

used by the House. As the general rules had to be posted on the mine so that all could see them, important matters like this should be included therein, and not merely published in the *Government Gazette*, where they would be seen by scarcely anybody. The Minister's proposal was inadequate. A man who fell a distance of 20 feet would probably be permanently injured, if not killed. Why in that risk? Some of the mines in the algaorlie put up box rises for no other purpose than to turn in the footage for development work. That statement, though made several times previously, had not been contradicted. The material broken in such rises was treated as ore, and no cost charged against it. The men's health and safety were affected for the purpose of reducing the cost. Let the amendment provide that in all rises other than those at an angle of 30 degrees, the box system must be used. The State Mining Engineer was not in agreement with the Minister.

THE MINISTER: He was; and said that the provision should be in the regulations rather than in the statute.

MR. SCADDAN: Departmental officers are too prone to give way to Ministers. In view of the fact that that State Mining Engineer was chairman of the commission and signed the report, it was surprising that he should now have gone back on that report. To deal with a matter of this kind by regulation was not satisfactory.

MR. HOLMAN: The provision should be in the Bill itself. At present the desirability of doing away with rises was being considered in Bendigo, one of the principal mining centres of Australia; and if it had been demonstrated that work in rises was detrimental to the lives and health of miners.

MR. WALKER: A principle of such vital importance should be included in the Bill, and not be left to the mere discretion of a Minister or of inspectors; otherwise, where was the necessity for a Bill at all? Everything might be left to be dealt with by regulation.

Question put, and a division taken with the following result:—

Ayes	15
Noes	13

Majority for	2
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AYES.
 Mr. Bath
 Mr. Bolton
 Mr. Collier
 Mr. Daglish
 Mr. Heilmann
 Mr. Holman
 Mr. Hudson
 Mr. Johnson
 Mr. Lynch
 Mr. Scaddan
 Mr. Smith
 Mr. Underwood
 Mr. Walker
 Mr. Ware
 Mr. Troy (Teller).

NOES.
 Mr. Brebber
 Mr. Brown
 Mr. Eddy
 Mr. Ewing
 Mr. Gordon
 Mr. Gregory
 Mr. Gull
 Mr. Hardwick
 Mr. Keenan
 Mr. Male
 Mr. Mitchell
 Mr. Piesse
 Mr. Layman (Teller).

Amendment thus passed.

THE MINISTER: Presumably the member for Ivanhoe would have no objection to recommitment for discussion of the question whether these boxes were absolutely necessary in the underlay rises. He would see that a clause was placed in the Bill with the object of effecting an amendment.

MR. SCADDAN: We could do it now.

Progress reported, and leave given to sit again.

ADJOURNMENT.

THE MINISTER FOR MINES moved that the House at its rising do adjourn till 7.30 p.m. on the next Monday.

Question passed.

The House adjourned accordingly at 10.42 o'clock, until the next Monday evening.

Legislative Assembly,

Monday, 1st October, 1906.

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THE SPEAKER took the Chair at 7.30 o'clock p.m.

PRAYERS.

PAPER PRESENTED.

By the **TREASURER:** Museum and Art Gallery Annual Report.

OPPOSITION LEADER, DEPUTY.

MR. BATH: By way of personal explanation, I wish to say that during my absence from the State (to attend a Conference in Melbourne), the member for Kanowna (Mr. T. Walker) will act as deputy leader of the party which I have the honour to lead in this House.

QUESTION—GOVERNMENT PRINTING OFFICE.

MR. BATH asked the Treasurer (after notice given): 1. Under cover of a competitive examination, does the Government Printer propose to secure the labour of a number of compositors without payment? 2. If so, is this course taken with the concurrence of the Hon. the Colonial Treasurer?

THE TREASURER replied: 1. No. 2. No. The Government Printer agreed to hold a compositors' test at the urgent request of some of the compositors who had been laid off, they maintaining that the better tradesmen had been dispensed with. The test was to be on the same lines as the annual test held by the Government Printing Office in Sydney, and is practically a competitive examination. The work done is of no value to the office; those competing, therefore, cannot be paid. In New South Wales candidates are not only not paid for their time but have to pay 6d. each for the examination papers. If sufficient entries are not forthcoming on Wednesday next the test will not be held, and the Government Printer will continue to use his own judgment in selecting the men to be retained.

ASSENT TO BILLS (3).

Message from the Governor received and read, assenting to three Bills, namely, Government Savings Bank, Second-Hand Dealers, Fremantle Jockey Club Trust Funds.

ANNUAL ESTIMATES.

Message from the Governor received and read, transmitting the Annual Estimates of Revenue and Expenditure for

the financial year 1906-7, and recommending appropriations.

FINANCIAL STATEMENT FOR 1906-7.

IN COMMITTEE OF SUPPLY.

The House having resolved into Committee of Supply for receiving the annual Financial Statement, Mr. ILLINGWORTH in the Chair—

THE TREASURER (Hon. Frank Wilson) said: Mr. Illingworth, in rising to move the seventeenth Budget Speech since Responsible Government in connection with this State, I cannot help but cast my mind back over the last fifteen years, and think of the vast progress and advancement the State of Western Australia has made since the advent of Responsible Government. I want members also to cast their minds back over the fifteen years which have passed away since Responsible Government, and follow me for a few moments whilst I endeavour to point out those strides which have meant so much to every man, woman, and child in Western Australia. It seems to me it is well we should take a view of the description, in order that we may take heart from the actions which have controlled the efforts of those who had charge of the destinies of this State in the past that we may pick out the wise actions (I may so term them) and pass over the faults, in order that the future of the State may be as brilliant, if possible, as the past has been during those years.

Fifteen Years of Past Progress.

When Responsible Government was first inaugurated in Western Australia the population of the State was a meagre handful of people, about 52,000 number. To-day we find that we have fifteen times that number in the State, namely 262,000 people. Our trade for the year 1891 was only a little over £2,000,000

whereas we see to-day that the total trade of the State exceeds £16,000,000, supports and exports. The mileage of our railways, which is a sure guide of what has been done in the development of the country generally, was only 203 miles in 1891, whereas to-day we have 1,612 miles of railway, tapping almost every important centre, every centre which can produce wealth, and so help forward the State as a whole. The Railway Revenue for the year 1891 was only £63,000, whereas to-day it is £1,648,000; and the State Revenue for 1891 was only £497,000, some £3,000 less than half a million, whereas to-day it is nearly $3\frac{1}{2}$ millions. This all tends to show the rapid strides which have taken place in the development of our country; and to one like myself who has resided in Western Australia during the whole of the term I have referred to, the past fifteen years, the extent of the developments and discoveries that have been made on our goldfields seems marvellous. When we think of the substantial towns in our Eastern Goldfields which have within a few years been brought into existence, replete with every comfort of modern times, we cannot but exclaim that wonderful progress has been made. The Goldfields Water Scheme, which has carried health and comfort to tens of thousands of people to-day, where for want of fresh water they could not exist fifteen years ago—a scheme which is second to none of its character in the whole of the civilised world—is in itself quite sufficient evidence of the spirit and enterprise of those who controlled the affairs of this State in the early years of Responsible Government. When I may briefly remind members of the towns in our agricultural districts, notably in the Great Southern District. The expansion of harbour facilities, the big Harbour we have at Fremantle with all the latest facilities for discharging and loading vessels of heavy tonnage; the great developments that have taken place in our Southern Port of Bunbury, more especially for the export of our members, and the deepening of the Albany harbour and providing in it additional accommodation for shipping, show without my dilating very strongly on the magnificent towns that have been built in our Coastal Districts the great pro-

gress that has been made. When I glance through the City of Perth to-day I perceive that the town has been absolutely rebuilt since I knew it first; and where we had a few straggling streets with a paltry ten thousand people inhabiting the city, to-day we have magnificent buildings which, in a given compass and in comparison to the population of the city, are second to none in any Australasian capital. Moreover, the natural beauties of the situation of our Capital are to-day the envy of less favoured cities in other parts of Australia. Whilst we have reached a period in the history of this State when lavish expenditure cannot be continued, when every pound to be expended must be weighed, and care taken that value is received by the State, whilst we have reached that period when expenditure must of necessity be adjusted according to revenue, yet the Government of the day recognises that a bold forward policy of developmental works to open up the country must, in the interests of the people, be undertaken. And whilst the feverish boom days of our early gold discoveries, with to some extent unhealthy influences on the morality and the thrift of the people, have gone by, I can point out with all earnestness that an era of steady and continuous progress has set in, an era which will certainly be more conducive to the permanent happiness and wellbeing of our people. I give credit to those who were the early pioneers of our country, men who settled here in the early fifties with their families and opened up this great Colony, those who went out-back and prospected, those who discovered the back gold-bearing areas of our State; all deserve credit for the hardships they endured and the confidence they had in their own ability and in the country. And whilst we bestow some praise on those who settled here in the early days, I may also remind members that the later pioneers, those who flocked over from the Eastern States—and some I see sitting in this Chamber to-night—who went out-back and developed our goldfields, ought not to be forgotten. Those men also had the stern grit and determination which go to build up a great country and a great free and independent people. Generally, looking back over the past fifteen years I can only exclaim that

the progress has been wonderful indeed, and ought, I think, to satisfy those who are most deeply concerned. My Financial Statement this evening will, I think, show clearly that the day of prosperity for Western Australia has not by any means departed. It will show that our progress, if not so rapid as in the early goldfields days, is steady and most marked. It will show that the finances are sound, that our credit is good, and that with careful and watchful administration, combined with determination to open up our vast resources by every means in our power, we have for the future nothing to fear.

Balance Sheet, the Past Year.

Dealing first with the past, the usual printed returns have been handed round to members; and I will invite attention to these returns, which are fairly clear and understandable by every person. Return No. 1 is a balance-sheet or a synopsis of a balance-sheet, and shows on the debit side the total funds held by the State, and the sources from which those funds are derived. Members will see that these sources comprise the General Loan Fund, with £510,000—I purposely omit the odd hundreds—a Sinking Fund with £1,320,000, a Savings Bank Fund with £2,319,000, and a Trust and Deposit Account with £929,000 to its credit; a total of £5,080,000. On the credit side of this balance-sheet members will see how these funds are invested, or how they are being utilised for the time being. There is only one bad item represented in these investments, namely the Deficit with which we finished the last financial year, £119,900. The other items on the credit side mainly represent investments, including the amount in the hands of the Sinking Fund Trustees, of which particulars can be seen in return No. 27 of the Treasurer's Annual Financial Accounts presented to the House with these papers. In addition we have the stores on hand, represented on the credit side of this balance-sheet. These stores I may remark are carefully valued each year, so that they represent the actual value appearing in the balance sheet. The remainder of the credits consist of cash in hand and *in transitu*, mostly lying to the credit of the Treasurer in our local banks, and

amounting on the 30th June last to £946,093. This is the cash balance which, together with the daily revenue received, the whole State depends on for paying all demands on the Government, and I may, in passing, remark that we have an arrangement with the Associated Banks by which we receive interest on the cash balance lying to our credit in those banks. On General Account we receive one per cent. per annum interest for sums over £5,000, and on Savings Bank Account we receive three per cent. per annum interest on the first hundred thousand pounds, $1\frac{1}{2}$ per cent on the next hundred thousand, and one per cent. on the balance. Hence members will see that although we of necessity have to keep considerable balance on hand, yet we make the most of that by our arrangement with the banks, so that it may be reproductive. Return No. 2 gives the Estimated Revenue for the year just past 1905-6, and shows that the actual receipts fell short of the estimate by £75,948. Return No. 3 gives the particulars of the items which the Treasurer over-estimated, totalling £120,069, and the items underestimated, totalling £44,121. The over-estimate total deducted from the other leaves the shortage which I have just mentioned as £75,948. Return No. 3 gives the full information as to the Expenditure for the last year. The under-estimates being deducted from the over-estimates show that the Treasurer's estimate of expenditure was not reached by £88,404; and we deduct the shortage in revenue from the shortage in expenditure we have the sum of £12,456 left, being the difference between the estimated deficit of £132,350 and the actual deficit with which we entered this financial year of £119,900. The figures are given in the Summary of Revenue and Expenditure at the foot of this return. Last year 1905-6 began with a deficit of £46,521, and closed as I have mentioned with a deficit of £119,900, an increase of £73,379 on the year's transactions. I may here point out that for the past three years we have spent each year more than our revenue; and the amounts respectively are £148,000, £129,000, and the £73,000 just mentioned. I hope we have now reached a period in the history of our State finances when we shall be able to adjust our expenditure according

to the revenue, and that in the future we shall be able to maintain that course, so that our credit may retain the good name it bears at the present time in the money markets of the world.

Commonwealth in relation to the State.

