

Amendment—that the Bill be read this day six months—put, and a division taken with the following result:—

Ayes...	6
Noes...	7

Majority against	1
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Ayes.

Hon. R. G. Burges
Hon. R. S. Haynes
Hon. J. E. Richardson
Hon. H. J. Saunders
Hon. F. M. Stone
Hon. C. A. Piesse
(Teller)

Noes.

Hon. L. K. Congdon
Hon. C. E. Dempster
Hon. A. B. Kidson
Hon. W. T. Loton
Hon. D. McKay
Hon. G. Randell
Hon. E. McLarty
(Teller)

Amendment thus negatived.

Question—that the Bill be read a second time—put, and a division taken with the following result:—

Ayes	6
Noes	6

A tie	0
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Ayes.

Hon. D. K. Congdon
Hon. C. E. Dempster
Hon. A. B. Kidson
Hon. D. McKay
Hon. G. Randell
Hon. E. McLarty
(Teller)

Noes.

Hon. R. G. Burges
Hon. R. S. Haynes
Hon. J. E. Richardson
Hon. H. J. Saunders
Hon. F. M. Stone
Hon. C. A. Piesse
(Teller)

THE PRESIDENT: The voting being equal, I give my vote with the "ayes," so as to afford further opportunity for discussing the Bill.

Question thus passed.

Bill read a second time.

ADJOURNMENT.

The House adjourned at 8.25 p.m. until the next day.

Legislative Assembly.

Tuesday, 11th October, 1898.

Papers presented—Question: Closing of Cemetery, Perth—Question: Goomalling Railway Project and Land Rents—Chairman of Committees (Acting): Appointment—Annual Estimates, in Committee of Supply; debate on financial policy resumed and concluded; Estimates passed, pages 17 to 30—Companies Act Amendment Bill, first reading—Adjournment.

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

PRAYERS.

PAPERS PRESENTED.

By the PREMIER: Telephone Regulations, amended. Millar's Karri and Jarrah Forests Company, Limited, Copy of Agreement *re* Torbay Railway Concession. Patents, Designs, and Trade Marks, Report of Registrar for 1897.

Ordered to lie on the table.

QUESTION: CLOSING OF CEMETERY, EAST PERTH.

MR. WILSON asked the Premier, when it was expected that the new cemetery would be ready, and the necessary arrangements made to close the old cemetery.

The PREMIER (Right Hon. Sir J. Forrest) replied, that it was expected that the new cemetery would be ready about the beginning of next year, and as soon as it was, the arrangements for closing the old cemetery would be proceeded with.

QUESTION: GOOMALLING RAILWAY PROJECT AND LAND RENTS.

MR. QUINLAN asked the Premier,—1, Whether he was aware that a large amount of land had been taken up in the Goomalling district in the expectation of railway facilities being provided for the settlers. 2, Whether it was the intention of the Government at an early date to construct such a railway. 3, If not, whether the Government were prepared to remit the rents of such settlers until such railway facilities had been provided.

THE PREMIER (Right Hon. Sir J. Forrest) replied,—1, I have been so informed. 2, The Government are unable to do so this year. 3, The Government regret being unable to do so.

CHAIRMAN OF COMMITTEES (ACTING) APPOINTED.

On the motion of the PREMIER, Sir Jas. G. Lee-Steere (Speaker) was appointed temporarily as Chairman of Committees during the unavoidable absence of Mr. Harper.

ANNUAL ESTIMATES.

DEBATE ON FINANCIAL POLICY.

IN COMMITTEE OF SUPPLY.

Debate resumed, from the last sitting, on the motion of the Premier that the first item, "His Excellency the Governor, Aide-de-camp, £250," be agreed to.

MR. OLDHAM (North Perth): Before venturing to address the few remarks which I have to make on this particular subject, I desire to congratulate the member for Central Murchison (Mr. Illingworth) upon the able manner in which he placed before this House, and the people of the country, in his speech the other evening, the state of the finances. I cannot congratulate the right hon. gentleman who leads the Government in this respect, because I believe the member for Central Murchison thoroughly exploded and confounded all the absurd ideas put forward by the Premier, as an announcement of the financial policy of the Government. I have a few words also to say to the member for Coolgardie (Mr. Morgans), and I find it extremely difficult to congratulate him upon the manner in which he endeavoured to justify the actions of the Government in the past, with respect to our financial position, as it appears to us and the country at the present moment. I have not the slightest doubt that members, who, up to the present, have followed the Government through thick and thin, think that little good can arise out of any discussion upon the Estimates at this stage, for the reason that we have had these matters before us, either in one form or another, in the debates which have taken place. I suppose it is particularly unpalatable to

