

**ATTS.**  
 Hon. J. D. Connolly  
 Hon. S. J. Haynes  
 Hon. W. Maley  
 Hon. B. C. O'Brien  
 Hon. J. A. Thomson  
 Hon. Sir E. H. Wittenoom  
 Hon. J. W. Wright  
 Hon. J. M. Drew  
 (Teller).

**NOES.**  
 Hon. T. F. O. Brimage  
 Hon. E. M. Clarke  
 Hon. J. W. Hackett  
 Hon. W. Kingemill  
 Hon. R. Laurie  
 Hon. W. T. Loton  
 Hon. E. McLarty  
 Hon. G. Randell  
 Hon. Sir G. Shenton  
 Hon. C. Sommers  
 (Teller).

Amendment thus negatived, and the clause passed,

Clauses 5 to end—agreed to.

Preamble, Title—agreed to.

Bill reported without amendment, and the report adopted.

#### ASSENT TO BILLS.

Messages from His Excellency the Governor received and read, assenting to the Co-operative and Provident Societies Bill and the Trans-Australian Railway Enabling Bill.

#### ADJOURNMENT.

**THE COLONIAL SECRETARY:** As I promised hon. members that I did not wish to go on with the consideration of the two Bills affecting the Constitution until the third Bill, the Redistribution of Seats Bill, came up to the House, and taking into consideration also the fact that an important speech is to be delivered in another place, I move that the House do now adjourn.

Question passed.

The House adjourned accordingly at 6:30 o'clock, until the next day.

## Legislative Assembly,

Tuesday, 6th October, 1903.

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**THE SPEAKER** took the Chair at 4:30 o'clock, p.m.

#### PRAYERS.

#### PAPERS PRESENTED.

By the **PREMIER**: Report of the Perth Local Board of Health on the sanitary condition of Factories and Workrooms in Perth and Fremantle.

By the **MINISTER FOR RAILWAYS**: Return showing railway revenue from passengers, goods, firewood, etc., between Coolgardie, Kurrawang, and Kalgoorlie; moved for by Mr. F. Reid. Alterations in Railway Classification and Rate Book.

By the **MINISTER FOR MINES**: Eighth Progress Report of Public Service Commission.

Ordered, to lie on the table.

#### TRANS-AUSTRALIAN RAILWAY, REMARKS IN SOUTH AUSTRALIA.

##### URGENCY MOTION.

**THE SPEAKER:** The member for Kanowna (Mr. Hastie) has given me notice of his desire to move the adjournment of the House for the purpose of calling attention to the remarks of the Premier of South Australia, who is reported to have said last week that the goldfields people in Western Australia were against the early construction of the Transcontinental Railway. The question is, That the hon. member be permitted to make his motion.

Question passed.

**MR. R. HASTIE (Kanowna):** I wish to call the attention of the House to this matter, and I will conclude with a formal motion. The importance of the question largely arises from the fact that a few days ago this House agreed to an Enabling Bill, to give authority to the Federal Parliament to construct this railway, and to authorise our State Government to

construct a broad-gauge railway from Fremantle to Kalgoorlie. I wish to say that neither in this House nor out of it have I been a very enthusiastic supporter of the Transcontinental Railway; but I do maintain that it was, during the federal campaign, one of the measures as to which this country was practically unanimous. But I took no part in the discussion till the other day, when in looking through the *West Australian* of the 30th September, I read the report of a deputation which waited on Mr. Jenkins; and Mr. Jenkins is reported to have said that it was a mistaken idea to suppose that the people of Western Australia were unanimously in favour of the construction of the line; that the goldfields had a population of about 100,000 people, and that the people there were nearly all strongly in favour of constructing a line to Esperance Bay before that to South Australia. That I observe is the first reason which he gave to the deputation for not introducing an enabling Bill, and that appears to be a particularly strong reason with the Premier of South Australia. I have had many opportunities during the last six months of ascertaining the opinions of the people on the goldfields. Within the last five months I have visited at least a dozen centres in my electorate, and I spoke in at least half a dozen centres. I called the attention of the residents there to the request made to the goldfields members and the goldfields people by two goldfields newspapers to try and block the Transcontinental line and other matters until the Esperance Railway was constructed. I called the attention of my constituents to that, and when I told them that I would be no party to a bargain of that kind, that sentiment was cheered—they expressed their approval of that sentiment. I have been a good deal about Kalgoorlie, Hannans, and Boulder, and so far as I recollect no one has told me that the goldfields people were against the construction of the Transcontinental Railway. [THE MINISTER FOR LANDS: Hear hear.] I dare say Mr. Jenkins will say that is the opinion of the *Kalgoorlie Miner*, Mr. Irvine, the editor, and Mr. Hocking and Mr. Kirwan, both of the proprietors; but Mr. Jenkins has not been able to mention, and I have not been able to find out, one other

reasonable member of the goldfields community who has expressed that sentiment. [THE PREMIER: Hear hear.] Since seeing the remarks of Mr. Jenkins, I have consulted several of the goldfields members, and those I have spoken to agree I am right in saying that at no public meeting whatever on the goldfields has the sentiment of blocking the Transcontinental Railway line ever yet been expressed; so that I think I am justified in taking the first opportunity to repudiate this misinterpretation of the goldfields sentiment by the Premier of South Australia. The goldfields people, as members of the House know, have never been at all backward in expressing their opinion whenever they have one, but they have never on this matter expressed such an opinion as that which has been attributed to them. I dare say they have the average failings of the community, but there is one thing they never came down to yet, to appeal to the merchants, the brokers, and the parasites of Australian mining who live in Adelaide to help them in their internal affairs. The goldfields people are not always contented, but as far as I know they have said they will do their best to get things done to suit them, and if not they have to grin and bear it. I have said quite sufficient to show that so far as I have been able to ascertain the opinions of the people on the goldfields, it is not as Mr. Jenkins represents it. Probably Mr. Jenkins will say he gathered that opinion at the time he visited this State and went to the goldfields to attend the opening of the water scheme. It is true at that time there were a few hired individuals who knocked about the streets declaring that the people strongly wished the Esperance line. That was the opinion and is still the opinion of a large number of people on the goldfields; but I do not recollect the opinion being expressed directly or indirectly that people wished to block the Transcontinental line until the Esperance line was built. The temperature on the goldfields at the time the water scheme was opened was always about 100 degrees in the shade, and most of us were more familiar with iced beverages than political affairs. Perhaps very little need be said about that. When the Premier speaks, I hope he will inform the House

whether he has had farther correspondence on the subject with Mr. Jenkins, and whether Mr. Jenkins has given any farther authority for the statement I have read. I only wish to say, in conclusion, I have had a hundred times more opportunity of finding out the goldfields sentiments than Mr. Jenkins has, and I have had at least ten times more opportunity than Mr. Kirwan, Mr. Hocking, and Mr. Irvine have, and my decided opinion of the great bulk of the goldfields people is that they will rejoice when they see the Transcontinental Railway started. I beg to move the adjournment of the House.

**THE PREMIER** (Hon. Walter James): I am glad to hear the observations that fell from the member for Kanowna, who represents a goldfields constituency and surely is entitled to express a much more authoritative idea of the state of public opinion on the goldfields than the Premier of South Australia is. Every member in the House, and I believe every person in the community, with the exception of that very small section to whom the member for Kanowna referred, must have been astonished when they read the observations of the Premier of South Australia, to the effect that 100,000 people on the goldfields were opposed to the construction of the Transcontinental Railway, and that it should be preceded by the construction of the Esperance line.

**MR. ILLINGWORTH**: There are not 100,000 people there.

**THE PREMIER**: I am giving the Premier of South Australia the credit of there being 100,000 people on the goldfields, but as the member for Cue has pointed out, there is not so large a population on the Eastern Goldfields. To that extent, therefore, the statement is slightly inaccurate; but it is most incorrect, and the inaccuracy which most appeals to us is the statement that the population of the goldfields, whatever the number may be, contains a number of people who are opposed to the Transcontinental line unless we first construct a line between Esperance and Coolgardie. I should have thought, speaking with all due respect, that the Parliament of this State was the best means by which we could obtain an expression of the public opinion of the State, and so far as the Premier of South Australia is concerned, he should give the

Parliament of this State the credit of being an adequate exponent of the opinions of its people. When the statement appeared I was somewhat surprised, and I suppose surprise was expressed by every member in the House, those who should best know public opinion in the State, and are better able to express an opinion on the point than are persons who view that opinion from the distance of Adelaide. I wired to the Premier of South Australia in connection with the matter to the following effect:—

*Re trans-Australian Railway.* I have no reply to my letter of the 15th July. Will you introduce Bill to enable survey to be made by Federal Parliament, in view of apparent inclination of Federal Government to do so? The knowledge and data acquired by means of survey would be invaluable, and I should be grateful if you would pass a Bill to enable survey to be made. In reference to your reported statement that goldfields people opposed to the line, could you tell me on what you base this statement? I can assure you that it has no foundation, as is evidenced by the fact that every goldfields member voted in favour of our Enabling Bill, and no attempt was made to suggest that the Esperance line should be made a condition precedent. You are being misled on this point.

To that I received a reply by wire yesterday:—

As stated in my letter 29th ult., do not consider Bill necessary to authorise survey. General expression on goldfields during my visit there and frequent expressions from residents since in favour of Esperance line, authority for statement.

Again I say, surely we in the State ought to be able to adequately gauge opinion about any public matter; and there is no better test of public opinion than the fact that when the Enabling Bill was before the House, no goldfields member objected on the second reading or raised a voice in protest against the construction of that line. Every goldfields member was united in urging on the construction of the line; those who spoke affirming by their expressions of opinion, and those who did not speak on it affirming by their vote, that the construction of the line would be in the best interests of Western Australia, and was justified also in the interests of the Commonwealth. The member for Dundas (Mr. Thomas), who has been most persistent in his advocacy of the Esperance Railway, also supported the Enabling Bill, and joined with the over-

whelming majority of members in this House to pass the Bill through all its stages. I will submit, with due respect to Mr. Jenkins, and if I were arguing the point with him I would say, that astute though he be he could hardly ascertain the general expression of opinion on the goldfields of this State during the course of a two-days visit to Kalgoorlie; those two days being the time when the whole of Kalgoorlie was *en fête*, and when individuals were not so serious in the expression of their opinions as they would be in their ordinary work-a-day habit or humour. In addition to that, he refers to expressions of opinion received by him from residents on the goldfields since that time, residents whom he may have known previously in South Australia, and who may have since written to him expressing their views. I have no hesitation in expressing the opinion that Mr. Jenkins is entirely wrong on this point. There is an overwhelming feeling in this State in favour of the construction of the Transcontinental Railway. I would suggest from this House to Mr. Jenkins, that if he is in doubt on this point, one way to test the doubt would be to pass the Enabling Bill without conditions, giving to the Federal Parliament the right to build the railway by whatever route or gauge that Parliament thinks advisable, but with a clause providing that the Enabling Bill shall come into operation only when it has been approved of by a majority of the residents of Western Australia. That would give an opportunity of testing whether the people of this State are opposed to the line; and by adopting a measure of that nature Mr. Jenkins would afford us an opportunity of proving how entirely wrong he is in this connection. Really I am at a loss to understand the statements he is reported to have made in that interview in Adelaide, because the day after I received that telegram, I received a letter from Mr. Jenkins, written on the 29th September (that is some days before the telegram), in which he says:—

Premier's Office, Adelaide,  
29th September, 1903.

Sir,—I have the honour to acknowledge the receipt of your letter of the 15th July. There is no likelihood whatever of this State at any time passing a Bill for the construction of a railway between South Australia and

West Australia, except upon strict conditions as to both route and gauge. With regard to your suggestion that the Government should introduce a Bill enabling the Commonwealth Government to make a survey, I do not think that any Act of the Parliament of this State is required to enable such a survey to be made.—I have (etc.).

J. G. JENKINS, Premier.

So members will see by this letter of the 29th September that there is no suggestion whatever that he experienced a difficulty because the people on the Eastern Goldfields, or a considerable minority of them, are opposed to the construction of the Transcontinental Railway. He states in that letter most emphatically that there is no likelihood whatever of South Australia at any time passing a Bill for the construction of a railway between South Australia and West Australia except upon strict conditions as to both route and gauge. I need hardly say that I am grieved to receive that letter, and I can only look on the statements he is reported to have made, and which are supported by this telegram, as mere idle excuses to justify what I look upon as being a most unfederal and unneighbourly act.

MR. W. M. PURKISS (Perth): I should like to say that, from what I have heard of the doings at the opening of the goldfields water reservoir in Kalgoorlie, where announcements were exhibited on every awning and public building asking people to support the Esperance Railway, that though I was not present at the function, yet when I came back to Perth there was a general chorus of laughter amongst persons who had been there, in reference to the prominence given to the Esperance Railway project during the whole of the festivities on the goldfields. While Mr. Jenkins was there, and seeing such prominence given to the Esperance Railway, which was placarded not only on awnings and buildings but on the reservoir itself, no doubt he would go back to South Australia imbued with the idea that the Esperance Railway was the one burning question on those goldfields. No doubt he has subsequently seen the notice of motion, which may have been brought under his attention while it was appearing here from day to day, that the member for Dundas (Mr. Thomas) intended to move "That recognising the importance of the Trans-

continental Railway to this State, this House is of opinion that the Government should construct a railway from Esperance to the Eastern Goldfields, in order to remove the cause of the openly avowed opposition of the Eastern States to the inter-State railway." I am only putting this forward as a basis for the language which Mr. Jenkins has used.

THE PREMIER: That motion does not infer the opposition of the Eastern Goldfields to the Transcontinental Railway.

MR. PURKISS: No; but Mr. Jenkins having seen this notice of motion, and having seen the prominence given to the Esperance Railway while he was visiting the goldfields, may have had these grounds for using the language which he has used, probably without much thought; and no doubt the Press in telegraphing made the most of it. I mention this—not going into the merits of the case—in order that members here should hesitate in using strong language by way of reply to Mr. Jenkins.

THE MINISTER FOR LANDS (Hon. J. M. Hopkins): I wish briefly to record my protest against the remarks which have been attributed to the Premier of South Australia. Speaking as a goldfields member, it is in my opinion a most unfortunate incident that a gentleman holding the position of Premier of that State should have allowed himself to be so led astray. The occurrence rather leads one to believe that perhaps the hon. gentleman was not led astray, but that, as our Premier says, his statement was a convenient reason to advance for not falling in with the wishes of this State, and for delaying as far as possible the stages preliminary to the construction of the Trans-Australian Railway. Being the last Eastern Goldfields member to seek re-election, I am fresher from my constituency than any other; and I am perfectly sure that from the very inception of the proposal the people of our Eastern Goldfields have looked forward long and anxiously to some announcement from the Federal Government which would lead them to believe that a Bill for the construction of this railway would be one of the first measures to be brought forward. And I do not hesitate to say, with every degree of assurance, that if the people of the Eastern Goldfields were asked to-morrow to express their opinion

on the construction of this railway—if they were given a choice of the two works, the Trans-Australian Railway or the Esperance Railway—then, while the people of those goldfields look forward to the building of the Esperance Railway, they would not sacrifice the interests of the Commonwealth for the sake of a railway to be built for their own particular convenience. The bulk of our Eastern Goldfields population have come from the Eastern States, and look forward to the time when they will have an opportunity of crossing the continent by rail instead of coming to Fremantle to go by water; and there is absolutely no foundation for the statements made. The people of the Eastern Goldfields, if asked to express an opinion to-morrow, would resent in the fullest possible measure, and would not hesitate to deny most emphatically, the statements made by the Premier of South Australia.

MR. W. D. JOHNSON (Kalgoorlie): I, as a goldfields member, desire to confirm the remarks of the member for Kanowna (Mr. Hastie). When I read in the *West Australian* the statement made by the Premier of South Australia, I was astonished. I immediately wrote to the Australian Natives' Association in Kalgoorlie, an association which has always been the champion of these national undertakings. I drew the attention of the secretary of that organisation to the telegram; and I have to-day received from him a letter repudiating the statement of the South Australian Premier, and stating that whilst the secretary, as an officer of the A.N.A., recognises that the members of his association have advocated and are in favour of the Esperance line, yet at the same time not one of those members would say that the Esperance line must be built, otherwise the association ought to oppose the building of the Trans-Australian Railway. It is true, as the member for Perth points out, that at the time of the opening of the Coolgardie Water Scheme placards were posted all around the towns of Kalgoorlie and Coolgardie, stating that the people wanted the Esperance Railway. The people do want the Esperance Railway; but there was no placard which stated that they wanted the Esperance Railway before the Trans-Australian Railway; neither did any-

one during the whole of that time, as far as I remember—and I was there throughout the ceremonies—ever publicly state that he wanted the Esperance in preference to the Trans-Australian Railway. Again, for six months after the opening of the Coolgardie Water Scheme I resided in Kalgoorlie. Every day I was mixing with thousands of people; and I never met anyone who ever hinted at the suggestion that we should oppose the Trans-Australian Railway until the Esperance Railway was built. True, an article has appeared, and I believe I have read it, in the *Kalgoorlie Miner*, suggesting that the goldfields people should advocate this course. But as far as I remember, no notice was taken of that proposition. And it is true, as the member for Kanowna states, that as far as those of us who live on the goldfields and who are in constant touch with the goldfields people can judge, those people repudiate that suggestion; and we are of opinion that the article practically voiced the opinion of the editor of that paper and of those connected with it, and of nobody else. The journal in question has constantly advocated the Esperance Railway; and when it was advocating that railway it was voicing public opinion. But when it goes farther and asks us to oppose the Trans-Australian Railway, it is hopelessly out of touch with public opinion on the goldfields; and this proves that very often we read in such papers the opinion of one person only, and not the opinion of the people. I confirm the remarks of the member for Kanowna, and trust that the South Australian Premier will be man enough to perceive that he has been misled by a few persons of whom he had no right to take any notice, will admit that he is wrong, and will recognise that the goldfields people are quite as anxious to see this Trans-Australian Railway built as are the people of the metropolitan area.