Returns Nos. 4 and 5 give particulars of the actual Revenue and Expenditure by the Commonwealth on behalf of Western Australia for the past year, and the Commonwealth Estimates of Revenue and Expenditure for the present year 1906-7. The actual Commonwealth Revenue for last year was £1,287,554, and the Expenditure £414,562. The balance returnable to the State was £872,992, whereas the estimated balance returnable was £932,346; so members will see there was last year a shortage in the Commonwealth Revenue alone of £59,354. Had the Federal Treasurer's estimate been realised, that £59,000 would have gone some considerable distance towards wiping out the increased deficit of last year. This year it is estimated that the Revenue collected by the Commonwealth in this State will reach £1,226,656, and the corresponding Expenditure is estimated at £456,300, the balance returnable to the State being £770,356, or £102,636 less than we received last year. Sixty-three thousand pounds of this deficiency, it is estimated, is caused more or less by the abolition of the special tariff; £7,000 is a falling off in post office receipts owing presumably to the introduction of penny postage, which by the way I see has not been carried, so that we may hope to get £7,000 more than the figures I have just quoted; and £42,000 is increased expenditure generally in Commonwealth administration. Of this increased expenditure, £17,000 is in connection with the customs, post-office, and defence departments, £14,000 is ordinary expenditure, and £11,000 is increased expenditure on new works and buildings, that is, Western Australia's *per capita* proportion. Had this £102,000 been available, had the Commonwealth surplus revenue returnable to the State been the same amount as it was last year, we could hope to have pretty well wiped out the deficit of last year. So members will see what a great effect the Commonwealth Revenue and

Expenditure have upon the finances of this State. In regard to return No. 6, it gives details of new works and buildings to be carried out in Western Australia by the Commonwealth. This is one of the gleams of sunshine in connection with the Commonwealth finances, and the amount is £65,108. This amount is only charged to Western Australia on a population basis as £30,755. That is a very satisfactory state of affairs so far as we are concerned, provided that the works are carried out. I am sorry to have to remind the Committee that last year, although £10,000 was voted for certain post-offices in Western Australia, only £455 was spent on only one, so that £9,500 of last year's estimate still remains unexpended. I think I may be pardoned for saying that every pressure, so far as this Government is concerned, will be brought to bear in the right direction to have the votes passed by the Federal Parliament for Western Australia duly expended here. Return No. 7 is a very interesting document. It shows the revenue and expenditure, and the balance returnable to Western Australia since the inception of the Commonwealth; and the question that naturally puzzles one in looking over these figures is as to whether we are producing within our own State those products which might be causing the decline in the Customs revenue as shown by this table.

Produce Importations, how Reduced.

In looking at the returns for the last five years, I find the amount of Produce Imported into Western Australia during that period has declined considerably. I do not need to give the total figures, because to do so might weary the Committee; but I will give the value per head of the population. In 1901 we imported into Western Australia per head of the population produce and foodstuffs to the value of £7 18s. 10d.; in 1902, £8 10s. 11d.; in 1903, £8 2s. 5d.; in 1904, £6 12s. 10d., a very large drop; and in 1905, £6 5s. 3d. These figures show a considerable reduction in the imports of produce and foodstuffs.

MR. BATH: That accounts for some of the decline in the revenue.

THE TREASURER: In 1903, the year in which the importation of agricul-

tural and pastoral produce attained its maximum, as compared with 1905 we get the following figures, and it is most interesting and instructive to have these figures before us. We imported wheat to the value of £42,000, in 1905 £4,000 worth; of flour, we imported £164,000 worth in 1903 as against £50,000 worth in 1905; bran and pollard, £57,000 worth as against £54,000 worth—there has not been much reduction in that item; live-stock, £264,000 worth in 1903 as against £141,000 worth in 1905; meats, £177,000 worth in 1903 as against £140,000 in 1905; bacon and hams, £138,000 as against £116,000 worth; eggs, £74,000 as against £71,000. The total value of these importations in 1903 was £916,000, as against £576,000 worth imported during last year. I am pleased to be forced to the conclusion that our local production of most of these articles of consumption has to the extent of £340,000 between the two periods named been the cause of our reduced imports.

MR. D'ALGLISH: You are ignoring the manufactures altogether.

THE TREASURER: I am dealing now with foodstuffs alone. Of course members will readily realise that there is any amount of room still for production of this sort; and perhaps it is one of the largest inducements we can hold out to farmers, more especially to those farmers who are engaged in mixed farming in our State, that although we have reduced our imports in these products, yet there is any amount of room for farther local production, and a good market for these wares when produced.

Loan Authorisations and Results.

With regard to No. 8, this return gives particulars of the loan authorisations as at the 30th June 1906, and also the flotations. On the 30th June 1905, our actual net indebtedness after deducting sinking fund was £16,968,929. During the last financial year we floated local inscribed stock to the extent of £21,480, thus exhausting all our loan authorisations and bringing the actual net indebtedness to £16,990,409. During the year we redeemed, as members will see by the return, by annual drawings and debentures, stock to the amount of £5,700, and paid to the credit of the

sinking fund, including profit on purchases of scrip, £246,759. These two items deducted from the previous amount leave the actual net loan indebtedness on June 30th, 1906, at £16,737,950. With regard to our investments, it will probably be interesting to know, members are not already aware of the fact, that we have four classes of loan investments, that is four classes of stock. The inscribed stock is domiciled partly at the office of the Crown Agents in London but chiefly at the London and Westminster Bank; and we have locally inscribed stock, which is domiciled at the Treasury in Perth. These stocks can only be transferred where they are domiciled. Then we have debentures or bonds—these are principally in connection with the loans of 1878 to 1884, and these debentures are domiciled at the office of the Crown Agents, the local debentures being domiciled at the Treasury. They all have coupons attached, and are payable both as regards interest and principal to bearer, and are transferable by delivery in contradistinction to inscribed stock. There is another class of bonds issued in the shape of Treasury bills which are virtually short-dated debentures, and transferable like them by delivery. The total authorisations to the 30th June 1905, all of which have been floated, were £18,273,253. From this we deduct the amount to the credit of our sinking fund, including interest on investments etcetera, £1,320,603, and the amount of debentures which have been redeemed in London by annual drawing £214,700, leaving a balance as before mentioned of £16,737,950.

Public Debt and Sinking Fund.

The above figures represent per head of population £64 3s. 11d. as our public debt; and a comparison with our neighbours in the Eastern States is favourable to Western Australia. In South Australia their debt is equal to £76 8s. 7d. per head as against our £64 3s. 11d. Queensland has £78 7s. 11d.; the older States of New South Wales, Victoria, and Tasmania are all rather under us—New South Wales having £55 7s. 10d. per head, Victoria £42 9s. 8d., very much below us, and Tasmania £52 0s. 5d. per head. But compared with the States which I think more nearly resembles our

own State than any other, Queensland, the comparison is very much in our favour. Perhaps it will be advantageous to give some particulars of our Sinking Fund, because in that respect we stand unique. Two million five hundred pounds worth of our loans are bearing 3 per cent. sinking fund, we have £1,100,000 bearing $1\frac{1}{2}$ per cent., £1,266,000 bearing $1\frac{1}{2}$ per cent. sinking fund, and the balance of £11,336,000 stock and debentures bearing 1 per cent. sinking fund. The totals of these various sinking funds are as follow. The first one, being the Goldfields Water Supply, amounts to £339,000—leaving out the odd hundreds; the second, the Great Southern Railway Purchase, £182,000; the third, Local Inscribed Stock, £35,000; and the usual Stock and Debentures, £762,000; a total of £1,320,000 to date standing to the credit of that fund. Our loans do not carry a sinking fund right from their inception: members will perhaps be aware that our loans do not carry a sinking fund until four years after each loan has been raised. To briefly compare our position with regard to sinking funds with that of Eastern States—and this has a pretty strong bearing upon the question in connection with which the Leader of the Opposition and myself will attend the Conference in Melbourne for which we are leaving to-morrow, the transference of the State Debts—comparing our sinking fund of £1,300,000 with the others, we find this position: New South Wales has a total sinking fund of £439,000, Victoria £298,000, Queensland £68,000, South Australia £144,000, Tasmania £214,000. The total of the whole of the other States of the Commonwealth amounts to a little over a million of money, whereas our Sinking Fund accumulation is £200,000 odd more than the other States put together.

Our Credit in the Money Market.

Members will see that the price of our stock must of necessity be very favourably affected by the investment of our sinking fund. It stands to reason that the trustees in London having these moneys from time to time to invest in our own securities can materially assist to keep our stocks on the money market in a very favourable position,

as indeed they are at the present time. On the other hand we cannot get away from the fact that our stocks are unfavourably affected by the fact that the country's prominent industry up to the present time is mining. Those who have money to invest will of necessity look on gold-mining as more or less of a temporary character, although we know ourselves that our gold mines, as I shall be able to show later on, promise to be of the most permanent description; yet that is a feeling amongst financiers and those investing money; and until we have a settled agricultural population, which we are quickly obtaining daily in Western Australia, we must put up with the influence that this feeling has in connection with our borrowings on the money market. I should like to point out that our credit at the present time is unique as far as the Australian States are concerned. Our $3\frac{1}{2}$ per cents. during the year 1905-6 have made more substantial advances than any other $3\frac{1}{2}$ per cents. on the list. We had a rise during the year of £3, and the other States of the Commonwealth have varied between $\frac{1}{2}$ per cent. and $2\frac{1}{2}$ per cent. Our 1927 3 per cent. stocks are the third highest of all colonial stocks quoted on the market, Canada being first and Ceylon second; and we are well ahead of any of the Australasian 3 per cent. stock with the exception of New Zealand.

MR. BATH: Ours were in the lead of New Zealand, in Saturday's quotations.

Loan Moneys, how Expended.

THE TREASURER: With regard to the next Return No. 9, I should like to explain that the first column of this return is the total amount of loan authorisations charged up to the different works according to appropriations which have been made by Parliament from time to time. The second column shows the total authorisations less the amount redeemed, namely £214,700, and credited to the proper accounts. These redemptions include £115,600 of debentures of the loans 1872-5 which were redeemed on maturity, and £99,100 worth of debentures of the loans 1878 to 1884 which have been redeemed by annual drawings as I have already explained. The sinking fund of these last loans, instead of

accumulating at compound interest, is sunk annually in the redemption of the bonds which are drawn by lot in London. This is of course a somewhat old-fashioned proceeding, and it has of late years been replaced in regard to later loans by purchasing our stock in the open market. The result is virtually the same as far as our stock is concerned, but it has, as I have explained, a pretty considerable bearing on the value of the stock, our being in the position to purchase. The third column shows the actual cash spent to the 30th June, exclusive of flotation expenses amounting to £719,260. If we add this sum, we have an unexpended balance of General Loan Fund of £655,793, being the amount shown to credit of the general loan fund, less the sum of £145,362 expended during the year from Loan Suspense Account.

Reproductive Works, Assets.

Return No. 10, the last of these, shows the operations of the working of the State's chief trading concerns—Railways, Goldfields Water Supply, Fremantle Harbour Works, State Batteries, and the Copper Smelting Works at Ravensthorpe, which, as members are aware, has been sold to Kaufman and Company. After paying the whole of the working expenses, not only the actual interest on the total loan funds expended on these works but also the interest at 4 per cent. on the capital expended out of revenue, amounting in the aggregate to £740,000, the net profit left is £44,328 to go towards the sinking fund. The total capital expenditure on these works from loan funds amounts to £13,836,000; and if we add to this sum the expenditure on reproductive works such as harbours and rivers generally, including the Bunbury Harbour and the Albany and Geraldton Harbours, amounting to £528,000, the expenditure on Telegraphs £332,000, Water Supply for Towns amounting to £156,000, and the Purchase of the Land in connection with the Great Southern Railway the value of which is put down at £300,000, Water Supply and Boring and other works in connection with the general Development of the Goldfields £715,000, Railways under construction £252,000, all of which more or less are reproductive

works, we have over sixteen millions of national debt invested directly and indirectly in reproductive works. The assets to be set against our national debt not only represent in themselves close on seventeen millions of money invested in reproductive works, but are represented by several millions of money which during the past ten years have been expended out of the Consolidated Revenue in permanent public works; so that I think it will be readily conceded that the financial position so far as this State is concerned is equal to that of any other State of the Commonwealth, and I venture to say equal to that of any other country in the British Empire.

Estimates of Revenue and Expenditure.

This brings me to the Estimates of Revenue and Expenditure for the current year of 1906-7; and before quoting any of the figures, I should like to point out that I have made some slight alteration in the method of making the increases and decreases. In the past it has been the habit to show the outer two columns as increases and decreases as compared with the previous year's vote. I consulted the financial experts in connection with the Treasury, and they agreed with me it was a bad principle to compare the vote of one Treasurer with the vote of another Treasurer, to this extent that, neither of them is fixed, both being merely the opinion of the Treasurer; so that no good can result by saying that Mr. Rason's estimate was so much last year and Mr. Wilson's estimate is so much less this year. What we want to find out is what is the actual cost of the departments during the twelve months, and compare the estimate for the next ensuing twelve months with the actual cost, so that if it is more than the cost of the past twelve months the Minister in charge can find out the reason why, and put his brains to work for devising means of keeping the cost down during the current twelve months. It puts one in a false position with the House also, because I as Treasurer may estimate a sum of £10,000 for a certain work or department, knowing full well perhaps it may be exceeded during the year, and during the year I expend say £20,000 on that work; then my suc-

cessor may come along, and going into the thing accurately may make a reduction of £5,000, and may estimate that the same work can be carried out for £15,000 during his term of office; yet he would appear on the Estimates to be expending £5,000 more than I did, whereas as a matter of fact he would be expending £5,000 less. The other innovation, as I may term it, is in connection with the Estimates, and appears as appropriations (at the end of the Estimates) from the sale of Government Property Trust Account. It will be found on page 100, and members will see that it amounts to £62,921. This is a fund which I find is lying to the credit of the account at the Treasury, the accumulation of the past two years. It is for the sale of certain obsolete or unusable stock and stores, and the principal items are (speaking from memory) rolling-stock £6,000, and barges and dredges £8,000 or £10,000. Members will see the details on the back of the sheet. [MR. TAYLOR: All loan funds?] Yes. These are the accumulations of the last two years, and prior to the 31st June 1904 the Loan Expenditure Accounts were credited with such sales. This caused very serious objections, as the published loan figures for one year were very often reduced in subsequent years. It was commented on by the Auditor General, who took very grave exception to the system. He maintained, and rightly so too, that it gave departments money to expend which they were not authorised by Parliament to spend. Then there were very strong objections raised in the Treasury, because it never allowed any loan items to be finally closed, and often a loan item had to be reopened after years had passed by to reduce the credit from Government sales of property. Members will notice that there is a Bill before the House, on the Notice Paper, which is intended to put this matter on a sound and proper footing in future. In the meantime the Government see no reason why this £62,000 should lie in the Treasury, when it can be better utilised by the money being expended on works which are so sadly needed in the country; therefore we have added these appropriations at the end of the Annual Estimates, amounting to £62,921, so that Parliament may give us the necessary authority to expend the

money. On pages 2 and 3 of the Estimates members will see the figures for the year 1906-7. We began the year with a deficit of £119,900, taking the expenditure side, and our Estimates of Expenditure exclusive of the estimates provided by special Acts (over which the Treasurer has no control) amount to £2,652,658. Added to this we have to put the expenditure under those special Acts £936,041, making a total Estimated Expenditure of £3,588,699.

