrow. The board's desire was to raise finance for making certain improvements in one ward, and of course to restrict the loan rate to that ward. That is quite a proper intention, but unfortunately the restriction was not mentioned in the advertisement, as it should have been. The effect of the omission is that the rate became leviable upon the whole of the road district of Mullewa instead of upon the one ward only. In due course, and apparently unaware that any error had occurred, the board set about levying, and in fact did levy, a loan rate upon the central ward. Although by doing so it certainly demonstrated its bona fides in the matter, it at the same time committed a technical infraction of the Road Districts Act. The Bill is to correct this series of errors by validating the rate upon the central ward. The ratepayers of that ward had asked that the improvements should be made—in fact, made that request on a number of occasions—and are quite prepared themselves to repay the whole loan.

One would naturally think that since a notice in the "Government Gazette" was all that was required in order to legalise the loan and the conditions attendant upon it, all that would be necessary in the case of wishing to amend the conditions of the loan would be to insert another advertisement in the "Government Gazette." But that is not

the official way of doing it. It is not a way permitted by the Act. Further, one might naturally ask why is not the Act amended so as to make that quick and easy method the proper one to adopt? I do not know what the Local Government Branch of the Public Works Department might say, but probably the answer is that such a method would open the way to a side-stepping of loan polls, which form the ratepayers' protection against unnecessary loans and the subsequent unwise expenditure of loan moneys by the board. The Bill represents a legal and a quite proper way of correcting what is undoubtedly an obvious error. The measure, as I have indicated, is necessary under the Act; and I therefore have much pleasure in supporting it.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Sleeman in the Chair; the Minister for Works in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3:

Hon. C. G. LATHAM: This is a very dangerous precedent, because the Road Districts Act provides that before a loan can be raised it must be approved by the ratepayers. The amendment might provide a means whereby road boards could evade the control of ratepayers in these matters.

Mr. Doney: The error that has been made should not be allowed to occur too often.

Hon. C. G. LATHAM: I presume the committee realises that the board proposes to raise a considerable sum of money to improve a road in one ward only. This Bill is necessary to correct a mistake that has been made by the board and to enable the board to strike the rate on the central ward only. Had the ratepayers in the central ward an idea that they were to be levied with this rate? If not, they might have called for a referendum. The Road Districts Act clearly sets out the procedure to be followed when raising a loan, and it is not wise to invoke Parliament's aid for a purpose such as this. I accept the Minister's word that a mistake was made and so do not raise any objection to the clause.

The MINISTER FOR WORKS: The road board definitely gave instructions that the rate should be levied on the central ward

only. The secretary of the board made a clerical error. No Act of Parliament can prevent a man from making a mistake, and the Crown Law Department has assured me that this is the only way in which the mistake can be rectified. I agree with the Leader of the Opposition that such a mistake should not occur often, but the whole district cannot be penalised because of a mistake of an employee of the board.

Hon. C. G. Latham: Not if the central ward is aware that a mistake was made.

Mr. Doney: Is the Minister able to say that the ratepayers of the central ward are aware that they were to be separately taxed?

The MINISTER FOR WORKS: Yes. It was known throughout the district.

Mr. Patrick: The ratepayers must know that this proposed loan can benefit only one ward.

Clause put and passed.

Schedule, Title—agreed to.

Bill reported without amendment, and the report adopted.

BILL—HEALTH ACT AMENDMENT.

Second Reading.

THE MINISTER FOR HEALTH (Hon. A. H. Panton—Leederville) [4.46] in moving the second reading of the Bill said: This is a very small Bill, but nevertheless essential. It proposes to amend the definition of "boarding-house" in Section 3 of the Health Act, 1911. That definition reads—

"Boarding-house" means and includes any house, tent, or edifice, building or other structure, permanent or otherwise, and any part of such premises (not being premises licensed under a publican's general, wayside house or hotel license) in which more than six persons, exclusive of the family of the keeper thereof, are lodged or boarded for hire or reward from week to week, or for more than a week, or provision is made for more than six persons (exclusive as aforesaid) to be so lodged or boarded.

The amendment proposes to substitute the words "four or more" for the words "more than six." This small amendment is considered both by municipalities and road boards to be necessary.

Mr. Sleeman: Why not wait until the Royal Commission on Civic Administration issues its report?

The MINISTER FOR HEALTH: The amendment will not affect the Commission's

report. Of recent years there has been a greater tendency for people to let rooms to boarders, but unless they have six or more boarders, registration is not compulsory. Consequently, neither the Central Board of Health nor local boards of health can exercise any supervision over those boarding-houses.

Mr. Marshall: Under the Health Act, the Health Board can inspect a private home.

The MINISTER FOR HEALTH: That is so. The hon. member will appreciate the fact, however, that the Health Department cannot control boarding-houses that are not registered. If the Bill is passed, the board will know where the houses are situated and can supervise them.

Mr. Raphael: Registration at the present time is only a farce. There is no regulation to deal with a house converted into flats but still let as a lodging house.

The MINISTER FOR HEALTH: If registration is a farce, the hon. member can vote against the Bill.

Mr. Seward: The Bill has not yet been passed.

The MINISTER FOR HEALTH: Members have the opportunity of voting against the Bill. The member for Victoria Park (Mr. Raphael) is a city councillor, and it is the City Council that has been bombarding the department with requests for this amendment of the Health Act. The loudest growl has come from that council. If registration is a farce, I suggest to the hon. member that he get the City Council to consider the matter.

Mr. Raphael: The report dealing with this matter will be issued later.

The MINISTER FOR HEALTH: When we have the report, the House can deal with the measure again if it so desires. At the moment I am a little tired of answering letters from all over the State, and particularly from the metropolitan area and the ports, asking me to look into the matter. There has, in fact, been a general demand for the registration of premises that have more than one boarder. The Government, however, believes that it will be reasonable if the provisions of the Act are limited to places that have four or more boarders. No doubt exists that while the limit for registration is more than six, the number of premises providing for boarders will increase, and I think hon. members will agree that some supervision by the Health Department over

establishments admitting boarders is essential. The only way to ensure supervision is to have such premises registered, so that the Health Department may know exactly where they are. The registration fee to be charged is a matter for the local governing bodies to decide. So far as I have been able to ascertain, the Perth City Council, the Perth Road Board, the Cottesloe Municipal Council, and the Subiaco Council charge a fee of 10s. for premises taking up to 20 boarders, and £1 for those with over 20. The Fremantle and the Kalgoorlie Councils impose a flat rate of 10s. It is difficult to ascertain the figures from the local governing bodies in other parts of the State, but I understand that a flat rate of 10s. a year is imposed.

Mr. Withers: The fee is not as important as the right to supervise.

The MINISTER FOR HEALTH: That is the main thing. Supervision is particularly necessary at ports, such as Geraldton and Bunbury. As a matter of fact, I have had quite a number of letters from Geraldton. At the ports a sudden rush of visitors takes place in the summer time. For a certain period the buildings are crowded with lodgers and boarders, and in the absence of registration there is no supervision. The aim of the Bill is to bring about the registration of a greater number of such premises by providing for premises with four or more boarders to be registered instead of limiting that registration to those with more than six boarders. I move—

That the Bill be now read a second time.

On motion by Hon. C. G. Latham, debate adjourned.

BILL—FAIR RENTS.

Second Reading.

Debate resumed from the 1st September.

MRS. CARDELL-OLIVER (Subiaco) [4.54]: The majority of members on this side of the House supported a similar Bill last year. I am in favour of the measure and I think it will be generally supported by Opposition members. Doubtless the Minister has introduced the Bill with the idea of helping those people who are aggrieved by having to pay high rents. I should like to point out, however, that the capital expenditure on certain houses is very high,

especially in the metropolitan area, and the rents received are not anything like the sum that the owners could obtain if they charged the amount permitted under the provisions of the Bill. If landlords are allowed by law to secure 7½ per cent. net on their investments, rents in the metropolitan area will most likely be raised, though I am quite sure the Minister does not wish that to happen. Perhaps some provision will be inserted to obviate that occurrence. In any event, I intend to support the Bill because I consider the Minister had the best of intentions in introducing it.

MR. NORTH (Claremont) [4.56]: I desire to support the Bill because the Government of the day obviously desires to make rents fair, and because it is urged by landlords that the Bill, if passed, will provide for them a greater return than they are receiving to-day. If both sides are satisfied, the Bill must be a good one and worthy of support.

HON. C. G. LATHAM (York) [4.57]: On the previous occasion on which a Bill of this kind was before the House, I pointed out to the Minister that it would not achieve the desired result. Once again, I desire to indicate that there is only one way by which rents can be brought down, if they are unduly high, and I believe that certain houses, on the goldfields in particular, are bringing higher rents than are justifiable. The only way to reduce rents is for the Government to build a cheaper type of house for the worker. I realise, of course, that in spite of the fact that gold mining is probably the most flourishing industry in the State, some misgivings may exist as to the wisdom of investing money in houses on the goldfields. However, if the Government could erect 100 or 200 wooden cottages of good construction that could be built reasonably cheaply, the difficulty on the goldfields at least would be quickly overcome. That is the only way to solve the problem. If restrictions are to be imposed upon persons who make a livelihood from building houses, a shortage of homes will result, and if there is a lack of houses, slum conditions will be created. Two or three families will be found sharing one house, and that will be an undesirable state of affairs. I am sorry we did not have an opportunity of testing the legislation that was introduced last year, so that the futility

of the measure might have been demonstrated. Experience in the Eastern States has proved the inadequacy of legislation of this kind. New South Wales had a similar measure on its statute-book, but abandoned it because it did not achieve the desired result. The Minister should use his influence in Cabinet to have made available a large sum of money for the building of cheaper houses.

The Premier: We have done that.

Hon. C. G. LATHAM: Not on the goldfields.

The Premier: Yes.

Hon. C. G. LATHAM: For some time no workers' homes have been built there.

The Premier: At the present time some are in course of construction.

Mr. Styants: Four are being built, and there were 120 applications.

Hon. C. G. LATHAM: I was told that four were being erected, and no more would be built.

Mr. Marshall: That is only at Kalgoorlie: that is not the goldfields.

Hon. C. G. LATHAM: As I have pointed out, there is always some doubt about the permanency of the goldfields, but such a doubt could not apply to Kalgoorlie, or a place like Norseman, through which I recently had an opportunity of travelling with the member for the district. In that town, the type of house is anything but desirable and the Government should erect some cheap houses in order that the people might live in better conditions than obtain to-day. It should be a profitable investment. I am prepared to accept the statement of members representing goldfields districts that rents are high, but if the time for the payment of principal which is 20 years were reduced to 15 years—

Mr. Styants: It is ten years up there.

Hon. C. G. LATHAM: I suppose there is no difficulty in getting rents on the goldfields; but instead of wasting time on this class of legislation we should give authority to the Premier to spend more money on the building of houses on the goldfields.

The Premier: We have the whole State to look after.

Hon. C. G. LATHAM: The Government has concentrated very well on the metropolitan area, and has built many expensive houses. The people who are paying for them may find it difficult to continue to do so if the conditions

that have been experienced during the last two or three years do not remain. I have had a look at some of the workers' homes, and I admire them very much, but at the same time they are a fairly extravagant luxury for the man on the basic wage. While he may be entitled to the best we can give him, as I have already said, it may become difficult for him to meet his obligations if anything in the shape of a period of depression should ensue.

The Premier: According to the Statistician, it is cheaper for the occupants to pay the rents they are paying on these homes than to occupy older houses.

Hon. C. G. LATHAM: Probably the officials are in a better position to judge than am I, but I have been told that rents run from 25s. to 30s. a week.

The Premier: The maximum rent for an £800 house is £1 3s. 10d. per week.

Hon. C. G. LATHAM: When the Workers' Homes Board report is made available, we shall see exactly what is being paid.

Mr. Styants: At Kalgoorlie the rate is higher; it is 26s. 8d.

Hon. C. G. LATHAM: But we must not forget that that figure is for a £350 or £400 cottage as against an £800 house on the coast. It is a question of interest more than the repayment of principal. I do not intend to oppose the Bill, because I know the Government is desirous of testing the legislation. I wish I had the same confidence in this respect as has the Minister who introduced the Bill. I have been informed by owners of a few houses in the city that it is anything but satisfactory to be a property-owner. What is being done to-day is to build cottages, and, on their completion, dispose of them by getting a deposit paid and allowing the purchaser to become what is known as a tenant-purchaser. The Bill will not affect those people; it will only affect the people paying rents. I have investigated one or two cases that have come under my notice, and I am convinced that it is not a profitable investment in the metropolitan area to build houses with the object of getting an income from those houses. All the same, I hope the Minister will get what he expects to receive, but I am afraid the result of passing the Bill will be only to make confusion worse confounded.

The Minister for Works: We are not too pleased with the support you are giving the Bill.

Hon. C. G. LATHAM: Last year I voted for it. The Minister knows as well as I do that the trouble on the goldfields will not be overcome until more houses are built there. The shortage of houses is the real cause of the difficulty. Whatever we do, I trust that it will be possible to prevent three or four families living in the one house, and in that way contributing to slum conditions. I raised the same question when the Bill was before us last year. I do not know whether the Bill will find its way on to the statute-book but I do know that some of the other States have abandoned this form of legislation which, in my opinion, will not help the goldfields. No one knows that better than the goldfields members themselves.

MR. THORN (Toodyay) [5.5]: I agree with the Leader of the Opposition that the Bill will not bring about the desired effect on the goldfields. I believe in a fair rental, but the position on the goldfields, as has been explained, is due to lack of accommodation there. To bring about the desired effect it is necessary to introduce a comprehensive housing scheme. I am convinced that if the building of houses for renting were a profitable business, private enterprise would probably have embarked on the project before this.

Mr. Styants: They are building on the goldfields all the time.

Mr. THORN: I am glad to hear that, because for a long time we have been asking the Government to introduce a comprehensive building scheme for the goldfields. If private enterprise is not entering into this business, it looks as if it had not much confidence in the future of the goldfields, and thus we are asking the Government to do something in association with which there is a fair measure of risk. It is not right to ask the Government to spend taxpayers' money on any proposition that is of a risky nature. We are aware of the history of the goldfields, which is that at one period mining may be profitable and booming, while at another period it may definitely be slumping. That position existed a few years ago, and we are aware of the fact many buildings were removed from goldfields towns to the agricultural areas. I wish the goldfields members well in respect of their agitation for fair rental legislation,

and the provision of additional accommodation for the people who live in that part of the State, but I cannot help feeling that we are asking the Government to enter upon a risk that will not be undertaken by private enterprise. If rents are so high on the goldfields, and the security is there, one would think that private enterprise would not hesitate to build homes for the people. In any case, while pointing out that aspect, I intend to support the second reading.

MR. FOX (South Fremantle) [5.8]: I wish to support the second reading because I consider that the Bill, if passed, will do considerable good in the metropolitan area. In the Fremantle district there are many old homes without baths or laundry facilities. Some of those houses have been erected for upwards of 50 years, and their valuations at the present time would not be more than £200. All the same, they are bringing in 15s. and 17s. 6d. a week. That is too high a rate when we remember the capital value of the premises. I should like to draw attention to another aspect, though I do not know that the complaint I have to make can in any form be remedied by the Bill now before us. It deals with the purchase of houses on time payment. I should like to refer to a particular instance where a firm has been guilty of what I might call robbery. A man purchased a house from Dudley and Dwyer in 1929, and on the 23rd December of that year the capital value of the property was supposed to be £725. I have no hesitation in saying that the capital value was no more than £500, because I am positive it could have been built for that sum. Other similar homes in the same locality have been built for actually less than £500. The purchaser of the home was an illiterate man, and unfortunately he was killed recently. When he made the purchase, he was not able to realise the responsibility he was undertaking. The firm mentioned agreed to build the house for £725, and payment was to be made at the rate of 28s. a week. Later on that figure was reduced slightly when the financial emergency legislation came into force. As I stated, the house was purchased on the 23rd December, 1929 and the man at the time of his death had paid £392 17s. 9d. by way of interest and £169 off the principal. He paid £65 in rates and expended £100 in repairs. So that the total amount of his out-

going was £726. Unfortunately the man met with a fatal accident about six months ago and there was then a liability on the house of £561 4s. 6d. Surely there should be legislation to prevent people, not able to look after themselves, from being exploited in that way. It is a scandalous state of affairs.

Member: What was the rate of interest?

Mr. FOX: Nine per cent., but the man had no conception of what nine per cent. meant. All he knew was that after the lapse of a certain period the home would become his own. After his death the widow got nothing at all by way of compensation. The lawyer who acted on her behalf endeavoured to sell the house, but the best offer that could be got was £400. Now the widow will have to go out of the house and will be thrown on her own resources, and this, too, after her late husband had spent £726 on the property. Dudley & Dwyer have told her to get out and they will assume possession. The widow will have no alternative but to walk out without anything at all. That is really a terrible state of affairs, and I consider it is the least I can do to make the matter public. I trust that it will be possible to do something to prevent cormorants of the type I have described from exploiting unfortunate people.

MR. HUGHES (East Perth) [5.15]: As I said last year, everyone knew that a Bill similar to this one would not become law, and nothing further would be done about it. My prophecy was correct. I cannot understand why the Government should bring down a Bill to provide for increased rents, but I could understand the reason for bringing down a Bill to reduce rents if landlords were charging an unreasonable amount. The Bill provides that either the landlord or tenant can appeal to the court. If the court allows an increased rent, the tenant has 14 days in which to vacate the premises. The difficulty in which the tenant will find himself is that of securing other premises. Rents in the metropolitan area will be increased if the Bill became law. The provision whereby the court may increase the rent is unnecessary. If a landlord is satisfied with what he is getting, and the rent is the best he can get in the present circumstances, why should he have the right to get an increased rent by application to the court, and so compel the tenant either to pay the additional amount or go elsewhere? The tenant

would not gain by looking for another house because the landlord of the other house would also go to the court and have the rent increased. Therefore I say that rents in the metropolitan area will rise if this Bill be passed. The rent will be assessed on the capital value of the house. That, in turn, will be determined by the rent the premises bring in, or the net return that comes from the investment. People who go to the court will be in a position to show the capital value of the premises according to the rental value, and that is the value the magistrate will take into consideration. When the capital value has been ascertained, the landlord will be entitled to seven per cent. on that amount, $1\frac{1}{2}$ per cent. above the bank rate of interest, an amount for the annual rates, insurance, repairs, and depreciation. Hundreds of people in my electorate are letting houses and not getting that return. The member for South Fremantle referred to a house that was being purchased on terms, having, unfortunately for the people concerned, been bought at the peak period. To-day it seems that the house has depreciated in value from 25 to 30 per cent., and the owners are unable to complete the contract. Apparently the vendor is willing to take the house back and give a release for the amount owing.

Mr. Fox: The owner had paid £737 for the house.

Mr. HUGHES: I wish the hon. member could persuade the firm in question to take over houses in my electorate, and give the purchasing owners a clean sheet. So long as there is any chance of collecting from the purchaser the balance owing, I am afraid he will get no release. People in my electorate unfortunately bought at the peak period. When the depression hit the State values fell, and a house that in 1929 cost £1,000 would not be worth £750 to-day.

Mr. Fox: I do not know about that.

Mr. HUGHES: I do. I was one of those who got in and got out. The people I speak of are left with their commitments, and a Bill of this kind will not help them. The only thing the Government can do is to create a body that will exercise equitable jurisdiction, re-arrange the interest rates as between the first mortgagee, the second mortgagee and the purchaser, and apportion the losses pro rata between all the parties. Each section will then bear, pro rata to its interest in the premises, a fair share of the

amount lost through depreciation. The purchaser, as the last man in the line, has so far borne the losses. When the losses exceed the equity held by the purchaser the losses fall upon the second mortgagee, who has to bear the balance of the loss. This Bill will not improve that position. It will not reduce rents anywhere because the capital value is assessed on the present rental. The court will be operating in a circle. As the Bill provides for seven per cent. clear interest, it will bring about a material increase in rentals throughout the metropolitan area. If there were a likelihood of the Bill becoming law it would be a serious matter for the electors in metropolitan constituencies. East Perth, for example, would be detrimentally affected. People would find their rents were raised in all parts of the area in question, and, though they would be compelled to vacate the premises, they would have nowhere to go. I shall not waste time discussing a measure of this kind, nor shall I vote against it. We know that it will not become law. Those who will prevent it from becoming law will not in any way be challenged. What took place last year will occur again this year. The Bill will be sent to another place, and will be dealt with as it is expected to be dealt with. Nothing will be done about it.

Mr. Sleeman: If the Bill would increase rents, would not the Council pass it?

Mr. HUGHES: There is no danger of that. If another place played a practical joke on the Government and passed the Bill, the Government would get the surprise of its life. The Council will do that one of these days. A Bill that it is expected to reject it will pass through more as a practical joke. The measure will not be of any use to the working classes in the metropolitan area. The Government would be better advised to tackle the problem of providing fair rents on the goldfields, ensuring that they shall be reduced, without any means being provided for increasing rents. I refer, of course, to instances in which it can be shown that excessive rents are being charged—as indeed they are—on the goldfields. Excessive rents are also being charged in Perth. The worst example of rack-renting in the metropolitan area is found in the rents charged for licensed premises. People who own hotels are charging rentals out of all proportion to the economic value of the buildings as such. I see that those people

are excluded from the Bill, but why that is so, I do not know. If rack-renting is wrong in principle, one person who indulges in that practice should not be excluded and the other person included. The Government should limit the Bill to the goldfields and should provide that, where the rents are extortionate, application may be made for their reduction, without any means being provided for an increase. There would then be a good chance of the Bill becoming law. As the measure is of no use to workers in the metropolitan area, there is no reason why workers on the goldfields, to whom it might be of use, should be deprived of any help it can give them.

THE MINISTER FOR JUSTICE (Hon. F. C. L. Smith—Brown Hill—Ivanhoe—in reply) [5.25]: The last speaker has made one of his usual illogical utterances. Although he pretends the Bill will have the effect of increasing rents in the metropolitan area, he predicts that another place will not support it. He knows from his long parliamentary experience that that is an illogical statement. If another place thought it was possible that landlords could get an increased rental in East Perth or in any other part of the metropolitan area, it would stand well behind the proposition.

Mr. Hughes: Is that why you put the clause in?

The MINISTER FOR JUSTICE: The hon. member has endeavoured to support his case by making misrepresentations concerning the interest that can be charged on the capital sum, and by making further misrepresentations as to how the capital value will be arrived at.

Mr. Hughes: Read the Bill.

The MINISTER FOR JUSTICE: The measure provides that such capital value shall be the capital sum which the fee simple of the property comprising the dwelling house and the land occupied therewith may be expected to realise if offered for sale upon such reasonable terms and conditions as a bona fide seller would require. That method of assessing capital values of properties is supported by the best legal authorities in the Commonwealth, notwithstanding that it has not the support of the member for East Perth, as he indicated when a similar Bill was before the House on a previous occasion. I took the opportunity last year of

quoting high legal authorities in support of my contention concerning what basis they thought would be the best upon which to assess the capital value of property. What little opposition the Bill has had has come from members who think it would not bring about the results claimed for it. The Leader of the Opposition said that similar legislation in New South Wales had been allowed to lapse. That is so. The Lang Government brought down a rent reduction Bill, and, as an Act, it operated successfully so long as that Government remained in office. When another party took the reins that legislation was allowed to expire. A Sydney newspaper, that I quoted in my second reading speech, pointed out that the landlords in the suburbs of Sydney immediately commenced to raise rents, increasing them from 2s. 6d. up to 10s. a week in excess of what they had been. Recently a number of people, including some women, made a demonstration in the Legislative Assembly of the New South Wales Parliament, and agitated for the re-introduction of the fair rents legislation that had operated during the Lang regime. We need go no further for experience concerning the effect of rent regulating legislation than the International Labour Office, to which I made reference concerning the recent family budgeting inquiry. I pointed out the difficulty of making comparisons in connection with the cost of housing because of the rent regulating legislation in existence in many countries. Attention was drawn to the fact that rents represented 6 per cent. of the total amount of the budget in the Irish Free State, and 20 per cent. of the total amount in the United States of America. We have, therefore, the evidence not only of New South Wales, supported by a letter from the Registrar of the Fair Rents Court—I read this in my second reading speech—but also the evidence of the International Labour Office that this type of legislation is effective wherever it has been brought into operation.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Sleeman in the Chair; the Minister for Justice in charge of the Bill.