the gentlemen who sit upon the Ministerial benches to have their policy of concealment placed before the country in the vivid manner in which the member for Central Murchison put it before the House. It must be particularly unpalatable to the right hon. gentleman who controls the great spending department of this country to have this policy of concealment and the management, or rather mismanagement, of the country so clearly exposed by the member who made such a brilliant speech the other evening. I suppose I shall be told, before I reach the end of my speech, that I anticipated everything. That seems to be one of the favourite arguments of the right hon. gentleman. If any member on this side gets up for the purpose of criticising the actions of the Government—and many times criticising them, not for political reasons, but in perfectly good faith—it always seems to me that the Premier very glibly settles the question by simply saying in three words, "You don't understand." What I do understand, and what every business man in this country understands at the present moment, is that we have a deficit of £186,000, and to my mind a balance of £186,000 upon the wrong side of the ledger is an extremely serious matter, which no man, whether a workman, a merchant, an importer, or a manufacturer finds it difficult to understand. If the Government could have reasonably argued that this deficit was the result of some unforeseen circumstances, and was occasioned by circumstances over which they had no control, there might possibly have been some excuse for them: but, even supposing it were through circumstances over which they had no control, I suppose the country could reasonably regret that the affairs of Western Australia were placed in the hands of persons who have shown such an utter want of knowledge of the conditions attaching to Australian colonies, and such deplorable ignorance regarding the finances. Is it not a fact that there have been many occasions upon which they have had warning after warning? Is it not a fact that time after time the affairs of this country have been brought before their notice by gentlemen sitting on this (the Opposition) side of the House? It

cannot be denied that it is a fact ; and is it not a fact that if the finances of this country had been properly placed before this House, it would have been impossible for the Government to pledge the Legislature and the country to the expenditure of that vast sum of money which is involved in the Coolgardie water supply scheme? I ask members who sit on that (the Government) side of the House, whether, if they had known the real position we were in at the time this scheme was brought before the House, they would have voted for it? Would they have pledged themselves to that particular scheme? I am sure many of them feel very sorry that a vote has been taken upon that question, knowing full well that we, on our part, have pledged the credit of the country, pledged all our securities practically, to the carrying out of this undertaking, and by placing all our eggs in one basket have prevented ourselves from carrying out other works which are of quite as great importance to this country as the Coolgardie water supply scheme. I would like to ask members opposite how they propose to justify their position before the country? Is it not a fact that the right hon. gentleman has been compelled to abandon the policy which was foreshadowed by the Governor's speech—a policy of railway construction which was necessary for the development of the country—for the purpose of carrying out this gigantic conception? How, I ask, do members propose to justify, then, the actions of the Government? We have gone so far, I believe, that it is practically impossible for us to retrace our steps. But what are the deserts of a Government leading the country into such financial chaos as is involved in this particular scheme? We will admit, for one moment, that the conception of the scheme was the result of the cogitation of a master mind. Yet, what is the history of the scheme? Years ago the Government obtained the sanction of Parliament to carry it out. According to the Premier, it was to turn a desert into a Garden of Eden. It was to induce population to come here. The money market at that particular period was favourable, and yet, what was the result? Did they go on with the scheme? Did they endeavour to carry out their

own policy? Is our financial position at the present time not the result of the weak and vacillating policy of the present Government? Supposing they had confidence in the scheme placed before the country, how is it that at the present moment the water is not at Coolgardie? That, I think, is a very pertinent question for goldfields members to answer. How was it when the right hon. gentleman, the Treasurer, had the financial world at his feet, and could have borrowed money on his own terms, he did not borrow it?

MR. CONNOR: The Opposition blocked him.

MR. OLDHAM: The Opposition did not block him. Every time this question has been brought before the House, it has been carried by an overwhelming vote, through the misrepresentation of the Government as to the financial condition of the country, because members opposite would not have voted for it had they known the real position, and they would now be glad if they had not done so. But in consequence of weakness, in consequence of want of faith in their own policy, the Government of this country have undoubtedly waited until this pet scheme to send a river of water up to Coolgardie has received the condemnation of a very respectable financial journal published in London; and not only has it received the condemnation of that journal, but it has also received the condemnation of the first journal of the United Kingdom, and, I believe, the first journal published in any part of the world. Yet this is the place to which we are compelled to go to borrow money.