Revenue for 1906-7, how Estimated

On the Revenue side we have revenue collectable by the State, according to my estimate, amounting to £2,821,857. The details of this revenue are shown on pages 8 to 11, and underneath we have the amount which the Commonwealth Treasurer estimates to hand over to us during the ensuing year £770,356, making a total Estimated Revenue of £3,592,213. The Estimated Deficit on the 30th June, 1907, amounts to £116,386. So members will see that I hope to end the present financial year with a small credit over and above the actual expenditure and revenue for the year's working; a small credit of £3,514 to go towards the deficit which we are carrying forward from the last financial year—[interjection]—including the land tax. Pages 8 to 11 of these Estimates give details of the revenue. It is estimated that in the State Revenue there will be an increase over last year of £135,910, whereas on the other hand the Commonwealth Revenue shows a decrease of £102,636, leaving a net increase from the two sources of £33,274. The principal items of increase are: Land Tax £60,000, Land Sales £20,000. We estimate to increase our Railways Revenue by £19,000, owing to new lines being opened up in our agricultural districts, and the very promising seasons so far as agriculturists are concerned. The Water Supply, principally the goldfields water supply, is responsible for the next main increase £10,000; and other works and services, including the sale of the copper smelter at Ravensthorpe and the ore left £18,000, amount to £35,000.

Expenditure for 1906-7, how Estimated.

On page 15 is a Summary of the Estimated Expenditure, and members will

see that the principal increases include £39,000 on expenditure provided for by special Acts. This of course is principally the natural increase in our interest and sinking fund bill. There is an increase of £12,000 in the expenditure of the Education Department, and it is estimated that the expenditure on the railways will be £20,000 more than in the previous year. Against these increases of expenditure, however, we have some decreases. The principal decrease is in connection with the Treasury, £37,000, and that covers many items, including a reduction on the Municipal Grants amounting to a sum of £12,000, and the abolition of the bonus which for several years has been paid to the owners of the steamer "Julia Percy," a steamer trading between Fremantle and Geraldton; and I may say in connection with the abolition of this bonus that the Government has been enabled to make such agreement with the principal steamship companies as will maintain the low rate of freight of 7s. 6d. per ton which obtained during the period the "Julia Percy" was running between Fremantle and Geraldton. The Government has also been able to go farther and make such agreement with these companies that the rates for the North-West ports, principally Carnarvon, have been materially reduced. [MR. HORAN: Was it not the competition rather than the Government which did that?] Not at all. This was an arrangement entered into by the Government with those companies, and it is an absolute saving to the State inasmuch as the companies require no bonus at all, and have been willing to enter into this arrangement after due negotiation. The rate from Carnarvon to Fremantle has been reduced from 32s. 6d. per ton to 20s. In the Mines Department we show a decrease of £62,000. This is principally brought about by a decrease in the amount which was provided last year of £38,000 for the purchase and treatment of copper ore, which is now not needed; also £15,000 which was provided for State batteries, and which this year we do not propose to provide out of revenue, but to provide so far as necessary from loan funds. The Attorney General's Department shows a decrease in expenditure of some £5,000, all of it in connection with

Electoral matters. We do not anticipate any general election during the present year, and therefore we shall be able to strike off the £5,000 and odd hundreds in connection with that. The Works Department shows a decrease of £9,000, being more than accounted for by a reduction in the Road Boards Grants; and it is perhaps interesting to note that whereas the Public Works Salaries show a decreased amount on last year, the total estimated expenditure is over £20,000 more than last year. On Roads and Bridges outside the road boards subsidies we estimate to spend some £38,000 as against £36,000 last year; and on Harbours and Rivers we estimate to spend £14,000 as against £11,000 last year; on Water Supply and Drainage we purpose spending some £20,000 as against £12,000 last year; on Additions and Repairs to Buildings we expect to spend £29,000 as against £26,000 last year; on School Buildings and school teachers' quarters throughout the State we hope to spend as much as we did last year, namely £23,000; on Court-houses, Mines Buildings, Gaols, Police Stations, and Hospitals our expenditure this year is estimated at £24,000 more than it was last year. During the year 1904-5 as compared with last year we let 255 contracts in the Public Works Department, amounting to £97,000. During the year 1905-6 which has just terminated, we let 268 contracts amounting to £222,000, and this is not including the three light agricultural railways the construction of which by the department (construction only) amounts to £34,440; so that during the year 1905-6 we put in hand and let contracts for a total of works to the value of £256,000, as against £97,000 during the year 1904-5. [MR. BATH: Does that include expenditure from loan funds?] No; that is from revenue.

Hospital for the Insane.

The hospital for the insane is a work which has cost a considerable amount of money, and I have no doubt it has also cost the Minister for Works a considerable amount of anxiety. It is a very big undertaking, and a large amount of work has been done during the last twelve months. The administration block, the stores block, the kitchen block, the dining and recreation hall, the male and female

attendants' blocks, and the workshops are all practically completed. Provision will be made on this year's Loan Estimates to practically complete the Asylum. I think it is a mistaken policy to keep this magnificent structure, with the large sum of money we have invested there, in an incomplete state. We hope that the patients' blocks, the isolation hospital, the mortuary and machinery blocks will all be practically completed during the current year; and when that is done there will be accommodation in this hospital for the insane for 600 patients, accommodation which is badly needed. I venture here to remark that the asylum will be one of the most up-to-date establishments in Australasia. The grounds, under the energetic care and management of Dr. Montgomery, are being utilised as far as possible for fruit-growing, kitchen gardening, and farm produce, all this tending to reduce the cost of the establishment. The cost per head for the maintenance of patients under Dr. Montgomery has been reduced from 17s. in 1904 to 15s. 10d. in 1905. I may state without fear of contradiction that there is nothing but a desire on the part of the Government to exercise due economy throughout the different departments, and I hope the arduous task which Ministers have before them in effecting these economies will be recognised.

Lands and Agriculture.

I will briefly draw members' attention to the Lands Department, which has been so ably taken in hand by my chief the Premier, and which is now in a fair way to be put on a proper and sound businesslike footing. That is a department which, although it shows a comparatively small decrease in expenditure over last year, namely £1,280, shows an actual decrease of £13,000 on the vote for last year; and that is notwithstanding the large amount of extra work entailed in obtaining the extra £20,000 of revenue which we estimate to receive this financial year as compared with last; also the carrying out of the Premier's decentralisation scheme, which I think it will be readily recognised must of necessity be of great benefit to selectors and others coming to our shores. The development in connection with the

Agricultural Department under the Honorary Minister (Mr. J. Mitchell) is most satisfactory. He has taken charge of this department although I am Minister for Agriculture, and thanks are due to him for having taken this department entirely off my shoulders and managed it in a most businesslike way. He has taken his estimates in hand, and he shows a decrease in the expenditure for the year of £5,689. The principal item in this decrease is in connection with a reduction which is effected in relation to the upkeep and supervision of the Rabbit-proof Fence. He estimates to be able to maintain the rabbit-proof fence for £3,000 less in salaries than was thought necessary during last year; and he has also been able to make a reduction of some £1,100 for State Farms. Every credit is due to Mr. Mitchell for his efforts in this direction.

The Aborigines.

A few words in connection with the Aborigines Department may not be amiss at this juncture. It will be noted that the total expenditure of the department for 1905-6 was £15,099. Relief was administered pretty freely to over a thousand aged, crippled, and destitute aborigines at a cost of £8,000, and grants to institutions for the care and education of native and half-caste children amounted to £2,463, the balance of the expenditure being for the provision of clothing, medical attendance, shelters, legal defence of aborigines before the courts, transport, etcetera. No one begrudges this expenditure; but this year I have been able to frame my Estimates so that the total expenditure will, I hope, show a saving of £1,500 and will not amount to more than £13,500. A number of protectors has been appointed throughout the State, including 38 magistrates, 31 police officers, and 15 private gentlemen; and two travelling inspectors will be appointed immediately the Estimates are passed, who will inquire into the condition of the natives, and see that they keep within certain areas which will be set apart for them under Section 39 of the Act, so that natives will not be permitted to haunt towns or suburbs. Under the new Act passed last year I think we shall be able to look after our native population much

better than in the past, and at a considerably decreased cost, which must be satisfactory.

Economies in Administration.

Much has been said, more especially during the debates on our land taxation proposals, of Economy in Administration. The argument has been worn almost threadbare in both Houses, that there is no need for extra taxation, that what we need is a reduction in the cost of administration. My colleagues and I also have always had that idea prominently before us, and I think that the figures I have just quoted for the various departments of the Government show that we not only have had that idea before us but have acted upon it, and have taken every means in our power to economise wherever economies were justifiable. We do not believe in crippling any department for the sake of saving money and showing a decrease in the expenditure; but wherever we can justify a decrease, wherever we can find that there is an unwarranted expenditure, there we have inserted the pruning knife and cut down that expenditure. But I wish members to follow me for a few moments whilst I deal with the argument for economy, an argument that we can get all we want by economising in administrative expenditure. What do the figures show? That on this year's Estimates of Expenditure totalling £3,588,000, we have £936,000 provided under fixed special Acts which no one can touch, we have £1,596,000 to provide for salaries and wages, and we have £166,000 for incidentals which have already been cut down to the lowest ebb for this year at any rate, having been reduced by the very respectable sum of £12,000. So this leaves us, on the total Estimates, a balance of £890,000 in which we are to effect the economies so vigorously demanded. Members may probably think that this £890,000 may be operated upon, at any rate to the extent of £60,000 or £100,000, to provide all that is required. As a matter of fact, we have operated upon the items of which the sum is composed. Let me point out that the items are as follow. There are £40,000 for Surveys, and £4,000 for Lithography, Caves

Board, etcetera. If we dispense with our surveyors we cannot expect to get any additional income or perhaps we cannot get as much as we received last year from the Lands Department. We must keep our surveyors, in order to earn that income. The next item is £146,000 for Municipal Subsidies, Literary and Scientific Grants, Recreation Grants, Interest and Exchange, Stamps, Travelling Expenses of members of Parliament over the Midland Railway etcetera, Fire Brigades, and Benevolent Grants. Most of these have been reduced; and I venture to say we cannot altogether obliterate any of the items so as to make any big reduction which will, for instance, equal the amount of the land tax. There is £55,000 also in the Mines estimates, to supply material for our batteries, and for the upkeep of mines water supply, surveys, etcetera. If we do not supply our batteries with the necessary working material, we cannot hope to derive a revenue from those batteries; so members will see that we have no opportunity of deducting a large sum from any of these items. Of the £890,000 mentioned, £316,000 is for our Railways, being the estimated amount required for material, stores, replacing of rolling-stock, and payment of compensation—prominent items in all railway accounts. If we do not provide money for these purposes according to the requirements of the Commissioner of Railways, the same argument applies: we cannot get a return from the Railway Department. We have already cut down the items to what we consider is the lowest figure consistent with proper working. For Hospitals, Poor Relief, Orphanages, Police Protection etcetera, £130,000 is provided; and £14,000 is the estimate of our Agricultural Department for the Destruction of Wild Dogs and Mar-supials, and Subsidies to Agricultural Societies. None of these items will bear any farther reduction than we have made, unless we agree to close up our hospitals or a great portion of them, or unless we are prepared to reduce our police force, which reduction is hardly possible with an increasing population, or unless we allow the wild dogs controlled by my friend Mr. Mitchell to run free and commit their ravages unmolested on our flocks. We

are left with the item for Salaries and Wages and the item for Works.

Salaries and Wages, Classification.

With regard to Salaries and Wages, I would point out that we have a Civil Service Commissioner who has recently classified one branch of the service, and that Classification has been adopted by the Government. It has been adopted because we felt that we must give a fair trial to his scheme of classification, and that any errors and omissions therein will be fully ventilated, fully brought before the Commissioner, the public, and the Government, on appeal. The item of Salaries outside the control of the Public Service Commissioner represents railway salaries and wages; and these salaries and wages, as members know, are fixed more or less by agreement between the Railway Commissioner and the men. But if that were not so, I venture to assert that there would not be one member in this Chamber who, at the present juncture at any rate, on the figures I have shown, would wish to reduce our railway men's wages for the sake, if it were possible, of avoiding the land tax which we have passed in this House. We come to the item of £202,000 for our Public Works Department, the only one left to carve. The money is to be expended on roads board grants amounting to £42,000, and £155,000 is for works, buildings, furniture, etcetera. Of course, we could altogether cut off this item, if that were deemed desirable; but its deletion would mean the stoppage of most of the hundred and one works which we require throughout the length and breadth of this land, and which mean so much to the well-being of the people. Members will, I think, agree that it is better far for us to go gradually to work with our retrenchment, if we may call it such, to go gradually to work with our economies so that any changes which we make and which are wanted—of course they will not be made unless they are—may be gradual changes that will not inflict undue and severe hardship on civil servants and others employed by the Government. As to Classification, I should like to remind members that although some decreases have been shown by the Public Service Commissioner, as well as some increases, we have taken

care that all decreases shall be spread over a considerable number of years, in order to avoid hardship; and in no instance have we sanctioned a decrease in the salary of any public servant who is receiving £180 per annum or under. We consider that £180 is little enough for a man, especially for a married man, to live on; and it would be unwise economy and bad policy to allow men receiving such salaries to have their incomes reduced. We therefore provide on the Estimates to pay them the full salary which they are now receiving.