MR. F. REID (Mt. Burges): In conjunction with the other goldfields members who have already spoken, I rise to support the motion. I may say I am astounded at the duplicity and apparent deceit of the Premier of South Australia in regard to this great question. There is no doubt that at the time the Coolgardie Water Scheme was opened quite a large number of

posters was placed in all the conspicuous positions in Coolgardie and Kalgoorlie, stating that "We want the Esperance line." At the same time, while the people on the goldfields had a great desire—or most of them, at all events—for the Esperance line, they seemed to rest content with the promises which had apparently been given them months before with respect to the Trans-Australian Railway. I refer to the time when "the Bill to the people" agitation was going on; and on every occasion when a public meeting was held in support of the submission of the Bill to the people by means of a referendum, the promise was given by public speakers that if we federated, one of the conditions of our federating should be the construction of the Trans-Australian Railway. I am living almost constantly on the goldfields, and think I am in closer touch with the opinions of the goldfields people than is the Premier of South Australia, who spent two days in this State in the early part of this year; and so far as I know, at every public meeting held lately the people have always asked when the Transcontinental line is likely to be commenced. There is no doubt that the people on the goldfields are anxiously looking forward to that line; and the sooner it is commenced the better they will be satisfied. I desire to express the opinion of the district I represent, that the people are and have always been enthusiastic for the construction of this line, and desire it to be built as quickly as possible.

MR. T. H. BATH (Hannans): When the question of "the Bill to the people" was before the electors of this State, the opponents of the Bill held meetings in Kalgoorlie, and made the question of the Transcontinental Railway a question which they considered should be settled before the electors accorded their support to the Federal Constitution Bill. So far as the electors in and around Kalgoorlie are concerned, the Transcontinental Railway question did not affect the vote they gave in favour of Federation. They voted purely and simply on the merits of Federation; and the meetings held in opposition to Federation were practically nothing but failures. However, in the course of the discussion on the Bill it was practically made a condition that if

Western Australia entered the Federation we should secure the Transcontinental Railway. The people in those electorates loyally accepted that promise; and there were no more enthusiastic supporters of the Transcontinental line than those goldfields electors who so nobly came to the rescue of the federal cause. And I should like to point out that, although the Labour party on the goldfields did not make the Transcontinental Railway a condition of support, yet their members in the Senate and the House of Representatives have been the most enthusiastic supporters of the railway; and we find that during the last two or three months those members have done yeoman service on behalf of the railway by holding meetings in South Australia. But there is one member who, while ostensibly a supporter of the Transcontinental Railway, has used his power and has secretly worked to incite in South Australia a feeling against the proposal; and it is he who has inspired the people of South Australia, or a certain section of them in Adelaide, with a desire to make the Esperance Railway a *quid pro quo* for the granting of the Transcontinental Railway. Now, I do not think there are many people even in Adelaide itself who are in favour of this view of the situation, who are so much in favour of the Esperance Railway that they desire it to be built before they will support the Transcontinental line; and I am strongly of opinion that if we built the Esperance Railway to-morrow, our doing so would not gain the support of those who are using the need for its construction as a pretext for opposing the Transcontinental Railway. Their chief objection lies in the fear that whatever is done now, the Transcontinental Railway will in future leave Adelaide out of the line of route; that Adelaide will certainly be joined to the Transcontinental Railway, but that in the course of years the Transcontinental Railway will become one in fact as well as in name—will take a more direct course across the continent; and this is what has inspired their opposition. Now as regards the agitation which was excited on the fields at the time the federal visitors were here to witness the opening of the Coolgardie Water Scheme, I should like to say that the goldfields people have been in the past and are now

strongly in favour of the construction of a railway to Esperance, but at no time have they ever made its construction a condition of their support to the Transcontinental Railway. That Esperance Railway movement, I have no hesitation in saying, was initiated in order to keep the federal member for that district before the eyes of his electors; in order to give him a certain amount of self-advertisement. We know that members who represent us in Melbourne are placed at some disadvantage through their being a long way from their electors; and we can hardly blame them if they resort to such devices and excite such movements in order to keep themselves before their constituents. And the federal member for Kalgoorlie used the Esperance Railway project in order to maintain his position. At any time prior to that period—say, for a month or two or three months before—we never heard it mentioned save in the columns of the *Kalgoorlie Miner* and the *Coolgardie Miner*; but a feeling was gradually worked up which reached its culminating point at the time of the federal visit. The same sort of feeling was aroused at the time Sir John Forrest went to Kalgoorlie at the height of the alluvial agitation. It was a judiciously worked newspaper movement, and the leaders organised a deputation of 10,000 men and kicked up a fuss just at the right moment. But though they worked up this movement in favour of the Esperance Railway—as they had a perfect right to do if they saw an opportunity—there was no mention made, by any of the deputationists or other speakers, of making the construction of the Esperance Railway a condition precedent to their supporting the Esperance line. I do not think the goldfields people would have been so unfair as to support such a suggestion; and if it was made, its originators had sense enough to keep it in the background. Certainly the idea has since been mooted in the papers, but it has not received any support from the goldfields people; and the Premier of South Australia is relying on a very rotten reed if he thinks that such a pretext will excite the feelings of the goldfields people against the proposed work. I have much pleasure in supporting the motion.

MR. G. TAYLOR (Mt. Margaret): In common with other members who

represent the goldfields, I desire to say—and that portion of the goldfields which I have the honour to represent is removed somewhat from the influence of the Press—I can say without fear of contradiction, and the people I represent number on the electoral rolls 6,000, that I have never heard one word from any individual in that portion of the State against the Transcontinental Railway line, or advising or asking or suggesting that any move should be made to block the Transcontinental Railway with the object of securing the Esperance line. There has been a feeling for a very long time on the goldfields in favour of the Esperance line, and I believe I am right in saying that feeling was stronger four or five years ago than it is to-day; but so far as the Transcontinental Railway is concerned, if it were constructed to-morrow there would be the same desire on the goldfields to be connected by rail with Esperance. I do not think the goldfields people are foolish enough to suggest to any public man, whether he be a representative of the goldfields or the coast, that he should raise his voice against the Transcontinental Railway with the object of securing the construction of the Esperance line. There is a good deal of force in the argument of the member for Perth. I happened to be at Kalgoorlie when the water scheme was opened, and no doubt the Esperance Railway League at Kalgoorlie advertised themselves to the fullest measure. Numbers of their members who were attending the function wore ribbons in their coats with the words "Esperance Railway" on them, and there was an electric display at night on one of the public buildings with the words "Esperance Railway." I am reminded by the member for Coolgardie that it was specially for the benefit of Sir John Forrest. Amidst all that excitement and feeling I spoke to several people, and as far as they were concerned they did not bother too much about the movement. No one knows better than the Premier of South Australia the strength of such an advertisement. I believe that gentleman is wise enough to know the full strength of such a movement on occasions of that kind, and I feel sure that when the Premier of South Australia made the statement that the people on the goldfields were against the

Transcontinental Railway and in favour of the Esperance line, he could not have believed what he said. I believe I have sufficient knowledge of human nature to know that a gentleman in the position of the Premier of South Australia, who was only two days on the goldfields, could not realise as other people did the object of the advertisements as to the Esperance line. It was not to influence people and to get their support for the Esperance line against the Transcontinental Railway. I am speaking now as one who is removed from the agitation of the Esperance line, who represents a far-back portion of the State where men are not so likely to be carried away by such feelings, and I feel sure as far as the goldfields as a whole are concerned there is not the slightest desire on the part of the people of the goldfields to prevent or raise their voices against the Transcontinental Railway line in favour of the Esperance Railway. There may be a few people about Kalgoorlie who have been fighting very hard for a number of years for the Esperance line, but their prejudice has blinded their judgment. When members of this Chamber and the people generally of Western Australia speak of the goldfields of the State they do not confine themselves to Kalgoorlie. I should like people outside the State to know that Kalgoorlie is the capital city of the goldfields and is confined within the borders of the municipality. When people speak of the goldfields of the State, they throw their eyes farther than the borders of Kalgoorlie. As far as this suggestion is concerned, it is confined perhaps within the office of the *Kalgoorlie Miner*; I think I may say that. Knowing that, I support the motion of the member for Kanowna.

MR. A. E. MORGANS (Coolgardie): I am glad indeed to have an opportunity of giving expression as a goldfields member to the views held by the goldfields on this question. I read the other day with great consternation a statement by the Premier of South Australia, Mr. Jenkins, which I am bound to criticise—although I am sure Mr. Jenkins when he made it had no intention that it should be made public—as one of the most misleading and dangerous statements ever made by a public man. Mr. Jenkins in the first place is inaccurate as to the statement of



the population on the goldfields. He says there is a population of 100,000 people. We know quite well that only on the Eastern Goldfields have they taken much interest in the construction of the Esperance Railway. As far as the Murchison Goldfields are concerned, not much interest has been taken in the Esperance line; on the contrary, their eyes have been turned towards the construction of a railway for the purpose of reaching Geraldton. Therefore the statement is misleading to start with. The idea Mr. Jenkins intends to convey is that the whole of the population on the goldfields is desirous of having the Esperance Railway constructed in preference to the Transcontinental line. We all know there is a very large section of people on the Eastern Goldfields who believe in the construction of the Esperance Railway, and it is a political plank in the platform of the Eastern Goldfields to have the Esperance line constructed; but I can safely say that with all the knowledge I have of the goldfields, and the district I represent in particular, Coolgardie, also Kalgoorlie which I know, and farther north up as far as Kookynie and Mt. Morgans, I could not find ten responsible men in the whole of that area who would express the opinion that they would prefer to see the Esperance Railway built rather than the Transcontinental line. If this is so, and I can safely assure the House that it is so, it is a most misleading and dangerous statement on the part of Mr. Jenkins with regard to the feeling on the goldfields over the Transcontinental line. It is quite true that during the ceremonies attending the opening of the Coolgardie Water Scheme the Esperance Railway League, which was a very active organisation, had posted along the pipe line in various places placards containing the words, "We want the Esperance Line." They were telling the public what all knew, as these people had been asking for that line for years past: I have been one amongst the number. When we got to Kalgoorlie we saw a number of placards about Esperance, and on the evening at the banquet which was given in connection with the opening of the water supply scheme there was a large placard across the end of the hall, on which were the words, "We want the Esperance Railway," or some-

thing to that effect. That is the only evidence there was—the existence of the placards along the pipe line, and the placard in the banqueting-room in the evening—of the agitation. So far as there being an expression of opinion from any public body preferring the Esperance line to the Transcontinental Railway, I challenge Mr. Jenkins to state that he ever heard such an expression of opinion. When the question of the Transcontinental Railway came within the sphere of practical politics, and the Premier was discussing the question of bringing in an Enabling Bill, one or two articles appeared in the *Kalgoorlie Miner*, and one of these articles stated that it was the duty of the goldfields to oppose the construction of the Transcontinental Railway until the Esperance Railway was constructed.

MR. JACOBY: That was also stated in the Federal Parliament by the member who represents Kalgoorlie.

MR. MORGANS: I have been told that, but I have not read it. If such is the case, then I can only regret that such a gentleman represents Western Australia in the Federal Parliament.

MR. JACOBY: Mr. Kirwan said it.

MR. MORGANS: Then I regret that he represents Western Australia. It is discreditable that any member of the Federal Parliament should say that outside the confines of this State. I believe outside that article, so far as Western Australia is concerned no such expression of opinion has been heard from any body of men on the goldfields. In only one case have I heard the expression of an individual in that direction; so that the statement made by Mr. Jenkins in the face of all these facts as we know them and understand them seems not only unreasonable but astounding; and it seems to me we cannot help criticising a statement of this kind as being made. I do not say with the intention of misleading, but at the same time of blocking something Mr. Jenkins had been asked to do. Following Mr. Jenkins's remarks we may admit there was reason in Mr. Jenkins saying that in South Australia they had to consider the question of route. That is a fair thing for Mr. Jenkins to say. He may also raise some objection to the gauge. I do not object to that; but I do object to Mr. Jenkins or the people

of South Australia dictating to the State of Western Australia whether we should construct the Esperance Railway or not. I would ask the House and the people of the country, what have the people, the Parliament, or the Government of South Australia to do with the construction of a railway from Esperance to the goldfields? That is a matter of the internal policy of this country, and I think we may look on it as gross impertinence for people outside the State to dictate to us as to whether we should build a railway to Esperance or not. As a goldfields member I desire to say that if there is anything that could possibly arise in my mind to cause my opposition to the construction of the Esperance Railway it is the advocacy or demand for the construction of that railway from South Australia. If that ever comes about from any circumstance, whether a goldfields member or not, I shall consider it a sufficient ground to bring the strongest opposition to bear on that question. As a goldfields member, I reiterate that the statement made by Mr. Jenkins with regard to the feeling on the goldfields of this State is entirely erroneous. No such feeling exists. There is a strong desire on the part of the people of the goldfields for the construction of the Transcontinental Railway, and I can assure this House, as one who knows the feelings of the goldfields, that no more misleading statement was ever made by a public man in Australia than this statement we have received from the Premier of South Australia.

MR. W. OATS (Yilgarn): I have listened with great attention to what has fallen from hon. members on this subject, and I fully indorse what has been said. I am accustomed to travel through the goldfields, as members know, and I represent the oldest of the Eastern Goldfields (Yilgarn), and I can say that although the people of Yilgarn are not in direct communication with Esperance as are the people generally on the Eastern Goldfields, yet my sympathies have always been in favour of making a line to Esperance, but as has been rightly pointed out, especially by the member for Coolgardie, if the Esperance Railway and the Transcontinental Railway are put before me as to which I shall choose, I must choose the Transcontinental Rail-

way. I realise that at the present time the people in this State are not united with people in the Eastern States as they ought to be, and as they may be if the Transcontinental Railway is made. That railway has been promised us, and though persons may quibble and twist and turn as much as they like, we in this State were promised that railway by the then Premier of South Australia, as an inducement to join the Federation. I know a little about South Australia, and I know that people there are rather avaricious to get assistance from outside their borders; for in the case of Broken Hill, which is a part of New South Wales, there is no doubt the New South Wales Parliament would have built a railway through Bourke to connect with Broken Hill if South Australia had consented at that time. South Australia has reaped considerable benefit from Western Australia since these goldfields were opened, and I would be pleased to see more people coming here from South Australia, for I know there are some good people there; but I believe that if a referendum were taken in South Australia to-morrow on the question of the Transcontinental Railway, the great majority would vote for the construction of that line.

MR. J. B. HOLMAN (North Murchison): I rise to support the motion, because I think the Premier of South Australia had no reason to make the statement he has made. Coming as I do from the Murchison Goldfields, which are not so greatly interested in the construction of the Transcontinental Railway, I can say that while lately I have been travelling through these goldfields and other parts of this State I have found the people unanimous in saying that the sooner the Transcontinental Railway is built the better it will be for all the States of the Commonwealth. Having travelled from Peak Hill through the goldfields as far as Norseman, and having mixed during the last year with thousands of people, I have found on almost every occasion when federal topics were touched on that the opinion expressed by the workers in every mining centre I have visited was in favour of the early construction of the Transcontinental Railway. The whole of the people I have heard speak on the subject during my recent travels have been unani-

mous in wishing for the time when the Transcontinental Railway will be an accomplished fact. I do not see what reasonable ground Mr. Jenkins could have for the statement he has made, he having merely visited one or two centres on the Eastern Goldfields at the time when the water service was turned on; and I do not think he had an opportunity at that time to judge the opinions of the people on the goldfields. I am sorry to say that the federal member for Kalgoorlie has not taken a more prominent part in regard to the construction of the Transcontinental Railway; but apart from that, I think it is the unanimous opinion of the people that the member representing the important centre of Kalgoorlie is doing it badly on this question. I trust that the protest in this House from members representing the whole of the goldfields in this State will carry some weight with the people of South Australia.