Clauses 1 to 7—agreed to.

Clause 8—Basis of determination of fair rent:

Mr. WATTS: Is there no better way of specifying the rate on which the court shall determine a fair rent than that appearing in Subclause 2? The proposal is that the rent shall be determined at a rate not less than $1\frac{1}{2}$ per cent. above the interest charged by the Commonwealth Bank for the time being upon overdrafts. The overdraft rates of the Commonwealth Bank and of other banks vary from time to time, and vary, too, regarding the type of investment in respect of which money is borrowed. There seems to be considerable doubt as to what the current rate of interest is now, and what it may be at any future time. I suggest it would be preferable if the rate were fixed upon the interest rate on deposits, because that is easily determined and publicity is given to the rate by the banks. Whatever may be thought regarding the virtues of the Bill, closer consideration should be given to the clause in the light of the difficulties I have indicated.

The MINISTER FOR JUSTICE: The overdraft rate at present charged by the Commonwealth Bank in respect of building operations is $4\frac{1}{2}$ per cent. I ascertained that fact merely by making inquiries at the bank, and Subclause 2 shows that the fair rent to be determined shall not be less than $1\frac{1}{2}$ per cent. above that rate. There must be a certain amount of flexibility allowed to magistrates in determining rentals, and I think the basis proposed is fair.

Mr. HUGHES: In the light of the Minister's statement that the Commonwealth Bank rate of interest on overdrafts for building purposes is $4\frac{3}{4}$ per cent., how much money will the Commonwealth Bank make available for the erection of dwelling houses at that rate? I doubt if the Minister could, anywhere in Perth, secure money on a first mortgage for dwelling-house building purposes at the rate he mentioned. If he knows where money can be obtained anywhere in Perth at that rate, it may interest him to learn that there are hundreds of people desirous of raising money on first mortgages for building purposes. One of the greatest difficulties experienced in connection with building a house is the financing of the first mortgage. I do not think the Minister could get £500 at $4\frac{3}{4}$ per cent. for the purpose of building a dwelling.

Hon. C. G. Latham: He certainly would not get it from the Commonwealth Bank.

Mr. HUGHES: I do not think he could get it from anyone else. The rate would be more like $5\frac{1}{2}$ per cent. on a first mortgage, and that, it will be realised, covers merely two-thirds of the value, leaving the balance to be financed otherwise. The clause provides that rent shall be not less than $1\frac{1}{2}$ per cent. above the overdraft rate, which might be 10 per cent. The Bill will provide for anything from 7 to $12\frac{1}{2}$ per cent., and merely prescribes a minimum. The clause would be more adequate if the fixing of a fair rental were left to the discretion of the magistrate. The Minister can rest assured that under the Bill the lowest rate of interest will be fixed at 7 per cent. When he talks about misrepresentation, I doubt if there could be more gross misrepresentation than that involved in his statement that the Commonwealth Bank charges $4\frac{3}{4}$ per cent. on money loaned for building purposes. Notwithstanding his assertions and the mystical legal luminaries to whom he referred, I still say that the minimum rate that will be fixed will be 7 per cent., which is much higher than some people now secure in return for their properties, and so the Bill will have the effect of increasing rents.

The MINISTER FOR JUSTICE: The authority for my statement regarding the overdraft rate, as indicated in the Bill, being $4\frac{3}{4}$ per cent. at present, was the officer in charge of overdrafts at the Commonwealth Bank in Perth.

Mr. WATTS: There is another aspect. In the early stages of the depression period when there was more unemployment than ever before, the greatest difficulty was found in financing operations. Naturally that was when the rate of interest on overdrafts increased. The position, as relating to the Bill, is that when conditions are at their worst, rents will be highest. That is another reason why I do not regard the Bill with enthusiasm. The Bill does not indicate that the rate shall be that applying to overdrafts in respect of building loans, as the Minister suggested. It merely refers to the rate of interest charged upon overdrafts, but does not indicate the type of overdraft. As the clause stands, it would be quite possible for the magistrate in Perth to fix the rent on the basis of 10 per cent., while the magistrate at Katanning would adopt a

basis of 12 per cent., and a magistrate somewhere else a basis of 7 per cent. I regard the clause as unsatisfactory and requiring further careful consideration.

The MINISTER FOR JUSTICE: The member for Katanning has not advanced any good reason why the clause should be reconsidered. The bank rate might be increased during a depression period with a view to checking overdrafts and would be merely temporary. When there is a heavy demand for advances, the bank rate of interest increases. The position is obvious because banks naturally desire to secure all the profits possible. When there is a heavy demand for loan funds, banks naturally take advantage of the opportunities available and the rates of interest are varied accordingly. Banks check enterprise through the bank rate. When it is realised that the value of imports exceeds that of exports to any appreciable degree, that method is resorted to. The practice was particularly apparent when the gold standard operated. When gold flowed out of the country to make up the difference between the cost of imports as against exports, the tendency was checked by raising the bank rate. It was merely a temporary increase for the purpose of restoring equilibrium.

Mr. SEWARD: The clause is ambiguous in its reference to the interest rates. If the Minister were to adopt the rate of interest on deposits, the position would be clarified. What does the clause mean? A bank charges interest on overdrafts which represent accommodation supplied without any security. There are other kinds of advances, but overdrafts carry the highest rate.

The Premier: Surely the banks do not advance funds without security?

Mr. SEWARD: Yes, on overdrafts. There are varying types of advances. One is a secured advance in respect of which money is lent as against a security. Another type of advance is against a guarantee. The most hazardous form of advance is that on an overdraft, which is not secured and therefore carries the highest rate of interest.

Mr. Stubbs: Do you say that banks make advances without security?

Mr. SEWARD: Yes.

The Premier: Never!

Hon. C. G. Latham: Well, I say they do.

Mr. SEWARD: That fact is quite well known. The overdraft rates may vary sev-

eral points according to the risks involved. If the Minister wishes to make the clause definite, he could adopt the fixed deposit interest rate.

The Minister for Justice: The Commonwealth Bank officer was very definite.

Mr. SEWARD: I agree with the member for East Perth in thinking the Minister will not get money at $4\frac{3}{4}$ per cent. for house building purposes.

The Minister for Justice: The bank official understood what was meant by the clause.

Mr. SEWARD: It should clearly be stated that the overdraft referred to in the clause is that which applies to the financing of house building. If a bank officer were approached on the matter, he would want to know what type of overdraft was meant.

The Minister for Justice: You are reflecting on the intelligence of bank officers.

Mr. SEWARD: I support the contentions of the member for East Perth and the member for Katanning that the clause is not clear and it could be clarified if made to refer to the interest rate on fixed deposits.

Mr. HUGHES: To-morrow I shall go to the manager of the Commonwealth Bank and ask what money is available for building at $4\frac{3}{4}$ per cent. The rate of interest to be allowed should be specified as not exceeding $7\frac{1}{2}$ per cent. I move an amendment—

That in Subclause 2 the words "of not less than one and a-half per centum above the rate of interest which is for the time being charged upon overdrafts by the Commonwealth Bank of Australia" be struck out with a view to inserting the words "not exceeding seven and a-half per centum."

That would be a fair rate of interest on the capital value of the property, and I know of no landlord who would cavil at it, especially as he would also be conceded the other allowances prescribed.

The MINISTER FOR JUSTICE: I cannot accept the amendment. To stipulate $7\frac{1}{2}$ per cent. would be an indication to the magistrate to base the rent on that figure, and the probability is that the maximum would become the minimum. The very thing that the member for East Perth objected to would result from his amendment. If Parliament agreed to the basis of the rent being a rate not exceeding $7\frac{1}{2}$ per cent., the magistrate would accept it as a direction. The member for East Perth,

when speaking on the second reading, complained that landlords would be able to charge 7 per cent., and now he suggests $7\frac{1}{2}$ per cent.

The CHAIRMAN: The amendment is to strike out certain words.

The MINISTER FOR JUSTICE: With a view to inserting other words.

The CHAIRMAN: But the other words are not before the Committee at present.

Hon. C. G. LATHAM: We ought to be more explicit. We cannot make any alteration unless the words are first struck out. Under the Bill, presumably, the magistrate would inquire the overdraft interest rate, but there are different rates for overdrafts. Probably the Minister could obtain an overdraft at a lower rate than I could. Overdrafts, however, are a matter of personal security.

The Minister for Justice: But there is a general overdraft rate into which personal security does not matter.

Hon. C. G. LATHAM: An overdraft might be granted on personal security without any document being required. The rate of interest for fixed deposits varies according to the amount of money available, but the word "overdraft" has a definite meaning to a banker. If an advance were required against house property mortgages, the rate would be lower. The amendment seems to be the clearest way to prescribe the rate. The words in the subclause involve two variable factors because, apart from the bank rate, the magistrate's discretion would enter into the matter. The Bill will not encourage the erection of houses as an investor will not know what return he is likely to get. A worker desiring to rent a house should be enabled to form some idea of the amount he would have to pay.

Mr. WATTS: If the Committee resolves not to strike out the words, I take it I shall be debarred from moving for the deletion of some of the words in order to move the amendment I suggested.

The CHAIRMAN: If the Committee decides that the words be retained, the hon. member will be too late.

Mr. WATTS: I should like to suggest the amendment I indicated in the first instance.

The CHAIRMAN: Then the member for East Perth would have to withdraw his amendment to enable you to move.

Mr. WATTS: In the circumstances, I must support the amendment, because it

will at least provide something definite. I hope the Minister will agree to this or some other proposal to specify a named rate of interest as the datum point for the magistrate.

Mr. McDONALD: The discussion shows the inherent difficulty of meeting the situation. In the interests of the community, the matter had better be left alone, as has been found advisable in other countries, particularly New South Wales. The Minister did not tell us why the Stevens Government had dropped its Fair Rents Bill. The reason was that the problem would not be met by such legislation.

Mr. Raphael: On a point of order, is the hon. member entitled to make a second reading speech? You pulled up the Minister for discussing something outside the amendment and I consider the member for West Perth is speaking wide of the question.

The CHAIRMAN: The hon. member has departed a little from the question but I am allowing him some latitude, just as I allowed the Minister some latitude.

Mr. McDONALD: The Stevens Government decided that the problem could be met only by inaugurating a housing scheme under Government supervision and financed by Government money. That is why the New South Wales Government dropped the original Bill for what I think is generally admitted to be a remarkably fine movement to create better conditions. The rent payable was referred to in an article in the "Australian Quarterly Review" of March last.

The CHAIRMAN: Has that any bearing on the amendment?

Mr. McDONALD: Yes. The writer points out—

It is no novelty for the State Government authorities to take over activities which cannot by their very nature be satisfactorily performed by private enterprise.

Mr. Raphael: I rise to a point of order. In my opinion, the Leader of the National Party is making a second-reading speech which has nothing to do with the amendment.

The CHAIRMAN: The Leader of the National Party has assured me that what he wishes to read has a bearing on the amendment. I asked him the question.

Mr. McDONALD: The writer continues—

This is especially true when those activities can yield no possible profit to those who undertake them. Such is the case with housing for low-income families.

According to the experience of New South Wales as stated by the writer I have quoted, the difficulty is that the rents—

The CHAIRMAN: Now the hon. member is getting away from the amendment.

Mr. Raphael: The hon. member has never been near it.

Mr. McDONALD: The question before the Committee is the striking-out of certain words. The words are to be struck out for the purpose of making more definite the basis on which the rent is to be fixed. I submit I am entitled to say that it is injudicious to attempt too much definiteness in the fixation of rents, because, as New South Wales experience has shown, these rents are not payable to the people who put up the houses. The same experience as to fixation of rents has been found in New Zealand.

The CHAIRMAN: I cannot allow the hon. member to continue on those lines. He must confine himself to the striking-out of the words.

Mr. McDONALD: I do not wish to infringe your ruling, Sir; but I thought I might refer to one more sentence in order to show the difficulty of fixation of rents. According to an article in the "Australian Quarterly Review" of June last, it was found that over 2,000 houses had been erected, or were in course of construction, at a cost of £1,500 each, and that the rentals were from 25s. to 35s. per week.

The CHAIRMAN: Order! That has nothing to do with the striking-out of the words.

Mr. McDONALD: Under the amendment in the Bill and under the amendment moved by the member for East Perth, the New Zealand Government, which has made perhaps a praiseworthy attempt to meet the shortage, would not have been allowed to charge those rents at all. I suppose that Government charges a fair rent based on cost. Therefore I conclude my remarks, which have been made with some difficulty, on a matter of the utmost importance by saying that I would much prefer to see the Minister's Bill remain as it is with some elasticity in the fixation of rentals. I agree with the member for Katanning that the rate above the overdraft should be given a clear meaning by saying that it is to be 5¾ per cent. or 6 per cent., without the variable factor relating to the Commonwealth

Bank, which I think any magistrate would have difficulty in understanding.

Progress reported.

Sitting suspended from 6.10 to 7.30 p.m.

ANNUAL ESTIMATES, 1938-39.

Message.

Message from the Lieut.-Governor received and read transmitting the Annual Estimates of Revenue and Expenditure for the financial year 1938-39, and recommending appropriation.

FINANCIAL STATEMENT, 1938-39.

In Committee of Supply.

The House resolved into Committee of Supply to consider the Estimates of Revenue and Expenditure for the year ending the 30th June, 1939, Mr. Sleeman in the Chair.

THE PREMIER AND TREASURER

(Hon. J. C. Willcock—Geraldton) [7.30]:

It is again my privilege to present a review of the Government's financial operations, and in doing so I hope, having regard to the result obtained last year, I may be pardoned for experiencing a sense of reasonable satisfaction. Unfortunately, our prospects for this year have been somewhat marred by the present low price of wheat, but it is at least comforting to know that, as a result of the recent Premiers' Conference, which was attended by the Deputy Premier and Minister for Lands, definite proposals will be put forward to fix a home consumption price that will, to some extent, soften the severity of the effect of the drop in the price of wheat. Of course, it is early to indicate what the nature of the necessary legislation will be, but sufficient has been said in that regard to afford members an indication of the increased payments the farmers will receive during the forthcoming year.

Production and National Income.

The season which, in the early months of the year, caused some anxiety, is now likely to assure us a good harvest, and I think we can look forward with confidence to an aggregate yield in the vicinity of

40,000,000 bushels. This additional return will also assist materially in counteracting the loss caused by the prevailing low prices. Regarding the effect on our national income, the drop in wheat prices, though severe, should be counterbalanced by greater production and better returns in other directions.

It is indeed gratifying to realise that, on account of the diversity of our products, we are not now so dependent on any one commodity as we were a decade ago. We have only to consider the increased gold yield, the expansion of the butter industry, the greatly augmented number of fat lambs raised for export, and the breaking of the drought in most of the northern pastoral districts of the State, to experience a sense of gratitude that our development has been along sound lines and is approaching more nearly to a balanced economy. Unfortunately, it cannot be said that the effects of the series of droughts experienced during the past three or four years have altogether disappeared, but the prospects are appreciably improved in the pastoral areas. The Minister for Agriculture will agree with me that the pastoral areas, particularly in the electorate he represents in this Chamber and the Upper Murchison, still suffer severely from the effects of drought. That, too, has had a very serious effect in determining the number of sheep the State can produce, and that, in turn, affects considerably the national income of the State.

Record Gold Yield.

The gold yield for 1937 was 1,007,289 fine ounces and was worth £8,796,990. For the first six months of the present year, 555,536 fine ounces have been produced, worth £4,832,220, and it is confidently anticipated that the yield for the 12 months will be 1,100,000 ounces. That prediction is borne out by the latest figures, which, as members who take an interest in this phase of our development are no doubt aware, were published in the "West Australian" recently. Those figures showed that for last month the production of 100,050 ounces of gold constituted a record for any month since 1915.

With regard to dairying, the past year has been particularly satisfactory as seasonal conditions, combined with reasonable prices for butter and cheese, made returns

profitable for the dairy farmer. The production of butter to the 30th June, 1938, was approximately 15,000,000 lbs., which resulted in a record quantity being exported, namely, 64,721 boxes. The production this season promises to exceed that of last year and arrangements are being made to export 85,000 boxes during the year.

Export Lamb Trade.

The export lamb trade experienced a very satisfactory season last year, the number of lambs despatched overseas being greater than in the preceding year by no less than 125,000 carcasses. The quality of the lambs exported has been most favourably commented upon by overseas authorities, who have stated that the Western Australian lambs are the best in the Commonwealth. That must be regarded as most satisfactory and it certainly was borne out by my experience when I was in Great Britain 18 months ago. I was then informed by people who deal in lambs from various parts of the world that, while there might be lambs of a slightly better quality, the type and size of the lambs produced in Western Australia exactly fitted in with the requirements of the London market. Consequently, it will be appreciated that there is a ready sale for our lambs. The prospects in this industry appear to be very bright and, with financial assistance from the Government, extensions have been carried out at the treatment works at South Fremantle and Albany, both of which will now be able to cope with larger numbers of carcasses. To assist in the development of this industry, an officer of the Agricultural Department has been appointed to devote the whole of his time to the task. He will be required to travel throughout various districts for the purpose of advising growers on the correct methods to adopt in lamb raising and generally to do everything possible to stimulate the industry, which seems to be one form of primary production that seems capable, if not of infinite expansion, at any rate of great expansion, under satisfactory marketing conditions. To demonstrate the correct methods for fat lamb raising in the surrounding districts, the Chapman Research Station is now undertaking lamb breeding experiments.

Progress in Secondary Industries.

Progress has also been maintained in the secondary industries. Taking the index

number of 100 as representing the year 1929-30, the index of employment in industrial establishments was 68 in the year 1931-32, 103 in 1936-37, and for the last financial year the figure rose to 105. It is customary to refer to 1929 as the peak year prior to the depression, and it is gratifying, therefore, to note that the number of persons engaged in secondary industries, calculated on a percentage basis, is greater now than it was in that peak year of our boom period. The number of persons employed in industrial establishments in 1931-32 was 13,392, in 1936-37 it was 22,712, and in 1937-38 it was approximately 23,150.

Despite the setback due to the drop in wheat prices, I think we can view the current year with reasonable optimism, though care will have to be exercised in expenditure so that we may keep within the Budget figures. In preparing this year's Budget, therefore, every endeavour has been made to reduce controllable expenditure to a minimum commensurate with reasonable efficiency. Later I shall deal more in detail with the figures of estimated revenue and expenditure for the year, but in the meantime I wish to make some observations of a general character regarding our economic position. Members may recollect that last year, when introducing the Budget, I gave some figures of imports and exports, and referred to the claims on our production which arise to satisfy the indebtedness to investors residing outside the State. I said then that the Treasury, in collaboration with the staff of the Economics Department of the University, had been making an investigation into this phase of our economic life for the purpose of presenting evidence to the Commonwealth Grants Commission. This investigation has been continued for a further year and has been carried back to cover the years from 1927-28. The figures confirm the views expressed last year that we are dependent to a very large extent for our development upon the investment of funds by borrowings by the State Government and by the inflow of capital from private investors. As might be expected, when conditions are good there is a strong inflow of capital, while during the depth of the depression an outflow of capital actually took place, due no doubt to liquidation of overdrafts and repatriation of accumulated profits from previous periods.

Production and Trade Balance.

Dealing with our production and trade balances, the figures for last year of imports and exports were—

—	Interstate.	Overseas.	Total.
	£ (m)	£ (m)	£ (m)
Imports	12.94	7.90	20.93
Exports	3.09	20.00	23.09
Balance	-0.85	+12.01	+2.16

We bought from the Eastern States £9,850,000 more than they bought from us. If that were the whole story, we would be in a precarious position; but we alone of the States of the Commonwealth had a very big trade overseas in comparison with our exports. Our exports overseas were valued at £20,000,000, while our imports were only £7,900,000. We thus had a favourable overseas trade balance of £12,000,000. Even with the adverse Eastern States trade balance, we had a favourable trade balance with the rest of the world, including the Eastern States, of a little over £2,000,000.

From this favourable trade balance we had to meet the following commitments:—

	£ (m).
Interest on State debt payable to bondholders overseas and in other Australian States	3.11
Dividends declared by private companies due to shareholders outside Western Australia	3.31
Miscellaneous payments representing tourist trade, interest on municipal bonds and other sundry payments to persons outside Western Australia	0.77
Total	7.19

The favourable trade balance available to meet these commitments was £2,160,000, so that there was actually an adverse balance of £5,030,000. Towards this adverse balance there was an increase in the public debt of the State of £2,000,000, so that the balance was made up of an increase in private lending of £3,030,000, either by the transfer of new capital or by the retention in this State of profits, dividends or interest due to creditors outside the State.

Confidence in the State.

It is pleasing to reflect that investors have sufficient confidence in the State to invest their profits here. Members are aware that

several large buildings have recently been erected in the city. Most of them have been financed by profits earned in Western Australia by Eastern States companies. The fact that these companies do not immediately transfer their profits to the Eastern States, but invest the money here, displays their entire confidence in the State. During the past two or three weeks I have been privileged to attend the opening ceremony of two or three large buildings that have been recently completed.

Such a confidence is justifiable in a young and developing State that can offer an attractive appeal to investment of foreign capital, but the condition is such that no one would like to contemplate as permanent. The time must come when we shall have to manufacture an increasing number of our own requirements. In other words, we must endeavour to limit our imports to those commodities and services that we ourselves cannot possibly provide. I must confess to some feelings of misgiving when I consider the economic future of Western Australia, having regard to the developments in older countries. When international trade was flowing freely between all the countries of the world our position was fairly secure. We were producing foodstuffs and raw materials for which there was a splendid world-wide demand, and we could look to the retention of our overseas markets with some degree of security. But with the shutting off of many of those markets and the general trend towards national self-sufficiency in the countries that we have hitherto looked upon as good customers, the security of our export trade is threatened.

Some years ago the slogan of Government was, "Produce, Produce, Produce." We have reached that stage. That is not the problem so far as Western Australia is concerned. If we could sell at a satisfactory price all our exportable produce we would be in a safe, sound economic position. But our problem is not the problem of production; rather is it the lack of markets through what might be termed the economic nationalism so apparent in the trading countries of the world. While I do not wish to be doleful in regard to the future prospects of the wheat industry, the position does seem to be precarious with the prevailing prices, and no one can tell when they will improve. The position is

unsatisfactory to a State that has invested a very considerable portion of its capital in the industry.

While Australia as a whole may not feel the pinch, because of the establishment of many new secondary industries, we, who depend so much on our export trade, may find ourselves in difficulties unless there is an even greater acceleration of new secondary industries corresponding to that being accomplished in the Eastern States.