The Retrospective Increases.

Another item I may mention is £3,070 provided for the Retrospective Increases to Public Servants for the year 1902-3; and that is on the basis recommended to the Government by the Under Secretaries who met in conference and evolved a scheme to carry out the promise made by successive Governments for the past three or four years. Some members, perhaps, are not conversant with this transaction the history of which takes us back to the time of the Leake Government in 1902. During that year no increases were shown on the Estimates, as a public service commission was then sitting; but it was promised that increases recommended by the commission and subsequently confirmed by Cabinet should be retrospective to the date of the Estimates for that year. This promise was confirmed by succeeding Governments, and although the report of the public service commission which sat during the Leake régime was not adopted by the Government, yet it was understood that advances which the civil servants might reasonably have expected during the year 1902 would be forthcoming. Nothing farther happened until July of last year, when the then Premier, Mr. Dalrymple, referred the whole problem to the Under Secretaries of the Departments, to recommend a satisfactory method of dealing with the matter and closing it up. Unfortunately it was left; then there were changes in the Government, and eventually the matter came again before Cabinet in March of this year. It was then decided that the recommendations of the Under Secretaries should be adopted, and the amount necessary to pay these back or retrospective increases

should be provided on this year's Estimates. This is the item which members see thereon.

Federal Financial Proposals.

At this juncture, having dealt so extensively with the Estimates and finances of our State, perhaps it will not be out of place for me to make a few remarks in connection with the Federal Financial Proposals. Of course I recognise that this is a most difficult subject to deal with, and indeed I do not purpose to-night, in the short time at my disposal, to attempt to go into this question fully, for many reasons. I feel we cannot afford to approach a question of this importance to our State in any spirit of antagonism. Our object ought to be to arrive at a fair and equitable solution of all the difficulties as they are presented to us by either the Federal Government or by the Conference of State Premiers and Treasurers which is about to assemble. I think we ought also to keep prominently before ourselves the fact that the Federal Government and the Federal Parliament represent the people of Australia as a whole, even as we represent the people of our own State of Western Australia, and that both of us should be credited with a desire to act fairly and equitably one to another; and I am happy to-night to be able to say that all the evidence goes to show that the desire to deal unfairly with Western Australia is more on the part of individual Governments of States of the Commonwealth than on the part of the Federal Government. If members will refer to the Budget Speech delivered by the Right Hon. Sir John Forrest, Federal Treasurer, they will see that he also noted and took exception to the extraordinary action of the State Premiers when they, or at least a majority of them, came to a decision at a Conference held early in this year that after this month of October the Federal Government should be requested to distribute the surplus Commonwealth revenue on a *per capita* basis. Sir John Forrest, on page 40, says:—

My confidence is somewhat shaken when I notice that resolutions have been passed in Conference and in Parliament, asking for a *per capita* distribution under which the State of which I am a representative would suffer a

loss of about £300,000 a year. But although I have never seen any disposition on the part of the members of this Parliament to act other than fairly and generously to the several States, I recognise that it is not right that the finances of the States should be uncertain or unsafe, and dependent on the annual votes of this Parliament. We should therefore begin to prepare at once for the time when the Braddon provision will become alterable.

The resolution, as I have mentioned, was passed at the Conference of State Premiers early this year, and was of a sweeping nature. It was as follows:—

That in the opinion of this Conference the book-keeping method should terminate at the end of the five years—

That is October, the present month—

that three-fourths of the Customs and Excise Revenue should be returned to the States on a *per capita* basis.

The Premiers of Queensland, South Australia, and Tasmania voted in favour of this extraordinary motion. New South Wales and Victoria dissented, and favoured a proposal on the following lines:—

The book-keeping period only to be extended for a limited time, and with a sliding scale in respect of returns to the State, so that within such time the amount to be returned to each State would gradually come to a true *per capita* basis.

Of course they did not go into the details as to how they intended to arrive at this satisfactory position; but at any rate this second proposal shows that so far as New South Wales and Victoria are concerned, their inclination was to treat Western Australia fairly, and that they did not approve of the action of the other Premiers. They certainly disapproved as I disapprove most strongly, of the suggestion of one of those gentlemen that if Western Australia did lose £300,000 per annum, she could come under the clause seeking relief from the Federal Government. I can only say that this bare-faced proposal on the part of certain of the Premiers to rob Western Australia of some £300,000 per annum must meet with the condemnation of all. It savours of brigandage; it is like the action of the needy stockbroker or the speculator who tries to benefit by trading on the credulity, the ignorance or spirit of gambling inherent generally in the people of Australia; it reminds me of the action of the "bulls" and "bears" who rig the market to serve

their own ends; of actions in the early ages when princes and rulers cast covetous eyes on the accrued wealth of their neighbours and took concerted action to despoil those neighbours. I admit that this feeling is still existent to some extent between Governments; but I contend that it should never be maintained between people of one flesh and blood, people of the same country, having the same aspirations as we can claim with our Eastern neighbours. I would warn those Premiers that they should not use their power and influence to rouse the sordid appetites of their people to desire what does not belong to them, that they must not rob Western Australia for the benefit of their own States, and that this act of theirs to try and strangle Western Australia in her struggle for wealth, progress, and prosperity cannot and will not receive the support of any right-thinking people. I hope that in the coming Conference our proceedings will be based on the one desire to deal fairly, honourably, and equitably with those matters which come before us, and that whatever the other States or their representatives may think, they will endeavour to deal with this State generously. Otherwise, I can readily see that if they insist upon taking up a stand which no one can consider an honest one, such action may eventually be taken which may shake the foundations of the Commonwealth itself. I hope, and I am happy to think, that the settlement of our financial difficulties will not be in the hands of those three gentlemen who wanted to pass a resolution of that description and establish what would have been such a great wrong to our State of Western Australia. I would give much to preserve the unity of the Commonwealth, because I can see, as others must of necessity see, that the nations of the Far East are gradually and surely growing in power and strength, they are surely growing in population, wealth, and civilisation; and I can readily conceive that if we do not stand together as one Commonwealth and one Empire, we shall have something to fear from the aggrandisement of the nations I have referred to. But the terms affecting the Commonwealth must be equitable to all the States; and I for one shall not be a party to seeing Western Australia's treasury-chest robbed for the sake of supplying funds

to those of our neighbours who cast covetous eyes on our prosperity.

Revenue Returnable, State Debts.

Let me briefly refer—and perhaps it is only just that I should refer briefly—to the proposals that have been put forward by the Federal Treasurer in connection with these financial matters. The two questions which are paramount are the Payments by the Commonwealth to the different States of the Surplus Commonwealth Revenue and the Transfer of the State Debts. As to the distribution of the surplus Commonwealth revenue, the proposals are briefly as follow. Sir John Forrest proposes that we should continue as at the present time by extending the book-keeping period to the year 1910, that is they shall continue to return to each State the whole of the unexpended balance of the revenue collected in that State, and that from the year 1910 up to the year 1920 the Commonwealth should pay a fixed sum to each State on the basis of three-fourths of the revenue from customs and excise collected on account of each State during the five years from the present year to the year 1910 inclusive. This is a very complicated question; and the action I took, directly I saw the details of this scheme, was that the Premier sent a long telegram to the Prime Minister of Australia protesting that a complicated question of this sort should be submitted to a committee of experts, in order that every phase of the financial problem might be threshed out by men accustomed to finances and figures, that they might ascertain exactly how each State would stand if the proposal were adopted and what the result would be, so that those who come after them and eventually decide for or against the proposal may be armed with the conclusions of the experts trained to this class of business. I think perhaps we shall be able to present that view of the question pretty forcibly at the Conference when we reach Melbourne on Monday next. According to our own Statistical Actuary, Mr. Wickens, who has examined these figures very carefully, he has taken as a basis for his criticism that if this system of Sir John Forrest's had been in vogue during the past three years, he found that Western Australia would have contri-

buted £105,000 per annum to the excess fund, and that if this excess fund had been expended in the different States on the *per capita* basis it would have resulted in Western Australia having paid during those three years £74,000 for the benefit of the States of Queensland, South Australia, and Tasmania. Now I venture to think that we will all object to a proposal which may possibly work out with disastrous results to our State, such as I have mentioned. I object again to Western Australia being exploited for the benefit of Eastern States. I can readily see that this may not be a proper basis for calculation to take three years, or that even if it be a proper basis for calculation it may not work out to the same result as if we took the subsequent five years as a basis of the returnable amount for each State. But still, these being the only figures we have at present to go on, they support my contention that the matter is one of such complication that we must have expert advice and assistance in solving it. The weakness of the whole scheme apparently lies in the fact that the Federal Treasurer intends to retain one-fourth of the total customs and excise duties of each State, to retain that fourth regardless of whether it is really required for Federal purposes and regardless of the cost of administering the Federal Departments in the States.

Tea and Kerosene Duties.

It is also part of the proposal that after 1910 the Commonwealth may impose duties to be ear-marked for specific purposes. This is a matter that must engage the serious attention of my colleague the Leader of the Opposition and myself at the Conference; and I venture to say that if such a clause were placed in the amendment of the Constitution Act, Western Australia would suffer most seriously, especially if those specific duties were placed on tea and kerosene as has already been suggested. Western Australia, with her adult population and her large goldfields population, is a much larger consumer of these articles than any of her neighbours. The consumption per head of our population of tea for the year 1905 was 9·05lbs., as compared with 6·59lbs. for the rest of the Commonwealth; and the consump-

tion of the article of kerosene for the same year amounted to 8·51 gallons per head of the population, as opposed to 3·68 gallons per head for the rest of the Commonwealth. Members see, therefore, that we have this unfortunate position, that a tax placed on these two articles of tea and kerosene as has been suggested, to raise a sufficient sum of money to establish an old age pension scheme for Australia which is estimated to cost one and a-half millions per annum, would necessitate Western Australia's raising at least £147,000 per annum by these two duties, based on our imports for the year 1905. And as our proportion to such a scheme of old age pensions would amount to £43,000 per annum, we should have in addition to paying our portion of these pensions to contribute £104,000 to support the aged poor of the other States. Another phase of the question is that a tax sufficient to raise this sum of money to pay our proportion of this old age pension scheme, on the two articles just mentioned would mean 9d. per lb. on tea and 7d. per gallon on kerosene; a tax I venture to say which would virtually restrict the importations, and possibly to a great extent result in the failure of the scheme. I mention these matters briefly in order to show how carefully any proposals of this description must be considered by the representatives of Western Australia, how very carefully such proposals should be considered by the Parliament of Western Australia, before coming to any decisive conclusion in connection with the matter. I venture to state that a scheme of this description, or if any alteration of the Constitution be adopted which will permit of an action of this description, must be accompanied, as a fundamental principle, with the return to Western Australia and to the other States (if they be in the same position as Western Australia) of any amount which they may collect in excess of the amount required by such State to pay its proportion of the old age pension scheme referred to. It is a simple matter, and does not mean the cost and expense of extending the bookkeeping period, because no bookkeeping will be required so long as we are dealing with fixed duties. If we are dealing with *ad valorem* duties, it becomes

more intricate and more expensive. It is easy to calculate, from the importations of tea and kerosene, how much of the duties on these articles the Commonwealth collected belongs to any given State; and certainly in my present frame of mind I am strongly opposed to the suggestion that we should have specific duties on the lines which have been indicated.

Transfer of State Debts, Right to Borrow.

With regard to the other most important matter, the Transfer of State Debts, this is also of very serious moment as far as we are concerned. It is a large question, and requires the most searching investigations that can be obtained at the hands of experts. I believe I am voicing the opinion of this House, and I hope I am also in accord with the Leader of the Opposition, when I say that we must oppose any scheme which will limit our right to borrow money when and how we think fit. This is a young country, comparatively speaking. It is a country which, although it has made such strides in material advancement during the past 15 years as I have shown, is not anything like fully developed; and it is a country wherein we must have control of our own financial arrangements, in order to raise the necessary funds to develop it and produce the wealth which undoubtedly exists within our borders. A scheme to take over the whole of the State debts, giving credit to Western Australia for her accumulated sinking fund, which I have shown already amounts to as much as all the sinking funds of the other States put together, and providing for a half per cent. sinking fund in the place of that which we already provide in our State finances, would undoubtedly be an advantage, and mean a considerable decrease in our annual interest and sinking fund bill. But again we must emphasise the position which I took up before, that it must be incumbent, if we are to consider it at all, that we have absolute freedom, not only freedom but the undoubted right as far as we are concerned, to call on the Commonwealth to float our loans when and how we require them. It is a question which is too complicated to arrive at a hurried conclusion about, and I think we shall be wise in listening to

all that the representatives of the other States have to say on this question before we commit ourselves in any shape or form. At any rate, I do not intend to commit this State to any proposal of this description, anything that will tie our hands in the advancement of our country. I certainly shall oppose, with all the strength at my command, any suggestion to hand over the railway system of Western Australia to the tender mercies of the Federal Parliament.

Gold-mining, a good Prospect.