MR. F. ILLINGWORTH (Cue): Speaking as the first member elected to represent the Murchison Goldfields, I can say definitely that the people at the Murchison desire unanimously the construction of the Transcontinental Railway. The Esperance Railway and the Transcontinental Railway are entirely different projects, the one belonging to the Federal Parliament and the other belonging to the State Parliament; and it is entirely wrong that conditions from another State should be advanced in regard to the politics of this State. The construction or otherwise of the Esperance Railway is a matter purely of State politics, and it in no way interferes with the Transcontinental Railway, which is a question apart altogether. A man may be an ardent supporter of the Esperance Railway and an equally ardent or even greater supporter of the Transcontinental Railway. It happened that there was a little agitation at the time of the visit of the Federal members to this State, that agitation being promoted by persons who are in favour of the Esperance Railway; and some of the federal visitors may have been impressed with the idea that because there was agitation at the time for a railway to be built out of State funds to connect Esperance with the Eastern Goldfields, therefore the people generally on the goldfields were in favour of the

Esperance line and were not in favour of the Transcontinental line, but I think Mr. Jenkins is too astute a politician to make such a mistake as to draw that wrong inference. I think there are other interests in regard to the Transcontinental Railway that are making against it, and those are the interests we have to fight. I hope the expression to-night, which is representative of the whole of the goldfields, will have its due influence on the Premier and the people of South Australia, and induce them to do justice to us as a portion of the Commonwealth. I think it is due to us from the people of South Australia that they who have received so much benefit from this State, and who are so much interested in the construction of the Transcontinental Railway, even more interested than we are, should look at the matter properly and give us the help we require to get the consent which is needful for the survey and construction of this railway. I hope the discussion to-night will tend to that end, and I believe if the matter is properly represented to the Parliament of South Australia the representation will have that effect.

THE MINISTER FOR MINES (Hon. H. Gregory): I do not think there is any occasion to elaborate this question farther; but I must add my quota, and my indorsement to some extent, to the remarks made by other goldfields members. I am aware there is a feeling on the Eastern Goldfields in favour of the construction of the Esperance Railway; but coming in contact as I do with the goldfields people as much as any other member of the House, I know there is a strong feeling on the goldfields, except only among a few persons, that the Transcontinental Railway should have preference over the Esperance Railway in the construction. I indorse to a great extent the remark of the member for Coolgardie (Mr. Morgans), that this is an attempt at coercion on the part of the South Australian Government, when they tell us that they will refuse their consent to the construction of the Transcontinental Railway unless we carry out a certain work which belongs to and is entirely a matter for this State. I do not think it is fair to say they will block certain legislation unless we will construct a certain work which is within our proper

province as a State. That attitude is unfair; and if anything would set me against the construction of the Esperance Railway, it would be the threat that unless we agree to construct that railway first, the Government of South Australia will on their part block the fulfilment of the great desire of this State for the construction of the Transcontinental Railway.

MR. R. HASTIE (in reply as mover): I am glad this discussion has taken place, and especially am I pleased to hear the repudiation by goldfields members of certain remarks which have reached us from Mr. Jenkins. More especially am I glad at the remarks of almost every member in repudiating the idea that we in this State should ask outsiders to dictate to us as to the kind of works we should undertake. That sort of thing was started during what I may call that period of midsummer madness in connection with the festivities at the opening of the goldfields water supply, when the *Kalgoorlie Miner*, perhaps also some other newspaper and a few individuals, brought as much influence as they could to bear upon the federal members of Parliament then visiting our State, and asked them to force us to do a certain work. I believe every member who represents a goldfields constituency in this House felt particularly annoyed at the idea that some of our friends on the goldfields should encourage outsiders to come in and tell us what we ought to do as a State work. It seems that during the period of "midsummer madness" Mr. Jenkins heard what he calls a general expression of opinion on the goldfields in favour of blocking the construction of the Transcontinental Railway until the Esperance line was built. Mr. Jenkins must really know, in his calmer moments, that this is not the case, and that such general expression of opinion was never given. The member for Coolgardie has told the House that he spoke to a large number of people during those festivities; so did I, and I can say that not more than half a dozen persons expressed that sentiment. It must therefore be only the letters Mr. Jenkins has received since his visit from some persons in this State which have led him to make that statement. I hope the expression of opinion

in this House to-day will effectively do away with that excuse on the part of the South Australian Government. The Premier (Hon. Walter James) was not quite accurate in stating in his wire to the Premier of South Australia that the enabling Bill was passed through this Parliament supported by every one of the goldfields members. At that time I was not in Perth, and had not an opportunity of speaking on the Bill; but had I been here, I certainly would have voted for that Bill. With these remarks, I ask leave of the House to withdraw the motion.

Motion by leave withdrawn.

#### QUESTION—SECONDARY EDUCATION SCHEME, ADVANCE COPY.

MR. PIGOTT, without notice, asked the Premier: From whom did the clergy of the city obtain a copy of the Government's secondary education scheme? In yesterday morning's newspapers was a notice that the clergy of the city had received through a special channel a copy of the secondary education scheme. From whom was this copy obtained, and was it in the shape of a printed Bill? Was it the usual procedure of the Government to distribute copies of such schemes, so that they might be commented on by the public before being submitted to the House?

THE PREMIER: It would have been much wiser had the hon. member, instead of making that speech, asked him whether the statements in the Press were correct. Had that been asked, he (the Premier) would have stated that they were totally incorrect. No copies had been distributed.

MR. PIGOTT: In yesterday's newspapers was a notice stating that—

Securing, through a special channel, a copy of the Government's secondary education scheme, the combined clergy of the city held a conference a fortnight ago to discuss the proposals.

It was farther stated that as a result of the conference a deputation was appointed to wait on the Premier to discuss the proposals.

#### QUESTION—RAILWAY AND THROUGH RATES, MURCHISON.

MR. HOLMAN asked the Minister for Railways: 1, Whether a through bill

of lading is granted over the Geraldton-Nannine Railway to persons who have goods forwarded from Fremantle per the subsidised steamer "Julia Percy." 2, If not, whether the Minister will make arrangements to allow of goods being sent through direct, and thus avoid agents' fees at Geraldton.

THE MINISTER FOR RAILWAYS replied: 1, The question was raised some time ago by the hon. member for Cue, and arrangements had been agreed upon for this to be done, but an unexpected legal hitch has arisen which it is hoped will be overcome this week, and the through bill of lading will then at once come into force. 2, Answered by No. 1.

### FACTORIES BILL.

#### REPORT OF SELECT COMMITTEE.

MR. PIGOTT brought up the report of the select committee appointed to consider the Bill.

Report received, read, and ordered to be printed.

### MINING BILL.

#### SECOND READING.

Resumed from the 17th September.

MR. W. D. JOHNSON (Kalgoorlie): In common with other goldfields members I welcome this Bill; but before the second reading passes I shall make a few brief remarks. I think the Minister, in his second-reading speech, devoted too much attention to the utterances of those who in London represent Western Australian mines; but I desire also to congratulate the Minister on the whole of that speech, and after reading it in cold print, to congratulate him particularly on his replies to the utterances of those who in London represent our mines. After the Minister's remarks I believe there will be a better feeling in London towards mining in Western Australia; in fact, I think all have noticed that, of late especially, a better feeling has existed in London. Much of this improvement is doubtless due to the improved administration of the Mines Department; but much is due also to the fact that London financiers are taking a deeper interest in and visiting our goldfields, and are inquiring more closely into local mining. It is particu-

larly pleasing to note the latest utterances of Mr. Hoover, a leading representative in London of Western Australian mines. He has clearly pointed out that the conditions of mining in Western Australia are not as some people would have us believe; that the administration is improving; that the general management of the mines in Western Australia is improving; and that the working cost is decreasing. This is particularly pleasing to those of us who take a keen interest in our mines; and now that men like Mr. Hoover devote such close attention to them, and after the utterances of the Minister in his second-reading speech on this Bill, I think there will be a better feeling abroad, and that the administration and the general position of our mines will be placed in a truer light before the public of the old world. It is true that the mining public in England have in the past been encouraged to criticise the administration of our Mines Department, because the Minister for Mines has been too anxious to take notice of their criticisms; and above everything else, I think such critics were particularly encouraged by the fact that after the Parliament of Western Australia passed a law making compulsory the establishment of colonial share registers in this State, those gentlemen criticised that law which, practically by their influence on the Government, has really become a dead letter. Through this they have been encouraged to go farther. We have had keener criticism from these gentlemen than we would have had if the law had been put in force. I am sorry it was not enforced, also that no reference is made in the Bill to the colonial share register. I think the Minister should have dealt with that matter. I was of opinion we could have dealt with it in the Bill before the House. I am not going over the ground already covered by other goldfields members; I think the member for Kanowna picked out the salient points of the Bill and those that will be criticised in Committee. I desire to state that I support the remarks of the member for Kanowna. I give that member credit for the way in which he explained to the House the clauses of the Bill which will be discussed in Committee. I am sorry I cannot also congratulate the member for Coolgardie.

That gentleman spoke all round the Mining Bill; the speech was interesting to listen to, but those who read the speech in *Hansard* will find there is, with the one exception when the hon. member dealt with the labour conditions, absolutely no reference to the measure before the House. I do not think the hon. member is right, or that any member is right, in getting away from a Bill under discussion. I do not desire to follow the course adopted by that member altogether, but there are two or three things I wish to reply to. Members will recollect that the member for Coolgardie pointed out that the criticism levelled at gold-mining in Western Australia by the representatives in London was not in connection with mining legislation or the administration, but was levelled at the growth of socialistic or labour legislation, and in reply to an interjection from me the hon. member pointed out that he particularly referred to the Conciliation and Arbitration Act. I stated then that such a law could not be called labour legislation, and the member for Coolgardie replied that I could not be making the statement seriously. I do make that statement seriously. The Conciliation and Arbitration Act cannot be called labour legislation. It is true the labour organisations were most enthusiastic in the advocacy of that Act, but the fact remains they were not alone in championing the passing of that measure. They got support, although not direct from the Chamber of Mines, at any rate from some of the mine managers, and they got it from local public bodies in this State. As the member for Hannans pointed out in his speech the other night, because the Labour party advocate a certain piece of legislation it does not follow that is labour legislation. Particularly does that apply to the Conciliation and Arbitration Act. It must be remembered in connection with this Act that both sides are represented. The Act was passed in the interests of the State, to protect the innocent, those who have nothing to do with disputes between capital and labour, those who are made to suffer. If the member for Coolgardie were present I would like to ask him, what position would the goldfields have been in if that Act had not been passed

and we had received a notice of a reduction of wages such as that received a little over 12 months ago in Kalgoorlie? There are large labour organisations in Kalgoorlie and organisations on the part of capitalists, and if that notice had been given and there had been no Conciliation and Arbitration Act, what would have been the result? We would have been forced by the action of the Chamber of Mines into a labour struggle, and members can imagine what would have been the result. The struggle would have gone on, and both sides being well organised would have fought to the bitter end. What position would the State have been in if that had come about? But the Conciliation and Arbitration Act being in force, both sides fought the question out fairly, both sides being represented, and as far as Kalgoorlie is concerned—I say it advisedly—the Chamber of Mines were successful in reducing wages through the Conciliation and Arbitration Act without any trouble being occasioned. There are one or two matters I desire to touch on in connection with the Bill. By Clause 16 it is proposed to alter the title of miner's right to that of miner's license, and the clause goes farther and states that in future certain people, Asiatics and African aliens, shall not be entitled to get a miner's license. There is one matter I intend to bring under the notice of the House when in Committee. Lately in the Menzies district we had a mining fatality, by which two miners lost their lives. At the inquest on the death of the two unfortunate miners it was proved that the trucker in the mine and the shift boss did not have a thorough knowledge of their work; they were not competent to hold the positions they held. Action was taken against these men, and they were fined. Since then I find that both these men have been arrested and charged with manslaughter. The difficulty that faces me in regard to this is, these two men were evidently not competent to hold the positions which they held, but the very fact that these two men were not competent for the positions which they held has taken the responsibility from the shoulders of the company and placed it on two irresponsible persons. If we are to issue miners' licenses I shall try and get the Bill amended so that every man

employed in and about a mine shall be compelled to hold a miner's right—I do not like the term miner's license, and I hope the House will not pass it. The term miner's right is an Australian term, and I hope it will not be altered. I shall always call it a miner's right. I believe according to latest developments it is better for us to make every man in or about a mine hold a miner's right, fixing the price at 2s. 6d. Before a miner's right is issued to a man it should be ascertained if he is competent to go underground and work underground. It is absolutely wrong to hold incompetent men responsible for accidents. We should protect the miners who go underground; therefore in Committee I shall endeavour to get a clause inserted whereby every man in a mine shall hold a miner's right, and before he gets that right he should demonstrate that he has some knowledge of mining and is competent to go underground and protect his own life and those around him. The other clause I desire to refer to, and this is the only other one I wish to touch upon, is Clause 204, referring to the purchase of gold. I fear the clauses in connection with gold-buyers are framed without regard to the person who has the gold to sell. The clauses are evidently framed on the assumption that all gold for sale is stolen gold. The Minister has lost sight of the fact that there are numbers of alluvial men who have gold to sell, and he has not attempted in the Bill, as far as I can read it, to protect these men against the gold buyers. In connection with gold buyers' licenses, we have had a lot of difficulty in and around Kalgoorlie, and the Minister lately issued instructions that all gold buyers' licenses should be cancelled. I support him in that, because it was found that undesirable persons were licensed to buy gold, and sufficient discretion was not used by the warden in issuing licenses. We found that while it was undesirable to allow these men to continue to purchase gold in Kalgoorlie, we were giving an absolute monopoly to the banks. The banks often did not deal justly with those who had gold to sell. In face of the fact that gold buyers' licenses which had been issued proved unsatisfactory, and because of reports I have from different alluvial

men in the Hannans district against the treatment meted out to them, I think in Kalgoorlie and Coolgardie the Minister should provide a system whereby through the School of Mines—we have men competent there—gold could be bought direct for the Mint in Perth. I think in Kalgoorlie and Coolgardie the Minister could introduce this innovation with a distinct benefit to the Mint and to the alluvial men who have the gold to sell. I will bring this matter forward in Committee, and I hope the Minister will give it consideration and see if he can introduce this system in Coolgardie and Kalgoorlie. I think it would be preferable if some scheme were devised by which in every centre there were persons licensed or appointed by the Government to buy gold for the Mint. It would not be necessary for the Government to give the full value, but to pay so much deposit and send the gold to the Mint, and the alluvial miners could call again and get the full value of the gold. This could be done with benefit to the State and with a distinct benefit to the alluvial miner. I stated that these clauses had been evidently framed on the assumption that all the gold sold was stolen. I am not here to say there is no gold stolen on the Eastern Goldfields, as we all know there is gold stolen, but I desire to repudiate the insinuations that are cast on the working miners on the Eastern Goldfields, the insinuations that are always made that it is the working miner who gets away with the gold.

**THE MINISTER FOR MINES:** These clauses do not say that.

**MR. JOHNSON:** These clauses seem to have been framed on the assumption that all gold offered for sale is stolen.

**THE MINISTER FOR MINES:** We are making these clauses apply to the banks as well as to the ordinary gold buyers.

**MR. JOHNSON:** Clause 205 says, in effect, that no man shall sell gold unless the seller or the buyer is licensed. It practically says that dealing in gold will be prohibited unless the seller and the buyer are both licensed, and it implies that no one is honest in trading in gold unless licensed. That is the assumption that the gold so dealt with is all stolen. I wish to repudiate the insinuation that the gold stolen is taken by working

miners. At Hannans Belt the working miner is subject to a search each time he comes out of a mine, for he has to go into what is called the changing-house, put off his mining clothes and put on ordinary clothes before leaving the mine; consequently it is impossible for the working miner to get away with any gold. Yet the fact remains that gold is being stolen, and the underground miners are the persons suspected of stealing it; but considering that the working miners are searched before leaving the mine in each case, and that gold is being stolen—though we know that not one tenth part of what is said to be stolen is actually stolen—would it not be better that those who make such a mouthful of it should consider who is getting the gold and by what means? If working miners are searched and cannot get away with the gold, why cast this aspersion on them when there are other men, not working miners, who do get away with the gold? If there is gold stolen, it must be stolen by someone who is not searched; yet there is no attention given to those men who are in a position to get the gold, and they are not searched. I would like to direct the attention of the police to those persons connected with gold-mining who are not searched, and that the police should leave alone the working miners who are searched and cannot get away with the gold, and should give more attention to those who are not searched. Gold is being stolen, and it is stolen by men in high places, though the police are not devoting that attention to them which they are giving to the working miners. I say, leave alone the working miners who cannot get away with the gold, and give attention to those men who can get the gold and in my opinion are getting it. In regard to the passing of the Bill I do not want any undue delay, but I want to see an amendment of the mining laws, and particularly an amendment of the mining regulations. I think an amendment of the Mines Regulations is even more important than the Bill before us; but I hope the Bill will be pushed through, and that we will also have a Bill introduced this session for amending the Mines Regulations.

THE MINISTER FOR MINES, in moving the adjournment of the debate and of

certain other Orders of the Day, expressed a hope that this debate would be concluded on the next day, and that the Bill would be then considered in Committee.

Debate adjourned.

#### ASSENT TO BILLS.

Message from the Governor received and read, assenting to the Trans-Australian Railway Enabling Bill and to the Co-operative and Provident Societies Bill.

At 6-22, the SPEAKER left the Chair.

At 7-30, Chair resumed.

#### FINANCIAL STATEMENT.

##### ANNUAL ESTIMATES.

Message from the Governor received and read, transmitting the Annual Estimates of Revenue and Expenditure for the financial year 1903-4, and recommending appropriations.

The House resolved into Committee of Supply; Mr. C. HARPER in the Chair.