Looking at some figures recently, I found that Western Australia produced a greater amount of wealth per head of population than did any of the other States of the Commonwealth. The average for primary products was £5 or £6 more than the average of the other States. When it comes to secondary industries, however, ours is only two-thirds of the average production of Australia. Until we can make that two-thirds balance more nearly with the average in the Eastern States, we will be in difficulties; and that is one of the reasons—in fact, it is the main reason—why the Government has introduced legislation to establish a bureau of industry and economic research, in order that we may ascertain just where the weaknesses lie, and just what opportunities exist in Western Australia for supplying the commodities that are now obtained from the Eastern States. If we do that, we shall be able to regard the position of the State with a considerable measure of satisfaction, because even if in a year or two we produce only 10 per cent. of the goods that at present come from eastern Australia, the State will have a balanced economy and will be in an eminently satisfactory position. I lose no opportunity in the interests of the State to endeavour to persuade people to use products manufactured in Western Australia so that further production may be stimulated. Furthermore, I consider that whenever opportunity offers for the establishment of secondary industries, we should do our best to make such enterprises successful.

Value of Gold Mining Industry.

I have mentioned the increased gold yield, which I think will reach about £10,000,000. I was interested to hear the Trade Commissioner for Canada, when he made an official call on me to-day, speak with pride of the fact that Canada was producing over 3,000,000 ounces of gold. I told him we

were producing gold to the value of £9,000,000 or £10,000,000. He said, "I did not know anything about that." He did not say it as emphatically as that, but he said, "I did not know your production was nearly so important." That is a fact we do not stress often enough. I have never hesitated to point out on every possible occasion that Western Australia owes a tremendous debt of gratitude to the goldmining industry. But for that industry we would have been in the financial doldrums ever since the depression, because goldmining has provided a living for 12,000 or 13,000 additional people, and those dependent on them. If the Government had had to find relief work for those 12,000 or 13,000 men in the past four or five years, there would not have been enough for all. I never neglect an opportunity to do something to forward the interests of an industry that has done so much for Western Australia, and I believe in assisting that industry whenever there is a possibility of assistance being rendered, even though at times it does not seem to be warranted by the facts as they are presented. Because the goldmining industry has done so much for Western Australia, we are justified in assisting it to the utmost extent.

I made reference to export trade figures. I indicated that our exports overseas totalled £20,000,000, the balance in our favour being £12,000,000. That not only helps to make this State solvent but it is of tremendous value to the people of Australia as a whole. It is all very well for the people in the Eastern States to be manufacturing their own requirements.

Hon. C. G. Latham: And charging us top prices for them.

The PREMIER: Yes, as well as smothering struggling industries in this State by unfair competition. It is all very well for them to do that; but it should be borne in mind that we perform a service of tremendous value, because had it not been for the gold production of Western Australia, the country as a whole would have been in a much worse position than it is in at present.

States' Financial Position Compared.

Dealing with the financial position, I would point out that the year concluded with a deficit of £10,693 as compared with an estimated deficit of £128,855. The figures of

estimated and actual revenue and expenditure were as follows:—

—	Estimated.	Actual.	Increase.
	£	£	£
Expenditure	10,781,840	10,829,735	47,895
Revenue	10,032,085	10,819,042	166,057
Deficit	128,855	10,693	118,162 (Decrease)

Members may be interested to learn how our financial result compared with the results obtained in other States. The estimated and actual results for the other five States were—

—	Estimated.		Actual.	
	Surplus.	Deficit.	Surplus.	Deficit.
	£	£	£	£
New South Wales....	9,000	....	114,214	....
Victoria	11,000	....	30,942	....
Queensland ....	....	331,000	....	228,493
South Australia	4,000	....	126,545	....
Western Australia....	....	129,000	....	10,693
Tasmania	3,000	....	0,852	....
	27,000	460,000	278,553	239,188
Net Deficit	£433,000	....	....	....
Net Surplus ....	....	....	£39,367	....

Hon. C. G. Latham: Only the two Labour Governments had deficits.

The PREMIER: Our improvement was four times as great as that of the average improvement achieved by the other States.

Hon. C. G. Latham: It is quite good, for a Labour Government.

The PREMIER: It is easy to say that all the States improved their positions. We in common with the other States improved our position; but we improved it to the extent of £100,000. Spread over all the States of Australia, the improvement was less than £500,000. The net estimated deficit was £443,000. The hon. member will agree, therefore, that we have not done badly.

Hon. C. G. Latham: Tasmania's surplus was £6,852, compared with an estimated surplus of £3,000, but the smaller the amount, the easier it is to get 100 per cent. improvement.

The PREMIER: Our deficit was estimated at £129,000, but we finished with a deficit of only £10,000. That is something of which we can all feel proud.

Hon. C. G. Latham: I think you would have wiped out that deficit if you had collected all the taxation you should have collected.

The PREMIER: We could have wiped it out had we resorted to all sorts of expedients.

Hon. C. G. Latham: No, you could have wiped it out by a genuine collection of all taxes.

The PREMIER: We could have wiped it out if the Railway Department had transported all the wheat during the last financial year instead of carrying a considerable portion of it in the first couple of months of the new financial year. We have no desire not to collect all the taxation due. The Government was, of course, anxious to make a good financial showing so that the State would benefit. But what I have outlined is an exposition of the true position as it existed, and no special effort was made to collect revenue from all available sources. No instruction was given to anyone not to collect taxation, and if there was a carry-over in taxation last year, so much the better for us.

Turning to our own figures, it will be noticed that most of the improvement in the budgetary position has resulted in an increase of £166,057 in revenue. The increase in expenditure was only 0.4 per cent. above the estimate, that is, £40,000 in a total of over £10,000,000. Such a small variation from the Budget figures speaks well for the control that was exercised during the year over expenditure. It indicates that there was no loosening of the hold upon the Treasury or the departments in the matter of unrestricted expenditure, and that, indeed, a good hold was kept upon all expenditure. Where we could increase the revenue for the benefit of the State that, too, was done, resulting in a general improvement in our conditions.

Revenue.

A review of the revenue figures shows that taxation yielded £137,217 above the Budget estimate, the results being as follows:—

—	Estimate.	Actual.	Increase.	Decrease.
	£	£	£	£
Land Tax	110,000	124,083	14,083	....
Income Tax and Dividend Duty	635,000	667,811	32,811	....
Financial Emergency Tax	1,000,000	1,074,561	74,561	....
Stamp Duty	275,000	290,360	15,360	....
Probate Duty	100,000	101,031	1,031	....
Entertainment Tax	95,000	98,610	3,610	....
Licenses	82,770	82,578	....	192
Totalisator Tax	60,000	57,041	....	2,959
Goldmining Profits Tax	100,000	98,312	....	1,688
Total	2,457,770	2,594,987	142,056	4,839

Net Increase, £137,217.

When speaking on the Address-in-reply, the member for Nedlands (Hon. N. Keenan) referred to the income tax and dividend duty collections. Last year we passed an Act to provide for the amalgamation of income tax and dividend duty collections. In the apparent improvement of £87,000 in the income tax collections, there was much loss under the heading of dividend duties, which prior to last year were called by a different name.

The increase in all but three classes of taxation was, of course, an indication of improved conditions. When the estimate was not reached the variation was small except, perhaps, in the totalisator tax, where the result was nearly 5 per cent. below the estimate. I hope that our taxation collections this year will exceed the estimate. In comparison with the other States, we cannot be said to be a heavily taxed State. If, next year, we can derive an increase from the taxation system we have now, without altering the rates, it will mean that our conditions are continuing to improve. I hope we shall be equally fortunate this year as we were last year with respect to excesses in receipts.

Hon. C. G. Latham: The people are heavily taxed in comparison with the Australian average. Only Queensland and South Australia are above us.

The PREMIER: Compared with the general Australian average of taxation ours is not unduly high.

Hon. C. G. Latham: I do not know what you call high.

The PREMIER: It is not high in comparison with the other States.

Territorial Revenue.

Our territorial revenue was below the estimate by £7,890. This was due to a substantial fall in land revenue, and to a lesser extent to a falling off in mining revenue. The estimated and actual figures were—

	Estimate.	Actual.		
	£	£		£
Land	180,000	160,600	Decrease	9,400
Mining	42,000	38,884	do.	3,116
Timber	100,500	165,126	Increase	4,826
	<u>382,500</u>	<u>374,610</u>	Decrease	<u>7,890</u>

The decline in land revenue is a depressing reminder of the drought, particularly in the pastoral areas. We thought we would receive less from these sources, but the drought conditions proved worse than we

anticipated, and revenue collections suffered accordingly. The action of the Government in giving relief to pastoral lessees in drought affected districts, has been justified. It will be remembered that this action was endorsed by the House, when it passed legislation to provide for reductions in land rents in drought-stricken pastoral areas. That concession has in itself been responsible for a decrease in revenue.

Mining Revenue.

The decline in the mining revenue is not a source of anxiety, as it is the natural outcome of the stabilisation of the industry. When the recovery in goldmining was proceeding, many old fields were opened up and new fields were discovered. Revenue from survey fees, etc., increased, but as the industry has settled down fewer fields have been left to be taken up, and naturally fewer surveys have had to be made, with consequent loss of revenue on that account.

Departmental Revenue.

Departmental revenue showed little variation from the estimate. This was exceeded by £1,193, though individual receipts by the Treasury Department showed the following substantial fluctuations:—

Agricultural Bank interest, estimated at £200,000, actually yielded £214,665.

An amount of £22,400 was transferred from the fund controlling the Commonwealth grant for the relief of unemployment.

Members may recollect that the Commonwealth Government agreed to make available £100,000 per annum for ten years for distribution amongst the States on a population basis. This money was to be used for assistance in the payment of interest and sinking fund on loans floated by local authorities for the construction of public works that would provide employment. Our share is £6,650 per annum. Whilst in most States this money was spent by local authorities on works of the nature stated, in Western Australia, because the Government did almost all of this kind of work, the money was expended by it on behalf of the State. Naturally the amount provided by the Commonwealth went into revenue to assist the Government in paying interest and sinking fund on the money. The member for Kalgoorlie (Mr. Styants) will recollect asking the Government to include the sewerage

works at Kalgoorlie in works of this description. Most of the work, therefore, has been done by the Government. Last year we took into revenue about £22,000 representing the proportion of the fund which is applicable to Government works.

Drought Relief.

The receipts from the repayment of drought relief advances made in the previous years were estimated at £140,000, but the actual amount collected was £93,190—a shortage of £46,810. To give members the whole story regarding this relief, I wish to refer to last year's expenditure. This was estimated at £126,000, while the actual payments totalled £138,246. We considered that people who had been assisted in the worst years of the drought would be in a position to repay £140,000, but the actual amount collected was only £93,190.

Hon. C. G. Latham: You did very well, considering the low prices.

The PREMIER: But we advanced considerably more than that. I am only stating the difference between the estimate and what we actually received.

Hon. C. G. Latham: But you have stated the actual collections.

The PREMIER: Yes; and I have no desire to minimise the importance of the matter. While we expected to get back £20,000 more than we advanced, we had to expend £16,000 more than we anticipated. Thus our estimate in connection with drought relief was out to the extent of £65,056. I would have been very pleased, as all members would have been, if it had not been necessary to advance anything on account of drought relief; but in some places where improvement was expected, no improvement took place.

Expenditure Generally.

As I have already said, the expenditure did not show much variation in total from the amounts estimated. Special Acts were £22,313 above the estimate, the difference being almost entirely accounted for by increases in interest on internal debt, £10,858; transfer to the reforestation fund, £9,765, due to the additional returns from forestry revenue; and by the greater cost of pensions and retiring allowances. As regards forestry, because conditions in the timber

industry last year were very good we received more revenue. We have to pay three-fifths of the net revenue into the reforestation fund, and when we collect more revenue we necessarily have to pay more money into that fund. This meant a difference of £9,000 last year. Departmental expenditure exceeded the estimate by £19,480, occasioned by the additional expenditure on drought relief to which I have already referred, and by a grant of £12,936 made from Consolidated Revenue to the hospital fund, which was not included in the Budget estimates.

Hon. C. G. Latham: What did you make that grant for?

The PREMIER: Because not enough was collected.

Hon. C. G. Latham: It was on account of that Wooroloo business. It cost £15,000. I think that was what it was. I am watching the matter very closely.

The PREMIER: However closely the hon. member watches, he must come to the conclusion every time that we did the right thing.

Hon. C. G. Latham: The right thing is to put the amount on the Estimates. That £12,000 or £15,000 was for Wooroloo Sanatorium.

The PREMIER: We did not know how the hospital fund would finish up.

Hon. C. G. Latham: I thought there was a credit balance.

The PREMIER: If the hospital fund could carry the Wooroloo Sanatorium, I would be very glad. However, the hon. gentleman can argue the matter with the Minister for Health later. Wooroloo Sanatorium is a hospital in every sense of the word; but because this course was not adopted for some years and because we did adopt it last year in order to put the matter on a proper basis, when we found that the hospital fund could not carry the expenditure, an objection is raised, although the right thing was done. The payment was made, and there will be no alteration in that respect. I should add that there were some savings in other directions. Public Utilities expenditure was above the estimate by £6,102. Electricity Supply expenditure was exceeded by £20,879, which was offset by reductions in the expenditure on Railways of £6,869, Tramways of £2,987, Metropolitan Water Supply of £2,448, and State Batteries of £2,191.

Public Utilities.

The revenue from Public Utilities was below the estimate by only £5,936, and this was due largely to the inability of the Railway Department to reach its estimated figures. The fall in Railway revenue during the early months of the year was the result of the dry spell in autumn, when there was considerable doubt as to the prospects of a good season, and persons in the country were apparently loth to make purchases. This was reflected on the business side, and goods traffic at the time was therefore light. On the other hand, the revenues of the Fremantle Harbour Trust and the Electricity Supply were above the estimates by £11,413 and £17,037, respectively, though the latter utility had an increase in expenditure of £20,879. Copies of classified tables showing the financial results for the year have been distributed, and I do not propose to weary members with a repetition of what is available to them. However, a review of the receipts and payments of some of the principal Public Utilities will be of interest—

Utility.	Receipts.		Expenditure.	
	Estimated.	Actual.	Estimated.	Actual.
	£	£	£	£
Goldfields Water Supply	300,000	293,873	126,704	125,155
Metropolitan Water Supply	435,000	439,184	99,536	97,088
Railways	3,680,000	3,645,942	2,676,000	2,669,131
Tramways	285,000	289,568	214,000	211,013
Electricity	370,000	387,037	270,000	290,879

Trading Concerns.

Trading concerns yielded £33,057 above the estimate, due principally to the Wyndham Meat Works contributing £25,707 additional revenue.

National Income.

Before submitting the details of the estimated revenue and expenditure for this year, I wish to make some explanatory remarks concerning the basis upon which the figures have been compiled. I am afraid we must expect some reduction in our national income this year on account of the present low price of wheat.

Mr. Seward: And wool.

Mr. Patrick: Yes, wool is fairly low.

The PREMIER: Conditions in the wool industry have been depressed. The number of sheep has decreased seriously in the last two years, and so we shall have a reduction in both volume and numbers, which will affect the position. Although the price of wheat, which appears to be subject to strange fluctuations, may possibly rise substantially from its present unpayable level before the year is out, there is no immediate indication to justify such a hope. Though the price is low, we have every expectation that the harvest will be relatively good. The crop last year totalled 35,868,000 bushels, and one would not be unduly optimistic to forecast a harvest this year of about 40,000,000 bushels. Three weeks ago the Government Statistician estimated a harvest of 37,000,000 bushels, but satisfactory rains have fallen and the conditions have undoubtedly improved since then, so that if the improvement continues I believe we shall get 40,000,000 bushels. Although the price may be low, Government revenue should not be greatly affected, because this year our revenues will be determined more on the quantity of wheat handled than on its price. If we have a larger harvest, the various services required in the reaping, handling and transporting of the wheat will have to be undertaken regardless of whether the price is 1s. or 5s. a bushel, and for the performance of its services, the Government may expect to receive normal revenues. The low prices, however, will affect the national income, but the more serious effects will be reflected in next year's figures.

National Insurance Scheme and Basic Wage Increase.

We shall be faced with increased expenditure on account of the cost of the Government's contributions to the National Insurance Scheme, and to the rise in the basic wage following upon the Arbitration Court's declaration in June.

Hon. C. G. Latham: Have you made allowance for contributions to the National Insurance Scheme?

The PREMIER: Yes, we have provided £25,000 for the half-year. We are not sure of the amount that should be provided. While we are all naturally pleased that the lower-paid workers should be able to enjoy a higher standard of living, the substantial increase granted by the court has created problems that have to be overcome. From

the figures of estimated expenditure submitted by the departments, it appears that the cost to Consolidated Revenue of the increased basic wage will be in the vicinity of £200,000.

As I have indicated, the cost of the Government's liability for contributions under the National Insurance Scheme is at present a matter of doubt, as many sections of Government employees will be exempt from the scheme on account of the existing sick leave benefits, and in some cases superannuation benefits, being in excess of the benefits provided under the Commonwealth scheme.

Hon. C. G. Latham: Those employees will be included?

The PREMIER: They can be; whether they will be is a moot question. Particulars of such benefits are being submitted to the National Insurance Commission, after which a decision will be given as to the degree of exemption to be granted. In the meantime, an amount of £25,000 has been provided on the Estimates of Expenditure to cover the cost of our contributions for the six months commencing the 2nd January next, the date upon which the scheme is to become operative. Public servants and school teachers receive payment during absence on sick leave. That is one of the benefits provided under the National Insurance Scheme, and we are negotiating with the Commission to ascertain how much we shall have to contribute in order to maintain those payments, which will relieve the scheme of a certain amount of liability. Provision is made in the scheme for exemption in certain circumstances, but we do not yet know how far expenditure will be affected, and to be on the safe side, we have estimated £25,000. The Government hopes that that amount will cover any contributions that have to be made to the scheme.

Hon. C. G. Latham: How will the scheme affect workers' compensation employees?

Mr. Styants: The man under workers' compensation will not derive any benefit under the National Insurance Scheme.

The PREMIER: Actuarial doubts still exist, but those matters are being gradually sorted out and later we shall know how much we have to pay.

Mr. Marshall: I hope you have to pay nothing.

The PREMIER: To the National Insurance Scheme?

Mr. Marshall: Yes. It is the greatest fraud ever introduced.

The PREMIER: It is the law of the land, and we shall have to make the payment. As the scheme will come into operation on the 2nd January, an estimate has been made for a half year's contribution. If the estimate is correct, the annual contribution will be £50,000.

Though we are pleased that the workers' standard of living has been raised by the increase in the basic wage, this in turn has created a problem for the Treasury. The additional expenditure that will have to be met—some from loan but the bulk from revenue—will be about £250,000, which represents a very sudden increase and one not easy to meet in a comparatively short space of time. If the basic wage had been increased less steeply, the problem of adjustment would have been much easier. Some people take the view that if the Government has to pay more in wages, it should increase the cost of services rendered to the people, but we have adopted some expedients, which I shall detail later, to overcome the sudden adjustment rendered necessary.

Taxation.

The Government does not propose to increase taxation this year, but of course it is not possible to make any reduction. I hope there will be an increase in the aggregate amount received from taxation, but there will be no increase in the rate. We do propose, however, to submit suggested legislation for an alteration in the method of collecting income tax by which it is hoped to put an end to the inequalities that are inevitably bound up with the financial emergency tax. This tax was imposed at a time when additional revenue had to be secured without delay, and it had to be collected with as little hurt as possible to the taxpayer. Therefore a system was adopted of collecting the tax at the source in instalments by deductions from the gross incomes of the taxpayers.

Unscientific Taxation Collection.

Everyone knows that a heavy tax collected in small instalments is more easily paid than even a comparatively small tax in one payment, and taxpayers have paid annually in this way substantial sums that would probably have been beyond their means if attempts had been made to collect them by the customary method of annual assessments. In the past this system has imposed very real hardships on many people having domestic responsibilities. The sys-

tem resulted in married people with half a dozen children or more being required to pay the same amount of taxation as individuals having no domestic responsibilities, not even married and with no one dependent upon them. The method is most unscientific, unfair and unreasonable. Most people agree that it should not be tolerated any longer than necessary. The Government is desirous of removing the injustice imposed by the present system and instituting a more equitable method of taxation collection.

Ever since taxation was first imposed in Western Australia, exemptions have been allowed in respect of domestic responsibilities carried by the taxpayers and consideration has been extended to them in other directions. When the financial emergency tax was imposed, the necessary legislation was passed in a hurry, because the funds were urgently needed. Even under the existing scheme we will have to allow those conditions to continue for a while. The intention of the Government is, however, to revert to the system of taxation that operated for 27 years or more, before the depression necessitated the imposition of the financial emergency tax. It is proposed, therefore, to provide for a system of tax collection that will combine the advantages of the ordinary income tax, by assessment according to taxable capacity, with the advantages of the financial emergency tax in respect of payment by instalments through deductions from gross income. The legislation will be introduced this year in order that the new system may become operative as from the 1st July, 1939.

Mr. Patrick: Then it will not affect this Budget.

The PREMIER: No. I think every member of the Committee will agree that it is desirable to remove these inequalities in taxation payments as soon as possible, but the alterations will involve a tremendous number of adjustments.

New System to Operate in 1939-40.

The Commissioner of Taxation was sent to the East recently to confer with the authorities in States where this system of combined tax collection has been adopted. Members may be aware that the system has been adopted in Victoria and South Australia. Naturally, negotiations will have to be undertaken with the Commonwealth

Government, as in this State the Commissioner of Taxation collects taxation not only for the Commonwealth but for the State as well. After all necessary inquiries had been made, it was ascertained that the earliest and most convenient date for commencing the application of the new system of taxation collection would be the 1st July of next year; and it is hoped that legislation which will shortly be introduced will be passed so that the new scheme can be applied as from the beginning of the next financial year. Naturally, Parliament will have the right to say what the rate of the tax will be for the next financial year. In preparing the Estimates of Revenue, no provision has been made for any increase in rates; but it is anticipated that there will be some addition to the yield on the existing rates as compared with the results for last financial year. Naturally, if relief is to be extended to people with domestic responsibilities, the amount involved will have to be made up from other sources. That will be dealt with in due course by Parliament when fixing the rates of tax. In the meantime, however, it is hoped that the amending legislation will find a place on the statute-book, and will provide for the collection of the taxation at certain rates commencing from the 1st July next year.

Legislation to be Introduced.

I do not wish to go into a detailed explanation at this stage regarding the Government proposals for the amendment of the system of tax collection. Ample opportunity will be given for a full discussion when the Bill is presented, but following upon the reference in the Lieut.-Governor's Speech to the proposed legislation, some misapprehension seems to have been created regarding the altered taxation methods to be inaugurated. I trust the new system will be inaugurated—and it is certainly the policy of the Government that it shall be—as from the 1st July of next year. In the meantime there cannot be an increase in the rates of taxation during the present financial year. That means the Government will have to continue the existing financial emergency tax for another six months—from the 31st December to the 30th June, 1939—and that after that date the financial emergency tax will auto-

matically lapse and the new system of amalgamated tax collection commence.

The system of collection of taxation by instalments has been found in the first few months of its operation to be unpopular. That was the experience in Victoria and South Australia, but in due course both the taxpayers and the Governments have become favourable to the instalment payment system. Nowadays everyone in those States seems to be completely satisfied with the new system of tax collection, which has proved of great advantage to all concerned. The collection of taxation by regular instalments throughout the year is shown to be much the better system. In this State it will be of great assistance to the Treasurer, and beneficial to the taxpayer, who, if he has to face an assessment of £5 or £10, will naturally find it much easier to pay that tax at the rate of 2s. or 10s. a week than in one lump sum.

Countering Expenditure by Savings.