I want to draw attention to the state of our main industry in West Australia, and the conclusion I wish briefly to draw for the benefit of the Committee is that notwithstanding we hear some rumours and complaints with regard to hard times, yet the whole of our records, at any rate so far as the past year 1905 is concerned and the early portion of this year, go to show that we are steadily advancing, as I pointed out at the inception of my speech. The gold-mining industry, which is of course the most important industry as yet in Western Australia, so far as the output is concerned has done very much for Western Australia; and perhaps it will be interesting to remark that the first gold in Western Australia was discovered just 21 years ago, in 1885, at Kimberley. In that year we produced some £1,148 worth of gold; in 1906 we turned out over a million pounds worth of gold; in the meantime Coolgardie and other centres were discovered, and of course our gold production was progressing very rapidly. In 1905 (last year) we turned out over £8,305,000 worth of gold; and for the six months ending 30th June last we produced £3,843,000 worth of gold. The total amount of gold turned out in Western Australia up to the present time represents the stupendous amount of 487 tons, the value being £67,000,000. The first dividends from the gold mines were paid in 1890, and they amounted to £1,250. In 1895, we distributed in dividends £2,167,000, and during the six months ending 30th June of this year we distributed £972,000 in dividends. The total dividends paid since the inception of this industry have amounted to 15 millions of money. Surely this is something to be proud of,

so far as the gold-mining industry is concerned; and the output of gold during the year 1905 just passed was 1,955,000 fine ounces, while the output of the whole of the other States of the Commonwealth only amounted to 1,708,000 fine ounces, so that Western Australia turned out 247,000ozs. more than the whole of the other States of the Commonwealth put together. The output for the first seven months of the present year was 1,054,000ozs. This points to the conclusion that the total output for this year may be somewhat under last year, but I would like to refer here to the fact that notwithstanding our output may be somewhat less this year than last year, yet the reports we have received from the different mining centres are most favourable and new districts are opening up well. There are Higginsville and the country north of Black Range, and another district called Barrambie, on the Murchison fields. The State smelting works (copper) having been disposed of to the English company referred to, who have acquired most of the leases on that field, promises development on a very large scale; and it is pleasing to think that at any rate this action on the part of Mr. Kaufman and his friends in taking up the Phillips River district and putting such a large amount of capital there shows that there is some renewed confidence by investors in our mining industries.

The Golden Mile, Deep Mining.

I have had lately a note from Mr. Rd. Hamilton in connection with the development of the Golden Mile and some of the other main mining propositions in our State, and perhaps I may quote from that. He says:—

The ore-bodies now look as if they might easily go to twice the depth to which they have been already worked. In most of them, however, the grade is much lower than in the shallow levels, but there appears to be a more uniform value for the last 300 to 500 feet in depth. This value may be looked upon as ranging from 9 to 14dwts. per ton. In the Great Boulder we have not yet cut the lode at the 2,050ft. level, but are expecting to do so daily. There is very little doubt that we shall find the lode, but have no idea what the value will be. The prospects in the Lake View, Associated, Perseverance, South Kalgurli, Oroya-Brownhill, Cosmopolitan, Gwalia, and Fingal are better than they were 12 months ago. Some of these mines, as you are aware,

have reached a considerable depth. This includes the principal mines of the State.

This I think, from a man like Mr. Hamilton, is reassuring, because he calls all men I think connected with our mining industry generally errs on the side of caution, and when he says that there is a promising future, and that these mines will probably reach twice the depth they have obtained to-day, which as some members are aware is some 2,000 feet, we must come to the conclusion that the gold-mining industry of our State has yet very many years to run, bringing wealth and prosperity to our State.

Other Minerals, a marked advance.

The other minerals produced in our State during the past year and during the first six months of the present year show a marked advance and improvement. The output of tin for the six months ending June, 1906, was 574 tons valued at £57,000, as against £58,811 for 854 tons for the whole of 1904. The total tin produced in Western Australia was of the value of nearly £500,000, and the weight was 7,503 tons. Copper during the six months ending June, 1906, was produced to the extent of 3,061 tons, valued at £16,658, as against £25,000 for the whole of 1904, during which year we produced 3,968 tons. The total copper produced in the State of Western Australia amounts to 58,000 tons, or a value of £327,000. Members will see that during the six months of the present year in tin and copper we have produced almost as much as was produced during the whole of the year 1904. Other minerals for the six months just ended amounted to 75,000 tons, of the value of £30,000. The men employed in this great industry on the 30th June last numbered 16,736, and in addition to that number there were some 1,300 diggers prospecting and working for themselves. These figures are pretty much the same as last year's figures, and show that notwithstanding any little fluctuations in the output of our mines the same number of hands is practically being employed to-day as was being employed 12 months ago. On the Pilbarra fields we have very encouraging reports indeed of mining, principally of course in connection with the pri-

duction of tin, which is very active, particularly at Wodgina and Moolyella, and promising reports have been received in private communications from Moolyella. Some 300, I understand, are at the present time doing remarkably well with alluvial tin. Greenbushes has never been more prosperous than it is to-day. Of course the high rates for tin naturally cause vigorous development, and I should like here to point out that the Mines Department, under the able administration of my colleague Mr. Gregory, has been assisting prospecting parties, and 29 public batteries give every facility to prospectors and others for having their ore crushed. Geographical surveys have been carried out in many centres, and the question of water supply on the various mining fields has had the Minister's most careful attention during the past 12 months, bores and wells having been sunk and tanks constructed in different districts.

Collie Coal, hopeful outlook.

It would be hardly fair to close my remarks in regard to this our main industry without a few words in reference to Collie coal, and I am pleased tonight to be in a position to say that all the mines in Collie are in full work, and that last month the output of Collie coal was a record in the history of the industry, being over 14,000 tons. I am advised that private trade has increased to some extent, and generally speaking the outlook for the future is of a very hopeful description. The completion of the Collie-Narrogin Railway, which is now being put in hand and pushed forward as fast as possible, will provide a further outlet in the Great Southern District which has hitherto been untouched. There are now 322 men employed at the Collie, and the Government is using every effort on its part to see that the consumption of our local fuel is encouraged to the utmost extent.

Goldfields Water Supply.

I would remind members that in connection with our mining industry we have that great scheme the Goldfields Water Supply Scheme closely allied, and my progress that this water scheme is making, any increase in the amount of revenue collected, must of necessity be an

indication at any rate that good is being done on our goldfields and that the Goldfields Water Supply Scheme is doing its share in promoting the production of the gold. The past year of the scheme has been the most successful experienced since its opening. That of course is natural, perhaps. The consumption has increased from 510 million gallons to 600 million gallons, and the revenue as compared with the previous year has increased from £141,000 to 159,000. The actual working expenses during last year were £44,500, as compared with £42,800 in the preceding year. A reserve fund has been created in connection with the scheme in order to provide for the maintenance and upkeep of the pipe track more particularly, and also to provide for the depreciation in connection with the machinery spares. The gross profit during the last financial year earned for the State Treasury amounted to £103,000. This profit is sufficient to pay all the interest and sinking fund on the £250,000 supplementary debenture capital account, and all the interest on the main capital account in addition, chiefly on the 2½ million pounds which was specially borrowed for the completion of this scheme, and leave a balance of £3,000 as a contribution towards the heavy sinking fund of £81,000 on that main capital account. The difference, of course, last year as in previous years of £78,000, the balance of the sinking fund on the main capital account, falls upon general revenue. The dryness of the past summer no doubt had something to do with the heavy consumption, but more especially I think the extension of distributing pipes in every direction where remunerative trade could be done had to do with this increase in consumption. These things and the quoting of specially low rates in certain directions, such as parks, gardens, and street watering, no doubt were some of the main features in causing so much water to be consumed. During the year operations have been extended to Bulong, 20 miles east of Kalgoorlie. As members are aware, Midland Junction and Guildford have been coupled up with the water scheme. The latter towns of course are supplied by gravitation, and this has enabled the Minister for Works to supply the water at such favourable rates as

must tend to the permanent benefit of these two towns. Bulong water is pumped from Boorara, and it is hoped that the laying on of the water to Bulong will result in a fresh impetus being given to mining companies in that centre. At Southern Cross the water scheme has certainly been very largely appreciated. Water has been supplied there at the low rate of 3s. per thousand gallons for low-grade shows, and at the present time five mines are working very low-grade stone with very satisfactory results. It is the intention of the Government and the Minister in charge of this great scheme to pursue the policy of extension wherever payable business can be reasonably assured, and whilst the policy will be to retain the present business and the present consumption at the standard prices, it is intended to quote specially cut prices for any excess consumption. The matter is in the hands of my friend the Minister for Works (Mr. Price), and he, at the present time, is entering into certain negotiations, which perhaps will be brought to a certain conclusion, not only in the interests of the mines and the people of the goldfields, but also to give us that increased revenue which I have estimated to receive from this most important department.

Land Settlement, how progressing.

After dealing with the vast importance of our mining industry, and having dealt with it rather fully, it is necessary that I should draw members' attention to the important question of land settlement and agricultural pursuits. The history of other countries all tends to show that whereas gold-mining has brought rapid population and rapid wealth to those countries in which the precious metal has been discovered, when that industry has done its work by attracting population and has reached its normal level, and in some instances perhaps has passed away, agriculture then becomes the permanent mainstay of those countries, and I have no reason to doubt that history will repeat itself so far as our State of Western Australia is concerned, and that whilst we look with admiration and pride upon the results of our mining development, we must all congratulate ourselves that our agricultural development

is now entering on a phase which promises to show abnormal results so far as the State is concerned. A brief glance at the history of the present wave of settlement in our State may be instructive and interesting. When the Land Regulations of 1887 came into force, the area held under conditional purchase in the whole of the State totalled 342,000 acres; and in 1895, eight years later, the total area was 525,000 acres. In 1893 the land revenue was only £66,000, and in 1894 it had increased to £82,000. In 1895, owing of course to the very large development of our goldfields and to some degree to the large sales of town lots, the land revenue jumped to £153,000, almost doubling the figure for the preceding year. In 1893 the sales of town lots totalled only £2,569; and in 1895 those sales had increased eightfold, totalling £21,000; whilst in 1895 no less a sum than £89,407 was realised by the sale of these lands. The year 1899 witnessed the commencement of the era of our agricultural settlement. In the year we had 433 applications under conditional purchase, covering 73,000 acres. In 1896 there were 807 applications comprising 155,000 acres, double the area for the previous year. In 1897, owing to the boom caused by the throwing open of agricultural lands on the Great Southern Railway, 1,871 selections were approved, totalling 318,000 acres, thus in two years doubling the agricultural land held; and selection went on apace until 1902, when half a million acres were selected under conditional purchase and kindred forms of alienation in the one year. In 1902 the farm land held, exclusive of poison leases, totalled two and a-half million acres. In 1904 an additional 1,350,000 acres were taken up, and in 1905, despite the partial stoppage of selection of second and third class lands, 1,235,000 acres were taken up. Returns for the last two years show a very large increase in the number of applications of all classes. For the financial year 1904-5 applications amounting to 15,955,000 acres were received; and for 1905-6 the total had increased to 20,171 acres, the increase of course being mainly in pastoral selections. There is to some extent an apparent set-back in selections with alienation in view, that is selections c

farm lands; but the figures I will read show that *bona fide* selection at any rate had not appreciably fallen away to any great extent, because in 1904-5 we had conditional purchases amounting to 748,000 acres, and in 1905-6 they amounted to 730,000 acres—an almost equal area. The free homestead farms amounted in 1904-5 to 213,000 acres, and fell away in 1905-6 to 155,000 acres. Grazing leases and poison leases fell away to scarcely anything in 1905-6, owing to the entire withdrawal of inferior lands from selection under grazing and poison leases, that action being thought necessary by the Government. The falling off in the applications for homestead farms is due to the abolition of the old system of granting free passes to intending selectors. Many persons secured free passes to go into the country for the purpose of inspecting land which they said they wished to take up; and on paying the application fee of £1 they received also a return pass to the place from which they came. This system resulted in a great number of homestead farms being applied for; and in many cases the transactions went no farther than the payment of the £1 fee, which carried with it a free pass from the goldfields to the country or from a coastal town to the country, and a free pass for the return journey. To emphasise this point I may mention that last year no fewer than 500 free farm grants had to be cancelled for non-compliance with conditions. At the present time no person holding more than 100 acres of land is allowed to select a homestead farm; therefore the number of such homestead farms may be taken I think as an indication of the extent to which new settlement is progressing. In the year 1905-6 we had no fewer than 982 free farms granted; and the 982 persons who took up those farms may be considered as new and *bona fide* settlers. To show concisely the extent to which settlement has proceeded during the past five years, I may point out that the area held under conditional purchase has increased from 1,200,000 acres to 3,000,000 acres; and the area of homestead farms has increased from 236,000 acres to 923,000, while the area under pastoral lease has increased from 86,000,000 to 144,000,000 acres. This indicates

that we may expect great development in agricultural and pastoral pursuits; and I venture to think that the new Land Bill which the Premier has introduced to the House, having for its object restriction of the accumulation of unduly large areas, the prevention of speculative selection, and the continuity of improvements and assistance to *bona fide* selectors, together with the scheme which I have already mentioned of decentralisation and survey before selection, must materially assist in the progress of land settlement. In addition to the large settlement on Crown lands we find the Midland Railway Company lands now being thrown open and dealt with. The locking-up of those lands, which has proved such a hindrance to the full expansion of our agricultural industry during so many years past, is now at an end; and with the consent of the Government the company is undertaking a vigorous policy of land settlement. Recently the first sales were held, comprising town and agricultural lands in the vicinity of Moora and Koojan, when 47 town lots—about 11 acres—were sold for £1,834, and 66 agricultural lots comprising 22,915 acres realised £34,156. The company gives terms of payment extending over 15 years, with interest added for agricultural lands. Taking everything into consideration, I think we may look forward to a period of progress and prosperity in respect of land settlement during the next year.

Agricultural Development.