THE COLONIAL TREASURER (Hon. James Gardiner) said: Mr. Harper, speaking at a time when Australian finance and Australian financial methods are exciting a good deal of attention and criticism, and also with a strong desire to place not only before this Committee but before the people of this State and the people who are interested in our financial success a clear statement of our public finances, may I ask for the careful attention of members while I deliver my second and the State's fourteenth statement of our financial position.

##### *The Past Year, 1902-3.*

Last year when I delivered the Budget speech, I said I felt justified in letting a tone of absolute hopefulness and trust in the future of this State permeate the whole of my utterances. Looking back upon the financial year just closed, I think it will be admitted that the anticipations which I then made were fully realised; in other words, a full measure of prosperity, pressed down and running over, was the portion of this State for last year. We stand facing a new year, and so far as human foresight can predict, it contains a rich, full promise of that



steady and solid prosperity which comes from the expansion of industry and development of undoubted resources. The outlook for these great resources, represented as they are by products which have a world's market—gold, copper, tin, iron, timber, pearl, wool, corn, wine, meat, and fruit—was never in the history of this State so hopeful as at the present time. And there is opened to us, as a result, a vista of that sound, healthy prosperity, the outcome of internal development and production, rather than the inflated and consequently transient prosperity engendered by huge borrowings. To conserve this position will be the aim of the present Government; for they recognise that in so doing they have with them and behind them the careful and matured thought of all who wish the prosperity of this State to be solid and lasting. Last year it was my regrettable duty, on behalf of this State, to sympathise with our sister States on the disastrous effect of the great drought. Knowing, as this State always has

known, the benefit of a splendid rainfall and its material effect on prosperity, may I be permitted on behalf of this State to rejoice with the other States on the termination of the great drought, and the prospect which is before them of a season which bids fair to be a record for Australia. Following the custom which I introduced last year, and of which members were at that time good enough to express approval, I have personally prepared a set of returns for the guidance of the Committee, giving in a concrete and business-like form all the information which I think not only members of this House and the people of this State, but also those who are interested in our finances, will require. Although these returns are in a concrete form, I have balanced them with the more elaborate returns prepared by the Treasury; so that members can clearly see that the totals of them are absolutely correct.

*Revenue Estimated and Received.*

If members will turn to Return No. 1,

**Return No. 1.****RECEIPTS—1902-3.**

	£	s.	d.	£	s.	d.
The Treasurer's estimate for year ended 30th June, 1903, was ... ..	3,647,364	0	0			
The actual amount received was ... ..	3,630,237	11	7			
Or a total Net Over-estimate of ... ..	...			17,126	8	5
The <i>Over-estimates</i> were—						
Net Commonwealth Revenue ... ..	31,882	13	9			
Mining Revenue ... ..	3,409	15	7			
Fines, Forfeitures, and Fees of Court ... ..	1,714	3	4			
Reimbursements in Aid ... ..	16,004	8	5			
Railway Receipts ... ..	4,188	2	10			
Water Receipts ... ..	29,952	5	4			
Stamp Revenue ... ..	1,500	5	6			
				88,651	14	9
The <i>Under-estimates</i> were—						
Harbour Dues ... ..	18,158	8	11			
Land Revenue ... ..	1,658	11	0			
Licenses ... ..	1,187	11	6			
Fees of Public Office ... ..	2,213	14	6			
Rottnest Establishment ... ..	952	8	10			
Tramway Receipts ... ..	711	7	9			
Educational Receipts ... ..	261	19	3			
Miscellaneous Receipts ... ..	12,621	9	9			
Interest ... ..	652	8	8			
Companies Duty Tax ... ..	33,107	6	2			
				71,525	6	4
Total Net Over-estimate ... ..	...			£17,126	8	5

they will see that the Treasurer's estimate of receipts for the year ended the 30th June, 1903, was £3,647,364, while the actual amount received was £3,630,237 11s. 7d. In preparing my estimates of the revenue I went carefully into the subject, and tried to get as close as possible to what I conceived would be the actual result; for I venture to say that in estimating our revenue, it is always advisable for a Treasurer to get as closely as he can to actual revenue; otherwise, if he for the sake of personal *kudos* prefers to show a big surplus at the end of the year, he runs a great risk of dislocating the whole of his financial arrangements owing to an unworthy estimate. I therefore estimated my net revenue at £3,647,364, and actually received within £17,126 8s. 5d. of that sum. And when we consider that there was a sum of nearly £10,000 held in suspense by the Commonwealth under Section 95 of the Commonwealth Act, which sum, had I received it, would have reduced that amount to £7,126, I think the Committee will admit that I have every reason to be satisfied with the first estimate which I made as Treasurer of this State. The over-estimates included net Commonwealth revenue, £31,882 13s. 9d. My estimate was above that of the Commonwealth Treasurer; but with the £10,000 to which I have just referred, it would have been only £21,000 short. The mining revenue was £3,409—I omit the shillings and pence as usual—fines, forfeitures, and fees of court £1,714; reimbursements-in-aid £16,004, and reimbursements-in-aid are but a book-keeping entry between the departments. Last year for the first time we charged up printing to the various departments, and this vote was extremely hard to estimate. Railway receipts £4,188: when I say that the estimate of the railway Revenue was £1,600,000 and I was only £4,188 out in that estimate, I think members will admit it was a very keen one indeed. Water receipts were £29,952 short—this was due to the fact that when we were estimating these receipts we were extremely doubtful whether we would be able to fulfil the promise made to this House that the great water scheme would be completed in January. Had it not been completed until the end of the financial year, then

the whole of the expense would have been debited up to the work, and we would have received, as then anticipated, a gross revenue from water; but owing to the great energy introduced into the working of the scheme by the Minister for Works and his officers we were enabled to complete the work on 26th January, and consequently from that date instead of my revenue being gross it was absolutely net; whilst I must admit some disappointment that I did not come closer to the estimate, I am sure on the result the country has every reason to be congratulated. The under-estimates were: harbour dues £18,158, land revenue £1,658, licenses £1,187, fees of public office £2,213, Rottneest establishment £952, tramway receipts £711, educational receipts £261, miscellaneous receipts £12,621, interest £652, and companies' duty tax £33,107. The harbour dues and miscellaneous receipts were both the effect of a transference of departments: the harbour trust took over from the railways the control of the Fremantle Harbour earlier than it was thought they would, and the railway department took over the control of the Menzies to Leonora Railway later than we thought they would, so that these two actions had a material effect on the estimates so far as these particular items are concerned. On the under-estimates the principal item is, companies' duty tax £33,107. In making my estimate I had only before me the most meagre particulars of how this tax had been evaded. When I went fully into the matter and took very stringent measures for its collection, I found my revenue would be considerably exceeded, and eventually it exceeded my estimate by no less a sum than £33,107. Whilst I may in these figures lose my reputation as a prophet, I think I shall be entitled to some small praise as an administrator. I think the Committee will agree with me that so far as my estimates of the receipts are concerned, I was remarkably fortunate in estimating them as closely as I did, considering the amount involved aggregated nearly four millions of money, and they were only £17,126 out. All I can say is that I sincerely hope the estimates which I am making for the forthcoming year

will be as nearly accurate as those | *Expenditure for the Past Year, a Surplus.*  
 were. | Turning to the expenditure,

## EXPENDITURE—1902-3.

	£	s.	d.
The Treasurer's Estimate of Expenditure for the year was ...	3,761,113	6	2
The Actual Expenditure was ... ..	3,521,762	10	1
Or an Over-estimate of Expenditure of ... ..	£239,350	16	1
<hr/>			
<i>The Over-estimates were—</i>	£	s.	d.
Special Acts ... ..	10,309	4	10
His Excellency the Governor ... ..	385	17	6
Legislative Council ... ..	1,485	0	1
Legislative Assembly ... ..	1,127	18	5
Attorney General ... ..	4,601	14	11
Colonial Secretary and Minister for Edu- cation ... ..	6,018	6	9
Minister for Works ... ..	157,966	4	8
Railways and Tramways ... ..	47,601	17	8
Minister for Lands ... ..	3,304	3	4
Minister for Mines ... ..	5,527	18	2
Colonial Treasurer ... ..	1,033	9	0
	<hr/>		
	239,361	14	11
<i>The Under-estimate was—</i>			
Executive Council ... ..		10	18 10
	<hr/>		
	£239,350	16	1

the Treasurer's estimate of expenditure for the year was £3,761,113 6s. 2d., and the actual expenditure was £3,521,762 10s. 1d., or an over-estimate of the expenditure of £239,350 16s. 1d. The over-estimates were: Special Acts £10,309, His Excellency the Governor £385, Legislative Council £1,485, Legislative Assembly £1,127, Attorney General £4,601, Colonial Secretary and Minister for Education £6,018, Minister for Works £157,966, Railways and tramways £47,601, Minister for Lands £3,304, Minister for Mines £5,527, Colonial Treasurer £1,033; or a total amount as over-estimates of the expenditure of £239,361 14s. 11d. With the exception of £157,966 represented by an under-expenditure on public works, the balance can be fairly claimed as representing savings in administration. In the Railways there was a saving of £47,601; this result was materially influenced by the summer rains, which enabled a marked saving to be effected on the cost of the

water used by the railways. With regard to the other estimates of public works, the Government have been blamed, and blamed without stint, for not spending every penny, and even more than the estimate for the year of £519,162; but when I say that under any circumstances we were entitled to earn the money before we spent it, and the June proportion of that sum would have been roughly £43,000, and as there were works in progress and liabilities entered into on account of the works authorised amounting to £175,000, or £18,000 more than the authorisations, it can be easily seen there was no disposition to curtail expenditure on public works for the purpose of showing a fictitious surplus. In the return of expenditure for 1903 the under-estimates total only £10 18s. 10d. If members will turn back to the year 1901-2 they will find that the under-estimates of expenditure totalled £127,023 16s.; this

year they only total £10 18s. 10d., which will have a material effect upon the Excess Bill to be presented to Parlia-

ment. There is a balancing return at the foot which shows how we arrive at our surplus.

Over-estimate of Expenditure	...	...	...	...	...	£239,350	16	1
Under-estimate of Revenue	...	...	...	...	...	17,126	8	5
						£222,224	7	8
Surplus estimated to be in hand at end of year	...	...	...	...	...	9,435	5	0
Actual Surplus on 30th June, 1903	...	...	...	...	...	£231,659	12	8

The over-estimate of expenditure was £239,350 16s. 1d., under-estimate of revenue, £17,126 8s. 5d., or a total surplus of £222,224 7s. 8d. We estimated the surplus at the end of last

year at £9,435 5s.; if we add that we shall find the total agrees with the actual surplus on the 30th June last of £231,659 12s. 8d. The actual position of the consolidated revenue is also shown:

#### CONSOLIDATED REVENUE.

Revenue	...	...	...	...	...	...	...	£3,630,237	11	7
Expenditure	...	...	...	...	...	...	...	3,521,762	10	1
Surplus on Year	...	...	...	...	...	...	...	108,475	1	6
Add Balance from previous year	...	...	...	...	...	...	...	123,184	11	2
Surplus as above	...	...	...	...	...	...	...	£231,659	12	8

Revenue £3,630,237 11s. 7d., expenditure £3,521,762 10s. 1d., the surplus on the year £108,475 1s. 6d. If we add the balance from the previous year of £123,184 11s. 2d., it will be found that

balances to the surplus already mentioned of £231,659 12s. 8d.

#### *The State Balance-sheet.*

If members will turn to Return No. 2 they will see a synopsis of the State balance-sheet is given to the 30th June, 1903.

#### Return No. 2.

#### SYNOPSIS OF BALANCE SHEET FOR 30TH JUNE, 1903.

DR.	£	s.	d.	£	s.	d.
Balance on year	...	...	...	231,659	12	8
Sinking Fund	...	...	...	655,069	8	11
General Loan Fund	...	...	...	103,332	17	11
Trust and Deposit Accounts	...	...	...	661,425	16	7
Savings Bank	...	...	...	1,990,862	15	11
				3,642,350	7	0

SYNOPSIS OF BALANCE SHEET FOR 30TH JUNE, 1903—*continued.*

CR.				£	s.	d.	£	s.	d.
Advances to be recovered	...	...	...	95,180	0	5			
Investments and Sinking Fund	...	...	...	2,634,215	8	10			
Stores on hand	...	...	...	265,905	11	6			
Cash in hand—									
State Savings Bank	...	...	...	276,214	4	6			
Treasury	...	...	...	1,204	11	5			
Agricultural Bank Advance Account and									
Sinking Fund Account	...	...	...	2,091	18	7			
Current Accounts	...	...	...	22,797	4	2			
Trust Accounts, Fixed Deposits	...	...	...	31,120	14	8			
Eastern States	...	...	...	2,987	3	0			
London	...	...	...	1,161	2	2			
Remittances <i>in transitu</i>	...	...	...	309,472	7	9			
							3,642,350	7	0

On the debit side we have the balance on the year of £231,659 12s. 8d.; Sinking fund, £655,069 3s. 11d.; General Loan Fund, £103,332 17s. 11d.; Trust and deposit accounts, £661,425 16s. 7d., and the Savings Bank £1,990,862 15s. 11d., or a total of £3,642,350 7s. The trust and deposit accounts include all sums lodged by insurance and assurance companies, suspense accounts, and roads boards accounts; and referring to the Savings Bank deposits, £1,990,862, members will see this sum is nearly £100,000 increase on the sum standing to the credit of the Savings Bank deposits last year. Turning to the credit side the advances to be recovered amount to £95,180; investments and sinking fund, £2,634,215 8s. 10d.; stores in hand, £265,905 11s. 6d.; cash in hand, State Savings Bank £276,214 4s. 6d., in the Treasury £1,204 11s. 5d.; Agricultural Bank advance account and sinking fund, £2,091 18s. 7d.; current accounts, £22,797 4s. 2d.; trust accounts, fixed deposits, £31,120 14s. 8d.; in the Eastern States, £2,987 3s.; in London, £1,161 2s. 2d.; remittances *in transitu*, £309,472 7s. 9d. The advances to be recovered include services performed for other States and other countries, also the balance of interest held on account of the London bondholders and the Savings Bank. Investment and sinking fund contain securities for all investments including Savings Bank £1,703,202, sinking fund £655,069, life assurance £165,380, municipal loans £54,057, and with other small amounts make up the total.

*Stores Account, how adjusted.*

Stores in hand represent £265,905 11s. 6d. The Committee will note with satisfaction that whilst last year this amount stood in the State's balance-sheet at no less a sum than £605,198, it now stands at £265,905, or a reduction during the year of £339,293. During the year every effort was made not only to reduce the stock, but to have it placed on a proper mercantile basis. On last year's Estimates I provided a sum of £60,000, which practically amounted to 10 per cent. on the capital value, in order to provide for depreciation and obsolete stock. When we came to take that stock—and I may say that if the details could be put before this House, probably some members would feel rather amused—we found it was absolutely necessary to retake the stock in order to arrive at a correct basis of what stock we really had on hand. We had this done, and as a result of putting it on a business basis, that is making allowances for depreciation and appreciation, in other words giving to that stock a present-day market value, we found it was necessary to roughly write off 13 per cent. or £35,000; so that instead of the £60,000 we anticipated last year we would have to write off, we found it necessary to write off only £35,000. That stock is now in good order, it is systematically and well kept, and I can assure this House that the sum which it represents upon the State balance-sheet would be a realisable asset to-morrow if necessity occurred.

*Savings Bank Account, etc.*

The State Savings Bank has got to its credit £287,652, and £11,445 17s. 6d. of that is interest in suspense at present, which is to be credited to the depositors' accounts; so the actual cash to the credit of the Savings Bank is £276,214 4s. 6d. Last year it stood at £445,432, but as it was absolutely necessary to earn interest in order that we should pay to depositors 3 per cent. interest on their deposits, £200,000 of that sum was invested in State bonds at  $3\frac{1}{2}$  per cent. The Treasury credit of £1,204 11s. 5d. is merely the cash adjustment on the 30th

June. The current accounts, £22,797 4s. 2d., are the balances at the banks on that date. The trust accounts and fixed deposits, £31,120 14s. 8d., represent contractors' and other deposits held by the State. The remittances *in transitu*, representing the necessary remittances to London to provide funds to meet obligations there, were £309,472 7s. 9d. That is a full explanation of Return No. 2.

*Loans and Indebtedness*

Now we come to Return No. 3, a statement of loans as on the 30th June, 1903.

## Return No. 3.

## STATEMENT OF LOANS AS ON 30TH JUNE, 1903.

	£	s.	d.	£	s.	d.
Total Authorisations 30th June, 1902 ...	15,940,929	11	3			
Conversion Expenses provided for in Act, and for which Stock was issued during year	323	16	0			
Total Authorisations 30th June, 1903 ...	...			15,941,253	7	3
Yet to be raised ...	2,190,000	0	0			
Of this sum, Savings Bank, Municipalities, and Local Inscribed Stock absorb ...	2,056,445	0	0			
Balance available for flotation ...	133,555	0	0			
Loans floated to 30th June, 1902 ...	15,085,309	11	3			
Loans floated locally during the year ...	722,065	0	0			
Loans floated by Crown Agents during the year ...	323	16	0			
Balance available for flotation as above ...	133,555	0	0	15,941,253	7	3

The total authorisations on the 30th June, 1902, were £15,940,929 11s. 3d. The conversion expenses provided for in the Act (which means the Act providing that our stock could be converted into a standard stock), and for which stock was issued during the year, were £323 16s.; showing that the total authorisations on the 30th June, 1903, were £15,941,253 7s. 3d. There is yet to be raised a sum of £2,190,000. Of this sum the Savings Bank, the municipalities and the local inscribed stock absorbed £2,056,445, leaving a balance available for flotation on the 30th June last of £133,555. The

loans floated to 30th June, 1902, amounted to £15,085,309 11s. 3d. The loans floated locally during the year amounted to £722,065. The loans floated by Crown Agents during the year were £323 16s., and the balance available for flotation as above was £133,555. We floated during the year £722,389; but by sinking fund and redemption we paid off no less a sum than £205,731. So, whilst we borrowed £722,389, and of that sum we had in hand to start the present financial year £103,332, we only increased the indebtedness by £516,658. Our actual loan indebtedness is also shown on Return No. 3.