As I have already indicated, we do not anticipate any increased taxation receipts except such as will naturally be derived from a greater number of people being at work and from the increased production of the State. Although the Government has to face increased expenditure in respect of the basic wage and national insurance, it is hoped to counter that difficulty by savings that will arise through resorting to some expedients. I want to be quite open regarding that matter, and to provide members with the necessary information so that they will know the real position. During the last few years the Agricultural Bank has been deducting sinking fund payments and placing the amounts in a reserve fund. That might have been quite satisfactory from the Bank's standpoint in that a fund was being built up to meet losses. The fact remains that the Treasury has been meeting sinking fund payments on account of capital loaned to the Agricultural Bank, and the Bank in return has not been repaying the Treasury even the interest earned. The Bank has not been able to collect interest from its clients, and naturally could not in turn meet its interest commitments to the Treasury. As members know, a few years ago, when the member for Boulder (Hon. P. Collier) was Treasurer, that system was altered. The practice of transferring to revenue the whole

of the interest due by the Agricultural Bank to the Treasury, irrespective of whether or not that interest had been collected by the Bank from its mortgagors, was dispensed with, and now only the actual collections of interest are transferred. Before that is done, however, the Bank is allowed firstly to deduct its administration expenses, which are a legitimate charge against revenue, and then to deduct an amount representing sinking fund contributions on its capital indebtedness to the Treasury. The Treasurer, in turn, pays from Consolidated Revenue to the National Debt Commission the sinking fund contributions on the whole of the public debt, including that portion represented by the capital of the Agricultural Bank. As a contribution towards meeting the increased expenditure to which I have already referred, it is intended to transfer to revenue from the trust account of the Agricultural Bank an amount of £83,177 representing the accumulation of the sinking fund over the past four years. It is no use paying it twice; the amount should not be left with the Agricultural Bank, particularly as the Bank is not meeting its interest obligations to the Treasury. That sum of £83,000 will therefore go into revenue this year. But the Agricultural Bank Act provides that any capital losses certified by the Auditor General may, with the consent of the Governor, be written off by the Treasurer and an application by the Bank for a substantial reduction in capital on account of losses is at present being examined by the Treasury. In these circumstances, there appears to be no reason why the accumulated sinking fund should be allowed to remain in the Agricultural Bank's trust account, and having regard to the claims on revenue it is considered appropriate to transfer the amount this year.

Hon. C. G. Latham: I cannot understand the Treasury officials allowing that to continue.

The PREMIER: It was due to an unnecessary method of bookkeeping. The Agricultural Bank should have paid interest on £10,000,000 at 4 per cent. This would have amounted to £400,000 per annum. But the Bank should also have been debited with sinking fund payments.

Hon. C. G. Latham: It would have been all right if the Bank had paid the interest.

The PREMIER: But the Bank has not met its interest obligations, and consequently it has no right to retain in its trust account that sum of over £83,000.

Railway Expenditure.

When the Labour Government took office in 1933, it found that, owing to the depression, the previous Government had been unable to find the money necessary for the maintenance of the assets of the Railway Department. Through no fault of that Government, the assets were allowed to deteriorate. I do not blame that Government at all; no other Government could have done anything else. It was necessary to effect every possible saving, and so money was not spent in the maintenance of the Railway Department's assets. But in 1933-34, the Labour Government had to provide the sum of £500,000, repayment of which was spread over five years, to enable the Railway Department to put its assets in a reasonable state of efficiency. Last year the advance was fully repaid, but the Commissioner of Railways suggested that the expenditure should be continued this year, the money to be applied to the rehabilitation of locomotives, which are commencing to become obsolete. While this expenditure would be most desirable, it will nevertheless have to be postponed this year. The amount of £100,000 which was included last year in the expenditure of the Railway Department will therefore be saved this year.

Commonwealth Grants Commission.

The Budget has been prepared in anticipation that the special Commonwealth grant paid to us last year, namely, £575,000, will also be paid this year. Any marked variation in the amount of the grant will, of course, affect the Budget. I had hoped that the report of the Grants Commission would have been received before the Budget was introduced, but it has not been received, and to anticipate what might not be realised is undesirable. Personally, I formed the opinion that we would receive an increased grant this year, because the last grant was based on the financial year 1936-37, when we had a deficit of over £370,000. With the many calls on the Commonwealth Government for defence and other requirements, I am not hopeful now of receiving a larger grant than that of last year.

Hon. C. G. Latham: You are not sure what amount you are going to receive?

The PREMIER: No. The report has not yet been published.

Hon. C. G. Latham: Has not the Prime Minister advised you of the amount?

The PREMIER: No; he has given me some indication, but the report of the Grants Commission must first be presented to the Government, after which the Government has to adopt it.

Hon. C. G. Latham: It is difficult for you to make up your Budget under those conditions.

The PREMIER: Yes. From what I can gather—I do not state this as authentic—the grant will be about the same as that of last year. I desire to emphasise that we had a reasonable expectation of a larger amount, because last year's grant was based on a surplus of £86,000. On that basis, we should receive at least £250,000 more. That matter, however, is in the lap of the gods. In order not to delay the presentation of the Estimates any longer, I have assumed that the grant payable this year will be the same as that paid last year.

These remarks conclude the general observations that I desire to make. I now pass on to a more or less detailed explanation of the figures relating to the present year. I shall not attempt to deal exhaustively with the items of the various departments, as members will be able to obtain any particular information they desire when Ministers are introducing their departmental estimates.

Estimates.

	£
The estimated revenue for the year is	11,039,091
The estimated expenditure	11,053,437
<hr/>	
The estimated deficit being	£19,346
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As I have already stated, the actual figures for last year were—

	£
Revenue	10,819,042
Expenditure	10,829,735
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Deficit	£10,693
<hr/>	

The increase in the Estimates for this year over the actual figures for last year are—

Revenue	.. .. .	£ 220,049
Expenditure	.. .. .	228,702
Deficit	.. .. .	£8,653

The summary of estimated revenue for this year and the actual revenue for last year is as follows:—

	1937-38.	1938-39.	Comparison with 1937-38.	
	Actual.	Estimate.	Increase.	Decrease.
Taxation	£ 2,594,987	£ 2,671,750	£ 76,763	£
Territorial	374,610	320,500	..	54,110
Law Courts	81,957	85,000	3,043	..
Departmental	989,051	977,304	..	2,557
Royal Mint	33,950	34,000	41	..
Commonwealth	1,048,432	1,048,432	..	..
State Trading	121,137	101,115	..	20,022
Public Concerns	5,574,009	5,800,900	226,891	..
Utilities	..	..	..	..
Total	10,819,042	11,030,091	306,738	86,689

Net increase, £220,049.

In regard to taxation, it is estimated that an increase of £76,763 will be obtained. The details are as follows:—

	1937-38.	1938-39.	Comparison with 1937-38.	
	Actual.	Estimate.	Increase.	Decrease.
Land Tax	£ 124,083	£ 113,000	..	11,083
Income Tax and Dividend Duty	766,123	799,000	32,877	..
Financial Emergency Tax	1,074,561	1,100,000	25,439	..
Totalsator Tax	57,041	60,000	2,959	..
Stamp Duty	290,360	300,000	9,640	..
Probate Duty	101,631	115,000	13,369	..
Entertainments Tax	98,610	100,000	1,390	..
Licenses	82,578	84,750	2,172	..
Total	2,594,987	2,671,750	87,846	11,083

Net increase, £76,763.

The reason for the estimated decrease in land tax returns is as follows: Many land tax payments had been outstanding for four or five years. Last year, however, a better season was experienced in the pastoral and other districts, with the result that outstanding amounts of land tax due to the department were paid. We do not expect to receive any further outstanding payments in the coming year so that the estimated income from this source is set down at £113,000 in comparison with £124,083 in the previous year.

Mr. Patrick: How do you estimate the increase in probate duty?

The PREMIER: We make a big guess. I remember that on one occasion when a Budget was introduced an inquisitive member like the member for Greenough (Mr. Patrick) asked the Treasurer a similar question, and the Treasurer replied, "We have all the wealthy people on a list, and we think this one will go off in a few months, and that one will go off a few months later; they are all getting older and we should get some more revenue this year." Only a guess can be made.

Hon. C. G. Latham: Based on averages.

The PREMIER: Yes. We do know that there are one or two large estates that will pay probate duties this year.

Mr. Raphael: You don't use any strychnine with a view to gathering in that money, do you?

Hon. C. G. Latham: If it were permissible, we would use it on you.

The Minister for Mines: That would not greatly affect the returns from probate duties.

The PREMIER: We usually expect to obtain about £100,000 from that source. I think the amendment to the Administration (Probate and Administration) Act that was made three or four years ago brought up the average to £100,000 a year, because we tightened up probate law considerably. Generally, probate duties return about £100,000. On account of the fact that several big estates will be paying probate duty this year, the estimate has been increased by £13,000. Territorial revenue is expected to show a decline of £54,110, as compared with the receipts last year, due to decreases of £20,600 in land revenue and £34,626 in timber revenue. The falling off in land revenue is due to the granting of relief by the Pastoral Appraisal Board from payment of pastoral rents in drought-affected areas. Members know all about that. It will be remembered that we passed legislation giving relief to pastoralists. The effect of that on this year's Budget is a decrease of revenue to the extent of £20,000.

Timber Trade Decline.

Timber revenue is expected to decrease principally on account of a shortage of orders for export sleepers as compared with 1937-38, and because of the almost total

cessation of the sandalwood sales, a result of the war in China. This time last year all the mills were operating at full capacity. They had orders for months ahead. Their anticipations were borne out and they had a good year. Two or three months ago, however, orders for jarrah became increasingly less and the outlook is not so good this year. It is no use our estimating revenue when there does not seem to be any probability of our obtaining it. Because of the dull position of the timber industry from an export standpoint, we expect to obtain £34,000 less from that source. Knowing that there is no likelihood of our receiving more, there is no point in burying our heads in the sand. Had we wanted to budget for a surplus we could have said that we expected to get as much revenue from this source as we received last year, but we will not get it unless there is a remarkable livening up of the timber trade. Another factor affecting revenue from timber is the almost total cessation of the sandalwood trade. The war in China has destroyed the market for sandalwood.

Hon. C. G. Latham: Do you suggest that the Chinese have lost confidence in their josses?

The PREMIER: No. There is a war in China and to attempt to trade in a war-stricken area is useless.

Hon. C. G. Latham: You mean the Chinese cannot get credit.

The PREMIER: They cannot get credit. It would not be safe to import sandalwood because on its way to its destination it would have to go through enemy territory and might be lost. The risk is too great.

Mrs. Cardell-Oliver: What about iron ore?

The PREMIER: The hon. member has expressed her opinion on that subject, and it is fortunate for the State that she was in the minority.

Ceylon Timber Trade.

Recently the sawmillers were perturbed by the prospect of losing the Ceylon market for jarrah sleepers, a market that had been established for many years. On the Address-in-reply debate I stated what the Government had done in that matter, and pointed out that the Minister for Agriculture had proceeded to Ceylon to interview the Government there with regard both to the timber

trade and to the fruit trade. His trip was followed by a visit by the Conservator of Forests and an officer of the Forests Department, who also interviewed the authorities. It was necessary that the virtues of our timber should be explained to the Ceylon Government, and that the unwarranted hostility to that timber, and the favouritism shown to other timber exporting countries should be broken down. The representations of the Minister for Agriculture were followed by the supplying of scientific data by the Conservator of Forests. As a result, an order for 100,000 jarrah sleepers was obtained. Since then the order has been increased by another 40,000 making a total of 140,000 sleepers, worth well over £60,000. We were led to believe by the Sawmillers' Association that we had very little chance of getting anything like that order three or four months ago.

I should pay a generous tribute to the work of the Minister for Agriculture and the officers of the Forests Department in respect of this timber order, which has had a big influence upon employment in Western Australia. At the same time, I point out that the price at which the order was taken will mean a loss to the Sawmillers' Association, though it has meant the retention of the prestige of jarrah in the Asiatic markets. It is a good thing for the State that the almost total cessation of the use of jarrah in those markets should have been counteracted to the extent it has. Similar successful results followed the efforts of the Minister for Agriculture with respect to the fruit-fly restrictions that were about to be imposed in the countries of the Near East. Fruit-growers in this State were insistent that the Minister should go to Ceylon for the purpose of conserving the position there. It was expected there would be a total cessation of export of fruit from Western Australia to those countries which had been trading with us for many years. As a result of the representations that were made and the precautionary measures taken, which will not cost the industry very much more than the refrigeration of the fruit for 12 days prior to export, our fruit will now be taken on the same basis as before. Total prohibition against the import of fruit into certain countries had been threatened, because of the menace of the fruit fly. Members representing fruit-growing districts

will understand the trepidation that any fruitgrower would experience if his orchard were threatened by fruit fly, which has caused so much damage to the industry.

Mr. Seward: Why not send the Minister to the Far East to try to get some timber orders there?

Decline in Departmental Revenue.

The PREMIER: Departmental revenue is expected to be less by approximately £13,000 compared with the receipts for 1937-38. I will explain the principal causes of the variations. Treasury Department receipts are expected to be less by £31,126. This is due to a contemplated change in the method of distributing drought relief payments. We do not anticipate a total cessation of these payments, for we think that probably some of our people will have to be assisted because of the drought conditions. An arrangement has been made with the Agricultural Bank to provide from repayments received by it any further advances required for this purpose. We expected to get back £120,000, but we received only £90,000 last year. We made advances totalling £140,000. I hope, in view of the prospects ahead for this season, that a considerable proportion of the advances will be returned to the State. This year the amounts will be paid to the Agricultural Bank, which will deal with all advances through the repayments. Thus advances will not be reflected in the Treasury figures.

A further cause of the decline in the receipts of the Treasury Department is that last year a sum of £29,266 was credited to revenue, which represented interest on the capital involved in the addition to the East Perth Power House during the construction period. The interest earned this year by the additional unit will, of course, appear in the receipts of the Electricity Department. I have mentioned the payment by the Commonwealth Government of a sum for unemployment relief. This year the amount to be transferred relates to one year only. The amounts are—last year £22,402, and this year £11,166. Against these decreases are additional receipts, expected this year, which did not appear in last year's figures.

I have already referred to the sum of £83,177, representing sinking fund contributions due by the Agricultural Bank and transferred this year to Consolidated Revenue. A further item of receipt is an

amount of £25,953, being the balance of the Government Workers' Compensation Fund in excess of £50,000. Since 1913 we have been financing the Government Workers' Compensation Fund. We have always endeavoured to keep a credit balance of £50,000 in that fund. For many years we have kept that amount in reserve. When this amount increased by £15,000 the additional sum was taken into revenue. This year an amount of £25,000 will come into revenue.

Mr. Cross: Is that profit?

The PREMIER: No. The Government pays the money to itself out of revenue, and, if it does not need the money, puts it back into revenue.

Hon. C. G. Latham: There never are any profits from Government concerns.

The PREMIER: Other departments, whose estimated receipts for this year will be less than the actual receipts for last year, are—

Crown Law Department: This shows a decline of £3,347. Last year a number of intestate estates was finally wound up, and unclaimed balances that had remained in trust for a period exceeding six years were transferred to revenue. It is not expected there will be many such estates this year.

Forests Department: This shows a decline of £1,573. I have already referred to the decline in timber revenue. The decrease is evidence of the estimated falling-off in receipts from timber.

Increases in Other Departmental Revenue.

Several increases in receipts are expected. In the case of the Department of Agriculture, the anticipated increase is £7,117. This is due to expected receipts from leasing of lands which last year were ploughed, with the object of destroying locusts. One of the remedial measures instituted by the Department of Agriculture for the elimination of the locust pest was the ploughing of a considerable area of land in the affected districts. An arrangement was made for the leasing of these areas on the basis of one bushel of wheat to the acre. Some good crops are growing on this land, and we expect to receive about £7,000 of the amount advanced for ploughing and fallowing last year.

From the College of Agriculture, Muresk, an increase of £4,568 is expected. Last

year the Government arranged for the establishment at the college of an instruction school for dairy farmers, one of the objects of that school being to provide suitable occupation for unemployed youths. The butter produced at the school will be sold to Government institutions, and it is expected that the quantity sold at ruling wholesale rates to those institutions will be sufficient to meet the cost of conducting the school. The expenditure of the Muresk College is expected to increase by an amount almost equal to the additional estimated revenue.

In the Harbour and Light Department the estimated increase is £1,649. With the opening of the Point Samson jetty and a general improvement in trade to the North, it is anticipated that receipts this year will be greater than those of last year.

The Department of Native Affairs shows an estimated increase of £7,700. This increase is merely a book-keeping adjustment. Following upon a report by the Auditor-General the whole of the receipts of the Department of Native Affairs are this year being included under the heading "Departmental." Hitherto the revenue and expenditure of Moola Bulla and Munja Stations appeared under the heading "Public Utilities." The expenditure of the department has been increased by estimated requirements at the cattle stations.

Under the heading of "Trading Concerns" the item "Recoup of Departmental Charges" is expected to be smaller than last year by £29,330. This is due to the fact that on account of the drop in prices overseas the Wyndham Meat Works do not expect to have as favourable a year as was experienced last season. Last season, I believe, was the best we had at Wyndham for many years.

Public Utilities.

Public utilities expect to earn £226,891 more this year than was received last year. In order to earn the additional revenue, expenditure will naturally have to be increased, not in the same ratio but proportionately. Additional revenue cannot be earned by men working without costs being increased. It is expected that this year the expenditure will be greater by £154,644 than it was in 1937-38. This increase results even after allowance has been made for the omission of the item of £100,000 in the Railway Department's expenditure to which I have already referred.

The most substantial increases in the revenues of Public Utilities are—

	£
Metropolitan Water Supply ..	25,816
Railways	154,058
Tramways	22,432
Electricity Supply	20,963

Mr. Sampson: Electricity supply is always profitable.

The PREMIER: The use of electricity is always increasing, and I hope the hon. member's district will consume more current. Electricity Supply revenue has increased considerably; but now that payments have to be made on the additional plant, expenditure will rise.

The extension of the sewerage system and the usual growth in water supply connections accounts for the greater receipts expected to be earned by the Metropolitan Water Supply Department.

The Railway Department's increase is anticipated on account of a bigger harvest this year and the larger carry-over of wheat from last season, whereas at the beginning of 1937-38 there was practically no carry-over.

The estimated increase in the revenue of the Electricity Department is based on the earning power of the additional unit at the Power House, which allows for an extension of the service. The Tramways expect to increase their earnings—I am almost afraid to say this—by reason of the popularity of the new trolley bus services.

The only decreases in revenue relate to the native stations—which I have already explained—and the State Batteries. In the case of the latter, the decline is due to a reduction in charges for the use of the batteries.

Mr. Marshall: There has been a fair amount of exploitation in connection with batteries.

The PREMIER: The hon. member can discuss that with the Minister for Mines later. I hope he will be satisfied when he considers that he has received justice.

Estimated Expenditure.

The estimated expenditure for the current financial year is £11,058,437, showing

an increase over 1937-38 of £228,702. The summary of the estimated expenditure is—

	1937-38.	1938-39.	Comparison with 1937-38.	
	Actual.	Estimated.	Increase.	Decrease.
	£	£	£	£
Special Acts....	4,181,908	4,280,005	98,187	....
Governmental	3,023,170	2,999,041	....	24,129
Public Utilities	3,024,657	3,779,301	154,644	....
	10,829,735	11,058,437	252,831	24,129

Net Increase—£228,702.

Special Acts.

The increase of £98,187 under Special Acts is accounted for as follows:—Under the Constitution Act the appointment of a third Puisne Judge is responsible for an increase of £1,400 over the amount expended last year. Interest and sinking fund payments are expected to exceed those of last year by £105,480. The rising interest on the migration loans accounted for £36,418 of the increase. The full interest on group settlement loans, to which expense the Imperial and Commonwealth Governments contributed for a number of years, now falls on the State. This has rather suddenly increased our payments under that head. Approximately £30,000 will be required this year on that account. Expenditure under other Special Acts is estimated to be less by £8,610 as compared with last year. The decline is almost wholly accounted for by the smaller payment to be made under the Forests Act, as I have already explained.

Governmental Expenditure.

The decrease in governmental expenditure is occasioned by a drop in the estimated expenditure in the Treasurer's Department, due to the adjustment in the method of distributing drought relief, as I explained earlier. With this exception, all the departments estimate to spend more in 1938-39 than they did last year. As members will have an opportunity of hearing from the Ministers concerned the causes of the increased expenditure, there is no need for me to go into details at this stage; but I think it desirable to refer briefly to the outstanding features.

Tourist Bureau.

In the expenditure of the Premier's Department provision has been made for addi-

tional funds for the Tourist Bureau to the extent of £2,213. This is an investment we have made and we are relying on an increase in the number of tourists to recoup us. Members will agree that if an expenditure of £2,000 or £3,000 has an appreciable effect on tourist traffic, it will be money well spent.

Mr. Willmott: It is badly needed.

The PREMIER: I agree that it is. At the same time, I am strongly of opinion that there should be no increase in expenditure unless it can be proved to be eminently desirable. We shall have to keep a very close hold on expenditure this year. I am sure I have the hearty co-operation of all Ministers in that respect. We have set ourselves a solid task, but I think I can safely say we shall accomplish it. Of the increase of £2,213 in the case of the Tourist Bureau I feel sure hon. members will approve. It is, in fact, a desirable and even necessary extension of expenditure. When I was in the Eastern States this year I had a look at the activities of the various Tourist Departments, and was struck with the effect on the respective States by way of increases in the number of tourists. During part of the New South Wales Sesquicentenary Celebrations, we arranged for the Director of the Tourist Bureau to visit that State: and as a result of the numerous inquiries he had from persons interested in Western Australia as a holiday resort, the Government decided that the advisableness of an agency being opened in one of the Eastern States capitals should be investigated. The investigation is now being made, and if it favours the proposal and the necessary arrangements can be made, the agency will be opened. Western Australia's exhibit at the celebrations was considered highly creditable. From a gentleman who saw the exhibit we received a letter praising it highly, and stating that although beyond question the time had arrived for curbing any desire to increase expenditure at all, we were fully warranted in making this particular exception. Recently I opened the Rotary Conference in Government House ballroom, which was attended by 250 visitors, and to encourage them to some extent, the Government Printing Office issued a small booklet giving information about the tourist resorts of the State. If those people, on returning to their homes, can preach the gospel of the tourist attractions of Western Australia, that little effort will have been war-

ranted. I feel fully justified in adding £2,000 or £3,000 to our expenditure in the hope of attracting more tourists to the State.

Child Welfare Department.

Another item of increased expenditure is that of the Child Welfare Department. The increase is designed to cover additional payments to women. Under the existing system extreme hardship is imposed upon women where the number in the family is small, and rent has to be paid. The amount remaining after the rent has been paid is much smaller per unit of family than in the case where families are larger. We propose to rectify this, and the estimated cost of the adjustment is £9,000 per annum. Everyone will admit that if there is one section of the community that should receive additional consideration, it is the section comprising the women left without a breadwinner and having the responsibility of bringing up children. The increased amount will afford substantial relief to people in unfortunate circumstances, and while I do not like to increase expenditure, I feel that this concession to a deserving section of the community, will meet with general favour.

Electoral Department.

Increased expenditure is shown for the Electoral Department. This is perhaps an unwelcome reminder of the impending general election.

Hon. C. G. Latham: Unwelcome from your side, but very welcome from this side.

The PREMIER: An unwelcome reminder to all members, I should say. I cannot believe that any member contemplates an election with any degree of pleasure.

Hon. C. G. Latham: Not any member on your side.

The PREMIER: Or on the Opposition side.

The Minister for Agriculture: The Leader of the Opposition would not like to think there would be an election to-morrow.

Hon. C. G. Latham: Yes, I would.

The PREMIER: No member is anxious to face a general election. The fact that additional expenditure has to be provided this year reminds us that the term of the present Parliament will expire in January next, and that within a month or two thereafter a general election will be held.

Native Administration Department.