This brings me to the agricultural industry itself; and I think I may fairly claim that Western Australia has undoubtedly established its right to be classed as an agricultural country. No branch of the industrial life of our State has shown more solid progress than the agricultural industry; and this is proved by the large areas which are now under crop. In 1901 we had only 201,000 acres under crop, whereas to-day we have 365,000 acres, an increase of 80 per cent. in five years. In the same period the area under wheat increased from 74,000 acres to 195,000 acres; the area under oats from 4,800 acres to 15,700; in addition to which the acreage under hay increased from 104,000 to 125,000; and the acreage of our orchards from

5,300 to 11,000; while the total area of arable land has increased from 384,000 to 779,000 acres. The ringbarking of land has increased considerably. The land ringbarked and partially cleared today in preparation for the plough, or otherwise for grazing purposes, totals 1,692,000 acres as against 835,000 acres five years ago. Our wheat production is most satisfactory, for during any one of the five years I have referred to the average yield of wheat has never been less than 10 bushels per acre in Western Australia; and the average for the whole five years was $11\frac{1}{2}$ bushels per acre, and sometimes it has been as high as 30 bushels per acre. This average exceeds that in any large wheat-producing State of the Commonwealth, and is only exceeded by the average of two States, Tasmania and Queensland. The New South Wales average is $10\frac{1}{2}$ bushels against our average of $11\frac{1}{2}$ for the same period; the Victorian average is $8\frac{1}{2}$ bushels as against our $11\frac{1}{2}$; the South Australian average is $5\frac{1}{2}$ bushels as against our $11\frac{1}{2}$. A promising feature of our wheat production—the feature which goes a long way to substantiate the claim I have advanced that we have undoubtedly taken a position in the front rank of agricultural communities—is the fact that our good wheat lands are in districts very widely distributed. We have good wheat land in the Northampton district, and thence down to the Northam district, to York, and as far south as Katanning; and with the intermediate areas to be opened up we are certainly warranted in believing what I submitted for the acceptance of the House, that Western Australia is undoubtedly destined to become one of the great wheat producers of the world. The soil and climate are both conducive to such conclusion. Land considered worthless some years ago is now found to be highly productive, and with the assured rainfall we have in this State I think I may fairly prophesy a very prosperous and successful year to our agriculturists.

Grain and Hay Production.

The season we are entering on promises to be most successful. The ideal weather conditions with which we have been favoured give a certainty of an unusual yield, and when I point out that the area

which is under wheat this season is so largely an increase on last year's area, it will go far to guarantee the statement which I have made with regard to the production of wheat in our State. The area under wheat has been estimated by the Statistical Department on returns sent in by our farmers. It is estimated we have 338,000 acres under wheat, 222,000 of which have been sown for grain and 116,000 for hay. This exceeds the area that we had for last year's harvest by 27,000 acres for grain, and 17,000 acres for hay, or a total excess of 44,000 acres under wheat over and above last year's area. The area under oats is estimated at 64,000 acres, 29,000 acres of which have been planted for grain and 35,000 for hay, and the excess over last year's harvest is 13,600 acres for grain and 10,700 acres for hay, a total of 24,000 acres in excess in oats this year over last season. The districts principally responsible for these increases in planting are the districts I have referred to: Northam, Northampton, Newcastle, York, Beverley, Pingelly, Narrogin, Wagin, and Broomehill, so that it shows it is pretty evenly distributed right throughout the vast areas we have at the command of our settlers and agriculturists.

Pastoral and Dairying Industries.

It would be hardly fair to pass away from this subject without some brief reference to the pastoral and dairying industries, and to show what increases have taken place in connection with our flocks and herds during the past five years, increases which appear to me to be phenomenal. I do not wish to give too many figures, but I think it is only right that I should point out that during the past five years the number of our horses has increased by 43 per cent. or 29,000 head; cattle have increased during the past five years 86 per cent. or 293,000 head. Sheep have increased in our State 30 per cent. or 700,000 head, pigs by 20 per cent. or 13,000 head, and goats by 200 per cent. namely 14,000 head. The increases have not only taken place during the past five years, but they have been remarkable during the past year as compared with the previous year. Our horses increased by 7,000 head during 1905 as compared with 1904; cattle by 70,000 head; sheep

by 267,000 head; pigs and goats 7,000 head; and camels, mules, and donkeys by 681 head, so that it shows these increases are still going on, and of course it stands to reason it means our national wealth is so much more than it was 12 months ago. I am reminded in connection with the goats that the particular breed of goats in this increase is angoras, and it is estimated we have 2,400 head of these in the State, and probably in the near future we may have the establishment of a mohair industry in Western Australia. The export of wool demands attention, for in 1900 it was valued at £274,000, whilst in 1905 the value had jumped up to £595,000. Hides and skins had increased during the same period from £75,000 to £168,000. Seventeen million pounds weight of wool was exported during the year 1905-6 as compared with 13 millions in 1904-5, showing undoubtedly the immense strides that pastoral pursuits have taken during the immediate past in this State. Ninety-six million acres were held under pastoral lease in 1901, and during last year, or at the present time in 1906, we have 151 million acres of land held under pastoral lease. The total rents derivable from these leases increased from £35,000 to £50,000, and the herds and flocks of the North-West pastoralists, that is the cattle herds, have trebled in 10 years. At the present time we have some 631,000 head of cattle in our State. This brings the reflection that we shall soon have to find some other outlet than our local markets for our beef, and I think it points fairly to the conclusion that in the near future we must have the establishment of freezing and canning works in the North-West. The local market for agricultural, pastoral and dairying products is not fully supplied even yet, for in 1905 we imported no less than $1\frac{1}{2}$ million pounds worth of such products, all of which should have been produced within our borders.

Fruit Export, Wheat

During the past season we have had very successful results from the exportation of fruit. Members will remember that a shipment to the continent of Europe brought the highest market price of the season. The trial shipment of wheat has also paved the way for an

export trade in wheat and flour when the supply will have exceeded the demand. And I think taking everything into consideration we may congratulate ourselves that we have a brilliant future in front of us so far as our pastoral, agricultural, and fruit-growing industries are concerned in Western Australia.

Pearling Industry.

Following on these industries, more especially the pastoral industry of the North-West, one naturally has a word to say in connection with the pearly industry. This industry, of which we do not hear much in Perth, is still a most important factor in the State's prosperity. It has not, during the past 12 months, been in a very flourishing condition, but it gives directly and indirectly a very large amount of employment, and has increased enormously during the past 12 months. In 1896 we had only 115 vessels aggregating 1,926 tons employed in this industry. In 1904, the latest figures I have available, we had 403 vessels with an aggregate of 5,737 employed in the industry. Ten years ago the white labour employed numbered 43 and Asiatics 217. To-day we have white labour 617 employed, and Asiatics 2,405. This all goes to show that taken altogether, with the output of pearlshell obtained from this industry, which in 1904 had reached a total of 1,340 tons as compared with 381 tons in 1896, the pearly industry in the North-West is capable, under wise administration and handling, of farther expansion and of granting farther employment for our people whether they be Asiatics or white men.

Timber Industry, its Troubles.

Now I must say something in connection with the timber industry, an industry with which I was associated for many years in Western Australia; and let me at the onset express the fervent hope that the dispute which has been entered upon to-day, I understand, will soon be settled. I have had, during my commercial career in other parts of the world, very bitter experience of strikes and disputes of this nature, and I can only remark in passing that there is nothing that man can conceive which will sooner drive trade away into other channels than trade disputes

and strikes, which have unfortunately begun to-day in connection with this industry. I hope that the dispute will be settled, as I said at the onset, very quickly. [MR. A. J. WILSON: It could be settled to-morrow.] I hope it will be settled to-morrow. [Interjection.] I have no doubt it can be settled to-morrow, if the Government step into the breach and give away some of the assets of the State to one side or the other. Any dispute could be settled under such conditions. [Interjection by Mr. HORAN.] The hon. member can take this from me, that both master and man will receive justice from the hands of this Government, and nothing more than justice. Although the timber industry is to-day, if I may use the expression, in somewhat of a parlous position, yet the records and figures show that during the last twelve months it has held its own as compared with the previous twelve months, notwithstanding the competition of the Eastern States and other countries. In 1903 the output of the timber mills totalled 126,000,000 super feet; in 1904 it totalled 143,000,000 super feet; and last year 137,000,000 super feet. The total value in 1903 was £620,000; in 1904, £655,000; and in 1905, notwithstanding the slight reduction of the total output, the value was £690,000; showing that the industry as a whole had held its own during these three years. In the export of sandalwood there was considerable activity during the last 12 months, as compared with previous years, for in 1906 we have exported up to the 30th June—that is for six months only—£45,000 worth of sandalwood, as compared with £39,000 worth during the whole of 1905, and £25,000 worth in 1904.

Timber Exports Compared.

Let me compare the export of timber with that of the Eastern States, and the only comparison I wish to make—and it is one that appeals readily to members and to the people—is on the basis of population. Western Australia's timber export trade last year reached £2 18s. 3d. per head of our population. The exports of Tasmania, which has done so much to compete with our jarrah and karri timber, only reached 10s. 2d. per head of the population. New South Wales, which is now competing pretty severely, only ex-

ported to the extent of 4s. 8d. per head of her population, Queensland 4s. per head, South Australia 1s. 4d. per head, and Victoria 8d. per head. The total value of the timber exported including sandalwood during last year from Western Australia was £729,000, as against £608,000 for all the other States of the Commonwealth put together. In addition to what I have mentioned there is of course considerable trade being done in mallet bark, which has attained proportions of very considerable importance. In 1905 we exported £154,000 worth of this commodity, and for the first six months of this year £62,000 worth. I may for the benefit of the member for Forrest (Mr. A. J. Wilson) explain and again assert that the importance of the timber industry is fully recognised by the Government. The Government has made considerable reductions in wharfage rates in order to assist this industry, and I have no doubt my colleague has still got the other matter, that of railway rates, under his consideration. The excellent reports which have been drawn up for the Government by Mr. Julius with very great care and the expenditure of a lot of time and anxiety, showing fully the relative values of our timbers, with illustrations of tests as compared with other parts of the world, will materially help to advertise the value of this product, which means so much to our State, and I hope will counteract that wonderfully Federal spirit which causes one of our Eastern neighbours to decry the timbers of Western Australia, in order if possible by so doing to advance the value of its own produce. The figures of the first six months of the present year do, of course, show a considerable falling off in the export of timber, the timber exported being valued at £245,000 and sandalwood at £45,000, as I have previously explained. But the last two months, July and August, show there has been a very considerable increase again in the export trade. From the Port of Bunbury alone in July we exported 9,562 loads, valued at £38,000, and in August 15,933 loads, valued at £63,000, a total value of £101,000 in round figures for the two months. So that given, as I confidently hope we shall have, a quick and expeditious settlement of the trouble which has come upon us

in this industry, I have every hope that the ensuing 12 months will give equal prosperity in this one of our most important industries with that we had during the past three years.

Soft-wood Planting.

There is another phase of this timber question that I cannot pass over, and that is that our experiments in the planting of pine trees have met with marked success; so much so that the Government propose in the near future extending these planting operations very largely in suitable districts. By this means we hope to bring another class of timber into the market, a timber which is now largely imported from the Baltic and from the States of America, and conserve within our borders that trade which undoubtedly we have a right to, if we can produce the class of timber that is in demand in our markets.

Fisheries, Sponges.

Our Fisheries Department has been principally engaged during the last 12 months in endeavouring to open up a new industry in sponges. This industry may develop very considerably, and become of great importance to the State. Specimens of local sponges have been obtained and forwarded to the Agent General, and I have every hope that we have in this enterprise another avenue which will prove a source of profit to the country.

Trade Imports and Exports.

With regard to the general trade of Western Australia, let me point out that during the year 1905 our imports totalled six and a-half millions, of which £2,700,000 came from the Eastern States, £2,300,000 from England, and £1,300,000 from foreign countries; the United States of America, Germany, and France being in the order named the largest contributors outside of Great Britain and our Eastern neighbours. The imports represent £25 18s. 1d. per head of population, and the corresponding figures of the other States of the Commonwealth for 1904 vary from £20 2s. 3d. per head for South Australia to £11 11s. 1d. for Queensland. Our exports during the same year amounted to £9,900,000, of which the main item was of course gold specie £4,200,000,

and uncoined gold £3,300,000; but we exported in addition timber to the value of £690,000; wool, £595,000; pearls and shell, £267,000; hides and skins, £168,000. The exports show an apparent decline as compared with the year 1904, when our total exports were £10,300,000, some £400,000 more than during the past year. But this decrease is entirely due to the smaller quantity of gold exported in 1905. All the other heads I have mentioned show satisfactory increases, and more especially is the increase satisfactory in the item of wool exported. Of our exports the United Kingdom took £4,200,000 worth, India and Ceylon took £3,900,000 worth, mainly gold; and the Eastern States took from us only £800,000 worth. For the balance, Germany was the best customer. I believe Germany took nearly the whole of the mallet bark exported, £130,000 worth. Our exports equalled £39 9s. 1d. per head, being largely in excess of those of the Eastern States, which ranged from £23 7s. 9d. per head for South Australia to £16 14s. 5d. for Tasmania. Our large male adult population undoubtedly favours Western Australia in making such comparisons; but the difference is so great as to give us a very easy lead over the other States, even taking that into consideration.

Shipping Increasing.

Our inward and outward shipping increased, for the various ports, from 3,550,000 tons in 1904 to 3,670,000 in 1905. Of course I do not wish members to draw from this fact a conclusion that the ships brought or took away increased quantities of cargo; but it is natural to suppose that ships will not come to our ports unless to obtain remunerative employment. The tonnage for 1905 is in excess of other years, with the exception of 1901, when it was unduly inflated by the large number of troopships sailing to and from South Africa. In reference to our harbours and rivers, let me state that it is proposed to make provision on the Loan Estimates for two additional light-houses north of Geraldton, which have so long been badly needed. New signalling apparatus has been provided at our principal signalling stations, in order that vessels may be communicated with when passing at night. Increased jetty accommodation has been given in the Swan

River, and the reclamation of the Perth foreshore has been vigorously pushed forward. The dredging of the harbours at Bunbury and Albany will be early put in hand and proceeded with.