## ACTUAL LOAN INDEBTEDNESS.

	£	s.	d.	£	s.	d.
Total amount raised ... ..	15,807,698	7	3			
Total yet to raise ... ..	183,555	0	0			
Total authorisations as above ...				15,941,253	7	3
Less accumulated Sinking Fund ...	655,069	3	11			
And redeemed Debentures, included in authorisations ... ..	180,400	0	0			
				835,469	3	11
Our Total Indebtedness, when all existing authorisations are raised, will be ...				£15,105,784	3	4

The total amount raised was £15,807,698 7s. 3d.; the total yet to raise is £183,555, showing the balance of the total authorisations £15,941,253 7s. 3d., less accumulated sinking fund and redeemed debentures included in authorisations £835,469 3s. 11d., or a total to the credit of the redemption of our stock—I want this to go right into the minds of hon. members, that this State had provided up to the 30th June last no less a sum than £835,469 3s. 11d.; so that our indebtedness when the existing authorisations are raised, instead of being £15,941,253 7s. 3d., will be £15,105,784 3s. 4d., or an indebtedness on our present population at the rate of £66 10s. 11d. per head, as against £69 7s. 10d. on the 30th June, 1902, showing

an improvement in this respect of no less a sum than £2 16s. 11d. per head. If members will refer to the comparative return of last year, they will see that our indebtedness would, unless we had provided for sinking fund, have been no less than £15,311,190, but that by providing a sinking fund it is now reduced to £15,105,784 3s. 4d.

*Loan Monies, how expended.*

Return No. 4 shows very clearly the manner in which we have spent our borrowed money, and I venture to say without the slightest fear of contradiction that no State in the Commonwealth can show such a return of prudent expenditure as is embodied in the return I am now placing before the Committee.

## Return No. 4.

## HOW LOANS EXPENDED UP TO 30TH JUNE, 1903.

	Total Flotations as charged to Public Works.			Actual cash spent.		
	£	s.	d.	£	s.	d.
Railways and Tramways ... ..	8,905,868	0	7	8,607,368	3	6
Electric Telegraphs ... ..	276,721	7	0	269,307	13	5
Harbour and River Improvements ...	2,128,118	3	1	1,973,633	5	11
Public Buildings ... ..	65,798	10	8	63,876	4	8
Water Supply and Sewerage ... ..	2,971,803	4	11	2,742,798	17	6
Development of Goldfields and Mineral Resources ... ..	838,196	7	7	823,532	19	7
Roads and Bridges ... ..	143,424	9	9	142,537	14	11
Development of Agriculture ... ..	385,528	7	9	382,823	14	8
Carried forward ... ..	15,715,458	11	4	15,005,878	14	2

## HOW LOANS EXPENDED UP TO 30TH JUNE, 1903—continued.

			£	s.	d.	£	s.	d.
Brought forward	...	...	15,715,458	11	4	15,005,878	14	2
Immigration	...	...	28,854	11	3	28,625	12	4
Miscellaneous	...	...	63,385	4	8	63,351	19	11
Cost of Raising	£606,509	2 11				15,097,856	6	5
Unexpended Balance	103,332	17 11				709,842	0	10
			£15,807,698	7	3	£15,807,698	7	3

We had practically expended upon public works up to the 30th June, 1903, £15,807,698 7s. 3d. Of that sum we had spent on railways and tramways £8,905,868 0s. 7d., on electric telegraphs £276,721 7s., on harbour and river improvements £2,128,118 3s. 1d., on public buildings £65,798 10s. 8d., on water supply and sewerage £2,971,803 4s. 11d., on development of goldfields and mineral resources £838,196 7s. 7d., on roads and bridges £143,424 9s. 9d., on development of agriculture (including £300,000 for part of purchase of land on the

Great Southern Railway) £385,528 7s. 9d., on immigration (which this year is not on the loan estimates but on revenue estimates) £28,854 11s. 3d., and on miscellaneous £63,385 4s. 8d. It will be seen that in the allocation of the amounts to each work the cost of raising the loan has been included. If members will next look at Return No. 5, they will see that whilst the previous return shows the actual allocations up to the 30th June last, Return 5 gives the actual indebtedness of loan works to the same date.

## Return No. 5.

## ACTUAL INDEBTEDNESS OF LOAN WORKS ON 30TH JUNE, 1903.

	£	s.	d.	£	s.	d.
Railways and Tramways	8,787,721	10	7			
Telegraphs	245,786	17	9			
Harbour and River Improvements	2,108,776	2	4			
Public Buildings	63,131	6	8			
Water Supply and Sewerage	2,971,617	12	3			
Development of Goldfields and Mineral Resources	838,196	7	7			
Roads and Bridges	134,307	5	8			
Development of Agriculture	385,528	7	9			
Immigration	28,854	11	3			
Miscellaneous	63,378	5	5			
				15,627,298	7	3
Actual Indebtedness	15,627,298	7	3			
Debentures Redeemed	180,400	0	0			
Balancing to Total Flotations	£15,807,698	7	3			



Members will find that there is a difference of £180,400. The actual indebtedness of loan works on the 30th June last amounted to £15,627,298 7s. 3d. The reason of the difference is that we have redeemed from that authorisation £180,400; and the proportionate amount being now credited to the capital cost of each of these works accounts for the reduction which appears as between the totals on Return 4 and Return 5. As I shall have to use Return 4 very largely at a later period when contrasting the finances and the financial methods of Western Australia as separate from the

finances and the financial methods of Australia, I will not make farther comment at the present time. The old year and its finances fortunately closes everything, and we can only use it to the extent of letting it affect our judgment in estimating our revenue and expenditure for the current year; consequently the year before us will have all the interest so far as this House and this State are concerned, and we are naturally more interested in its anticipations and its operations than we are in the lessons we derive from the past year.

## Return No. 6.

## ESTIMATED REVENUE FOR YEAR ENDING 30TH JUNE, 1904.

	1902-3.			1903-4.		
	£	s.	d.	£	s.	d.
Commonwealth ... ..	1,255,731	6	3	1,135,000	0	0
Harbour Dues ... ..	42,158	8	11	54,000	0	0
Land Revenue ... ..	156,658	11	0	170,000	0	0
Mining Revenue ... ..	116,590	4	5	123,000	0	0
Licenses ... ..	31,187	11	6	35,000	0	0
Fines, Forfeitures, and Fees of Court ...	28,285	16	8	35,000	0	0
Fees of Public Offices ... ..	29,213	14	6	32,000	0	0
Rottneest Establishment ... ..	1,202	8	10	1,000	0	0
Reimbursements in aid ... ..	56,995	11	7	61,300	0	0
Railway Receipts ... ..	1,595,811	17	2	1,629,000	0	0
Tramway Receipts ... ..	2,211	7	9	2,500	0	0
Water Receipts ... ..	30,047	14	8	80,700	0	0
Educational Receipts ... ..	2,261	19	3	2,700	0	0
Stamp Revenue ... ..	53,499	14	6	63,000	0	0
Interest ... ..	8,652	8	8	9,000	0	0
Dividend Duties ... ..	127,607	6	2	110,000	0	0
Miscellaneous Receipts ... ..	92,121	9	9	70,000	0	0
	3,630,237	11	7	3,613,200	0	0
Surplus from 1902-3 ... ..	...			231,659	12	8
				£3,844,859	12	8

Return 6 gives the estimated revenue for the year ending 30th June, 1904, from the following sources:—Commonwealth £1,135,000, Harbour dues £54,000, Land revenue £170,000, Mining revenue £123,000, Licenses £35,000, Fines, forfeitures, and fees of court £35,000, Fees of public offices £32,000, Rottneest

establishment £1,000, Reimbursements-in-aid £61,300. Railway receipts £1,629,000, Tramway receipts £2,500, Water receipts £80,700, Educational receipts £2,700, Stamp revenue £63,000, Interest £9,000, Dividend duties £110,000, Miscellaneous receipts £70,000; or a total estimated revenue for the year

ending June next of £3,844,859 12s. 8d., this amount including £231,659 12s. 8d. of surplus from the year 1902-3. There is a comparative column in the return, so that members can see the actual receipts for last year and the anticipated revenue for this, and can form for themselves a fairly accurate judgment of how far the estimates are likely to be realised. It will be seen that I anticipate an increase in most of the items of general revenue. These have been most carefully analysed; and the increases, except in one or two cases, are merely the nominal increases that can be expected. With regard to the Commonwealth revenue I have estimated the net Commonwealth receipts, allowing for a fall in the ordinary customs revenue of £7,000, a fall in respect of the sliding-scale of £41,000, an anticipated increase of expenditure by the Commonwealth of £81,000, or a total of £129,000, and have added an increase of revenue from posts and telegraphs and other receipts of £9,000. Taking these together, it will be seen that I anticipate a fall in the net revenue of £120,000, which I have shown in the estimates. The next item is Harbour dues, £54,000. The Fremantle Harbour Trust have made a very careful and business-like estimate of their revenue; and I am quite confident from their estimate that we shall receive the full amount of £54,000. The estimate for the Lands and Mines, while showing an increase which may seem optimistic on a first glance, is justified when we consider the fact that applications for land are simply pouring in, giving every evidence of great expansion not only in settlement but in revenue, and that the Mines excess which is here shown is due entirely to the extra revenue derivable from additional expenditure on public batteries. The smaller items indicate merely the normal growth of those revenue-producing departments which they represent.

#### *Railway Estimates.*

Turning to the Railways, the revenue has been carefully estimated by the Commissioner and his officers, and is £33,000 more than last year's receipts. If we compare the quarter just closed with the corresponding quarter of last year, the estimate ought to be £50,000 above last year's revenue; and there is not the

slightest doubt, with the prospect of an abundant harvest before us, the extra amount paid by the Commonwealth for the conveyance of mails, and the traffic necessary to the construction of the Malcolm to Laverton railway, that if anything the estimate will be under rather than over the mark. We must not forget that in the estimate of last year, although it totalled £1,600,000, the department was out by the small sum of only £4,188. Included in the water receipts is a sum of £60,000, revenue from the Coolgardie Water Scheme. This is net revenue, because the board who control the scheme charge up all expenses, and pay only the balance into the Treasury; and as the Treasury anticipate receiving £60,000 from that source, we can clearly perceive that the revenue which has been derived from water is the actual and not the gross revenue.

MR. ILLINGWORTH: Less the interest and sinking fund.

THE TREASURER: It is the actual revenue after deducting expenses of administration; and although considerably below the amount necessary to pay interest and sinking fund, the revenue received does show us that there is every prospect of this scheme eventually fulfilling some, at all events, of the anticipations of those who prophesied that it would be a great success. A large number of mines have entered into an agreement dating from the 1st of last month to do away with salt water and to use absolutely none but fresh; and speaking some little time ago with one of the best known managers on the fields, he assured me that as a result he was quite confident that the supply which the mines would take would be absolutely double that on which we were basing our estimates; so that we may look forward to a very large increase of receipts from this source, although in estimating we have striven to err on the safe side. The reduction in Miscellaneous receipts of £22,000 is owing to the fact that the Menzies-Leonora railway, the receipts from which previously came into that account, has been taken over by the working railways branch.

#### *Dividend Duties.*

The next item of any importance is that of Dividend Duties. Last year it was the

mining companies from which I expected to make a big increase: this year it is the shipping companies. I say here, with every sense of responsibility, that it is nothing short of a grave public scandal that these companies can publish and flaunt in our faces the profits which they are earning; we know that the larger proportion of those profits is being earned in the Western Australian trade; and yet, by every possible device, they seek to evade the payment of a legitimate and just tax to the State from which they are earning the greater portion of those profits. Last year I said of the mining companies, and I say of the shipping companies this year: Make no mistake; the Government in this State are going to see they pry that dividend duty. If they think that by the law's delays they can evade the Act, let me inform them now that I shall ask this House—and I can rely upon this House agreeing at once—to reimpose Section 31 of the principal Act, in order that I may get from these people what the State believes and what every

citizen of the State believes they should pay, that is a just dividend duty tax out of the great profits which they have made from the Western Australian trade. [General applause.] If these companies do pay the tax—and I am certain that they will—then I venture to say that the revenue derivable from dividend duties will be many thousands of pounds more than my estimate for this year. But I am afraid that owing to the law's delays and other obstacles which generally intervene, it is not wise to estimate a great surplus on that score during the present year. I think that when the present financial year closes, the House will find that so far as the estimates of revenue are concerned I have been as nearly accurate as I was on the last occasion in foreshadowing the revenue.

*Expenditure estimated for Current Year.*

If we take Return No. 7, we shall find the estimated expenditure for the year ending the 30th June, 1904:

**Return No. 7.**

**ESTIMATED EXPENDITURE FOR THE YEAR ENDING 30TH JUNE, 1904.**

	Actual Expenditure, 1902-3.		Estimated Expenditure, 1903-4.	
	£	s. d.	£	s. d.
Expenditure provided by Special Acts ...	762,146	7 7	783,993	6 10
His Excellency the Governor ...	1,568	12 4	1,722	16 6
The Executive Council ...	120	18 10	110	0 0
The Legislative Council ...	2,564	19 11	2,693	0 0
The Legislative Assembly ...	8,767	1 7	9,670	0 0
The Attorney General ...	69,770	1 9	67,071	1 7
The Colonial Secretary ...	339,722	2 8	352,130	9 8
The Minister for Education ...	119,304	15 11	136,230	0 0
The Minister for Mines ...	126,826	15 5	191,755	17 6
The Minister for Lands ...	121,243	1 8	174,927	13 4
The Minister for Works and Railways ...	1,703,615	9 8	1,902,847	17 4
The Colonial Treasurer ...	266,112	2 9	220,195	13 10
	3,521,762	10 1	3,843,347	16 2
Estimated Surplus ...	...	...	1,511	16 6
			£3,844,859	12 8

Expenditure provided by Special Acts £783,993 6s. 10d., His Excellency the Governor £1,722 16s. 6d., the Executive Council £110, the Legislative Council

£2,693, the Legislative Assembly £9,670, the Attorney General £67,071 1s. 7d., the Colonial Secretary £352,130 9s. 3d., the Minister for Education £136,230,

the Minister for Mines £191,755 17s. 6d., the Minister for Lands £174,927 13s. 4d., the Minister for Works and Railways £1,902,847 17s. 4d., the Colonial Treasurer £220,195 13s. 10d., or an estimated expenditure of £3,843,347 16s. 2d. which, with an estimated surplus of £1,511 16s. 6d., will bring the grand total up to £3,844,859 12s. 8d. to balance with the estimated revenue. The estimated

net expenditure for the year, exclusive of that of the Commonwealth, is £3,843,347 16s. 2d., as against an actual expenditure for last year of £3,521,762 10s. 1d. The estimated expenditure of the Commonwealth for this year is £447,138 — in administration, £380,059; in buildings and other works, £67,079.

# Return No. 8.

## ESTIMATED EXPENDITURE ON ADMINISTRATION, ALSO RECURRING AND REVENUE-PRODUCING EXPENDITURE.

For Year ending 30th June, 1904.