Another item of increased expenditure relates to the Department of Native Affairs. The amount of the increase is £3,602, and I am sure it will find favour with some members. Provision is being made for the opening of a settlement in the South-West as well as for general extension work of the department.

Public Utilities.

The net increased expenditure estimated for public utilities is £154,644, the bulk of which has been occasioned by the increase in the basic wage. If the estimates of revenue and expenditure are realised, the surplus available for interest and sinking fund should be a little better than that secured last financial year, when revenue exceeded expenditure by £1,949,352. The estimate for this year is £2,021,599. I shall not enter upon a detailed examination of the figures covering the expenditure of public utilities, but will refer briefly to some special features. The decrease in the estimated expenditure on native stations arises from a book-keeping adjustment. The expenditure now appears under the Department of Native Affairs in departmental expenditure. A slight decrease in expenditure is estimated for the Kalgoorlie Abattoirs, due to the fact that last year certain fairly extensive repairs were carried out. These have now been completed. The increase of £116,869 in railway expenditure would have been £100,000 greater if the charge for belated repairs, included in last year's accounts, had been continued this year. The financial position of the ferries is expected to show an improvement over that of last year. A new ferry boat is now being constructed which, when in commission, should be the means of attracting additional traffic, but this will probably come too late to have any material effect on this year's revenue.

The addition to the Cave House, Yallingup, is now well advanced and we hope it will be completed in time for the Christmas holiday traffic. Unfortunately, on account of extremely wet weather, the construction work has been delayed; otherwise the new section would have been available for occupation by the end of November. The new building will be a welcome and much-needed addition to one of the most popular tourist resorts, and I feel confident that this expenditure will prove a good in-

vestment. The member for the district asked a question about the Cave House and the information supplied him was the same as I have now given.

Mr. Sampson: A nice compliment to a new member.

Superannuation Scheme.

The PREMIER: Members will note that no expenditure has been estimated for superannuation for the Government employees who do not come under the provisions of the Superannuation Act, 1871. This omission is not due to any lack of intention on the part of the Government to introduce the necessary legislation. A Bill has been prepared and will be submitted for consideration at an early date, but as the scheme contemplated by the Bill provides that no pension shall be payable until an officer has contributed for 12 months, and as the scheme will not commence to operate, at the earliest, before the 1st January next, there will be no pension liability against the Government during the present financial year. The scheme outlined is similar to that in operation in the Commonwealth service, and provides for the payment by the Government of its share of the pension when the pension is payable and not by regular contributions to a fund. Members will have ample opportunity to discuss the details when the Bill is introduced shortly.

Conclusion.

This concludes my survey of the Estimates for the present financial year. Members have been supplied with copies of the Estimates and of the Budget tables, which contain details of the information that I have given in a general way. I do not desire to reiterate any review of the position of the State, but I think I can safely say there is every reason to believe that the Estimates of both expenditure and revenue will be approximately correct. I have endeavoured, with the experience of the last few years as a guide, to give a true perspective of the position of the State. Often we are told that in reasonably normal times we should

endeavour to show a surplus in order that we might to some extent retrieve the position in the many years when deficits were the rule. I point out, however, that with our sinking fund payments, amounting as they will this year to £450,000, the position of the State will be very sound even if we finish the year with a small deficit. If we can still further improve our economic position by a greater ratio of increase in the number of people employed in our secondary industries, we will have a much better and more balanced economy. As I stated in my opening remarks, this year may be difficult, but it should be possible for us to keep within the anticipated deficit. In order to restrict the deficit to a point at which we might reasonably claim to have achieved a balanced Budget, it has been necessary to limit expenditure to essentials. Unfortunately many deserving requests for increased expenditure in various directions have had to be refused. We have had to adopt some measures for increasing revenue that is not recurring, but in view of the sudden heavy increase in the basic wage and the expenditure on national insurance this year, I feel that the adoption of these measures is justified. I have no desire to minimise our difficulties, nor unduly to stress the improvements that have been made in the last few years, but with a return to what we are entitled to believe will be more normal conditions in our more diversified industries, I think we can look forward not only without misgiving but with a feeling of real satisfaction. We have had our difficulties and we shall undoubtedly experience others in the future. Without being unduly optimistic, we are justified, in view of the progress made during the past four or five years, in believing that our western State will more than maintain its position of relative importance in the progress and general welfare of the Commonwealth. I move the first Division of the Estimates, namely—

Legislative Council, £1,825.

Progress reported.

House adjourned at 9.33. p.m.

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[Return No. 1.]

BALANCE SHEET OF THE GOVERNMENT OF WESTERN AUSTRALIA AT 30th JUNE, 1937, AND 30th JUNE, 1938.

	30th June, 1937.	30th June, 1938.		30th June, 1937.	30th June, 1938.
	£	£		£	£
Public Debt	92,332,855	93,711,941	Invested in Works and Services, etc. Balance—General Loan Fund c/d. ...	91,794,147 538,708	93,292,955 418,986
	92,332,855	93,711,941		92,332,855	93,711,941
Balance General Loan Fund ...	538,708	418,986	Consolidated Revenue Fund	5,599,351	5,610,044
Advances to Revenue Fund ...	5,473,000	5,610,044	Advances (under Appropriation "Advance to Treasurer")	60,387	75,864
Reserve Accounts	58,659	30,097	Trading Concerns Banking Accounts ...	4,748	...
Suspense Accounts	306,816	8,984	Stores on Hand	447,552	444,224
Trading Concerns ... ..	...	46,665	Trust Fund Investments—		
Trust Funds—			Governmental	1,424,147	1,113,199
Governmental	2,058,513	2,609,471	Private	1,295,637	1,314,658
Private	1,495,507	1,487,842	Banking Account	755,712	1,399,553
			Cash in hand, etc.—		
			Banks Current Account	215,412	182,516
			Banks in Eastern States	35,860	27,557
			Cash—		
			In London	74,186	18,427
			In Transit	18,211	14,123
			In Hand ... ..	...	11,924
	£9,931,203	10,212,089		£9,931,203	10,212,089

[Return No. 2.]

REVENUE AND EXPENDITURE, 1937-38, COMPARED WITH ESTIMATE.

SUMMARY.

	Estimate.	Actual.	Comparison with Estimate.	
			Increase.	Decrease.
	£	£	£	£
Revenue	10,652,985	10,819,042	166,057	...
Expenditure	10,781,840	10,829,735	47,895	...
Deficit	128,855	10,693	...	118,162

DETAILS.

Revenue.	Estimate.	Actual.	Comparison with Estimate.	
			Increase.	Decrease.
	£	£	£	£
Taxation	2,457,770	2,594,987	137,217	...
Territorial	382,500	374,610	...	7,890
Law Courts	76,500	81,957	5,457	...
Departmental	988,758	989,951	1,193	...
Royal Mint	31,000	33,959	2,959	...
Commonwealth	1,048,432	1,048,432	...	...
Trading Concerns	88,080	121,137	33,057	...
Public Utilities	5,579,945	5,574,009	...	5,936
Total Revenue	10,652,985	10,819,042	179,883	13,826

Net Increase

£166,057

Expenditure.	Estimate.	Actual.	Comparison with Estimate.	
			Increase.	Decrease.
	£	£	£	£
SPECIAL ACTS—				
Constitution Act	17,200	17,783	583	...
Interest—Overseas	1,731,977	1,731,750	...	227
Interest—Australia	1,848,981	1,659,819	10,858	...
Sinking Fund	399,000	397,827	...	1,173
Other Special Acts	362,457	374,729	12,272	...
GOVERNMENTAL—				
Departmental	2,487,690	2,517,302	29,612	...
Exchange	466,000	453,902	...	12,098
Unemployment Relief	50,000	51,966	1,966	...
PUBLIC UTILITIES	3,618,555	3,624,657	6,102	...
Total Expenditure	10,781,840	10,829,735	61,393	13,498

Net Increase

£47,895

UNFUNDED DEFICIT.

	£
Unfunded Deficit to 30th June, 1937	5,599,352
Deficit for 1937-38 Year	10,693
Total Unfunded Deficit to 30th June, 1938	5,610,045

[Return No. 3.]

REVENUE.

STATEMENT OF RECEIPTS FROM 1929-30 TO 1937-38 AND ESTIMATE FOR 1938-39.

Heads.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.	1934-35	1935-36.	1936-37.	1937-38.	Estimate 1938-39.
TAXATION—	£	£	£	£	£	£	£	£	£	£
Land Tax ...	219,066	168,579	132,368	130,968	118,973	121,995	117,682	117,249	124,088	113,000
Income Tax ...	340,501	248,650	260,252	169,010	173,255	235,331	274,794	283,539	582,097	669,000
Financial Emergency Tax ...	...	...	...	292,396	411,716	684,990	827,119	971,372	1,074,561	1,100,000
Dividend Duty ...	410,615	277,843	178,187	108,614	190,880	318,058	361,387	427,968	184,026	180,000
Totalisator Tax ...	61,156	52,505	50,109	47,291	47,739	53,393	59,892	60,732	57,041	60,000
Stamp Duty ...	282,011	179,170	198,808	191,547	216,770	259,732	261,192	278,274	290,360	300,000
Probate Duty ...	75,707	72,093	63,162	91,995	70,154	74,076	112,657	93,320	101,831	115,000
Entertainment Tax ...	...	34,360	63,169	62,486	75,262	83,951	69,246	95,232	98,610	100,000
Licenses ...	83,787	63,052	59,417	64,262	63,001	70,670	81,551	80,841	82,578	84,750
Other ...	...	40,683	3,444	11	1	...	...	...	...	...
Total ...	1,452,793	1,134,385	1,006,916	1,128,515	1,368,720	1,902,086	2,185,800	2,403,575	2,594,987	2,671,750
TERRITORIAL AND DE- PARTMENTAL—										
Land ...	299,661	235,441	223,496	197,412	201,856	250,688	266,831	189,111	170,000	150,000
Mining ...	16,880	17,557	16,906	20,304	27,768	45,049	42,242	41,833	38,884	40,000
Timber ...	158,821	85,781	62,220	61,435	83,194	110,504	134,318	155,469	165,126	130,500
Royal Mint ...	9,867	11,510	21,173	21,147	24,952	25,853	28,621	30,750	33,959	34,000
Departmental Fees, etc. ...	1,566,916	1,639,549	1,382,809	1,350,723	1,119,620	780,819	888,374	863,679	989,951	977,394
Law Courts ...	61,132	55,616	52,819	47,195	49,782	55,590	85,242	75,722	81,957	85,000
Commonwealth ...	300,000	300,000	300,000	500,000	600,000	600,000	800,000	500,000	575,000	575,000
Do. Special Grant ...	...	...	...	...	...	133,000	35,000	33,000	...	...
Do. Interest Contributions	473,432	473,432	473,432	473,482	473,432	473,432	473,432	473,432	473,432	473,432
Total ...	2,886,209	2,818,876	2,522,855	2,671,648	2,680,813	2,474,735	2,624,060	2,368,001	2,528,909	2,465,326
PUBLIC UTILITIES—										
Native Stations ...	3,800	3,813	2,332	2,901	2,929	3,703	4,785	5,005	4,277	...
Bunbury Harbour Board ...	8,250	6,850	6,800	3,000	8,000	8,400	8,500	...	...	...
Fremantle Harbour Trust ...	300,525	241,236	227,316	281,095	216,853	236,636	231,307	238,429	257,413	261,000
Goldfields Water Supply ...	173,365	161,602	170,315	171,971	174,546	187,949	240,461	286,848	293,873	300,000
Kalgoorlie Abattoirs and Sale Yards	3,284	3,760	4,299	5,130	5,035	5,926	6,003	6,638	6,496	8,500
Metropolitan Water Supply and Sewer- age ...	47,257	42,486	41,434	38,253	39,201	42,675	52,260	52,710	52,227	52,500
Other Hydraulic Undertakings ...	398,458	388,496	373,177	350,107	355,687	364,240	376,608	412,545	439,134	465,000
Perth City Markets ...	43,653	39,424	43,984	43,224	44,893	52,664	61,755	58,147	61,104	62,000
Railways ...	1,570	1,327	1,126	1,263	1,320	1,118	866	66	...	...
Tramways, ... Perth Electric ...	3,631,876	3,120,979	2,897,336	2,920,817	2,884,531	3,277,544	3,424,494	3,468,657	3,645,942	3,800,000
Electricity Supply ...	350,118	304,241	286,641	282,202	281,063	284,313	287,103	285,797	286,563	300,000
State Ferries ...	302,441	258,618	274,516	279,302	205,207	322,674	348,425	364,663	387,037	408,000
State Batteries ...	...	...	...	...	...	...	...	...	...	...
Cave Houses, etc. ...	18,643	30,573	72,645	98,919	110,496	116,062	126,208	122,532	125,072	120,500
Metropolitan Markets	14,785	8,428	6,238	5,983	4,857	5,212	6,370	5,804	6,535	8,000
Total ...	5,298,005	4,613,756	4,409,024	4,436,707	4,433,390	4,918,502	5,183,249	5,316,308	5,574,009	5,800,900
TRADING CONCERNS ...	113,508	119,740	98,521	95,283	95,774	36,107	40,612	102,549	121,137	101,115
GRAND TOTAL ...	9,750,515	8,666,756	8,035,316	8,332,153	8,481,697	9,331,430	10,033,721	10,185,438	10,819,042	11,038,991

a From April 1st only. Previously under State Trading Concerns.

(Return No. 4.)

STATEMENT OF EXPENDITURE FROM 1929-30 TO 1937-38, AND ESTIMATE FOR 1938-39.

Head.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.	Estimate 1938-39.
	£	£	£	£	£	£	£	£	£	£
Special Acts ...	3,761,444	3,872,297	3,738,021	3,740,944	3,811,437	3,842,339	3,918,351	3,997,418	4,181,008	4,280,000
Parliamentary ...	14,091	14,415	11,476	11,659	12,123	12,279	13,374	14,992	14,544	14,875
Premier ...	15,482	13,410	13,791	14,474	16,542	22,613	26,620	21,601	18,148	19,185
Governor ...	2,522	2,458	1,771	1,631	1,807	1,980	2,338	2,419	2,487	2,500
London Agency ...	11,980	12,167	9,285	9,109	9,225	9,029	10,156	10,160	12,039	11,540
Public Service Commission	1,460	1,425	1,823	1,263	1,246	1,190	1,571	1,520	1,540	1,613
Government Motor Cars	5,677	2,589	2,544	3,078	3,808	4,357	2,236	3,534	3,507	3,795
Printing ...	75,991	56,120	47,400	49,317	51,513	52,373	53,564	56,905	61,049	65,050
Tourist and Publicity Bureau	2,105	1,924	1,523	1,518	1,646	1,760	2,112	3,752	4,387	6,600
Literary and Scientific	11,377	10,063	8,690	9,090	8,600	8,935	11,148	11,101	11,150	11,300
Fisheries ...	5,637	4,372	3,410	3,620	3,554	3,606	4,155	4,533	4,503	5,390
Centenary ...	15,085	...	353	...	...	...	...	...	...	...
Treasury ...	20,669	20,226	17,157	20,084	20,187	21,738	23,781	26,454	27,211	29,001
Audit ...	14,592	14,342	11,133	10,403	11,039	11,261	12,420	13,333	14,190	15,900
Compassionate Allowances	6,095	4,862	7,018	6,083	8,150	6,176	6,711	8,182	7,162	7,931
Government Stores ...	16,923	13,814	11,548	11,675	11,714	12,357	13,738	14,587	15,643	16,835
Taxation ...	30,000	30,000	30,000	31,614	32,657	33,640	33,894	33,699	33,600	33,900
Miscellaneous and Refunds	143,224	469,353	697,927	627,497	560,128	560,335	605,939	751,683	778,467	643,546
Land and Surveys ...	72,823	65,675	52,045	48,001	40,416	48,723	51,094	51,743	52,237	57,850
Immigration ...	5,726	4,007	2,040	791	...	...	...	...	...	...
Group Settlement ...	2,309	1,783	...	3	...	...	...	...	...	...
Farmers' Debts Adjustment and Rural Relief	...	...	2,182	2,213	2,224	2,154	3,044	6,691	7,024	6,225
Mines, Explosives, Geological, etc.	105,116	105,141	102,252	87,424	109,985	120,665	145,720	144,092	142,504	144,570
Forests ...	23,096	18,510	14,272	12,835	14,742	18,524	22,289	25,453	27,105	28,800
Agriculture ...	99,646	77,548	64,918	65,061	66,640	75,535	87,254	100,419	118,174	124,976
College of Agriculture	99,723	86,112	69,335	71,525	66,711	65,767	78,874	74,194	84,682	90,615
Crown Law & Branches	250,200	237,996	201,898	197,905	211,929	219,683	228,394	239,458	243,124	255,859
Police ...	111,536	48,648	20,330	19,150	50,663	49,206	87,627	103,335	93,682	95,350
Public Works ...	14,777	5,971	3,779	3,853	3,979	4,344	4,806	5,250	5,570	6,136
Factories ...	...	...	...	...	3,479	4,777	4,148	6,523	7,658	7,130
Arbitration Court	1,288	1,452	1,030	910	931	930	1,374	1,414	1,476	1,555
Town Planning	29,496	27,687	23,449	23,274	24,845	26,634	28,610	28,734	28,734	32,078
Office of Chief Secretary	13,889	10,993	11,187	11,616	11,330	12,603	14,083	20,003	25,202	39,000
Natives ...	31,569	31,468	26,573	24,310	25,709	25,620	26,674	28,084	28,015	29,561
Prisons ...	...	...	...	...	...	...	...	...	...	...
Harbour and Light and Jetties	25,074	21,175	16,992	17,328	19,375	19,830	22,957	24,140	27,240	28,400
Mental Hospitals	112,849	99,075	85,432	90,990	93,033	98,218	101,248	107,269	112,004	120,083
Child Welfare ...	170,462	570,703	138,481	132,576	128,863	125,957	116,502	116,338	120,957	131,050
Labour ...	...	...	...	...	...	...	801	908	913	1,137
Unemployment Relief	...	...	653,031	357,721	244,457	92,445	68,605	69,578	69,826	68,200
State Labour Bureau	2,800	3,216	4,048	3,358	7,715	...	...	...	...	...
Council of Industrial Development	1,192	1,148	928	918	1,202	1,590	1,572	2,235	1,584	3,036
Medical and Health	211,657	143,231	78,658	75,648	69,419	64,580	69,005	83,112	78,194	80,370
Education ...	692,672	673,202	549,115	553,846	576,296	612,703	665,234	715,957	736,917	758,300
Total, Departmental...	2,470,740	2,908,166	2,993,069	2,614,336	2,524,391	2,460,813	2,648,636	2,935,070	3,023,170	2,999,041
PUBLIC UTILITIES.										
Native Stations	6,700	5,582	4,441	4,192	4,751	5,190	6,902	6,593	6,777	...
Goldfields Water Supply	137,678	128,035	108,073	108,239	113,258	128,369	114,411	120,334	125,155	137,014
Kalgoorlie Abattoirs	2,764	2,312	2,438	2,836	2,900	2,990	3,584	4,802	4,559	4,480
Metropolitan Abattoirs	20,301	28,075	25,206	25,518	26,952	27,886	30,231	39,550	30,830	31,650
Metropolitan Water Supply	149,126	127,093	97,046	83,359	96,602	97,133	90,202	101,357	97,088	102,455
Other Hydraulic Undertakings	31,073	24,320	21,617	23,916	29,953	47,095	51,092	60,142	61,090	64,269
Perth City Markets	785	655	589	602	590	720	678	110	...	...
Railways ...	3,119,648	2,510,601	2,116,352	2,089,353	2,156,664	2,348,500	2,498,412	2,691,698	2,669,131	2,768,000
Tramways ...	289,995	244,019	220,623	222,219	205,060	199,873	204,392	205,646	211,013	221,000
Electricity Supply	229,407	201,092	192,924	191,997	192,804	220,079	241,853	270,364	290,879	300,000
State Ferries ...	...	...	...	2,005	7,828	7,993	7,996	8,068	8,452	8,200
State Batteries	26,536	37,005	65,587	80,801	91,783	103,739	113,643	113,100	112,225	114,500
Cave House ...	13,313	8,344	6,186	6,017	5,627	5,636	5,760	7,788	7,458	9,753
Total Public Utilities	4,036,335	3,326,831	2,862,122	2,840,904	2,934,781	3,195,868	3,378,156	3,623,550	3,634,657	3,770,301
GRAND TOTAL ...	10,268,519	10,107,296	9,593,212	9,196,234	9,270,609	9,498,525	9,945,343	10,556,633	10,829,735	11,053,487

A Previously under Crown Law.

[Return No. 5.]

STATEMENT SHOWING ANNUAL SURPLUSES AND DEFICIENCIES OF CONSOLIDATED REVENUE FUND,
FOR THE FINANCIAL YEARS 1900-01 TO 1937-38.

Year.	Revenue.	Expenditure.	Annual.	
			Surplus.	Deficiency.
	£	£	£	£
1900-01	3,078,033	3,165,244	...	87,211
1901-02	3,688,049	3,490,026	198,023	...
1902-03	3,630,238	3,521,763	108,475	...
1903-04	3,550,016	3,698,311	...	148,295
1904-05	3,615,340	3,745,225	...	129,885
1905-06	3,558,939	3,632,318	...	73,379
1906-07	3,401,354	3,490,183	...	88,829
1907-08	3,376,641	3,379,006	...	2,365
1908-09	3,267,014	3,368,551	...	101,537
1909-1910	3,657,670	3,447,731	209,939	...
1910-1911	3,850,439	3,734,448	115,991	...
1911-1912	3,968,673	4,101,082	...	134,409
1912-1913	4,696,659	4,787,064	...	190,405
1913-1914	5,205,343	5,340,754	...	135,411
1914-1915	5,140,725	5,708,541	...	565,816
1915-1916	5,356,978	5,705,201	...	348,223
1916-1917	4,577,007	5,276,764	...	699,757
1917-1918	4,622,536	5,328,279	...	705,743
1918-1919	4,944,851	5,596,966	...	652,015
1919-1920	5,863,601	6,531,725	...	668,225
1920-1921	6,789,565	7,476,291	...	686,725
1921-1922	6,907,107	7,639,242	...	732,135
1922-1923	7,207,492	7,612,856	...	405,364
1923-1924	7,865,695	8,094,753	...	229,158
1924-1925	8,381,446	8,439,844	...	58,398
1925-1926	8,808,166	8,907,309	...	99,143
1926-1927	9,750,833	9,722,588	28,245	...
1927-1928	9,807,949	9,834,415	...	26,466
1928-1929	9,947,951	10,223,919	...	275,968
1929-1930	9,750,515	10,268,519	...	518,004
1930-1931	8,686,756	10,107,295	...	1,420,539
1931-1932	8,035,316	9,593,212	...	1,557,896
1932-1933	8,332,153	9,196,234	...	864,081
1933-1934	8,481,697	9,270,609	...	788,912
1934-1935	8,331,430	9,498,525	...	167,095
1935-1936	10,033,721	9,945,343	88,378	...
1936-1937	10,185,433	10,556,638	...	371,205
1937-1938	10,819,042	10,829,735	...	10,693

[Return No. 6.]

STATEMENT SHOWING RECEIPTS FROM COMMONWEALTH, 1901-02 TO 1937-38.