Banking and Savings.

Banking operations show also that material advancement has been made in financial circles. During 1905 the total liabilities of our banks of issue in this State were £5,600,000, of which sum £5,100,000 represented deposits. These are large figures; but during the quarter ended 30th June of this year they have considerably increased. The liabilities have increased to £6,100,000 and the deposits to £5,600,000. The assets, in the aggregate, were in 1905 approximately seven millions, and the advances £4,100,000; while there was of coin and bullion in hand $2\frac{1}{2}$ millions. There is again a large increase at the end of last quarter, the assets having jumped to £7,600,000, advances to £4,500,000, and coin and bullion to £2,700,000. These figures seem undoubtedly to show increased prosperity amongst our people. The fact that deposits have in the last six months increased by £500,000, I think, can bear no other interpretation; and one is also pleased to see that the banks are not holding but are lending, because their advances to customers have increased by £400,000 during the last six months. But our own Government Savings Bank seems to me a better gauge of the thrift and prosperity of our people than even the banking institutions to which I have just referred. I have already dealt pretty fully with our Savings Bank; but I should like to point out that in 1905-6 the deposits exceeded withdrawals by £47,000, and that the bank for the last financial year paid 3 per cent. interest on the deposits, to the extent of 61,000. On the 30th June last, the balances to credit of depositors had increased by £108,000; and to show the enormous extent to which the operations of this undoubtedly splendid institution have been carried, let me point out that deposits to the amount of £196,000 were received during last year, and that the average deposit was £8 16s. 6d. There were 138,000 withdrawals, averaging £12 3s. 4d. The number of deposits,

and the fact that the amount deposited is larger than that withdrawn, show that the institution is serving its purpose, that people are depositing their small savings averaging £8 per head, and that when their savings accumulate they withdraw them in larger amounts for investment and other purposes. I think it is an undoubted proof of the popularity of this institution when I again remark that the accounts number some 63,000, or in other words every fourth person in our State is a depositor at the State Savings Bank. The new Act recently passed by Parliament for the control of this institution will greatly increase the utility of the bank; and steps are now being taken to arrange for a school children's savings bank system. The administration, I have no hesitation in saying, is excellent; it is economical. It amounts to 7s. 5d. per cent. as against 6s. per cent. which the Commonwealth Government charges us for receiving deposits and for paying out moneys to the clients of the bank from their post-offices. This work, when performed at our own branches or head office, amounts to something under 3s. per cent.; the profit on the last year's transactions amounted to £2,854.

Education Extensions.

It is unnecessary for me to repeat at length the remarks which I made on the Educational Department during the debate a week or two since, but I should like to briefly draw the attention of the Committee to the fact that during the year 1905 the number of schools had increased by 45 in our State, and that during the past seven months of the present year 34 new schools have been opened. We have now 329 schools and 28,000 scholars, with an average attendance of nearly 24,000 scholars. The school system, which we wish to extend as much as possible wherever people are gathered together in sufficient numbers in the back blocks, is already very extensive, and schools are dotted here and there over 2,000 miles of our coast line from Derby to Esperance, and extending inland as far as Peak Hill, Lake Way, and Laverton. Provision is made on the present Estimates for 33 new schools, with quarters included. This involves an expenditure of something like

£12,000. inclusive of revotes for buildings provided on last year's Estimates but which were not completed or the money for which had not been expended. The revotes amount to £9,197, and there is an addition to this expenditure which has to be carried out this year on schools of £2,668 to provide a School of Mines at Kalgoorlie.

Crime, a Decrease.

As pointing to the wellbeing of our people and the more settled conditions of our country, it will not be out of place to draw members' attention to the fact that despite our increased population a material reduction in the volume of crime has taken place in the State; the number of cases brought to trial and the number of convictions being somewhat less during 1905 than during 1904, and the cases of drunkenness have also decreased. The consumption of intoxicating liquors has fallen from £10 2s. 3d. per head of the population to £9 10s. 4d. per head, pretty generally showing that the conditions of our people are rapidly becoming more favourable and more settled, and it is also worthy of note that the total cost and upkeep of the police force, notwithstanding the increase in population, has decreased. It has fallen from 10s. 2d. per head of the population in 1903-4 to 9s. 2d. in 1905-6.

Immigration.

Another evidence of the progress of our country is the figures which, though not large, are promising, in connection with immigration. Immigration has made very steady progress during recent years. The immigration has principally consisted in assisting families to join their fathers who already are in our country, and also in assisting agriculturists desirous of settling on our lands. The majority have arrived from the Eastern States. During the year 1905 314 immigrants were received from Europe and Great Britain, while 256 adults and 232 children came from the Eastern States. Passages have been paid in advance by the Government, to be subsequently refunded. Of the immigrants arriving last year—to show these people do not come to our shores destitute—313 brought with them a capital amounting to over £17,000.

Population, a comparison.

This brings me generally to the question of population; and the figures are most encouraging in this connection, for in the first seven months of the present year our population increased by 6,984 souls, 4,284 being an excess of arrivals over departures, and 2,700 an excess of births over deaths. It is interesting to note the rapid strides during the past five years and seven months—since the commencement of the present century. The population increased in this State from 179,000 to 261,000, a net increase of 82,000 persons, being 46 percent. increase. Western Australia is very much in advance of any other portion of the Commonwealth in this connection; for the five years the percentage of increases is as follows:—Western Australia, 41.77 per cent.; New South Wales, 9.63 per cent.; Victoria, 1.78 per cent.; Queensland, 6.86 per cent.; South Australia, 5.91 per cent.; Tasmania, 4.70 per cent.; and the total Commonwealth increase is only 7.73 per cent., as against 41 per cent. in Western Australia. The vital statistics also are most promising and bear out the figures which I have quoted in connection with our population; they show that our death rate is decreasing, and that whereas it was 13.38 per thousand in 1901, it is now only 10.83 per cent., and compares most favourably with Victoria the death rate of which is 12.10 per cent., New South Wales being 10.13 per cent. The birth rate since 1898 has never fallen below 30 per thousand of our population, whereas in the other States it ranges from 29.32 per thousand in Tasmania to 23.26 per thousand in South Australia. The marriage rate, which is also looked on in most civilised countries as an index of prosperity is higher than in any other State, one of the highest in the world. For 1905 it was 8.48 per thousand, whereas in the other States it ranged from 7.61 for Tasmania to 6.04 for Queensland.

Conclusion, a Policy of Development.

I have about completed my arduous task for this evening, and let me in conclusion say that I am firmly of the opinion, and the Government is decidedly of the opinion, that our country must be developed. Without touching on the

details of our loan proposals, which will be before the House in a very short space of time, I want members and the country to understand that it is the fixed determination of this Government, and we see no reason (and I see no reason from a Treasurer's point of view), why we should not be able to raise all the money necessary to carry out our projects. It is the fixed determination of the Government that the works forecast to a great extent in the Premier's policy speech shall be carried out and provided for on our Loan Estimates and in our Loan Bill when it comes before the House. These works will include, speaking generally, railways for our goldfields to open up and develop the gold-mining industry; railways for the farther opening up of large agricultural districts, which I have shown mean so much for the permanent advancement and wealth of our country; artesian boring and other facilities in the far North-West; the carrying to a successful completion of that great metropolitan sewerage scheme which is going to prove so helpful and of such great advantage to our metropolitan city, to the port of Fremantle, and to the suburban cities, as our population increases. The Estimates include funds for the development of the mining industry by continuing to assist the legitimate prospector, and the supply and maintenance of water in our out-back centres, together with the cautious extension of our State battery system. They will cover the completion of that great extension work of the Bunbury Harbour; and I hope we shall also be able, if not during the immediate 12 months in the succeeding 12 months, to open up that vast area of magnificent timber and agricultural country which we have lying at the present time almost unknown to the southward of Bridgetown. We intend to provide funds on our Estimates for the encouragement of agricultural pursuits; and above all we intend to provide the necessary funds for the con-

tinued settlement of the people on our lands, in order that we may produce the wealth which lies there to be produced for the benefit of all concerned. I think I have shown in my remarks this evening and by the figures quoted that Western Australia is not standing still, that she is steadily and surely progressing. I have shown that her population is increasing not only by the natural increase of her own people, but by immigration, by people coming to her shores, finding after due inquiry that this country provides and holds out better prospects to them than any other country they can go to. I have pointed out that her industries are on a sound and sure basis, and that notwithstanding the difficulties we have in some of them they show satisfactory increases. I have shown also that the great mining industry, which has undoubtedly done so much for our prosperity, maintains its position, and is likely to be prominent for many years to come; that the settlement of our lands, together with the consequent increase of cultivation, is progressing by leaps and bounds; that our herds and flocks are multiplying through the recurrence of good seasons, to meet the most sanguine expectations of the pastoralist; that the administration of this Government is cautious and sound without being cheeseparing in any sense of the term; and that we may look with hope to the future, recognising that we have a country which is good to live in and fraught with all the possibilities of wealth and prosperity for its people.

I beg to move the first item, "His Excellency the Governor, £1,148."

On motion by Mr. T. BATH, progress reported and leave given to sit again on Tuesday, the 23rd October.

ADJOURNMENT.

The House adjourned at 10.45 o'clock, until the next day.

APPENDIX TABLES Nos. 1 to 10, referred to in the Treasurer's Financial Statement.

No. 11

Synopsis of Balance Sheet, 30th June, 1906.

	Dr.	£
General Loan Fund	510,431	
Sinking Fund	1,320,603	
State Savings Bank	2,319,877	
Trust and Deposit Accounts	929,845	
		<u>£5,080,756</u>

CR.

Generally.

Consolidated Revenue Fund Balance, being Deficit	...	...	119,900
Advances to be recovered	...	...	34,948
Investments and Sinking Fund	...	...	3,634,983
Stores on hand	...	...	344,832

Cash on hand and in transitu.

Agricultural Bank Redemption Account	...	...	...	3,986
Current Accounts	...	...	...	488,137
Eastern States	...	...	...	26,727
Sinking Funds Municipal Loans	...	...	...	1,340
State Savings Bank	...	...	...	366,410
London	...	...	...	24,223
Treasury	...	...	...	8,615
Fixed Deposits	...	...	...	26,655
				<hr/>
				£5,080,756

[No. 2.]

Revenue. 1905-6.

						£
The Treasurer's estimate for the year was	...	...	...	...	...	3,634,887
The actual amount received was	...	...	...	...	...	3,558,939
						<hr/>
Or a total net over-estimate of	...	...	...	...	...	£75,948
<i>The over-estimates were—</i>						
Stamp Duty	...	...	...	...	...	10,800
Probate Duty	...	...	...	...	...	4,292
Totalisator Tax	...	...	...	...	...	6,420
Mining	...	...	...	...	...	4,826
Smelting Works	...	...	...	...	...	21,807
Water Supply	...	...	...	...	...	2,253
Harbour Dues	...	...	...	...	...	396
Royal Mint	...	...	...	...	...	2,324
Reimbursements-in-aid	...	...	...	...	...	1,291
Fees, Public Offices	...	...	...	...	...	3,408
Law Courts	...	...	...	...	...	936
Miscellaneous	...	...	...	...	...	1,962
Commonwealth	...	...	...	...	...	59,354
						<hr/>
						£120,069

Revenue, 1905-6—continued.

The under-estimates were—

Dividend Duty	2,485
Licenses	9,997
Land	5,404
Railways	13,648
Cossack-Roebourne Tramway	213
State Batteries	8,950
Other Public Works and Services	3,424
	<hr/>
	£44,121
	<hr/>
	£75,948
	<hr/>

[No. 3.]

Expenditure, 1905-6.

	£
The Treasurer's Estimate for the year was ...	3,720,722
The Actual Expenditure was	3,632,818
Or an over-estimate of	<hr/>
	£88,404
	<hr/>

The over-estimates were—

	£
His Excellency the Governor ...	354
Executive Council	5
Legislature	1,565
Minister for Lands	12,180
Do. Mines	27,048
Do. Railways	117
Do. Works	71,834
Do. Agriculture	1,876
	<hr/>
	114,979

The under-estimates were—

Special Acts	507
Premier's Office	406
Colonial Treasurer	15,537
Minister for Education	6,733
Attorney General	1,895
Colonial Secretary, including Commerce and Labour	1,497
	<hr/>
	26,575
	<hr/>
	£88,404
	<hr/>

Summary of Revenue and Expenditure.

	£	£
Estimated Deficit		132,356
Over-estimate of Expenditure	88,404	
Do. Revenue	75,948	
	<hr/>	12,456
Actual Deficit		<hr/>
		£119,900
	<hr/>	
Deficit from 1904-5	46,521	
Expenditure as above	3,632,318	
	<hr/>	3,678,839
Revenue		3,558,939
Deficit as above		<hr/>
		£119,900
		<hr/>

[No. 4.]

Commonwealth Revenue.