SPECIAL ACTS.		£	s.	d.	£	s.	d.
His Excellency the Governor, Ministers'							
Salaries, etc. ... ..		11,400	0	0			
Aborigines ... ..		5,000	0	0			
Auditor General, half-year ... ..		400	0	0			
Annuities ... ..		400	0	0			
Commissioner of Railways' Salary ... ..		1,500	0	0			
High School ... ..		1,000	0	0			
Judges ... ..		7,100	0	0			
Judges' Pensions ... ..		850	0	0			
Payment of Members ... ..		14,000	0	0			
Pensions and Retiring Allowances ... ..		8,750	0	0			
GENERAL.							
Aborigines ... ..		6,500	0	0			
Government House ... ..		1,722	16	6			
Executive Council ... ..		110	0	0			
Legislative Council ... ..		2,693	0	0			
Legislative Assembly ... ..		9,670	0	0			
Crown Law Department ... ..		5,798	10	0			
Lands Titles ... ..		9,500	0	0			
Friendly Societies ... ..		3,500	0	0			
Patents and Trade Marks ... ..		1,895	0	0			
Stipendiary Magistracy ... ..		30,262	11	7			
Supreme Court ... ..		16,115	0	0			
Colonial Secretary ... ..		3,828	8	7			
Charities ... ..		8,420	0	0			
Electoral ... ..		9,750	0	0			
Fisheries ... ..		3,040	0	0			
Gaols ... ..		26,884	0	0			
Government Gardens ... ..		2,608	2	0			
Harbour and Light ... ..		21,335	3	4			
Observatory ... ..		3,630	12	0			
Police ... ..		129,031	5	0			
Public Health ... ..		6,212	0	0			
Registry ... ..		6,665	0	0			
Rottnest Establishment ... ..		1,163	11	7			
Carried forward ... ..		310,335	0	7	50,400	0	0

## ESTIMATED EXPENDITURE ON ADMINISTRATION; ALSO RECURRING AND REVENUE-PRODUCING EXPENDITURE—continued.

	£	s.	d.	£	s.	d.
Brought forward ... ..	310,335	0	7	50,400	0	0
<i>GENERAL—continued.</i>						
Education ... ..	136,230	0	0			
Mines and Mines Water Supply ... ..	78,265	17	6			
Geological Survey ... ..	5,710	0	0			
Explosives ... ..	2,680	0	0			
Lands and Surveys ... ..	106,720	16	8			
Agriculture ... ..	16,993	10	0			
Agricultural Bank ... ..	2,040	0	0			
Rabbits ... ..	5,635	0	0			
Stock Department ... ..	5,398	6	8			
Woods and Forests ... ..	4,240	0	0			
Public Works ... ..	46,787	4	0			
Public Buildings, Repairs and Upkeep ... ..	37,148	0	0			
Treasury ... ..	12,764	13	3			
Audit Department ... ..	7,561	0	0			
Compassionate Allowance ... ..	737	0	0			
General Stores Department ... ..	2,472	17	11			
London Agency ... ..	4,868	0	0			
Photo-Lithographic ... ..	5,991	0	0			
Post Office Savings Bank ... ..	9,625	8	4			
Printing ... ..	31,438	0	4			
Refunds ... ..	2,000	0	0			
Parliamentary Expenses ... ..	1,030	0	0			
Grants, etc. ... ..	860	0	0			
Royal Commissions ... ..	3,150	0	0			
Law Costs ... ..	4,008	17	9			
London and Westminster Bank Commission	4,500	0	0			
Incidentals ... ..	13,700	0	0			
Mail Boat Subsidy, Geraldton ... ..	5,500	0	0			
Administration and Recurring Expenditure ... ..	...			868,390	13	0
<i>REVENUE-PRODUCING EXPENDITURE.</i>						
Royal Mint ... ..	20,000	0	0			
Public Batteries ... ..	53,000	0	0			
Railways and Tramways ... ..	1,227,082	13	4			
Gwalia Hotel ... ..	6,428	16	3			
				1,306,511	9	7
Add Commonwealth ... ..	...			£2,225,302	2	7
				380,059	0	0
Total Administration, including Commonwealth ... ..	...			£2,605,361	2	7

If members will now give their attention to the above Return No. 8, they will find an analysis of the expenditure on administration and on recurring and revenue-producing works; and by a careful comparison with the same estimates presented last year, these will be found to exceed last year's estimates by a sum

of £40,000. But when I tell the House that items of increase amounting to between £110,000 and £120,000 have been added to the present votes, it will be seen that very substantial savings have been effected in general administration. I shall not weary members by reading the details of the votes; they are before them, and I will read the totals merely. Special Acts—that is, exclusive of £20,000 appearing in the revenue-producing expenditure—total £50,400; the general administration totals £868,390 13s., and revenue-producing expenditure £1,306,511 9s. 7d., or a total general expenditure on administration, recurring and revenue-producing votes, so far as the State is concerned, of £2,255,302 2s. 7d., and if to this we add the Commonwealth expenditure of £380,059 we shall see that the total for administration, including that of the Commonwealth, is £2,605,361 2s. 7d.

*Increases in Expenditure.*

The principal increases in administrative expenditure are in the Lands Department, where over £48,000 is provided in excess of the estimates for last year. For years past it has been a known fact that this department has been practically starved. Each Minister who has sat in the chair of the Commissioner of Crown Lands has complained of this fact; and as usual, whilst a great deal of advertisement has been given to previous Commissioners of Lands, it rests with the present Government to provide sufficient funds to bring the department right up to date. I can assure members that we are sorry to add this expenditure to the particular department, but every member of the House will recognise that if we are to take full advantage of the position we have been striving for some time to attain, namely that of inducing settlement on our lands not only from the Eastern States but from the old world, the least we can possibly do is to give every practical assistance to this department to have its work right up to date, so that any one coming here to select land will not have to put up with the experiences and delays we have had in the past. It has been found absolutely necessary to put on some 60 draughtsmen, computers, and surveyors, and in addition it has been

necessary to add a large sum to the expenditure in order to bring surveys right up to date, so that when a man wants to know where to select land, the Lands Office will be able to tell him, and the man will not have to wander about aimlessly, ultimately finding he is on some other man's land. The greatest opportunity exists so far as this State is concerned for encouraging settlement on our lands. Let us on our part show no disinclination to give every possible facility to bring about that highly desirable end. The sum of £16,000 more has been given to the Minister for Mines than on the last estimate, principally for the payment of wages, etcetera. That is necessary for the future extension of the public battery system, but a large portion of this expenditure will come back to us in additional revenue. Then £12,000 is the increase in the administration vote of the Education Department. Both Houses of the State desire that our children shall have every facility to be educated; consequently the expenditure is only increased in proportion to the demands of the State in this particular direction. Then £20,000 more than last year is set down for the administration of Commonwealth departments: this amount includes the proportionate cost of the Commonwealth administration. There is also £5,500 subsidy to the Geraldton steam boat service, and £6,428 for the expenses and purchase of stock for the Gwalia Hotel, which will come back to us as a credit to the revenue. These items total in themselves nearly £110,000, and in addition provision is made on the Estimates for an increase in the salaries of civil servants, a promise which I believe has been made by past Governments. Apparently the mission of this Government is to do nothing but redeem the promises of other Governments, and in this particular respect the Government will endeavour to redeem these promises. The Estimates will show advances in salaries; and advances which, so far as the Government are concerned, we think are justly due have been given to the civil servants. The principal decreases are in the Works Department, the salaries of the Mines Department, the Treasury Department and Treasury miscellaneous, and the Railways.

*Revenue-producing Expenditure.*

Now we come to the revenue-producing expenditure, and that includes the Royal Mint £20,000. This will return to the revenue £9,590 more than the expenditure. Then we come to Public Batteries, and the aim of these public conveniences is to benefit the small prospectors, and that will be served by the erection of these batteries and the expenditure upon them; and in addition to that, it will return as revenue to the State over and above all expenses a sum roughly estimated at £5,000. In the Railways, if the anticipated revenue is received and if the expenditure is kept within the figures mentioned, after providing £72,787 in addition to the £1,227,028 18s. 4d. which appears on the document before members, the railways will return a surplus sufficient to pay full interest on capital invested, and will, in addition, make some provision

for the reduction of rates foreshadowed by the Premier in speaking on the Address-in-reply. When considering this return this fact should be borne in mind, that so far as we are concerned we are practically expending £1,300,000 to earn £329,000. I am satisfied, judging by the accuracy of the estimates supplied me by the present Commissioner of Railways, that the estimate foreshadowed will be fully realised. The Gwalia Hotel shows a profit roughly of £1,000 over and above the expenditure.

*General Expenditure, Estimated.*

We now turn to the return of general expenditure, and this is practically a return which gives back to the citizens of this community the money we have taken from them in another way.

**Return No. 9.****GENERAL EXPENDITURE.***For Year ending 30th June, 1904.*

			£	s.	d.	£	s.	d.
Interest on Public Debt	...	...	536,911	14	0			
Sinking Fund	...	...	176,681	12	10			
						713,593	6	10
<b>PUBLIC WORKS.</b>								
Water Supply	...	...	27,150	0	0			
Grants to Roads Boards	£70,000	0	0					
Bridges, Revotes	8,363	0	0					
Do. New	9,505	0	0					
Roads, Revotes	26,670	0	0					
Do. New	20,300	0	0					
Total Roads and Bridges Expenditure	...	...	134,838	0	0			
Harbour and River, Revotes	£15,950	0	0					
Do. do. New	13,220	0	0					
Total Harbour and River Expenditure	...	...	29,170	0	0			
<b>Railways.</b>								
Gooseberry Hill	£5,000	0	0					
Malcolm to Laverton	70,000	0	0					
Owen's Anchorage	2,000	0	0					
Jandakot Railway	10,000	0	0					
Total Railway Expenditure	...	...	87,000	0	0			
Carried forward	...	...	278,158	0	0	713,593	6	10

## GENERAL EXPENDITURE—continued.

	£	s.	d.	£	s.	d.
Brought forward ... ..	278,158	0	0	713,593	6	10
<i>Public Works and Buildings.</i>						
William Street Bridge ... ..	31,000	0	0			
Court Houses, etc. ... ..	£16,235	0	0			
Hospitals ... ..	48,475	0	0			
Gaols and Quarters ... ..	10,880	0	0			
Industrial Schools ... ..	235	0	0			
Police Stations ... ..	21,780	0	0			
Government House ... ..	440	0	0			
Mint ... ..	3,200	0	0			
Schools ... ..	45,505	0	0			
Mines ... ..	16,140	0	0			
Lands ... ..	13,050	0	0			
Treasury ... ..	6,635	0	0			
General Buildings ... ..	29,410	0	0			
	211,985	0	0			
Total Works and Build- ings ... ..	...			521,143	0	0
<i>Other Public Works.</i>						
Public Batteries ... ..	25,000	0	0			
Purchase Copper Ore ... ..	15,000	0	0			
Development of Mining ... ..	7,000	0	0			
Rabbit-proof Fencing ... ..	28,000	0	0			
				75,000	0	0
<i>Railways.</i>						
New Works and Improvements ... ..	25,000	0	0			
Vacuum Train Pipes to complete Trucks ... ..	14,000	0	0			
Replacing obsolete Rolling Stock ... ..	33,787	0	0			
				72,787	0	0
Subsidy to Municipalities ... ..	...			65,800	0	0
Immigration ... ..	...			2,000	0	0
<i>Charitable and other Grants.</i>						
Hospitals, etc. ... ..	95,852	6	9			
Charities, In-door and Out-door Relief, and Assistance to Orphanages, etc. ... ..	23,210	0	0			
Agricultural Societies ... ..	4,200	0	0			
Sanitation Grants to Local Boards ... ..	2,500	0	0			
Mechanics' Institutes ... ..	3,000	0	0			
Marsupial, Wild Dog, etc. ... ..	1,700	0	0			
Literary and Scientific ... ..	14,150	0	0			
Fire Brigades ... ..	3,000	0	0			
Recreation Reserves ... ..	14,300	0	0			
Benevolent Grants ... ..	4,710	0	0			
Cemeteries ... ..	1,000	0	0			
National Grants ... ..	600	0	0			
				167,722	6	9
Total State ... ..	...			£1,618,045	13	7
Add Commonwealth ... ..	...			67,079	0	0
Total General Expenditure in State by State and Commonwealth ... ..	...			£1,685,124	13	7



The general expenditure return shows interest and sinking fund, £713,593 6s. 10d.; public works under the control of the Public Works Department, £521,143, and other public works £75,000; railways, £72,787; subsidies to municipalities, £65,800; immigration vote, £2,000; charitable and other grants, £167,722 6s. 9d.; or a total of general expenditure, so far as the State is concerned, of £1,618,045 13s. 7d. If we add the Commonwealth expenditure of £67,079, that brings the total general expenditure in the State, and by the State and the Commonwealth, to £1,685,124 13s. 7d. Turning again to this return it will be seen that we provide interest on public debt amounting to £536,911 14s., and sinking fund £176,681 12s. 10d., or a total of £713,593 6s. 10d. Public Works: Water supply £27,150, including stock routes and boring in agricultural areas. Grants to Roads Boards £70,000 (an increase of £9,000 on the last year), and a total of expenditure on roads boards and roads and bridges of £134,838. Then there is for harbours and rivers £29,170. Now we come to the railways. Gooseberry Hill railway, £5,000; Malcolm to Laverton, £70,000; Owen's Anchorage railway, £2,000; Jandakot railway, £10,000. What this means is that whilst other States are clamouring for an expenditure of loan moneys on works, the State of Western Australia is continuing the policy which we practically started last year by spending no less a sum than £87,000 out of revenue on distinctly and directly reproductive works. Public Works and Buildings: William Street bridge, £31,000; court houses et cetera, £16,235; hospitals, £48,475 (including £26,000 for a hospital for the insane); gaols and quarters, £10,880 (including £7,000 for the Fremantle prison); industrial schools, £235; police stations, £21,780; Government House, £440; the Mint, £3,200; schools (including Technical and Secondary schools), £45,505; Mines (including £7,000 for the Woodman's Point Magazines), £16,140; Lands (including £10,000 for abattoirs in the metropolis and on the goldfields), £13,050; Treasury, £6,635; general buildings (including £9,000 for building and converting public offices, and additional expenditure

on Parliament Houses), £29,410; or a total practically on buildings (exclusive of William Street bridge) of £211,985. Other public works: Public batteries £25,000: this is for the erection alone of public batteries and has nothing to do with the working expenses of public batteries. Then there is an amount of £15,000 for the purchase of copper ore at Phillips River, particulars of which I shall deal with later on. Development of mining, £7,000; rabbit-proof fencing, £28,000; or a total of £75,000. In the railway department there are new works and improvements, £25,000 (for sidings and improvements to railway stations and all that kind of thing, usually paid out of loan funds); vacuum train pipes to complete trucks, £14,000; replacing obsolete rolling-stock, £33,787; or a total for this purpose expended from railway revenue of £72,787. Members will see that this is £17,000 less than last year, because of the shipment which was coming forward, and which was made the subject of a report by the Auditor General at the commencement of this session. That stock was coming forward, and we provided for it by charging it to last year's revenue; consequently there is no necessity to expend so full a sum this year as last.

#### *Subsidies to Municipalities.*

In addition to that, we have subsidies to municipalities, £65,800; last year the amount was £50,000. This subsidy has been calculated on the scheme which I submitted to the House, and it is the intention of the Government to stand by that scheme, thinking it is a just and equitable one. There will be expended £65,800. Provision has been made, as I stated when moving the motion in relation to subsidies, to pay Perth at the rate of 15s. in the pound up to the end of the municipal year, and 12s. 9d. up to the end of our financial year. After that Perth will require to do as the scheme says, and make provision for the raising of revenue on the standpoint of the scale I then foreshadowed. By placing £65,800 on the estimates we are getting rid of all internal expenditure on municipalities, recognising as we do that if the Government are prepared to give substantial subsidies, the least the people whose property is benefited within the bound-

aries of the municipalities shall do is to rate themselves accordingly.

#### *Immigration.*

We are placing £2,000 on this year's general expenditure for immigration. The time will come when we will have to tackle this question with much more earnestness, and to expend probably a very much larger sum in order to compete with the other advertising countries of the world.

#### *Charitable and other Grants.*

Coming to charitable and other grants, it will be seen that the hospital and medical grants cost this State £95,352 6s. 9d., in addition to which charities, indoor and outdoor relief, and assistance to orphanages etc., total £23,210. We are giving the agricultural societies this year an increase of £2,200, the amount set down being £4,200, and this increase is to encourage them to get their stock up to the standard we think necessary for a State with such great agricultural and pastoral potentialities as this State possesses. Sanitation grants to local boards amount to £2,500; mechanics' institutes, £3,000. Then we have grants for the extermination of mar-

supials, wild dogs, etc., £1,700; literary and scientific, £14,150; fire brigades, £3,000. Recreation reserves, £14,300: this is a large increase on the grant of last year, the increase being I think £5,500. Personally, I am not very much in love with this vote, but I say unhesitatingly that if we have a vote for recreation purposes it should be given on some scientific scale, and it should not be within the power of Ministers to grant exactly what they wish; consequently we have made provision that every town in this State shall receive something from this vote. Benevolent grants, £4,710. Cemeteries, £1,000. In the past it has appeared to be necessary for the Government to do everything inside a cemetery. But we have decided—a decision we arrived at early last year—that so far as the Government are concerned we only intend to fence the outside of cemeteries, and the inside arrangement of them can be left to those who have friends there, or who anticipate going there themselves. National grants, £600. The total amount of charitable and other grants is £167,722 6s. 9d., concrete position of that expenditure is shown on Return No. 10.

#### **Return No. 10.**

#### **TOTAL EXPENDITURE THIS YEAR.**

#### **SUMMARY OF ESTIMATED STATE AND COMMONWEALTH EXPENDITURE (IN THE STATE) FOR THE YEAR ENDING 30TH JUNE, 1904.**

	£	s.	d.	£	s.	d.
Administration, etc.—						
State ... ..	2,225,302	2	7			
Commonwealth ... ..	380,059	0	0			
General Expenditure—				2,605,361	2	7
State ... ..	1,618,045	13	7			
Commonwealth ... ..	67,079	0	0			
				1,685,124	13	7
Total ... ..	...			£4,290,485	16	2

The estimated amount of expenditure, including Commonwealth expenditure, is £4,290,485 16s. 2d., less revenue producing departments, £1,306,511 9s. 7d., or a total to be expended of £2,983,974 6s. 7d. This is how we purpose expending it:—Administration, (including education, £136,230; police, £129,031; Commonwealth expenditure, £380,059)—£1,298,849 13s. Interest and

sinking fund £713,593 6s. 10d., general expenditure £971,531 6s. 9d.; or a total expenditure, less revenue-producing departments, of £2,983,974 6s. 7d.