Year.	Contri- bution to Sinking Fund.	Contri- bution towards Interest.	Surplus Revenue Re- turned.	Payment per Head, 25/-.	Special Payment to W.A.	Interest on Trans- ferred Prop- erties.	Dis- abilities Grant.	Total.
PERIOD COVERED BY BRADDON CLAUSE.								
*1901-02 to 1910-11	£ ...	£ ...	£ 18,872,722	£ ...	£ ...	£ ...	£ ...	£ 8,872,722
PERIOD COVERED BY PER CAPITA PAYMENTS AND SPECIAL PAYMENT TO W.A.								
1911-12 to 1926-27	...	...	...	6,632,264	2,556,248	462,010	565,905	10,216,427
PERIOD COVERED BY FINANCIAL AGREEMENT ACT.								
1927-28 ...	77,908	1483,286	...	...	...	25,775	300,000	886,969
1928-29 ...	91,598	1463,578	...	...	...	47,868	300,000	903,044
1929-30 ...	97,863	473,432	...	...	...	...	300,000	871,295
1930-31 ...	106,166	473,432	...	...	...	...	300,000	879,598
1931-32 ...	118,946	473,432	...	...	...	...	300,000	892,378
1932-33 ...	126,781	473,432	...	...	...	...	500,000	1,100,213
1933-34 ...	136,826	473,432	...	...	...	...	600,000	1,210,258
1934-35 ...	143,871	473,432	\$133,000	...	...	...	600,000	1,350,303
1935-36 ...	151,247	473,432	\$35,000	...	...	...	800,000	1,459,679
1936-37 ...	157,016	473,432	\$33,000	...	...	...	500,000	1,163,448
1937-38 ...	162,524	473,432	...	...	...	...	575,000	1,210,956
Total, 11 years ...	1,370,746	5,207,752	201,000	...	...	73,643	5,075,000	11,928,141

* First complete year under Federation. † Including £868,963 from Special Tariff provided under the Constitution of the Commonwealth for 5 years after the imposition of uniform Customs duties.
 ‡ Special payment under States Grant Act, pending passing of the Financial Agreement Act.
 § Proportion of Commonwealth Surplus distributed to States.

GRANTS FOR ROADS, UNEMPLOYMENT, AND ASSISTANCE TO INDUSTRIES FOR YEAR 1937-38—PAID TO TRUST FUNDS.

<i>Federal Roads Agreement Act—</i>						£	£
Contribution from Petrol Tax :							
For Roads ...						757,575	
For Sinking Fund ...						19,386	
							776,961
<i>Unemployment Relief—</i>							
Metalliferous Mining ...						9,800	
Forestry ...						25,000	
Youth Employment ...						14,000	
Youth Employment—Grant from Department of Commerce ...						1,400	
							50,200
<i>Assistance to Industries—</i>							
Relief to Primary Producers ...						58,432	
Fruit-growers' Relief ...						7,063	
Rural Relief ...						300,000	
							365,495
<i>Other Grants—</i>							
Local Public Works ...						6,650	
							6,650
							1,199,306

In addition £938 was received from the Commonwealth for Investigation *re* Tobacco Industry (Credited to Revenue Fund).

[Return No. 7.]

PUBLIC DEBT.

(a) LOAN AUTHORISATIONS AND FLOTATIONS.

	£	£	£
Authorisations to 30th June, 1937 ... ..	...	112,113,673	
Authorisations, 1937-38 ... ..	...	1,227,000	
			113,340,67
Flotations—			
Inscribed Stock, Debentures, Treasury Bonds, etc., issued in Australia and Overseas—Net proceeds:—			
For Works and Services... ..	92,700,050		
For Funding Deficits	6,140,087		
		98,840,137	
Discounts and Flotation Expenses (including Cost of Conversion Loans), net:—			
On Works Loans... ..	3,838,482		
On Deficit Loans... ..	192,451		
		4,030,933	
Balance of May, 1938, Loan		68,488	
			102,939,558
Short Term Debt current at 30th June, 1938—			
London	2,998,014		
Australia	5,860,000		
			8,858,014
Total Flotations			111,797,572
Balance available for Flotation			a 1,543,101
a Includes surplus of £52,770 under Treasury Bonds Deficiency Acts.			

(b) LOAN INDEBTEDNESS.

	£	£	£
Total Amount raised to 30th June, 1937 ... ..	...	109,560,425	
Flotations during the year—			
Counter Sales		70,400	
Instalment Stock		187,000	
Commonwealth Loans (Australia)		1,231,910	
Do. do. (London)		212,800	
Discount on Conversion Loans		210	
Australian Treasury Bills (net increase)		535,000	
		2,237,320	
Less Instalment Stock used for Redemption purposes ...		173	
			2,237,147
			111,797,572
Redemptions—			
Total to 30th June, 1937		17,227,570	
During the year:			
National Debt Commission:			
Securities repurchased	826,809		
Instalment Stock redeemed (Australia) ...	8,610		
Do. do. (London)	22,642		
		858,061	
			18,085,631
Gross Public Debt at 30th June, 1938... ..			93,711,941
Sinking Fund			307,211
Net Public Debt at 30th June, 1938			£93,404,730

[Return No. 7—continued.]

(c) SUMMARY OF GROSS LOAN RAISINGS AND DISBURSEMENTS.

<i>Raisings.</i>		<i>Disbursements.</i>	
	£		£
Total Flotations, as per Return 7 (b)—		Discounts and Expenses—	
To 30th June, 1937 ...	109,560,425	To 30th June, 1937 (Net) ...	3,817,151
During Year 1937-38 ...	2,237,147	During Year 1937-38 ...	21,331
Receipts from Loan Repayments—		Redemption of Agricultural Bank Mortgage Bonds ...	1,566,000
To 30th June, 1937 ...	1,313,778	Deficits Funded (including Discount and Expenses) ...	6,332,538
During Year 1937-38 ...	134,462	Advances to meet Expenditure pending receipt of Revenue ...	5,610,044
		Expenditure on Works and Services ...	95,373,808
		Loan Suspense Expenditure ...	37,466
		Balance of Loan—not to account at 30th June, 1938 ...	68,488
		Balance of General Loan Fund	418,986
	113,245,812		113,245,812

(d) NET PUBLIC DEBT FOR HEAD OF POPULATION ON 30TH JUNE EACH YEAR.

Year.		Debt per Head.		Year.		Debt per Head.	
		£	s. d.			£	s. d.
1938 ...	...	203	4 7	1926 ...	...	155	14 8
1937 ...	...	201	15 0	1925 ...	...	146	3 11
1936 ...	...	199	4 0	1924 ...	...	148	13 6
1935 ...	...	197	6 11	1923 ...	...	142	9 6
1934 ...	...	193	4 2	1922 ...	...	137	1 0
1933 ...	...	187	3 10	1921 ...	...	*124	15 11
1932 ...	...	180	2 11	1920 ...	...	119	7 3
1931 ...	...	174	1 10	1919 ...	...	116	7 0
1930 ...	...	163	9 2	1918 ...	...	118	0 8
1929 ...	...	162	6 9	1917 ...	...	116	5 5
1928 ...	...	165	10 7	1916 ...	...	109	19 9
1927 ...	...	157	14 4	1915 ...	...	101	12 10

* NOTE.—Compared with the previous year, £2 16s. 11d. of the increase is due to an adjustment in the figures of the population at the Census.

(e) CONTINGENT LIABILITIES AT 30TH JUNE, 1938.

	Securities Issued.	Re-deemed.	In Circulation.	Funds Invested.
	£	£	£	£
Finance and Development Board Act ...	700,000	259,188	440,812	...
Agricultural Lands Purchase Act ...	587,471	264,310	323,161	18,460
	£1,287,471	£523,498	£763,973	£18,460
Bank Guarantees in force ...	...	...	118,100	...
Metropolitan Water Supply Act *	...	...	127,706	...
Land Drainage Act *	...	...	2,427	...
Total, Contingent Liabilities ...	...	...	1,012,206	...

* Principal and Interest on Debentures chargeable on the revenue and assets of the concern.

{Return No. 8.]

LOAN LIABILITY—STATEMENT SHOWING AMOUNTS MATURING EACH YEAR.

Earliest Date of Maturity.	Latest Date of Maturity.	Interest Rate.	Repayable in—		
			London.	New York.	Australia.
		%	£	£	£
...	1938	1½	...	...	5,860,000*
...	1938	2½	2,098,014*	...	...
...	1938	3	...	...	114,930
...	1938	4	...	...	2,792,009
...	1938	4-65	...	...	462,972
...	1939	3	...	...	389,000
...	1939	3-4875	...	...	78,650
...	1939	3½	...	...	376,029
...	1939	4-06875	...	...	350,000
...	1940	3-4875	...	...	19,658
...	1940	3½	...	...	590,230
...	1941	4	...	...	4,298,094
...	1942	3-4875	...	...	66,155
...	1942	3½	...	...	3,100,750
...	1942	4-2625	...	...	61,697
1941	1943	2½	3,228,661	...	...
...	1943	3½	...	...	1,548,820
...	1943	3½	...	...	277,930
...	1943	4-2625	...	...	1,100
...	1943	4-65	...	...	755,000
...	1944	3	...	...	112,840
...	1944	4	...	...	1,655,514
1927	1947	3½	1,417,800	...	...
...	1947	3½	...	...	32,630
...	1947	4	...	...	1,291,274
...	1947	5-0375	...	...	250,000
...	1948	3	...	...	1,443,925
...	1948	3½	...	...	1,417,790
...	1948	3-4875	...	...	281,055
...	1948	3½	243,358	...	...
...	1948	3½	...	...	1,461,380
1943	1948	4	2,716,302	...	...
...	1949	3½	...	...	1,319,390
...	1949	3½	...	...	1,741,310
...	1950	4	...	...	1,347,198
...	1951	3½	...	...	3,952,210
1948	1953	3½	918,193	...	...
...	1953	4	...	...	1,265,824
1952	1954	3½	...	...	545,320
1935	1955	3½	3,217,904	...	...
...	1955	4	...	...	1,293,503
1952	1955	5	...	1,500,129	...
...	1957	3	...	...	152,254
...	1957	4	...	...	1,250,049
1947	1957	5	...	523,876	...
...	1958	3	...	...	174,617
...	1959	3	...	...	375,832
...	1959	4	...	...	1,224,115
...	1960	3	...	...	458,892
1940	1960	3½	884,408	...	...
1958	1961	3½	1,739,527	...	...
...	1961	4	...	...	1,271,726
...	1961	3	...	...	315,328
...	1962	3	...	...	186,533
1942	1962	4	4,923,083	...	...
...	1964	3-1	...	...	1,566,000
1964	1974	3½	8,872,191	...	...
1945	1975	1½	2,381,120	...	...
1945	1975	5	10,617,842	...	...
Average Rate 3-6569			44,158,403	2,024,005	47,529,533
			£93,711,941		

* Floating Debt.

[Return No. 9.]

SINKING FUND.

TRANSACTIONS DURING THE YEAR 1937-38.

						£	s.	d.	£	s.	d.
Receipts:											
Balances brought forward, 1st July, 1937—											
National Debt Commission ... ..						....			645,905	11	4
Contributions:											
State—											
5s. per cent. on loan liability						238,517	7	4			
4½ per cent. on cancelled securities						148,983	18	10			
3 per cent. under Federal Aid Roads Act						19,385	13	5			
Special contribution on account loan for purchase of M.V. "Koolama"						10,345	5	5			
Exchange on contribution re M.V. "Koolama"						2,625	2	3			
Commonwealth—											
5s. and 2s. 6d. per cent. on loan liability						162,524	0	6			
Net earnings on investments... ..						10,686	19	0			
									599,048	6	9
									1,244,953	18	1
Disbursements:											
Redemptions and Repurchases, etc. ... ..						....			937,742	8	3
Balance, Sinking Fund, 30th June, 1938 ... ..						....			307,211	9	10
									£1,244,953	18	1

TRANSACTIONS FROM 1ST JULY, 1927, TO 30TH JUNE, 1938.

						£	s.	d.	£	s.	d.
Receipts:											
Balances brought forward—											
1st July, 1927—Endowment Policy (M.V. "Kangaroo"), Premiums paid						57,697	10	0			
1st July, 1929—Crown Agents						897,347	0	10			
									955,044	10	10
Contributions:											
On account M.V. "Kangaroo"						47,250	0	0			
On account, Crown Agents						40,312	19	5			
State—											
5s. per cent. on loan liability						2,209,997	5	2			
4½ per cent. on cancelled securities						730,963	8	1			
3 per cent. under Federal Aid Roads Act						187,413	2	10			
Special contribution on account loan for purchase of M.V. "Koolama"						10,345	5	5			
Exchange on contribution re M.V. "Koolama"						2,625	2	3			
Commonwealth—											
5s. and 2s. 6d. per cent. on loan liability						1,370,745	10	0			
Net earnings on investments						339,095	16	3			
Accretions to Endowment Policy at maturity						35,052	10	0			
Exchange on remittances						29,504	6	1			
									5,003,304	19	6
									5,958,349	10	4
Disbursements:											
Redemptions and Repurchases, etc.						4,424,969	12	8			
Contributions refunded to the State						630	17	11			
Contributions to Crown Agents						39,934	2	8			
Premiums on Policy account M.V. "Kangaroo"						47,250	0	0			
Repayment of 1934 Loan						998,353	7	3			
Repayment of 1936 Loan						140,000	0	0			
									5,651,138	0	6
Balance, 30th June, 1938:—											
National Debt Commission ... ..						....			307,211	9	10
									5,958,349	10	4

LOAN EXPENDITURE FOR 1937-38 COMPARED WITH PREVIOUS YEARS.

(EXCLUSIVE OF LOAN SUSPENSE EXPENDITURE).

Undertakings.	1937-38.	1936-37.	1935-36.	1934-35.	1933-34.	1932-33.	1931-32.	1930-31.	1929-30.	1928-29.	1927-28.	1926-27.
Railways, including Land Resumptions	£ 349,393	£ 173,882	£ 116,240	£ 295,078	£ 316,124	£ 180,587	£ 137,168	£ 454,395	£ 824,952	£ 826,500	£ 806,895	£ 642,225
Tramways—Perth Electric	8,512	35,591	...	...	11,200	5,601	...	9,550	24,710	8,551	75,247	32,444
Electric Power Station	39,977	109,837	281,165	203,268	2,069	918	3,681	11,289	44,050	48,479	69,304	104,752
Fremantle Harbour Works	31,691	78,781	100,058	98,688	91,075	189,618	37,694	69,866	109,088	138,066	113,954	62,652
Harbours and Rivers generally	70,240	108,065	200,949	208,630	154,169	73,302	39,882	63,810	154,169	140,994	137,691	128,535
Sewerage—Perth and Fremantle	253,490	361,334	455,901	330,199	177,673	125,055	90,069	42,102	102,250	151,211	129,430	103,414
Water Supply	703,568	821,636	807,893	773,422	653,553	658,485	437,206	197,288	238,650	425,004	452,367	333,431
Development of Goldfields	35,247	30,550	38,843	70,865	76,685	30,196	28,091	29,077	92,219	79,752	81,915	87,598
Development of Agriculture	154,658	187,711	217,644	341,850	368,116	267,150	125,004	61,490	87,019	143,971	67,091	51,238
Assistance to Settlers	8,471	8,370	9,280	6,921	113,535	94,679	79,516	262,880	67,121	92,907	110,959	84,980
Agricultural Group Settlement	...	...	9,618	26,073	115,904	79,648	67,513	218,298	689,611	766,893	1,122,829	1,423,486
Land Settlement for Soldiers	87	434	427	331	1,190	403	12,284	39,369	46,813	116,914	170,484	176,921
College of Agriculture	...	...	...	...	...	...	...	...	1,100	10,805	5,871	25,595
Immigration	...	...	...	...	132	461	500	1,063	7,182	11,857	10,072	11,203
Agricultural Bank—Working Capital	...	...	...	50,000	325,000	303,257	317,460	298,734	849,849	704,445	221,170	105,678
Purchase of Wire Netting for Settlers	...	...	...	...	...	...	...	...	...	...	25,650	182,554
Steamships	219,325	53,385	...	...	...	...	...	...	...	...	20,796	419,119
Workers' Homes Working Capital	25,000	35,000	...	35,000	35,000	35,000	...	...	...	25,000	50,000	...
Saw Mills	...	...	...	...	...	...	...	...	7,000	8,346	36,934	50,000
State Hotels	18,022	4,647	8,000	...	510	...	413	...	749	1,653	16,905	953
Agricultural Implements Works	...	...	...	...	...	...	...	...	...	...	...	26,000
Brickyards	...	...	...	...	...	...	...	...	2,000	1,925	1,506	9,587
Ferries	...	...	...	...	...	...	...	...	...	...	...	...
Public Buildings	91,726	89,182	84,454	106,418	98,020	34,634	...	...	54,140	92,353	128,512	117,483
Roads and Bridges	160,038	83,294	132,902	213,804	124,647	85,004	...	...	316,325	335,716	287,684	175,930
Purchase of Plant and Stock (Suspense Account)	...	...	...	...	...	...	...	...	...	66,000	50,000	...
Fremantle Road and Railway Bridge	...	...	...	...	...	...	...	...	...	18	847	...
Sundries	5,568	5,918	4,503	26,103	4,412	1	2,244	5,072	418,354	18,058	14,264	23,108
Bulk Handling of Wheat	62,493	...	...	...	...	...	...	...	...	...	...	...
Boya Quarries	600	...	...	...	...	...	...	...	...	...	...	...
Aborigines Stations	...	...	421	337	...	...	...	...	...	156	368	6,459
Reconstruction Canning Road	...	...	...	...	...	...	...	...	...	38,907	75,792	8,981
Guildford Road—East Street to Midland Junction	...	...	...	...	...	...	...	...	...	...	...	...
Metropolitan Markets	...	...	...	...	...	...	...	...	8,036	92,418	...	...
Discount and Flotation Expenses	...	...	...	...	...	78,007	...	...	...	...	...	...
Totals	2,315,004	2,193,117	2,464,167	2,784,135	2,664,022	2,217,982	1,380,225	1,769,263	3,693,062	4,372,289	4,680,260	4,113,054
Less Expenditure from Loan Repayments Receipts	154,825	78,376	74,791	97,064	216,740	249,276	171,800	...	216,647	33,297	...	...
Net Expenditure from Loan Raisings	2,160,179	2,114,741	2,389,376	2,687,121	2,448,282	1,968,707	1,208,425	1,769,263	3,476,405	4,338,972	4,680,260	4,113,054

Includes Loans to Local Authorities for erection of Country Hospitals, etc., a £21,625; b £10,379; c £9,780; d £5,084; e £3,619; f £1,442; g £400. h £103. i £500. j £5,448.

[Return No. 11.]

LOAN REPAYMENTS.

RECEIPTS AND EXPENDITURE.

Year ended 30th June.	Receipts.	Expenditure.	Balance in hand.
	£	£	£
1928	154,108	...	154,108
1929	235,404	33,297	356,215
1930	153,583	216,647	293,151
1931	84,248	...	377,399
1932	112,361	171,800	317,960
1933	91,751	249,275	160,436
1934	100,935	215,740	45,631
1935	150,507	97,064	99,074
1936	107,906	74,791	132,189
1937	122,975	78,376	176,788
1938	134,462	154,825	156,425

[Return No. 12.]

HOSPITAL FUND.—TRANSACTIONS DURING THE YEAR 1937-38.

Receipts.		Payments.	
	£		£
Balance at 30th June, 1937 ...	7,889	Administration Expenditure ...	4,569
Hospitals Tax Collections ...	245,660	Hospitals Expenditure—	
Treasury Grants	12,936	Departmental	91,898
Recoup of Expenditure on Build- ings	7,000	Non-Departmental Subsidies, etc.	160,245
Miscellaneous Receipts	780	Advances	88
		Balance, 30th June, 1938 ...	17,465
	274,265		274,265

[Return No. 13.]

FORESTS IMPROVEMENT AND RE-FORESTATION FUND—TRANSACTIONS DURING THE YEAR 1937-38.

Receipts.		Payments.	
	£		£
Balance from Year 1936-37 ...	80,512	Expenditure on Forest Improve- ments and Re-forestation during the year	60,260
Appropriation from Revenue Fund	54,765	Balance of Fund at 30th June, 1938	89,043
Sundry Receipts	14,026		
	149,303		149,303

[Return No. 14.]

ROAD FUNDS.—TRANSACTIONS DURING THE YEAR 1937-38.

	Main Roads Contributions Trust Account.	Metro- politan Traffic Trust Account.	Transport Co-ordina- tion Fund.	Federal Aid Roads Agreement Account.	Total.
	£	£	£	£	£
Balances from Year 1936-37	5,181	30,960	241	53,924	90,306
Receipts during Year—					
License Fees and Permits ... ..	...	166,466	21,422	...	187,888
Contributions by Local Authorities	1,413	...	...	...	1,413
Premiums on Omnibus Routes ... ..	...	...	220	...	220
Commonwealth Grant ... ..	...	...	...	776,061	776,061
Miscellaneous Receipts ... ..	...	10	429	...	439
Other Receipts in Suspense ... ..	...	...	216	...	216
	6,594	197,436	22,528	830,885	1,057,443
Transfers to other Funds ... ..	...	35,799	...	...	35,799
Transfers from other Funds	35,799	...	780	...	36,579
Totals	42,393	161,637	23,308	830,885	1,058,223
Payments during Year—					
Administration, Plant, Office Equip- ment, etc. ... ..	...	21,111	5,781	13,355	45,247
National Debt Commission Sinking Fund ... ..	...	...	...	19,386	19,386
Treasury—Interest, Sinking Fund, and Premiums ... ..	...	7,396	220	...	7,616
Road Construction, Maintenance, Surveys, etc.	41,090	4,604	...	679,163	724,857
Distributions to Local and Statutory Authorities ... ..	...	116,085	14,876	...	130,961
Other Payments in Suspense ... ..	...	...	419	...	419
Subsidies paid for the operation of various Road Transport Services ...	...	...	1,570	...	1,570
	41,090	149,196	22,866	716,904	930,056
Balances in hand at 30th June, 1938	1,303	12,441	442	113,961	128,167

[Return No. 15.]

TOTAL STATE TAXATION PAID TO THE CONSOLIDATED REVENUE FUND, TRUST ACCOUNTS, AND SPECIAL ACCOUNTS, FOR THE YEAR ENDED 30TH JUNE, 1938.

Particulars.	Paid to C.R. Fund.	Paid to Trust or Special Accounts.	Total.	Taxation per Head. (a)
	£	£	£	£ s. d.
Probate and Succession Duties	101,631	...	101,631	4 5
Other Stamp Duties	281,417	...	281,417	12 4
Land Tax	124,083	...	124,083	5 5
Income Tax—				
State Income Tax and Dividend Duty (b)	764,338	...	764,338	1 13 5
Financial Emergency Tax (c)	1,074,561	...	1,074,561	2 7 0
Hospital Tax (d) ... ..	...	245,660	245,660	10 9
Liquor Licenses	75,829	...	75,829	3 4
Racing—				
Entertainments Tax on Admission ...	11,403	...	11,403	6
Stamp Duty on Betting Tickets	8,445	...	8,445	5
Income Tax on Stakes	1,785	...	1,785	1
Totalisator Duty	57,041	...	57,041	2 6
Totalisator Licenses	778	...	778	...
Stamp Duty on Tote Dividends	498	...	498	...
Motor Taxation	21,811	407,219	429,030	18 9
Other Vehicles ... ..	...	7,283	7,283	4
Entertainments	87,207	...	87,207	3 10
Vermine Tax ... ..	...	21,671	21,671	11
Licenses, not elsewhere included	14,144	...	14,144	8
	2,624,971	681,833	3,306,804	7 4 8

(a) Based on population as at 31st December, 1937, viz., 457,111.

(b) Includes Gold Mining Profits Tax £98,312.

(c) Financial Emergency Tax :—Stamp Sales and Deductions £553,882 ; Assessments £520,679.

(d) Hospital Tax :—Stamp Sales and Deductions £162,419 ; Assessments £83,241.