Head and Sub-head.						Actual, 1905/6.	Estimated, 1906/7.
						£	£
CUSTOMS—							
Stimulants	...	...	...	...	...	261,014	a 257,800
Narcotics	...	...	...	...	...	117,963	113,000
Agricultural Products	...	...	...	...	...	175,087	b 131,000
Apparel and Textiles	...	...	...	...	...	120,736	118,500
Metals and Machinery	...	...	...	...	...	68,500	c 65,000
Oils, Paints, etc.	...	...	...	...	...	13,289	13,030
Earthenware	...	...	...	...	...	16,431	16,070
Wood, Wicker, and Cane	...	...	...	...	...	16,530	16,100
Jewellery, etc.	...	...	...	...	...	15,135	15,100
Leather, etc.	...	...	...	...	...	23,793	d 19,600
Other	...	...	...	...	...	54,400	49,800
Total						822,878	815,000
EXCISE—							
Beer	...	...	...	...	...	60,351	62,000
Spirits	...	...	...	...	...	8,216	9,000
Sugar	...	...	...	...	...	35,327	35,000
Tobacco	...	...	...	...	...	41,655	51,000
Other	...	...	...	...	...	2,386	3,000
Total						147,935	160,000
POST OFFICE—							
Postage	...	...	...	...	...	129,076	121,000
Telegraphs	...	...	...	...	...	70,742	71,000
Telephones	...	...	...	...	...	35,546	35,000
Other	...	...	...	...	...	17,301	18,000
Total						252,665	245,000
DEFENCE						88	100
PATENTS, TRADE MARKS, AND COPYRIGHT						2,318	2,232
NEW REVENUE						621	450
MISCELLANEOUS						373	300
Grand Total						£1,286,878	1,223,082

a. Estimated decrease under Special Tariff, £3,105.

b. " " " " £44,482.

c. " " " " £4,078.

d. " " " " £3,297.

[No. 5.]

Commonwealth Expenditure.

Head and Sub-Head.							Actual, 1905/6.	Estimated, 1906/7.
<i>Transferred.</i>							£	£
CUSTOMS	...	...	...	...	...	...	34,674	35,281
POST OFFICE	...	...	...	...	...	...	282,635	290,941
DEFENCE	...	...	...	...	...	...	45,238	53,089
<i>Other.</i>								
ORDINARY	...	...	...	...	...	...	31,992	46,234
NEW WORKS, BUILDINGS, RIFLES, ETC.— <i>a</i>								
Customs	...	...	...	...	...	...	115	693
Post Office	...	...	...	...	...	...	9,122	18,089
Defence	...	...	...	...	...	...	10,786	11,716
Sundry	...	...	...	...	...	...	...	257
							414,562	456,300

SUMMARY OF REVENUE AND EXPENDITURE.

Revenue adjusted	...	...	...	...	...	...	61,287,554	c1,226,656
Expenditure	...	...	...	...	...	...	414,562	456,300
Balance returnable to State	...	...	...	...	...	...	872,992	770,356

a. Particulars given in No. 6.
forward.b. Includes £4,250 brought forward from previous year, less £3,574 carried
c. Includes £3,574 brought forward from previous year.

[No. 6.]

Commonwealth Expenditure on New Works, Buildings, Rifles, etc.

Head and Sub-head.							Actual, 1905/6.	Estimated, 1906/7.
							£	£
CUSTOMS—								
Erection of Customs House and Bond at Broome	...	...	...	...	...	...	...	1,500
Erection of Customs House at Fremantle	...	...	...	...	...	...	...	a 1,000
Purchase of Trawler	...	...	...	...	...	...	...	b 514
Total							...	3,014
POST OFFICE—								
Additions	...	...	...	...	...	...	2,948	3,598
New Works—								
Derby Post Office	...	...	...	...	...	...	...	c 700
East Perth Post Office	...	...	...	...	...	...	...	c 500
Fimiston Post Office	...	...	...	...	...	...	455	582
Fitzroy Post Office	...	...	...	...	...	...	...	c 905
Fremantle Post Office	...	...	...	...	...	...	...	c 6,000
Laverton Post Office	...	...	...	...	...	...	...	c 850
Princess Royal Post Office	...	...	...	...	...	...	...	c 700
Purchase of Sites	...	...	...	...	...	...	16,091	267
Construction Telegraph Lines	...	...	...	...	...	...	407	8,920
Do. Telephone Lines	...	...	...	...	...	...	11,154	22,200
Wireless Telegraphy	...	...	...	...	...	...	...	b 643
Total							21,055	45,865
DEFENCES—								
Additions	...	...	...	...	...	...	864	1,952
New Works—								
Forts	...	...	...	...	...	...	...	218
Rifle Ranges	...	...	...	...	...	...	...	135
Karrakatta Rifle Range—Pavilion	...	...	...	...	...	...	...	310
Do. do. Additional Target accommodation	...	...	...	...	...	...	...	560
Do. do. New Road	...	...	...	...	...	...	...	355
Kalgoorlie Rifle Range—Site	...	...	...	...	...	...	...	450
Do. do. Construction	...	...	...	...	...	...	...	350
Grants to Rifle Clubs for Rifle Ranges	...	...	...	...	...	...	425	600
Drill Halls	...	...	...	...	...	...	...	140
Drill Hall, Boulder	...	...	...	...	...	...	675	39
Armoury, Northam	...	...	...	...	...	...	70	180
Fort and Site at North Fremantle	...	...	...	...	...	...	3,372	d 8,000
Fort and Quarters, Arthur's Head	...	...	...	...	...	...	4,304	d 580
Defence Material	...	...	...	...	...	...	36,132	b 8,360
Total							45,842	22,229
Non-recurring							2,053	...
Grand Total							68,950	71,108
Estimated amounts which will not be expended during year—								
Post Office	...	...	...	...	...	£4,350	...	
Defences	...	...	...	...	...	1,650	...	6,000
							68,950	e 65,108

a Estimated total cost, £15,000. b Divided on population basis, but information as to State in which the money will be expended is not available. c Appropriations made in previous estimates, but no expenditure incurred. d Total estimated cost of these two items, £87,000, of which £43,338 defrayed to 30th June, 1906. This expenditure charged to the State on population basis, the estimated amount of the charge being £30,755.

Commonwealth Revenue and Expenditure, 1st July, 1901, to 30th June, 1907.

Head and Sub-Head.				1901/2.	1902/3.	1903/4.	1904/5.	1905/6.	1906/7 (Estimated).
REVENUE.				£	£	£	£	£	£
Customs and Excise—Federal Tariff	...	...	...	1,134,045	1,162,535	1,061,789	1,029,515	953,147	960,000
Do. do. Special Tariff	...	...	...	201,569	233,467	196,936	142,549	77,666	15,000
Post Office	...	...	...	225,752	225,244	230,858	257,503	252,665	245,000
Other, including Adjustments, etc.	...	...	...	3,299	...	156	...	4,076	6,656
Total	...	...	£	1,564,665	1,621,246	1,489,739	1,429,567	1,287,554	1,226,656
EXPENDITURE.									
<i>Transferred—</i>									
Customs	...	...	...	31,991	34,687	33,836	33,937	34,674	35,281
Post Office	...	...	...	256,892	269,757	278,994	277,835	282,635	290,941
Defence	...	...	...	33,693	31,320	41,967	40,368	45,238	53,089
Other—Ordinary	...	...	...	14,061	17,524	26,559	28,112	31,992	46,234
<i>New Works, etc. a—</i>									
Customs	...	...	...	...	53	2,658	120	115	693
Post Office	...	...	...	2,178	10,547	26,910	8,016	9,122	18,089
Defence	...	...	...	1,274	1,150	13,571	12,177	10,786	11,716
Other, including Adjustments, etc.	...	...	...	...	476	...	1,104	...	257
Total	...	...	£	339,589	365,514	424,495	401,669	414,562	456,300
Balance of Revenue returned to the State	...	...	...	1,225,076	1,255,732	1,065,244	1,027,898	872,992	770,356
Total as above	...	...	£	1,564,665	1,621,246	1,489,739	1,429,567	1,287,554	1,226,656

a Since 1st July, 1904, calculated on population basis.

[No. 8.]

*Loan Authorisations, etc., as at 30th June, 1906.**Authorisations and Flotations—*

	£	£	£
Authorisations to 30th June, 1905 ...	...	18,273,253	
Do. during 1905-6 ...	...	<i>Nil.</i>	
Do. to 30th June, 1906 ...	...	...	18,273,253
Flotations to 30th June, 1905—			
General Loans ...	15,151,253		
Local Debentures ...	246,100		
Do. Inscribed Stock ...	2,354,420		
Treasury Bills ...	500,000		
		18,251,773	
Flotations during 1905-6—			
Local Inscribed Stock ...	...	21,480	
Authorisations available for Flotation, 30th June, 1906 ...	...	<i>Nil.</i>	
			£18,273,253

Actual Net Loan Indebtedness—

Flotations to 30th June, 1905, as above	...	18,251,773	
Less—Redemptions ...	209,000		
Accumulated Sinking Fund ...	1,073,844		
		1,282,844	
Actual Net Loan Indebtedness, 30th June, 1905 ...	...	16,968,929	
Redemptions during year 1905-6 ...	£5,700		
Accretions to accu- mulated Sinking Fund during year	246,759		
	252,459		
Less Flotations during year, as above	21,480		
		a 230,979	
Actual Net Loan Indebtedness, 30th June, 1906 ...	...	...	£16,737,950

c. As a partial set-off against this decrease during the year of our net Loan indebtedness, there has been defrayed from Loan Suspense Account an expenditure totalling £145,362, which will be covered by the next Loan Bill.

[No. 9.]

Loan Flotations, Debt, and Expenditure, as at 30th June, 1906.

Works and Services.	Flotations as charged to Works and Services.	Actual In-debtedness on Works and Services.	Actual Cash Spent.
	£	£	£
Railways and Tramways	10,325,702	10,178,100	9,634,323
Telegraphs	276,727	243,520	269,308
Harbours and Rivers	2,402,130	2,382,431	2,195,222
Public Buildings	100,364	97,434	67,124
Goldfields Water Scheme	2,903,075	2,903,075	2,689,691
Water Supply in Towns generally ...	204,382	204,162	155,727
Sewerage	121,103	121,103	79,139
Erection of State Batteries	135,118	135,118	130,003
Development of Goldfields and Mineral Resources	896,640	896,640	844,953
Roads and Bridges	151,138	140,098	143,253
Development of Agriculture	664,844	664,844	598,026
Immigration	28,670	28,670	28,085
Miscellaneous	63,360	63,358	63,352
£			
Flotation Expenses, etc. 719,260			
Unexpended Balance			
General Loan Fund 655,793			
	...	...	1,375,053
Debentures Redeemed ... ..	...	214,700	
TOTAL FLOTATIONS ...	18,273,253	18,273,253	18,273,253

Net Results for 1905-6 of Working the State's Chief Trading Concerns.

Trading Concern.	CAPITAL COST.		CHARGE AGAINST REVENUE.				REVENUE PAID TO TREASURY.		NET PROFIT OR LOSS AFTER DEDUCTING WORKING EXPENSES AND INTEREST ON CAPITAL.	
			Interest on Capital.		Working Expenses.	Total.	Gross.	After paying Working Expenses.	Profit.	Loss.
	Loan.	Revenue.	Loan at actual rates.	Revenue at 4 per cent.						
	£	£	£	£	£	£	£	£	£	£
Railways	a 9,866,690	599,250	340,550	23,970	1,224,492	1,589,012	b 1,648,648	...	c 59,636	...
Goldfields Water Scheme ...	d 2,661,258	...	90,473	...	e	90,473	...	92,000	1,527	...
Fremantle Harbour Works ...	f 1,679,387	g 36,000	61,562	1,440	e	63,002	...	53,573	...	9,429
State Batteries	129,094	90,976	4,488	3,639	92,343	100,470	92,200	...	...	8,270
Smelting Works h ... ..	...	14,694	...	588	32,741	33,329	34,193	...	864	...
Total ...	£ i 13,836,429	740,920	497,073	29,637	1,349,576	1,876,286	1,775,041	145,573	62,027	17,699
Net Profit ...									£44,328	

a. A reduction on the total "Railways and Tramways" capital cost of £252,281, representing expenditure not chargeable to Working Railways, notably purchase of land for Cottesloe-Fremantle Deviation, Collic-Narrogin, Jandakot, and Transcontinental Railways (not taken over), surveys of proposed lines, Cossack-Koolbourne Tramway, etc. A pro rata reduction has been made in the interest charged.

b. Includes £14,204 Special Receipts, Engine Hire, etc., which the Railway Department, instead of carrying to Revenue, deducts from Working Expenses.

c. The profit shown by the Railway Department is £54,224. Of this sum £29,075 was erroneously debited to working expenses in 1905-6. It has since been debited to Capital Account, and as this transfer has increased the aggregate profit to the 30th June, 1906, correspondingly, the Railway Department, inasmuch as the amount had not been shown in the profit of any previous year has included it for last year. The discrepancy is partly accounted for by circumstances mentioned in the note below and partly by the difference of method employed respectively by the Treasury and the Railway Department in calculating interest on loan capital. The Treasury figures are part of a comprehensive scheme allocating actual interest paid during the year to the debt principal of the various Loan Works and Services. This debt principal, unlike the principal debited by the Railway Department, includes flotation discounts and expenses, but excludes principal redeemed.

d. Exclusive of a subsidiary loan from Post Office Savings Bank, amounting on the 30th June, 1906, to £239,681. Interest and Sinking Fund on this Loan was paid by the Administration before handing over their surplus to the Treasury.

e. Deducted from Revenue, net amount being paid to Treasury.

f. This is the total Loan Expenditure on the Fremantle Harbour, not on the area taken over by the Harbour Trust.

g. Only approximate.

h. Sold during the year.

i. This £13,836,429 cash Expenditure represents approximately £14,800,000 of the debt on which, on the 30th June last, we were paying interest, namely, £18,058,553.

NOTE.—Apart from Interest on Revenue Capital, this return deals exclusively with cash transactions recorded at the Treasury, and must not, therefore, be regarded as summarising the profit and loss accounts of the respective undertakings. It tells what the State expended in sterling the year, and the return in sterling paid into the State coffers. Hence, as matters in regard to which only the respective departmental accounting branches possess the necessary data, stores on hand are not considered; neither are moneys earned but not received, nor payments due but not defrayed.