#### *Local Inscribed Stock Loan.*

The last return, No. 11, shows the net result of a £483,215 local inscribed stock loan.

## Return No. 11.

## NET RESULT, £483,215, LOCAL INSCRIBED LOAN.

	£	s.	d.	£	s.	d.
To Gross Proceeds ... ..	...			483,215	0	0
By Expenses—						
Brokerage, $\frac{1}{2}$ per cent. on £406,490 ...	2,032	9	0			
Commission paid Banks for receiving money and issuing Certificates, $\frac{1}{4}$ per cent. on £400,335 ... ..	1,000	16	9			
Advertising and Printing ... ..	330	17	5			
Postage and Telegrams ... ..	35	14	11			
Accrued Interest ... ..	1,093	10	5			
				4,493	8	6
Net proceeds, after paying Expenses and Accrued Interest ...	...			£478,721	11	6

The expenses were: Brokerage, £2,032 9s.; commission paid banks for receiving money and issuing certificates, £1,000 16s. 9d.; advertising and printing, £330 17s. 5d.; postage and telegrams, £35 14s. 11d.; and I have put another item here which does not appear in the statement of any other State, that is accrued interest, which is the difference as between 1st May and the 14th, £1,093 10s. 5d., or a cost of £4,493 8s. 6d. to float a loan of £483,215. By comparison with the expenses of another State, which floated a loan of £117,000 more at a cost on the same basis of no less a sum than £8,175, I have reason to be satisfied; but if I had to do it again, I fancy I could do it cheaper than I did in my initial effort. All things considered, I think I have every justification for claiming that the first local loan was an undoubted success. (General applause.) I was blamed for having a subscription instead of a tender loan, but I took the best financial advice I could obtain in the States, going to a great deal of trouble to attain it, and was told to have a subscription loan, and I think there was a good deal of justification in that advice, seeing that the Metropolitan Board of Works in Victoria, probably the most fashionable stock for local investment in Australia, had just before this had a tender loan, and that tender loan had only been partly subscribed, and the balance had to be taken up by the underwriters. It meant that this was the first loan that Western Australia had

placed upon the Australian market, and I say unhesitatingly that the market was not a favourable one to Western Australia at that particular time, and consequently I could not afford to take any risk. If I had had a tender loan, I should not have known until I opened the tenders how much I should actually receive, I could not have courted failure, consequently I would have required to have gone to the banks and said to them "I want you to underwrite this loan in order that there may be no failure." They would probably have said, "Certainly; but our price is so and so." If tenders had come in above par, they as underwriters would have taken all that sum above par; instead of resorting to those means, I put a Western Australian loan upon the market, and in doing so I placed before the people, as I have said, the fullest particulars of the financial position of this State, and people in the Eastern States have been good enough to say that it had a material effect upon the ultimate success of the loan, and I put that loan as a subscription loan. The people knew exactly what they were getting, they knew exactly the amount they were paying for it, and I knew from time to time exactly how much had been subscribed; so that had there been any necessity—which there was not—to put pressure on at this end, I would have been in a position before the loan closed to do so, and thus secure and protect the credit of Western Australia. I venture to say that every step I took on that occasion

was fully justified, and did credit to the financial position of the State.

#### *General Outlook of Western Australia.*

These are the last of the figures, and I now draw attention to the general outlook of Western Australia, and I say there is not the slightest doubt as to the position of this State. Our prosperity is steady and solid. The time when our future was speculative has gone, and our prosperity is now an assured fact. Strong evidence of this is shown in the fact that merchants from all over Australia are purchasing city and other properties here, and we have a stronger and even better evidence than this, the people generally are acquiring small properties on which to make their homes, and the prevailing feeling of unrest, which was characteristic here some years ago, has given place to a strong desire to be a citizen of a State which is second to none in the Commonwealth for anyone with enterprise and energy. During the last two years over 2,000 buildings have been erected in Perth and its immediate suburbs. Whilst this gives evidence of the progress of that settlement we all desire to see, may we trust that it will in no way lead to speculation on inflated land values, the aftermath of which, judging by the experience of the Eastern States, is disastrous in the extreme? Our population continues to steadily increase. Last year when I spoke it was roughly 213,000, whereas at the end of August it was 227,000, and we must not lose sight of the fact that the majority of this increase consists of adults in the prime and full vigour of life. Of this increase 5,500 came from Victoria, 2,500 principally from the agricultural districts of South Australia, over 1,000 from New South Wales, the balance from the other States and the old world. The sister States have been deploring the fact that their young, vigorous life is being attracted to South Africa. Whatever phase to this life there is that is attractive in South Africa, I venture to say that such a phase is more in evidence in Western Australia. It is quite natural that the States will have their degrees of prosperity, and so far as Australia is concerned that is bound to encourage a migratory population; but I think we

have a right, seeing that we are probably the most prosperous State of the whole at the present time, to ask that the sister States which are losing their population should point to the fact that Western Australia is a very desirable field for young, vigorous life; and even if they lose some citizens by this process, they have the satisfaction of knowing that these people still remain citizens of the Australian Commonwealth.

#### *Banking Returns.*

If we turn to the banking returns, the medium of commerce and investment, we find that a steady, even business has been maintained. The total deposits not bearing interest amount to £3,336,261, and those bearing interest to £1,449,579, or roughly a total of £4,800,000. The former have increased during the year nearly £300,000, whilst those bearing interest have, owing to the advantages of more profitable investment, decreased by £150,000; the trading and other advances given by the banks show an increase of nearly half a million, proving that our banking institutions have every confidence in the stability of the State.

#### *Savings Bank.*

As evidence of the thrift of the State, the Savings Bank provides magnificent testimony. During the year the deposits increased by nearly £100,000, and the total sum to the credit of depositors in the Savings Bank to-day is nearly two millions of money. The number of depositors is 49,163, and the average amount standing to each depositor's credit is no less than £40 0s. 5d., only exceeded by Queensland in the Australian States. I have recently liberalised the operations of this institution, and have every confidence in predicting that before long it will be what we intended it should be—the bank of the masses.

#### *Trade Imports and Exports.*

Our shipping trade still maintains its position; and there is no doubt that with the prospects of a magnificent year in Australia, and Fremantle being the first and the last port of call, this year will show a great increase. The total value of our imports per head for 1902 is

£34 16s. 11d., and of our exports £43 13s. 11d. Our imports are £17 per head higher and our exports £23 per head higher than those of any other Australian State. Far from experiencing any alarm at the high average per head of our imports, I consider that this is absolutely one of the best advertisements for the probabilities of the State. For when I say that meat, live-stock, bacon, butter, cheese, eggs, wheat, flour, oats, jams, jellies, and fruits represent nearly £1,700,000, it must be clear evidence that a local market whose imports of these necessities, all of which can be produced within our own borders and which total roughly between £7 and £8 per head of our population, is well worth the exploitation of the farming community, not only of Australia but of the whole world. As to exports, not only is our gold export increasing by leaps and bounds, but wool, timber, hides, pearls, sandalwood, are all steadily advancing; and I venture to predict that at no distant date we shall add cereals to our exports. The total value of trade per head of population is £78 10s.

*Industries, Gold-mining, Batteries, etc.*

Let us turn to our industries, and naturally I take first the foundation of Western Australia's present position, her gold industry. The figures for this industry are so colossal that they cannot fail to be of interest not only to us who have grown accustomed to its marvellous growth, but to those outside our boundaries who are interested in our advance. The total production of gold to 30th September, 1903, was 11,816,745ozs., or 492 tons of gold of the value of £44,302,528. The output for 1902 was 2,117,241ozs. The output for this year to the 30th September was 1,842,282ozs. The reported value in 1890 was £86,000; in 1902 it was £7,947,662; for this year, to the 30th September it was £6,632,216. The estimated output for 1903 is 2,500,000ozs., of a value of £9,000,000. The dividends in 1891 were £1,875, in 1902 £1,424,272; and for this year, to the 30th August £1,309,615. Taking the nominal capital of the mines now working at £30,000,000, the dividends declared to the 30th August last, if maintained at the same ratio until

the end of the year, will be  $6\frac{1}{2}$  per cent. per annum interest on that sum; and I do not think it is for one moment contended that anything like the £30,000,000 represented by the nominal capital came into this State. The total of dividends declared from 1890 till 1903 is £8,795,477. The number of stamps on the 31st July, 1903, was 3,941; the number of other mills 161; the number of leaching vats 1,198, and of filter presses 138. The number of men employed on the 30th June, 1903, was above ground 8,042, underground 9,570, or a total of 17,612. The diggers numbered 3,308; and the total value of the mining machinery on the 31st December, 1902 was £4,304,397. In the year 1902, for every man employed above and under ground there was a production of 117ozs. of gold, to the value of £427 per man. On the total acreage, taking the acreage under mining lease last year, the average production per acre was £234 worth of gold. Turning to the State batteries, there is no question that under the able and capable supervision of the Minister for Mines (Hon. H. Gregory) and his staff, the State batteries are proving a splendid success. Up to date 140,000 tons of ore have been crushed for 170,000ozs. of gold, valued at £639,000; in addition, 48,000 tons have been cyanided, returning gold equal to £50,000, or a total production from the system of State batteries of no less than £690,000 of gold. The balance of the money, deducting cost of treatment, has gone into the pockets of the small mineowners. Hence by this system of State batteries the prospectors and the small mineowners have benefited, and the gold won in this manner goes into the pockets of the people of the State. The Mines Department has no less than 155 head of stampers crushing at the present time. It is needless to say that the Government intend to continue so admirable and profitable a scheme; and as I said before, £25,000 is provided on the revenue estimates of this year for the continuation and extension of this principle. At the Phillips River the Government are buying ore. In order to provide a local market for the realisation of the copper ore there, the State has instituted sampling works in which ores from the various claims are purchased on their assay value, at such a

price as will allow a considerable margin for fluctuations. The intention is to test the district by this means, prior to undertaking the erection of smelting works and necessary tramways. Up to date 1,200 tons of ore have been purchased, which returned to the prospectors a sum of £4,500. The assistance thus afforded has given a great impetus to that particular district; and I think that if returns justify it, every provision will be made by the Government to assist the development of the copper industry to its greatest possible extent.

#### *Minerals generally, Output and Prospects.*

Of minerals other than gold the total output to 31st July was: Copper ore, 39,392 tons, of a total value of £241,554; block tin, 4,567 tons, of a total value of £259,178; coal, 502,842 tons, of a total value of £274,639; and "not otherwise enumerated," £47,876; or a total value for minerals other than gold, to the 31st July, 1903, of £823,247. The output of Collie coal for 1902 was 140,884 tons, or 23,000 tons in excess of the output for 1901; and this industry employs an average, roughly, of 360 to 400 men. The Government Geologist states that we have iron deposits as large and as rich as any in the world; so that we can look forward to great developments in that industry. As to gold, every assistance and encouragement are given for the advancement of our greatest industry; nor are we content with our present discoveries. Prospecting parties have been equipped with camels, and specimens recently brought in from the South Australian border clearly show that deposits of gold and iron exist in the Warburton Ranges. Arrangements are being made to thoroughly test these deposits; and I venture to say that if we find the deposits payable, the fact may have a material influence on that scheme which is dear to all our hearts—the Transcontinental Railway. The Government Geologist has been sent to report on the Pilbarra district also; and his report will be awaited with the greatest interest.

#### *Aspersions and some Results.*

Last year I made some remarks on the aspersions constantly cast upon the

mining methods of Western Australia. These remarks were resented by the Mine Managers' Association of London and characterised as untrue. I told this Committee last year that I would take certain action with regard to certain companies, which I said had prepared their balance-sheets for market purposes. I did that, and those companies not only paid the duty but paid the fines; so that practically there is the end of it as regards the State. I may say—and I think it just and right to say it—that so soon as the other companies found that the Government were determined to make them pay the legitimate dividend duty which they should have paid under our Act, although we had to go to extreme measures to convince some of them we were in earnest—when they found we were in earnest they all settled; with the result that the relationship between those companies and the Government is now on a much better basis than it has been hitherto. We find, however, that these aspersions still continue, but while they do, the people are placing the blame where the blame should be placed, not upon the people of Western Australia but upon the mining jobbers and market riggers of their own land. Those who desire to see a straightforward protection of clean methods, and an exposure of some of the questionable methods of the past, can be absolutely certain that they can rely in every case upon the assistance and support of the present Government.

#### *The Mint.*

As our gold-mining industry increases, we have every reason to be satisfied with the establishment of a Royal Mint in our midst. The estimated revenue from charges is £29,590. The annuity paid by us is £20,000, so that we are at present making a profit out of the Mint of £9,590 per annum. If we charge interest on the construction of buildings, say £2,000 a year, it still shows a profit of £7,590, thus giving not only a great convenience to the gold-producer, but returning over and above that a very substantial profit to the State.

#### *Agricultural and Pastoral Development.*

For years past this State was looked upon purely as having one industry, and that

mining. It is admitted that the mining industry has made marvellous strides; but I venture to predict that, great as our development has been in this direction, we shall see a greater comparative development in our agricultural and pastoral industries. Since last year the area under cultivation has increased by 13,000 acres, and with the introduction of new methods a very large area now lies in fallow, so that a much larger increased area has been directly and indirectly added to cultivation. Last year all kinds of cereal and root crops showed an increase; but, owing to the great drought in the Eastern States, the principal increase was in hay crops, 12,000 acres more being cut for hay than in the previous years. There has been a very heavy increase in orchard planting also, 700 acres more having been planted than in the previous year, showing that the orchardists of this State appreciate the great benefits of a splendid local market. The average yields per acre show the wonderful suitability both of the climate and the soil of Western Australia for agriculture. In wheat the average was  $10\frac{1}{2}$  bushels, maize  $13\frac{1}{2}$  bushels, oats 16 bushels, barley 12 bushels, hay 19 cwt. to the acre, and potatoes 3 tons to the acre. Turning to the pastoral industry, while the other States are deploring the depletion of their flocks and herds, our figures show a most gratifying increase, horses 12,000, cattle 40,000, and sheep 74,000. There is no doubt that in the Kimberleys, and in the Gascoyne and Murchison and our other North-West areas, we have pastoral country second to none in Australia. The justification for my assertion that our development will be phenomenal lies not so much in what has been done or in what the selectors who have taken up land are doing, as in the fact that many have taken up land in the last two or three years who have practically up to now made no profit out of their land. Nor has that land yet come under cultivation to the extent the applications for it would have justified.

#### *Land Settlement.*

If we compare the record of the last year's work in our land settlement in this State with the previous years, I venture to say it is a record of which this State may very well feel proud. The number

of conditional purchase holdings approved in 1901-2 were 1,372, or 208,912 acres. In 1902-3, 2,543 were approved, or 398,542 acres. The number of new settlers may be better gauged by the homestead farms. Those approved in 1901-2 were 411, representing 64,439 acres. In 1902 to 1903 the approvals were 1,118, representing 176,354 acres; so that practically in one year 1,118 additional farmers settled on our soil, or 700 more than in the previous year. It must not be forgotten that we have not the teeming millions to draw upon that Canada has, and that the majority who take up our land and settle upon it come from the Eastern States. Nor is this settlement confined to agricultural centres alone. The pastoralists are beginning to realise our great possibilities both for home and export market. The pastoral leases approved in 1901-2 were 539, representing 22,094,216 acres. In 1902-3 the number of leases approved was 776, representing 29,535,831 acres. The applications approved in 1901-2 were 3,232 for 22,533,447 acres, while in 1902-3 there were 5,281 for 30,402,331 acres. Naturally we have every cause to be gratified with the result of the settlement both in our agricultural and pastoral districts, as we all must recognise that agricultural and pastoral pursuits are settled and permanent industries, and bring in their train other industries that will make this State a hive of employment for the skilled artisan and labourer. The outlook for our settlers here is one that must give them every satisfaction. We have and always have had in our agricultural districts a splendid rainfall, rich and heavy yields, and have, in addition, a local market second to none in Australia; and when we have overtaken the demands of that local market, we are infinitely nearer the world's markets than the sister States of Australia.

#### *Agricultural Bank Advances.*

In addition to the facilities given under our Lands Development Act, we have also provided for the struggling settler through the Agricultural Bank. From this source £188,000 has been advanced to struggling settlers, which has been of material assistance in clearing 76,306 acres and cultivating 54,853 acres, also

in providing for water supply and the building of fences; the grand total of improvements being no less a sum than £362,503. I think this Committee will agree when I say that one of the most gratifying phases of our land settlement is the fact that our goldfields residents are making applications for lands in our own State. I am sure every one of us will welcome the marriage of the strong, vigorous manhood of the goldfields with the coy maiden of husbandry, and I am certain that this will lead to a much better feeling existing between the fields and the agriculturists than any platitudes issuing from the mouths of politicians, because we recognise and they recognise that these two great industries, developed to their fullest extent, mean that the future, bright and prosperous, of Western Australia will be written in very large letters, and very strong letters too.

#### *Timber.*

The timber industry is showing increased activity. New markets at Manilla, in India and China, and even when we come closer home in New Zealand, and in the Eastern States, are being opened up, and, in addition to that, large quantities of Western Australian timber are being used in architecture and joinery. So we see what we hitherto in many instances have wasted is now being put to profitable use. The estimate of the output from our timber industry for the present year, according to our best authorities, will reach nearly £1,000,000. A royal commission has been collecting valuable information on the present and future prospects of our forests, and doubtless its recommendation will receive the careful consideration of this House.