[Return No. 18.]

SUMMARISED CLASSIFICATION OF LOAN ASSETS, 1937-38. (a)

Undertaking.*	Loan Liability. (b)	Capital Charges (c).			Net Earnings.	Surplus.	De- ficiency.
		Interest.	Sinking Fund.	Exchange.			

FULLY REPRODUCTIVE.							
	£	£	£	£	£	£	£
Tramways	1,228,675	46,083	4,914	6,130	68,555	11,428	
Electricity Supply	1,927,057	72,310	8,194	9,620	96,153	6,034	
State Quarries	35,596	1,335	151	178	2,000	336	
State Implement Works	121,554	4,559	525	606	12,138	6,448	
State Saw Mills	274,121	10,281	1,192	1,368	53,000	40,159	
State Hotels	61,154	2,294	265	305	12,609	9,745	
Metropolitan Markets	157,375	5,921	684	788	9,808	2,415	
Abattoirs, Sale Yards, Grain Sheds and Cold Stores	304,900	11,436	1,437	1,521	23,609	9,215	
Workers' Homes Board	715,074	26,820	3,052	3,368	34,021	581	
Small Loans Scheme	21,898	821	107	109	1,123	91	
	4,848,804	181,860	20,521	24,193	313,026	86,452	

PARTIALLY REPRODUCTIVE.							
Railways (e)	26,251,503	984,587	111,809	130,982	974,811		252,367
Harbours and Rivers (d)	6,295,422	236,116	26,773	31,411	261,649		32,656
Water Supply, Sewerage and Drain- age	14,483,073	543,201	58,445	72,264	509,958		163,952
Wyndham Meat Works	1,072,380	40,221	4,622	5,351	40,707		9,437
Loans to Public Bodies	142,612	5,349	629	712	5,662		1,028
Mining Generally	734,835	27,560	3,039	3,666	225		34,090
State Batteries	400,088	15,006	1,690	1,996	12,846		5,846
Roads and Bridges	3,050,694	114,419	12,482	15,221	7,396		134,726
Plant Suspense	154,461	5,793	881	771	3,010		4,435
Stock Suspense	24,027	901	338	120	525		834
Pine Planting and Reforestation	741,328	27,804	2,930	3,699	498		33,935
Assistance to Industries	430,816	16,158	1,856	2,150	6,996		73,168
Industries Assistance Board	1,156,195	43,364	4,983	5,769	5,333		48,783
Agricultural Bank	5,342,546	200,377	23,027	26,657	90,525		150,536
Soldiers' Land Settlement	6,152,435	230,753	26,820	30,697	130,079		158,200
Group Settlement	4,218,338	158,213	18,191	21,048	19,924		177,523
Agriculture Generally	3,195,048	119,833	13,410	15,942	12,422		136,772
Bulk Handling of Wheat—Bunbury	62,643	2,850		313	1,539		1,124
	73,908,444	2,772,005	311,793	368,769	2,084,105		1,368,467

TOTALLY UNPRODUCTIVE.							
State Ferries	5,137	193	24	20	Dr. 221		464
State Brickworks	52,238	1,959	225	261			2,445
State Shipping Service	634,204	23,786	1,813	3,164			28,768
Tourist Resorts	66,166	2,482	204	339	Dr. 449		3,465
Miscellaneous	144,627	5,424	624	721	Dr. 1,730		8,499
Aborigines Stations, etc.	42,218	1,583	141	211	Dr. 2,825		4,760
Rabbit-proof Fence	334,548	12,548	1,442	1,669	Dr. 12,121		27,780
Public Buildings, including Schools, Police Stations, Gaols, Court Houses, Hospitals and Institu- tions	3,334,467	125,062	13,967	16,637	Dr. 28,758		184,424
	4,613,605	173,037	18,445	23,019	Dr. 46,104		260,605

SUMMARY.							
Fully Reproductive	4,848,804	181,860	20,521	24,193	313,026	86,452	
Partially Reproductive	73,908,444	2,772,005	311,793	368,769	2,084,105		1,368,467
Totally Unproductive	4,613,605	173,037	18,445	23,019	Dr. 46,104		260,605
Capital Adjustments and Unallo- cated Costs of Raisings	4,243,570	159,159	21,152	21,173			201,484
Advances to C.R. Fund	5,610,044	98,176	23,589				121,765
Balance of General Loan Fund	418,988	7,332	2,322				9,654
	93,643,453	3,391,569	397,327	437,154	2,351,027	86,452	1,961,975
Balance of May, 1938, Loan (not to account at 30th June, 1938)	63,483				Net Deficiency		£1,875,523
Public Debt, 30th June, 1938	93,711,941						

(a) This statement distributes the net cost of loan charges for the year over the various assets. It differs from Returns Nos. 18 to 27, which are prepared from Departmental records and which do not take cognisance of redemptions, etc., and which in some cases include capital provided from Revenue and other sources. (b) Total expenditure from loan funds (including proportionate cost of raising) after allowing for sinking fund redemptions and other adjustments. (c) Actual expenditure averaged over all assets. (d) To this should be added £570,300 included in Railway Capital. (e) Includes £570,300, being part of Capital Expenditure on Harbours and Jetties controlled by Railway Department. * For details see Return No. 17.

[Return No. 17]

DETAILED CLASSIFICATION OF LOAN ASSETS 1937-38*.

Undertaking.	Loan Liability.	Capital Charges. (a)			Net Earnings.	Surplus.	De-ficiency.
		Interest.	Sinking Fund.	Ex-change.			
	£	£	£	£	£	£	£
Railways (b)	26,251,503	984,587	111,609	130,982	974,811	...	252,367
Tramways	1,228,675	46,083	4,914	6,130	68,555	11,428	...
Electricity Supply	1,927,957	72,310	8,194	9,620	96,158	6,034	...
	29,408,135	1,102,980	124,717	146,732	1,139,524	17,462	252,367
<i>Harbours and Rivers.</i>							
Fremantle (c)	3,390,822	127,175	14,521	16,919	273,166	114,551	...
Bunbury (c)	689,013	25,842	2,972	3,438	5,280	...	26,963
Geraldton (d)	699,464	26,234	3,014	3,490	1,327	...	31,411
Albany (d)	153,292	5,749	661	765	1,261	...	5,914
Esperance (d)	15,951	598	69	80	49	...	698
Busselton (d)	20,234	759	87	101	299	...	648
Hopetoun	44,267	1,660	191	221	75	...	1,997
North-West Ports (d)	568,320	21,316	2,332	2,835	Dr. 8,283	...	34,766
Swan River	358,076	13,430	1,418	1,787	Dr. 4,017	...	20,652
Dredges, Steamers and Plant	276,452	10,370	1,190	1,380	...	...	12,940
Other Jetties and Works	79,531	2,983	323	395	Dr. 7,517	...	11,218
(d)	6,295,422	236,116	26,778	31,411	261,649	114,551	147,207
<i>Water Supplies.</i>							
Metropolitan	7,373,243	276,540	29,426	36,789	342,096	...	659
Goldfields Water Scheme	2,325,012	87,202	9,052	11,601	168,718	60,863	...
Country Towns	910,418	34,146	3,778	4,541	17,043	...	25,422
Country Areas	2,043,746	76,653	8,393	10,198	Dr. 15,823	...	111,067
Goldfields Areas	938,886	35,213	4,019	4,684	Dr. 96	...	44,012
<i>Irrigation and Drainage.</i>							
South-West	717,543	26,912	3,029	3,581	Dr. 1,086	...	34,608
Other Works	174,225	6,535	748	870	Dr. 894	...	9,047
	14,483,073	543,201	58,445	72,264	509,958	60,863	224,815
<i>Trading Concerns.</i>							
Wyndham Meatworks	1,072,380	40,221	4,622	5,351	40,707	...	9,487
Quarries	35,596	1,335	151	178	2,000	336	...
Brickworks	52,238	1,959	225	261	...	...	2,445
Implement Works	121,554	4,559	525	606	12,138	6,448	...
Saw Mills	274,121	10,281	1,192	1,368	53,000	40,159	...
Shipping Service	634,204	23,786	1,818	3,164	...	...	28,768
Hotels	61,154	2,294	265	305	12,609	9,745	...
	2,251,247	84,435	8,798	11,233	129,454	56,688	40,700
<i>Development of Agriculture.</i>							
Agricultural Bank	5,342,546	200,377	23,027	26,657	90,525	...	159,536
Industries Assistance Board	1,156,195	43,364	4,983	5,769	5,333	...	48,783
Soldiers' Land Settlement	6,152,435	230,753	26,829	30,697	130,079	...	158,200
Group Settlement	4,218,338	158,213	18,191	21,048	19,924	...	177,528
Rabbit-proof Fence	334,548	12,548	1,442	1,669	Dr. 12,121	...	27,780
Generally	3,195,048	119,833	13,419	15,942	12,422	...	136,772
	20,399,110	765,088	87,891	101,782	246,162	...	708,599

* See footnote (a) on Return No 16.

[Return No. 17—continued.]

DETAILED CLASSIFICATION OF LOAN ASSETS 1937-38—continued.

Undertaking.	Loan Liability.	Capital Charges. (a)			Net Earnings.	Surplus.	De-ficiency.
		Interest.	Sinking Fund.	Ex-change.			
	£	£	£	£	£	£	£
<i>Abattoirs, Saleyards, etc.</i>							
Metropolitan Abattoirs	213,964	8,025	908	1,067	21,397	11,397	...
Kalgoorlie Abattoirs ...	24,186	907	103	121	1,937	806	...
Generally ...	66,750	2,504	426	333	275	...	2,968
	304,900	11,436	1,437	1,521	23,609	12,203	2,988
<i>Development of Mining.</i>							
State Batteries ...	400,088	15,006	1,690	1,996	12,846	...	5,846
Generally ...	734,835	27,560	3,089	3,666	225	...	34,090
	1,134,923	42,566	4,779	5,662	13,071	...	39,936
<i>Public Buildings.</i>							
Education (including Narrogin School of Agriculture and Muresk College of Agriculture) ...	1,491,245	55,930	6,202	7,440	Dr. 12,405	...	81,977
Police Stations, Quarters, etc. ...	164,441	6,168	698	821	Dr. 4,039	...	11,726
Court Houses, Quarters, etc. ...	44,092	1,654	182	220	Dr. 303	...	2,359
Gaols ...	54,357	2,039	232	271	Dr. 4,366	...	6,908
Hospitals ...	613,355	23,004	2,538	3,060	Dr. 215	...	28,817
Institutions ...	511,449	19,182	2,188	2,552	Dr. 2,285	...	26,207
Buildings generally ...	455,528	17,085	1,927	2,273	Dr. 5,145	...	26,430
	3,334,467	125,062	13,967	16,637	Dr. 28,758	...	184,424
<i>All Other.</i>							
Aborigines Stations ...	42,218	1,583	141	211	Dr. 2,825	...	4,760
Assistance to Industries	430,816	16,158	1,956	2,150	6,996	...	13,168
Bulk Handling, Bunbury	62,643	2,350	...	313	1,539	...	1,124
Ferries ...	5,137	193	34	26	Dr. 221	...	464
Loans to Public Bodies	142,612	5,349	629	712	5,662	...	1,028
Metropolitan Markets...	157,875	5,921	684	788	9,808	2,415	...
Miscellaneous ...	144,627	5,424	624	721	Dr. 1,730	...	8,499
Pine Planting and Re-forestation ...	741,328	27,804	2,930	3,699	498	...	33,935
Plant Suspense ...	154,461	5,793	881	771	3,010	...	4,435
Roads and Bridges ...	3,050,694	114,419	12,482	15,221	7,396	...	134,726
Small Loans Scheme—Workers' Homes Board ...	21,898	821	107	109	1,128	91	...
Stock Suspense ...	24,027	901	338	120	525	...	834
Tourist Resorts ...	66,166	2,482	204	330	Dr. 449	...	3,465
Workers' Homes Board Capital Adjustments and Unallocated Costs of Raisings ...	715,074	26,820	3,052	3,568	34,021	581	...
Advances to C.R. Fund	4,243,570	159,159	21,152	21,173	...	...	201,484
Balance of General Loan Fund ...	5,610,044	98,176	23,589	...	...	...	121,765
	418,986	7,332	2,322	...	...	...	9,654
	16,032,176	490,685	71,015	49,912	65,358	3,087	539,341
TOTAL ...	93,643,453	3,391,569	397,827	437,154	2,351,027	264,854	2,140,377
Balance, May, 1938, Loan (Not to account at 30th June, 1938 ...)	68,488	Net Deficiency ...					£1,875,523
Public Debt, 30th June, 1938 ...	93,711,941						

(a) Actual Expenditure averaged over all assets.

(b) Includes £570,300, being part of Capital Expenditure on Harbours and Jetties controlled by Railway Dept.

(c) Includes all expenditure on Fremantle and Bunbury Harbour Works.

(d) To this should be added £570,800 included in Railway Capital in respect of the following Harbours and Jetties—Albany, £119,077; Busselton, £34,648; Geraldton, £329,208; Esperance, £63,225; Port Hedland, £24,142.

Service.	Loan Li- ability.	Expenditure :					Receipts.	Net Ex- penditure.	Cost per Head (a).
		Indirect.		Direct.		Total.			
		Interest and Ex- change.	Sinking Fund.	Con- solidated Revenue Fund.	Trust and Special Accounts.				
1.—Education—	£	£	£	£	£	£	£	£	£ s. d.
(a) Education Department and Schools ...	1,297,622	55,142	5,370	700,553	...	761,065	15,740	745,325	1 12 7
(b) University	34,115	1,450	147	41,939	...	43,536	...	43,536	0 1 11
(c) Technical Education	61,983	2,635	267	55,587	...	58,489	4,795	53,694	0 2 4
(d) Agricultural Education	97,525	4,143	418	17,851	...	22,412	6,716	15,696	0 0 8
(e) Library, Museum, Observatory ...	35,956	1,527	155	13,823	...	15,505	530	14,975	0 0 8
(f) Deaf, Dumb and Blind	884	40	4	7,300	...	7,344	...	7,344	0 0 4
Total 1	1,528,085	64,937	6,361	837,053	...	908,351	27,781	880,570	1 18 6
2.—Health, Hospitals, and Charities—									
(a) Public Health ... ..	...	...	...	47,556	...	47,556	10,336	37,220	0 1 8
(b) Care of Sick and Mentally Afflicted, Health of Mothers and Children	1,035,556	44,005	4,341	141,757	307,416	497,519	73,168	424,351	0 18 6
(c) Recreation Facilities ... ..	...	...	...	8,300	...	8,300	...	8,300	0 0 4
(d) Relief of Aged, Indigent and Infirm, Child Welfare	88,364	3,753	381	143,962	...	148,096	30,595	117,501	0 5 2
(e) Miners' Phthisis ... ..	...	...	...	74,315	...	74,315	25,000	49,315	0 2 2
(f) Natives... ..	...	...	...	35,526	...	35,526	...	35,526	0 1 7
(g) Unemployment Relief ... ..	...	...	...	61,654	...	61,654	906	60,748	0 2 8
Total 2	1,123,920	47,758	4,722	513,070	307,416	872,966	140,005	732,961	1 12 1
3.—Law, Order and Public Safety—									
(a) Administration of Justice	44,092	1,874	182	87,837	...	89,893	117,994	Cr. 28,101	Cr. 0 1 3
(b) Police	185,052	7,865	787	242,764	...	251,416	49,533	201,883	0 8 10
(c) Gaols and Reformatories	54,357	2,310	232	31,723	...	34,265	1,511	32,754	0 1 5
(d) Public Safety ... ..	...	...	...	23,734	...	23,734	12,785	10,949	0 0 6
Total 3	283,501	12,049	1,201	386,058	...	399,308	181,823	217,485	0 9 6
GRAND TOTAL	2,935,506	124,744	12,284	1,736,181	307,416	2,180,625	349,609	1,831,016	4 0 1

(a) Based on Population as at 31st December, 1937, viz., 457,111.

SUMMARY OF PUBLIC UTILITIES FOR YEARS 1923-1924, 1924-1925, 1925-1926, 1926-1927, 1927-1928, 1928-1929, 1929-1930, 1930-1931, 1931-1932, 1932-1933, 1933-1934, 1934-1935, 1935-36, 1936-37, 1937-38.

—	Capital Cost.	Working Expenses.	Interest Charges	Sinking Fund.	Total Cost.	Revenue.	Surplus.	De- ficiency.
1923-24 ...	£ 30,841,698	£ 3,032,282	£ 1,186,766	£ 192,751	£ 4,411,799	£ 4,388,090	£ ...	£ 23,709
1924-25 ...	32,290,890	3,097,680	1,230,788	196,158	4,524,626	4,577,204	52,578	...
1925-26 ...	33,675,991	3,291,186	1,294,398	197,745	4,783,329	4,640,108	...	143,221
1926-27 ...	34,606,907	3,476,997	1,318,674	199,593	4,995,264	4,970,259	...	25,005
1927-28 ...	35,740,764	3,746,600	1,345,609	201,458	5,293,667	5,298,117	4,450	...
1928-29 ...	37,515,080	3,942,536	1,415,577	123,885	5,481,998	5,386,116	...	95,882
1929-30 ...	37,893,980	4,035,461	1,462,235	96,984	5,584,680	5,298,004	...	286,676
1930-31 ...	38,632,294	3,326,832	1,535,557	101,576	4,963,965	4,611,333	...	352,632
1931-32 ...	39,303,159	2,862,123	1,570,849	105,577	4,538,549	4,407,857	...	130,692
1932-33 ...	40,651,331	2,838,899	1,604,670	111,486	4,555,055	4,434,257	...	120,798
1933-34 ...	42,298,120	2,926,756	1,642,404	117,291	4,686,451	4,424,670	...	261,781
1934-35 ...	43,902,993	3,195,368	1,696,190	123,354	5,014,913	4,928,243	...	86,669
1935-36 ...	45,771,888	3,378,156	1,703,486	125,861	5,207,503	5,194,361	...	13,142
1936-37 ...	46,996,665	3,623,550	1,726,469	128,403	5,478,422	5,326,799	...	151,623
1937-38 ...	48,086,006	3,624,983	1,745,641	149,085	5,519,709	5,587,928	68,219	...

SUMMARY OF PUBLIC UTILITIES FOR YEAR 1937-1938

[illegible]

[Return No. 21.]

RETURN RELATING TO RAILWAYS.
(Prepared from Departmental Records.)

		1937-38.	1936-37.	1935-36.	1934-35.	1933-34.	1932-33.
Number of miles open ...	miles.	4,339	4,357	4,358	4,359	4,360	4,338
Capital Cost of Construction and Equipment of Lines open	£	25,646,095	25,350,005	25,210,321	25,111,525	24,864,735	24,296,424
	£	640,020	640,020	640,020	640,908	640,908	640,908
	£	26,286,115	25,990,025	25,850,341	25,752,433	25,505,643	24,937,332
Working Expenses ...	£	2,669,131	2,691,698	2,498,412	2,348,560	2,156,664	2,089,353
Interest Charges ...	£	987,887	1,008,554	1,015,521	1,028,569	1,008,453	998,233
Total Annual Cost a	£	3,657,018	3,700,252	3,513,933	3,377,129	3,165,117	3,085,586
Gross Revenue ...	£	3,645,942	3,468,657	3,424,494	3,277,544	2,884,531	2,920,817
Deficiency ...	£	11,076	231,595	89,439	99,585	280,586	164,769

a These figures do not include Sinking Fund, estimated to be £63,375.

[Return No. 22.]

RETURN RELATING TO TRAMWAYS.
(Prepared from Departmental Records.)

		1937-38.	1936-37.	1935-36.	1934-35.	1933-34.	1932-33.
Capital Cost of Construction and Equipment ...	£	1,104,572	1,104,572	1,104,572	1,104,572	1,121,129	1,109,839
Working Expenses ...	£	211,013	205,646	204,392	199,978	205,069	222,219
Interest Charges ...	£	45,809	51,377	51,284	51,874	52,142	52,039
Total Annual Cost a	£	250,822	257,023	255,676	251,852	257,211	274,258
Gross Revenue ...	£	286,568	285,797	287,103	284,813	281,063	282,202
Surplus ...	£	29,746	28,774	31,427	32,961	23,852	7,944

a These figures do not include Sinking Fund, estimated to be £2,761.

[Return No. 23.]

RETURN RELATING TO ELECTRICITY.
(Prepared from Departmental Records.)

	1937-38.	1936-37.	1935-36.	1934-35.	1933-34.	1932-33.
	£	£	£	£	£	£
Capital Cost of Construction and Equipment ...	1,263,945	1,269,832	1,271,028	1,272,787	1,271,070	1,269,868
Working Expenses ...	290,879	270,364	241,853	220,079	192,804	191,997
Interest Charges ...	61,713	60,884	61,126	61,658	61,709	61,775
Total Annual Cost ^a	352,592	331,248	302,979	281,737	254,513	253,772
Gross Revenue ...	387,037	364,663	348,425	322,674	295,207	279,302
Surplus ...	34,445	33,415	45,446	40,937	40,694	25,530

^a These figures do not include Sinking Fund, estimated to be £3,174.

[Return No. 24.]

RETURN RELATING TO METROPOLITAN WATER SUPPLY, SEWERAGE AND DRAINAGE.
(Prepared from Departmental Records.)

	1937-38.	1936-37.	1935-36.	1934-35.	1933-34.	1932-33.
	£	£	£	£	£	£
Capital Cost of Construction and Equipment ...	7,916,055	7,459,619	6,820,462	6,025,393	5,340,449	5,087,527
Working Expenses* ...	97,088	101,357	99,202	97,133	96,602	83,359
Interest Charges ...	323,467	297,910	267,867	255,718	247,654	235,920
Sinking Fund ...	15,785	14,650	12,887	11,630	11,171	10,608
Total Annual Cost ...	436,340	413,917	379,956	364,481	355,427	329,885
Gross Revenue ...	439,184	412,545	376,608	364,240	355,687	350,197
Surplus ...	2,844	...	...	...	260	20,312
Deficiency ...	...	1,372	3,348	241	...	...

* Year 1932-33 includes Interest and Sinking Fund on debentures, £14,671; 1933-34, 1934-35, 1935-36, 1936-37 and 1937-38, £14,655.

[Return No. 25.]

RETURN RELATING TO GOLDFIELDS WATER SUPPLY.

(Prepared from Departmental Records.)

	1937-38.	1936-37.	1935-36.	1934-35.	1933-34.	1932-33.
	£	£	£	£	£	£
Capital Cost of Construction and Equipment ...	5,298,061	5,113,202	4,759,423	3,999,901	3,701,835	3,491,408
Working Expenses ...	125,155	120,334	114,411	128,369	113,253	108,239
Interest Charges ...	108,487	96,727	78,615	62,172	52,658	47,772
Sinking Fund ...	37,902	32,539	25,400	19,171	15,704	14,183
Total Annual Cost ...	271,544	249,600	218,426	209,712	181,620	170,194
Gross Revenue ...	293,873	286,848	240,461	187,949	174,546	171,971
Surplus ...	22,329	37,248	22,035	...	...	1,777
Deficiency ...	...	...	...	21,763	7,074	...

[Return No. 26.]

RETURN RELATING TO OTHER HYDRAULIC UNDERTAKINGS.

(Prepared from Departmental Records.)

	1937-38.	1936-37.	1935-36.	1934-35.	1933-34.	1932-33.
	£	£	£	£	£	£
Capital Cost of Construction and Equipment ...	1,828,234	1,690,054	1,630,462	1,600,094	1,501,876	1,058,585
Working Expenses (a) ...	61,090	60,142	51,092	47,095	29,755	23,916
Interest Charges ...	8,807	8,502	33,527	49,069	47,077	43,645
Sinking Fund ...	1,692	1,410	8,238	13,751	13,031	10,986
Total Annual Cost ...	71,589	70,054	92,857	109,915	89,863	78,547
Gross Revenue ...	61,104	58,147	61,755	52,664	44,898	43,224
Deficiency ...	10,485	11,907	31,102	57,251	44,965	35,323

(a) Includes Interest on Debenture Capital, Harvey Drainage, No. 1 Area.

[Return No. 27.]

RETURN RELATING TO OTHER UTILITIES FOR 1937-38.

Utilities.	Capital Cost, etc.	Working Expenses.	Interest Charges.	Total Annual Cost.	Gross Revenue.	Surplus.	Deficiency.
	£	£	£	£	£	£	£
Fremantle Harbour Trust ...	(a) 2,870,755	(b)	142,864	142,864	257,413	114,549	
Bunbury Harbour Board ...	(a) 610,303	(b)	30,496	30,496	3,836	....	26,660
State Batteries ...	400,088	112,226	15,006	127,232	125,072	....	2,160
Aborigines Stations ...	42,213	7,102	1,583	8,685	4,277	....	4,408
Albany Cool Stores ...	20,801	....	780	780	275	....	505
Metropolitan Abattoirs ...	213,064	30,830	8,025	38,855	52,227	13,372	....
Kalgoorlie Abattoirs ...	24,186	4,559	907	5,466	6,406	1,030	....
Cave House ...	43,697	7,458	1,639	9,097	6,585	....	2,512
State Ferries ...	(a) 5,137	8,452	230	8,691	3,231	....	460
Metropolitan Markets Trust	(a) 157,875	(b)	7,932	7,932	9,808	1,876	
Total ...	4,389,024	170,627	209,471	380,093	474,220	130,827	36,705
Estimated Sinking Fund	....	....	....	....	....	....	24,396
NET SURPLUS ...	....	....	....	....	....	£60,720	

(a) Prepared from Departmental Records. (b) Receipts paid to Trust Accounts from which working expenses are met without Parliamentary appropriation. See Return No. 29.

[Return No. 28.]

ESTIMATED CASH POSITION OF PUBLIC UTILITIES FOR YEAR ENDING 30TH JUNE, 1939.

Items.	Estimated 1938-39.		Balance.	
	Receipts.	Payments.	Deficiency.	Surplus.
	£	£	£	£
Goldfields Water Supply Undertaking ...	300,000	137,014	...	162,986
Kalgoorlie Abattoirs ...	6,500	4,460	...	2,040
Metropolitan Abattoirs and Sale Yards ...	52,500	31,650	...	20,850
Metropolitan Water Supply, Sewerage, and Drainage ...	465,000	102,455	...	362,545
Other Hydraulic Undertakings ...	62,000	64,269	2,269	
Railways ...	3,800,000	2,786,000	...	1,014,000
Tramways ...	309,000	221,000	...	88,000
State Ferries ...	8,400	8,200	...	200
Electricity Supply ...	408,000	300,000	...	108,000
State Batteries ...	120,500	114,500	...	6,000
Cave House, etc. ...	8,000	9,753	1,753	
	5,539,900	3,779,301	4,022	1,764,621
Net Surplus ...	...	...	£1,760,599	
Estimated Interest and Sinking Fund...	...	...	£1,874,000	

[Return No. 29.]

SUMMARY OF TRANSACTIONS OF FUNDS, THE EXPENDITURE OF WHICH IS NOT SUBJECT TO PARLIAMENTARY APPROPRIATION. FOR YEAR ENDED 30TH JUNE, 1938.

Fund.	Balance, 1st July, 1937.	Receipts during Year.	Payments during Year.	Balance, 30th June, 1938.
	£	£	£	£
Hospital Fund (see Return No. 12)...	7,889	266,378	256,800	17,465
Forest Improvement and Reforestation Fund (see Return No. 13) ...	80,512	68,791	60,260	89,043
Road Funds (see Return No. 14) ...	90,306	967,917	930,056	128,167
Metropolitan Markets Trust ...	1,212	19,025	(a) 18,071	2,166
Fremantle Harbour Trust ...	...	524,047	(b) 524,047	...
Bunbury Harbour Board ...	993	27,674	27,567	1,100
	180,912	1,873,830	1,816,801	237,941

(a) Includes Payments on account of—Interest, £7,932; Sinking Fund, £763; and profits £1113.

(b) Includes Payments on account of—Interest, £142,864; Sinking Fund, £17,937; Replacement Fund, £2,000; and Surplus Cash, £96,612.

[Return No 30.]

RETURN RELATING TO TRADING CONCERNS FOR YEAR ENDED 30TH JUNE, 1938.

Concern.	Capital at 30th June, 1938.		Working Expenses.	Interest Charges.	Gross Receipts.	Sur- plus.	De- ficiency.
	Loan.	Revenue.					
	£	£	£	£	£	£	£
Brickworks ...	52,238	1,774	31,095	2,718	30,873	...	2,940
Hotels ...	61,154	5,524	50,723	3,322	63,422	9,377	...
Implement Works ...	121,554	123,509	54,852	12,138	60,905	...	6,085
Quarries ...	35,596	872	20,569	1,797	22,464	98	...
Shipping Service ...	634,204	...	(a) 187,222	26,435	(a) 189,761	...	23,806
Saw Mills ...	274,121	31,115	628,498	15,489	698,222	54,235	...
Wyndham Freezing Works (b) ...	1,072,380	...	345,160	53,611	378,386	...	20,385
	2,251,247	162,794	1,318,119	115,510	1,444,033	63,710	53,306
Net Surplus ...	...	...	...	...	...	£10,404	

(a) Estimated.

(b) Year ended 31st January, 1938.

[Return No. 31.]

RETURN RELATING TO STATE BRICKWORKS.

—	1937-38.	1936-37.	1935-36.	1934-35.	1933-34.	1932-33.
	£	£	£	£	£	£
Loan Capital ...	52,238	52,238	52,238	52,238	52,238	52,238
Revenue Capital ...	1,774	1,774	1,774	1,774	1,774	1,774
Total ...	54,012	54,012	54,012	54,012	54,012	54,012
Working Expenses ...	31,095	24,045	25,375	15,544	12,226	8,882
Interest Charges ...	2,713	2,691	2,716	2,812	2,832	2,754
Total Annual Cost	33,813	26,736	28,091	18,356	15,058	11,636
Gross Receipts ...	30,873	23,284	26,198	18,663	12,573	10,380
Deficiency ...	2,940	3,452	1,893	...	2,485	1,256
Surplus ...	...	...	...	307	...	...

[Return No. 32.]

RETURN RELATING TO STATE HOTELS.

—	1937-38.	1936-37.	1935-36.	1934-35.	1933-34.	1932-33.
	£	£	£	£	£	£
Loan Capital ...	61,154	61,441	59,987	60,171	60,215	59,696
Revenue Capital ...	5,524	5,524	5,524	5,524	5,524	5,524
Total ...	66,678	66,965	65,511	65,695	65,739	65,220
Working Expenses ...	50,723	50,277	42,502	38,651	36,985	33,476
Interest Charges ...	3,322	3,252	3,265	3,305	3,427	3,415
Total Annual Cost	54,045	53,529	45,757	41,956	40,412	36,891
Gross Receipts ...	63,422	61,450	55,307	47,932	45,935	41,174
Surplus ...	9,377	7,921	9,550	5,976	5,523	4,283

[Return No. 33.]

RETURN RELATING TO STATE IMPLEMENT WORKS.

—	1937-38.	1936-37.	1935-36.	1934-35.	1933-34.	1932-33.
	£	£	£	£	£	£
Loan Capital ...	121,554	121,816	121,816	121,816	122,815	122,863
Revenue Capital ...	123,509	118,750	119,034	119,034	119,034	119,034
Total ...	245,063	240,566	240,850	240,850	241,849	241,897
Working Expenses ...	54,852	52,238	61,465	59,062	59,474	37,181
Interest Charges ...	12,138	11,421	11,447	11,214	12,393	13,338
Total Annual Cost	66,990	63,659	72,912	70,276	71,867	50,519
Gross Receipts ...	60,905	67,832	75,700	72,761	71,051	47,828
Deficiency ...	6,085	...	...	...	816	2,691
Surplus ...	...	4,173	2,788	2,485	...	...

[Return No. 34.]

RETURN RELATING TO STATE QUARRIES.

—	1937-38.	1936-37.	1935-36.	1934-35.	1933-34.	1932-33.
	£	£	£	£	£	£
Loan Capital ...	35,596	34,996	34,996	35,031	35,031	35,031
Revenue Capital ...	872	872	872	872	872	872
Total ...	36,468	35,868	35,868	35,903	35,903	35,903
Working Expenses ...	20,569	12,087	18,556	15,676	19,855	9,479
Interest Charges ...	1,797	1,785	1,855	2,040	2,150	2,116
Total Annual Cost	22,366	13,872	20,411	17,716	22,005	11,595
Gross Receipts ...	22,464	13,117	20,717	16,736	19,320	12,969
Deficiency ...	...	755	...	980	2,685	...
Surplus ...	98	...	306	...	...	1,374

[Return No. 35.]

RETURN RELATING TO STATE SHIPPING SERVICE.

—	1937-38.	1936-37.	1935-36.	1934-35.	1933-34.	1932-33.
	£	£	£	£	£	£
Loan Capital ...	634,204	421,879	368,494	508,494	508,494	508,494
Working Expenses ...	(a) 187,222	173,071	171,026	166,768	168,757	154,349
Interest Charges ...	26,435	19,937	24,330	28,432	34,328	37,678
Total Annual Cost	213,657	193,008	195,356	195,200	203,085	192,027
Gross Receipts ...	(a) 189,761	172,006	180,346	167,569	181,603	161,593
Deficiency ...	23,896	21,002	15,010	27,631	21,482	30,434

(a) Estimated.

[Return No. 36.]

RETURN RELATING TO STATE SAW MILLS.

—	1937-38.	1936-37.	1935-36.	1934-35.	1933-34.	1932-33.
	£	£	£	£	£	£
Loan Capital ...	274,121	276,513	287,326	287,326	287,927	288,022
Revenue Capital ...	31,115	36,115	51,115	81,115	81,115	81,115
Total ...	305,236	312,628	338,441	368,441	369,042	369,137
Working Expenses ...	(c) 628,498	(b) 559,894	(a) 530,832	509,988	425,692	373,680
Interest Charges ...	15,489	15,986	17,648	20,529	23,616	24,150
Total Annual Cost	643,987	575,880	548,480	530,517	449,308	397,830
Gross Receipts ...	698,222	597,578	591,167	622,717	498,755	382,470
Deficiency ...	...	...	...	...	...	15,360
Surplus ...	54,235	21,698	42,687	92,200	49,447	...

(a) Does not include £30,000 repayment of Revenue Capital.

(b) Does not include £15,000 repayment of Revenue Capital.

(c) Does not include £5,000 repayment of Revenue Capital.

[Return No. 37.]

RETURN RELATING TO WYNDHAM MEAT WORKS.

	1-2-37 to 31-1-38.	1-2-36 to 31-1-37.	1-2-35 to 31-1-36.	1-2-34 to 31-1-35.	1-2-33 to 31-1-34.	1-2-32 to 31-1-33.
	£	£	£	£	£	£
Loan Capital ...	1,072,380	1,072,380	1,049,308	1,049,308	1,044,408	1,044,408
Working Expenses ...	345,160	270,929	351,278	265,218	249,655	225,766
Interest Charges ...	53,611	50,456	57,656	60,462	72,383	73,455
Total Annual Cost	398,771	321,385	408,934	325,680	322,038	299,221
Gross Receipts ...	378,386	285,096	358,048	283,485	253,857	260,506
Deficiency ...	20,385	36,289	50,886	42,195	68,181	38,715

[Return No. 38.]

THE AGRICULTURAL LANDS PURCHASE ACT, 1909, and AMENDMENTS.

Position of Estates under the above Act, at 30th June, 1938.

[Amount Authorised £1,500,000.]

Estates.	Receipts.				Payments.				Balances.		
	Proceeds of De- bentures.	Sale of Lots, Rents, etc.	In- terest.	Total.	Purchase Money.	Survey Expenses, Interest, etc.	De- bentures Re- deemed.	Total.	Amount Over- drawn.	In Hand.	In- vested.
	£	£	£	£	£	£	£	£	£	£	£
Anniebrook ...	4,092	943	...	5,040	4,092	2,420	...	7,412	1,772	...	...
Avondale ...	49,949	41,542	3,417	94,908	49,949	56,220	...	106,169	11,261	...	...
Bancton ...	32,875	11,930	...	44,805	32,875	21,445	...	54,320	9,515	...	...
Bowes ...	54,352	70,931	17,397	151,680	54,352	58,992	36,352	149,696	...	984	1,000
Brunswick ...	5,650	9,478	1,605	16,733	5,650	5,905	5,650	17,205	472	...	...
Bucklands ...	30,162	14,216	...	44,378	30,162	15,489	30,162	75,813	31,435	...	...
Henty ...	4,527	8,158	34	12,719	4,527	4,608	4,526	13,661	912	...	...
Homebush ...	1,250	1,979	742	3,971	1,250	1,471	1,250	3,971	...	...	...
Jelcobine ...	8,320	10,161	297	18,778	8,320	9,267	1,000	18,587	...	191	...
Jingalup ...	2,734	2,688	15	5,437	2,734	2,859	2,734	8,327	2,800	...	...
Kockatea ...	16,170	5,462	...	21,632	16,170	6,932	...	23,102	1,470	...	...
Marjidin ...	4,452	7,861	1,749	14,062	4,452	5,216	4,452	14,120	58	...	...
Mendel ...	16,586	7,536	224	24,346	16,586	7,994	...	24,580	294	...	...
Narra Tarra ...	24,119	40,001	3,881	68,001	24,119	21,412	24,119	69,650	1,649	...	...
Norman ...	7,000	11,444	4,303	22,747	7,000	8,747	7,000	22,747	...	...	...
Oakabella ...	22,000	38,294	12,018	72,312	22,000	26,315	22,000	70,315	...	1,997	...
Pickering ...	4,295	1,874	109	6,275	4,295	2,902	...	6,597	322	...	...
Porongorup ...	1,764	793	38	2,595	1,764	801	...	2,565	10	...	40
Ulijugulup ...	3,350	3,836	332	7,568	3,350	1,885	...	5,235	...	208	2,130
Weirs ...	700	...	...	700	700	817	...	1,017	317	...	...
Wongoody ...	42,266	8,554	...	50,814	42,266	17,753	...	60,013	9,199	...	...
Yandanooka ...	140,000	167,977	8,513	316,490	140,000	144,104	15,100	299,204	...	1,996	15,290
Estates under S.S. Scheme	...	307,219	...	307,219	...	237,252	...	237,252	...	69,967	...
	477,507	781,582	54,721	1,313,810	477,507	659,706	154,345	1,291,558	71,546	75,338	18,460
										£93,798	

Cr. Balance £22,252

RAILWAYS.—STATEMENT SHOWING TONNAGE AND EARNINGS ON GOODS CARRIED.

Class of Goods.	1937-1938.		1936-1937.		1935-1936.		1934-1935.		1933-1934.	
	Tonnage.	Percentage of Total.	Tonnage.	Percentage of Total.	Tonnage.	Percentage of Total.	Tonnage.	Percentage of Total.	Tonnage.	Percentage of Total.
Coal, Coke, and Charcoal	£ 307,096	10.03	£ 232,561	10.10	£ 269,558	9.34	£ 239,802	8.55	£ 225,345	8.81
Ores and other Minerals	297,075	9.70	309,263	11.01	349,934	12.13	334,302	11.93	267,065	10.43
Wool	26,714	0.87	24,840	0.89	30,529	1.06	29,049	1.04	19,470	0.70
Hay, Straw, and Chaff	42,469	1.39	57,898	2.07	55,678	1.93	45,584	1.63	45,327	1.77
Wheat	708,838	25.11	485,906	17.36	571,926	19.81	799,183	23.50	788,089	30.79
Other Grain and Flour	140,378	4.58	133,089	4.78	120,505	4.38	149,911	5.35	122,978	4.81
Firewood	151,312	4.94	242,234	8.60	244,452	8.47	236,334	8.43	261,462	10.22
Local Timber	403,663	13.18	351,885	12.50	376,849	13.04	341,081	12.17	265,363	10.59
Imported Timber	1,810	0.06	1,423	0.05	1,978	0.07	1,670	0.06	2,129	0.08
Fruit and Garden Produce	80,308	2.62	85,800	3.07	96,842	3.35	81,264	2.90	76,023	2.97
Fertilisers	268,574	9.59	258,263	9.23	233,924	8.10	212,814	7.59	207,706	8.12
All other goods	548,684	17.93	585,103	20.21	528,073	18.32	332,313	11.85	277,048	10.85
Total	3,061,921	100.00	2,708,448	100.00	2,886,648	100.00	2,803,316	100.00	2,559,060	100.00

Class of Goods.	1937-1938.		1936-1937.		1935-1936.		1934-1935.		1933-1934.	
	Earnings.	Percentage of Total.	Earnings.	Percentage of Total.	Earnings.	Percentage of Total.	Earnings.	Percentage of Total.	Earnings.	Percentage of Total.
Coal, Coke, and Charcoal	£ 180,670	6.52	£ 169,780	6.33	£ 155,637	6.16	£ 135,414	5.95	£ 123,933	6.40
Ores and other Minerals	109,922	3.97	100,117	3.94	98,020	3.88	83,825	3.68	67,270	3.47
Wool	69,906	2.52	63,752	2.51	85,584	3.39	83,380	3.67	60,541	3.12
Hay, Straw, and Chaff	36,537	1.32	49,860	1.90	46,229	1.83	37,555	1.65	36,003	1.86
Wheat	495,174	17.88	314,465	12.37	367,091	14.56	528,880	23.25	507,283	26.18
Other Grain and Flour	82,275	2.97	77,823	3.06	73,592	2.91	83,823	3.68	69,873	3.61
Firewood	13,734	0.50	15,524	0.61	10,963	0.67	19,371	0.85	19,054	1.01
Local Timber	316,181	11.42	287,844	11.33	300,318	11.89	285,746	12.56	207,423	10.70
Imported Timber	2,261	0.08	2,233	0.09	2,743	0.11	2,167	0.10	2,278	0.12
Fruit and Garden Produce	99,824	3.60	104,605	4.12	113,143	4.48	101,933	4.48	98,588	5.09
Fertilisers	79,934	2.89	71,812	2.83	65,417	2.59	50,842	2.23	58,737	3.03
All other goods	1,283,033	46.33	1,202,355	50.85	1,200,982	47.53	852,302	37.50	686,189	35.41
Total	£2,769,401	100.00	£2,541,170	100.00	£2,520,619	100.00	£2,274,828	100.00	£1,937,782	100.00

	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
Railway and Tram- way Revenue	£4,154,737	£4,127,939	£3,981,994	£3,425,220	£3,183,977	£3,203,018	£3,165,593	£3,562,357	£3,711,507	£3,754,454	£3,932,510
Railway Mileage (Route)	3,977	4,079	4,111	4,179	4,235	4,338	4,300	4,350	4,358	4,357	4,376
Wool exported ...	£4,062,916	£3,910,880	£2,779,113	£2,386,538	£2,345,570	£2,553,502	£4,810,846	£3,413,580	£4,671,736	£4,164,433	£3,161,203
*Wheat produced (bushels)	36,370,219	33,790,040	39,081,183	53,504,149	41,521,245	41,791,866	37,305,100	26,985,000	23,315,417	21,549,000	35,868,000 _a
*Hay produced ... (tons)	416,707	421,504	428,328	491,595	453,353	485,303	512,439	462,947	504,571	412,982	448,000 _a
Gold produced (c) ...	£1,708,024	£1,638,212	£1,600,090	£2,235,761	£3,794,035	£4,610,376	£5,300,102	£5,213,894	£6,713,027	£8,101,168	£9,438,078
Coal produced	£414,451	£415,926	£416,350	£371,056	£281,174	£292,285	£289,302	£207,581	£334,797	£326,756	£362,196
†Other Minerals pro- duced	£59,899	£36,941	£50,045	£28,012	£19,608	£17,348	£65,178	£63,330	£112,649	£113,580	£124,970
Timber exported ...	£1,265,321	£900,435	£803,154	£503,096	£357,953	£258,510	£484,241	£631,228	£675,932	£699,613	£917,659
†Number of Sheep...	8,447,480	8,943,002	9,556,823	9,882,761	10,098,104	10,417,031	10,322,350	11,197,156	11,082,972	9,007,535	8,717,780 _a
†Number of Cattle...	846,735	837,527	836,646	812,844	826,532	857,473	885,069	912,016	882,761	792,508	745,920 _a
†Number of Horses	165,021	160,870	159,528	156,073	156,489	157,443	159,646	161,636	160,181	155,177	149,904 _a
Area of land selected (acres)	2,147,202	2,618,318	1,541,707	1,024,787	533,572	463,356	351,313	310,170	281,921	521,117	718,824
Area of land leased (acres)	11,105,900	14,822,663	8,686,464	3,253,044	3,492,791	3,291,418	7,549,950	5,327,978	4,613,172	3,026,517	3,888,060
Area of land under cultivation (c)	11,486,903	12,927,793	13,803,310	14,407,756	14,212,769	14,196,091	14,024,656	14,528,108	14,906,055	15,216,210	15,605,460 _a
* Area of land under crop (acres)	3,720,100	4,250,209	4,566,001	4,792,017	3,961,450	4,261,047	4,215,890	3,838,618	3,724,308	3,849,841	4,130,506 _a
Tonnage Shipping, Inwards	3,795,310	3,088,802	3,955,079	3,087,357	3,555,403	3,540,604	3,564,705	3,757,174	3,827,038	3,720,523	4,005,500 _a
Tonnage Shipping, Outwards	3,806,078	3,674,298	3,932,476	3,686,229	3,530,279	3,563,679	3,567,884	3,775,162	3,831,105	3,773,566	4,003,260 _a
Exports, including Gold	£18,240,775	£17,185,954	£17,760,529	£17,075,502	£16,200,086	£15,537,412	£17,201,577	£16,879,168	£18,891,670	£20,091,133	£22,076,048
Exports, excluding Gold	£17,569,994	£15,900,545	£13,133,726	£11,238,158	£11,374,476	£10,803,066	£11,979,073	£11,750,158	£12,105,933	£13,041,702	£13,673,237
Imports ...	£18,287,633	£20,053,772	£18,781,656	£10,879,854	£10,655,821	£12,180,740	£12,832,517	£14,226,405	£16,111,631	£18,028,359	£19,332,739
Savings Bank De- posits	£10,920,089	£12,142,575	£11,719,493	£9,636,023	£7,864,907	£7,447,503	£8,182,395	£8,967,677	£9,468,344	£9,716,932	£10,004,412
Savings Bank With- drawals	£10,239,589	£11,500,206	£12,026,890	£10,877,710	£8,734,317	£7,747,633	£7,088,122	£6,501,441	£8,958,575	£9,425,588	£9,853,281
Excess of Arrivals over Departures	10,650	8,017	2,002	b 2,325	b 1,502	b 553	b 655	b 72	433	207 _b	592 _f
Population end of Financial Year	407,905	421,063	429,112	432,183	435,111	438,852	442,027	446,692	450,243	454,231	459,600 _a

*Season ended 28th February

† As at 31st December of year first mentioned.

(c) Area cropped, cleared, fallowed, ringbarked, etc.

a Preliminary figures, liable to slight revision.

(e) Australian Currency Value.

b Excess of Departures over Arrivals.

(f) For 9 months only.