#### *Wool, Pearling, and Manufactures.*

The wool clip yielded £80,000 more last year than the previous year, and the known increase in the pearling and pearl-shell industry was £48,000. While our natural industries are progressing, as I have said before, with great strides, our manufactures are beginning to make strong and steady progress as well. I venture to say that, according to the increase of settlement which has taken place in the agricultural districts, manufacturers will see there is open to

them a market for the production of all kinds of implements, second to none in Australia. The number of factories at present is 702, employing 11,221 males and 1,316 females, or a total of 12,537 people altogether. I think that I have every justification, after the brief review of the position of our industries, in stating that there is before us a future rich indeed in the certainty of that stability and unqualified prosperity which is the desire of us all.

#### *Education—Primary, Secondary, Technical.*

In education it will be found that we are trying to keep abreast of the times, and in every possible way we are endeavouring to provide education for the rising generation. That our efforts are appreciated is shown by the fact that in 1898 we had an attendance of 14,424 scholars, while in 1902 we had 22,765 scholars, or an increase of  $57\frac{1}{2}$  per cent. At the end of the last June quarter there were 24,172 children on the rolls. The teachers in 1898 numbered 391 and 677 in 1902. The number of schools in 1898 was 186, and 250 in 1902. The expenditure on school buildings from 1898 to 1902 was £146,703. We have established manual training, evening continuation and technical classes, and the increased and continually improving attendance testifies to their usefulness. We have also established a training college at Claremont for the purpose of supplying teachers to meet the growing developments of this State. Provision is now contemplated for secondary education, and, as foreshadowed in the Governor's Speech, we are making every provision for the endowment of a university, and a Bill with that object is now before Parliament.

#### *Goldfields Water Supply.*

Now we turn to the Goldfields Water Scheme. No Budget speech for years has been complete without reference to this great scheme. My reference is a fairly pleasant one; in speaking on this subject last year I said the time for talking had gone past. There had been altogether too much talk and too little work, and the consequence was that each member of the House was beginning to have some dread as to the ultimate success of that



scheme. We anticipated we would open the water supply at the end of January. A good deal of doubt on the subject was expressed, but thanks to the very great energy shown by my colleague the Minister for Works (Hon. C. H. Rason) and the officers under him, that scheme, possibly the greatest engineering scheme of its kind if not in the world at least in the Australian States, was opened, and fittingly opened by Sir John Forrest, on the 26th January of this year, amidst great enthusiasm and in the presence of representative men from all over Australia. No sooner was that scheme completed than doubts were expressed whether we could provide a sufficient quantity of water to make it a payable proposition; but to-day we are in the happy position of knowing that the Mundaring Weir is overflowing, that the dam contains nearly 5,000 million gallons of water, and that by it containing that quantity of water we are relieved of any doubt as to the success of that scheme at its material end. All that is now necessary is to give all reasonable conveniences to consumers, and this we are endeavouring to do by reticulation in the principal towns, and we anticipate next summer this scheme will fulfil the highest anticipations from all the standpoints of those who planned it. Standing as we did a few days ago looking at the completed work, and having the recollection of having given all honour to the statesman who initiated it, I venture to say there was not one of us who did not regret that Mr. C. Y. O'Connor, who gave his life practically for that scheme, was not present to realise its full consummation.

*Fremantle Harbour.*

Now we have the Fremantle Harbour. It is another great work, and to a certain extent it has been completed; and having put it under the control of a harbour trust, we are satisfied that under their business management nothing will be neglected that will conduce to its popularity by the shippers who use it. There is still one necessary work in connection with the Fremantle Harbour, and that is the Dock. Every possible haste will be made to provide this, in order that the port of Fremantle, and through

the port of Fremantle the State, may realise every benefit from the large expenditure that has been made there; and without this dock we are quite satisfied that the work cannot claim to achieve its full possibilities.

*Loan Works and Loan Policy.*

Coming now to the question of loan works. When delivering my last Financial Statement I stated I looked on the temporary closing of the doors of the London loan market as a blessing in disguise for Western Australia. May I say now, 12 months later, that I see no need to alter that opinion other than to add the words "Australia generally" after "Western Australia." My reasons are, first that the closing of the market will cause a minute examination of our administration expenses, so that all savings effected may be employed in works of a developing character. In the second place, it means that we shall require to have every justification for a work before we ask for a loan expenditure for it, and that work will have to stand the closest possible scrutiny before we stand a chance of getting our money. In other words, the works will have to be free from political influence, and their only recommendation being that they have in them the elements of an interest-paying proposition. If we look at the present position from that standpoint, we must be satisfied the closing of the doors of the London money market was a blessing in disguise for Western Australia, the result being that not only will our administration but our public works for which we require to borrow money will be placed on a business basis, and whilst the shoe may pinch us at the present time, the ultimate result will be full compensation for the hardships of the present. There is no disguising the fact—and on this point I have made every possible inquiry—if Australia wants money during the next three or four years she will have to face a four per cent. market; consequently any State that, in the face of the present outlook, can with a light heart propound what we frequently hear called a strong and vigorous public works policy, necessitating large appeals to the loan market, is courting internal and financial disaster. Canada, New Zealand, Queensland, New

South Wales, and South Australia, all recognise the position, and as a result are advocating, if not an entire cessation of those works, at least a modification of loan expenditure on public works for some time to come; and this Government, which probably has more justification, in view of the great developments and the great possible developments which we see before us, than any other State of Australia, is bound to recognise the same position. As a result we propose cutting our coat according to our cloth, and we only intend to spend during the present year £750,000 upon loan works. The sum asked for will probably exceed that amount, but we shall not expend, under any circumstance, more than the sum mentioned. Last year we expended £1,700,000 of loan money. A very large proportion of this was spent in London. This year, out of the sum we shall have to spend, a very large proportion of it will be spent within the boundaries of the State. This State has an absolute right to know how I intend to finance that £750,000. I started the financial year with £103,000 to the credit of loan funds. If members will turn to Return No. 3, they will see we have authorisation for £133,555. When the Premier delivered his policy speech I was besieged by offers of that money from the other States, but having no necessity for it at that time I did not avail myself of these offers. Since then they have been renewed, with the consequence that I have floated that £133,555 in Australia at four per cent. at par, interest payable from the time the money is paid, so that I have a third of the £750,000 provided. Our bankers in London have told us they will advance us, until there is some reasonable hope of a change in the London market, £250,000 at three and a-half per cent., and we purpose placing another local inscribed stock loan, after we have exhausted our funds, on the Australian market some time towards the close of the financial year. Of the success of this loan, if floated on the same basis as the last loan, I am already assured, so that we have every reasonable probability of providing the whole of the £750,000 to carry out the necessary loan works in the State during this year. That is the position for the present year, but I would like the House and the country to recog-

nise that if the English market does not improve, then we can see before us a very strong curtailment of the expenditure of loan moneys on our public works. Personally I am adverse to a large loan expenditure for the next three or four years.

*Prudence in Loan Projects.*

We hear a good deal about the mandate of the people on the question of a redistribution of seats and other great principles. I should like to see members of the House who purpose seeking re-election come back from the country with a mandate to see that our loan expenditure shall not exceed anything from £500,000 to £750,000 per annum during the currency of next Parliament, and as far as possible to have that money borrowed in the Australian States. I am certain of this fact, after making careful inquiries, and that too at a time when Australia is practically recovering from the great disaster of her drought, that according to the expert opinions of financial men in every State, Australia can lend Australia anything from £2,000,000 to £2,500,000 per annum, provided that the principal is kept and interest paid within the boundaries of Australia, and I am quite satisfied of this fact: that so long as Western Australia pursues her present policy and makes ultimate provision for the redemption of her debt, Australia will be perfectly willing to lend Western Australia the sum we require up to practically £750,000. I want to see us borrow our money in Australia, because it seems to me it will lead to a more careful scrutiny by the people lending us the money, and that when we propose a work that bears upon its face rather a political significance than a developing one, we can rest assured that the people who are lending us the money will express such an opinion that will teach us to only present to them works which are directly and distinctly revenue producing. With the exception of the payment for the Malcolm-Laverton railway over and above the £70,000 provided in the revenue estimates, and the rails and fastenings for the same, the Collicie-to-Goldfields railway, the Bunbury harbour works, and the Fremantle dock and slip, totalling roughly £170,000 — because the metropolitan water supply and sewerage are not in-

cluded, as these works will be constructed and financed on a separate basis—nearly the whole of the balance which we require, with the exception of administrative expenses, is to complete works authorised years ago. Inside and outside the House, both by members and the Press, the Government have been twitted with having no conception of forward enterprise. Every credit has been given, and it has not been begrudged, to those who conceived our great works. But let the citizens of Western Australia not forget this fact, that the obligation not only of completing these works, and of practically rescuing its biggest public work from chaos, but also of financing them in the face of a very stringent market, has been the heritage of the Leake and James Governments, who, whilst sharing none of the praise, have had all the anxiety and drudgery of providing for their completion, and we have done this without in any way damaging the credit of the State.

#### *State Borrowings and Sure Results.*

It seems to me that the present is a fitting opportunity to strike a strong blow at the generally accepted idea, which had practically become a faith, that Australia can only prosper by huge borrowings. Too frequently huge borrowings lead to that prosperity which we know is unstable and carries with it the strongest possible germs of corresponding depression, which in turn has to be relieved by further borrowing. Another reason which is frequently advanced is that, if we have to wait till our great resources are developed by our own capital, our progress must be very slow indeed. In the minds of thoughtful men, five years is nothing in the history of a nation, provided those five years are represented by slow and steady progress; and business men will tell you that ultimate prosperity rests with the man of energy and enterprise who, whilst looking ahead, is certain of providing for his immediate obligation; and if this applies to business, it ought to be a good principle to apply to the State. If the prosperity coming from internal development be slower, there is not the slightest doubt it is surer. We have strong evidence of that fact in the great development which

has taken place under our public battery system. Moreover, the national life is sturdier and more independent, for there is not the slightest doubt that the whip of necessity is a strong incentive to development; consequently I hope we will see that Western Australia and Australia, so far as these ideas can influence Australia generally, must put more energy into the development of some of those natural resources which are indeed her great heritage. But if by any circumstance we have to look forward to an absolute closing of the London loan market, then how do we stand? No State is better equipped to initiate a policy of moderate and business borrowing than this State. The London market may be closed, but I venture to say that so long as our borrowings have in them an element of business productiveness, we can get along very quietly on a very moderate estimate, and obtain the required money in Australia.

#### *A Successful Future.*

We still have, even under these circumstances, a future strong in the elements of prosperity. If we produce £9,000,000 worth of gold, it is a fair thing to say that the cost of production will amount to £7,000,000. Then there will be spent on unproductive work on our goldfields something like half a million, and in wages for our timber mills £750,000, and in our other industries say £750,000; so that a total of £9,000,000 must be spent in ready cash in this State practically in wages during every year; that is, without taking into consideration any other expenditure at all. This means £40 per head of the population of the whole of the State; and I venture to say that whatever may happen, the ultimate outcome of the present monetary tightness can only influence us for a time, but under any circumstances we need have very little dread in looking into the future.

#### *London Financial Criticism.*

Now I come to a question which has not only been agitating this State, but the whole of Australia—London financial criticism. During the year very severe criticism, originating in a very exaggerated and scaring article published by the

*Daily Mail*, has been passed by English papers upon Australian finances and Australian financial methods; and these in conjunction with other influences have had a material effect upon our colonial stocks, which have been subjected to a very heavy fall as a consequence. Our stock, in common with the stock of other States, has suffered from the reason that the British investor looks upon Australia as a whole, and does not consider either the financial stability or the financial methods of any State in particular. When the article was published in the *Daily Mail*, I recognised that this was the outlook from the British investor's view; and I cabled the Agent General to publish an article in that paper showing the difference between Western Australian finance and Australian finance, but the *Daily Mail* absolutely declined to publish that letter and statement. I notice, however, that the representative of this journal now in Australia admits that Western Australia stands on a pedestal by herself, and that so far as her public finance is concerned there is much in it which is commendable, and that practically we are suffering not for our own faults but for the faults of the other States. The Treasurers of the other States are quite capable of defending their own position. I desire to place before all who are interested in the financial stability of Western Australia a clean business statement of how we spend our money, and that clean business statement is shown by Return No. 4. In railways, tramways, electric telegraphs, harbour and river improvements, public buildings, water supply and sewerage, development of goldfields and mineral resources, roads and bridges, development of agriculture, immigration, and miscellaneous we have spent, as I have shown earlier in the evening, £15,807,698 7s. 3d.

#### *Loans, how expended.*

Now I particularly desire to draw attention, seeing that I am speaking to people outside of this State, to the fact that whilst the other States charge all their expenditure on public works and public buildings to loan account, Western Australia, while spending £2,850,000 on public buildings and roads and bridges, has only paid £209,000 from loan funds

on account of those works. If members look at the particulars of the other items, I think I can claim that the railways and tramways, electric telegraphs, harbour and river improvements, water supply and sewerage, can be called distinctly revenue producing. If we add £300,000 as the sum represented by the purchase of land on the Great Southern Railway, which is returning a very fine income, it will be found, I think, that they total £14,582,510, practically leaving only £1,225,000 to be charged to indirectly reproductive expenditure; and if additional security is required for that million and a quarter, they have our sinking fund and stock redeemed, which at the end of the year will reach a total of no less a sum than £1,012,000. So to put the position bluntly, if our creditors were in a position to foreclose upon us, the assets represented by the public works in which we have invested the money that we have borrowed from them would give them 20s. in the £ without that which is behind it, and that which is behind it is this, that we belong to a people who have given a promise to pay, and when we have given a promise to pay, I venture to say there is no such word in our vocabulary as "repudiation." Whatever it costs the State to redeem these debts, I venture to say that the word of the people of the State is practically behind any engagement into which we enter.

#### *Ability to repay.*

Let us look at what rates of interest these are returning. The average rate of interest paid by this State for loans raised is £3 9s. 6d. per cent., the lowest rate of any of the States. On the estimates for the present year, and judged by what they did last year, the railways will, after paying all working expenses and providing £72,787 for the upkeep of rolling-stock and other necessary work, pay £3 14s. 8d. per cent. on, roughly, £9,000,000 of money. So we are practically receiving a quarter per cent. more than we are paying. It is difficult to estimate the net earnings from telegraphs and telephones, but the gross anticipated revenue is £43,900. Harbours and rivers: Fremantle Harbour Works have not reached the full limit of their profit, but

even on the estimated return this loan expenditure will pay interest this year, roughly, at the rate of £2 12s. per cent., but when in full profit the Harbour Trust anticipate they will pay four per cent. on the outlay of that great work. The expenditure on water supply will on this year's estimate return a trifle over £2 7s. per cent., and as there is no question now of having any quantity of water at this end, it is quite possible that the present summer will see such development in the demands that within a very short time indeed we may look forward to this scheme at least paying full interest. In addition to the earning capabilities I have shown that these works possess, let it not be forgotten that we have behind absolutely our sheet-anchor in our sinking fund; that fund is a general charge on the revenue of this State varying from one per cent. to three per cent. on all these works; so that, as I said some little time ago, if we did not borrow any more money from the British investor and kept up that sinking fund, we would in 35 years at the very outside not owe the British investor one solitary penny. It is fitting under these circumstances that I should make some remarks as to our stocks on the London market. With the knowledge that we possess of that fund and with the knowledge of how we use it, we are the one State which, to a limited extent, can look with equanimity upon the drop in our stocks on the London market. Especially well does this apply if we restrict our future borrowing to the Australian market. By means of our sinking fund we purchase our own stock. Our sinking fund amounted at the end of the year to £655,069; £436,408 was in our own stock; and this is our position to-day, that so far as this sinking fund is concerned we are purchasing our own stock at a discount of £14 and £8 respectively. Consequently, the lower the stock goes, the greater benefit shall we receive from that sinking fund; and if the British investor, through lack of knowledge of the value of the securities which he holds, is prepared to sell us a sovereign for 17s., then I venture to say this State is perfectly willing to avail itself of the opportunity of purchasing that sovereign to the full extent of the State's sinking fund.

#### *Concluding Remarks.*

May I say that I have foreshadowed a bright future, tinged with a sense of responsibility and caution. I think the desire of every member of this House and of every person in this State is to see that each step of our progress carries with it no germ of retrogression. We have in this State the richest possible material which goes to build greatness. We have gold, copper, tin, iron, and coal for our foundation. We have timber for our supports, pearl for the adornment of that building, and we have oil and wine for its consecration. We have wool to clothe our people; and we have corn, meat, fruit, milk, and honey for their sustenance. We need but courage and wisdom in our councils, the trowel of honesty in the hands of our master-builders, righteousness and justice as the foundation of our judgments, industrial peace within our borders, to make of this stone—a stone which a few years ago was a despised stone—the chief corner-stone in the completed temple of an Australian nation. I beg leave to move the first item on the Estimates, "His Excellency the Governor." [General applause.]

On motion by MR. PIGOTT, progress reported, and leave given to sit again.

#### ADJOURNMENT.

The House adjourned at 10·4 p.m., until the next day.

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