A MEMBER: Which journal?

MR. OLDHAM: I am speaking of the *London Times*. How is it possible, under these circumstances, for the Government to expect to be able to reclaim our credit? There could be only one way of reclaiming the credit of this colony. The country, I believe, has found it out, and 12 months from now this House will have found it out. There is, I repeat, only one way of reclaiming the credit of Western Australia, and that is by a total reversal of the policy of the Government; and the total reversal of that policy means that some other persons, instead of the hon. gentlemen who oc-

cupy the Treasury benches. will be seated in their places. We are starting off with a deficit of something like £186,000, that is an admitted deficit; but the leader of the Opposition the other night proved to the satisfaction of every hon. member in this Assembly that that was not the real deficit, and that the deficit would not be covered by a very considerable amount more than those figures. I notice that, following out their usual practice of crediting the country with something like £500,000 in the way of stores, the Government have endeavoured, in their balance-sheet, to show the position of the country to be better than it is, and have done this in a manner which I think is not altogether justified by the facts. When we are dealing with assets of the country, I do not think stores should be taken into consideration to any large extent. Certainly there may be some things, which we have paid for and are constantly requiring, which might be treated fairly as an asset; but I am told, on very good authority, that the old leg-irons for the convicts are treated as an asset in this sum of £500,000.

MR. VOSPER: They are not required now.

MR. OLDHAM: I do not think any of our creditors will take leg-irons as security for the debt we owe.

MR. VOSPER: A very good security, in its way.

MR. OLDHAM: If the matter were not serious, it would be extremely amusing to contemplate the light and airy way in which the Government and their supporters endeavour to minimise the effects and the results of this deficit. If it were not such a serious matter, it would be extremely amusing to observe the small concern with which they look on the deficit. But I can assure hon. gentlemen opposite, and assure this House, that this deficit, in spite of the efforts of the Government to minimise it, is creating in the minds of the business men of this country a very great alarm indeed; and the endeavour in this House to make it appear small reminds one of the policy which was dictated by a gentleman who has been immortalised by Charles Dickens, and whose name was Micawber.

The Government are at the present time "waiting for something to turn up;" and although it has been pointed out very clearly that our revenue is decreasing, that our population is leaving us; yet hon. gentlemen calmly turn round and say that our prospects in the future are very good, and that if anything turns up we will be all right. It is a Micawber policy from the commencement to the finish. I regret the member for Coolgardie (Mr. Morgans) is not in his place, as I want to make a few remarks with respect to his speech of the other night. He stated, for instance, that it would have been extremely desirable that the Government, instead of charging a certain proportion of this deficit of £186,000 to revenue, should have charged it to loan account, and that we should have got rid of our deficit by that means. That is a marvel of distinguishousness; for while it is quite possible under some circumstances that a portion of this deficit of £186,000 might properly have been placed to loan account, yet we can place to loan account only those works which are reproductive.

MR. MORAN: Railways, for instance.

MR. OLDHAM: We could properly and very fairly charge to loan account an amount of money which we had expended in works of a reproductive character; but surely we cannot say that the dam which was built at Widgemooltha at a cost of £50,000—

THE COMMISSIONER OF RAILWAYS: £13,000.

MR. OLDHAM: And the contingencies how much?

THE COMMISSIONER OF RAILWAYS: The dam was built under that amount.

MR. OLDHAM: The hon. gentleman will find out that the contingencies and the dam cost somewhere about £50,000.

THE COMMISSIONER OF RAILWAYS: You have got the wrong dam.

MR. MORAN: He means Niagara.

MR. OLDHAM: Well, I may have got the wrong dam, but £13,000 for this dam and £50,000 for the other will make £63,000, and surely it would not be well to tax ourselves in the present and tax posterity in the future because of the utter incompetency of gentlemen who control the Public Works Department. Yet, admitting that it would be justifi-

able to charge the whole of this deficit to loan account instead of to revenue, surely the hon. gentlemen on the Government side of the House must recognise that the deficit of £186,000 charged to loan account would have increased the indebtedness of the population of this colony by £1 per head. That is a very small matter, I know ; but we have to recognise the fact that we have not unlimited borrowing powers, and that the security we offer to the London investor, and the security which he has to depend on, is our population ; and yet the hon. member (Mr. Morgans) advocated that, instead of paying our way, we should go in for unproductive and wasteful and extravagant works. When he advocates that we should charge these works to loan account, it must be obvious that this method would prevent us from borrowing for works that would be likely to be reproductive. The hon. member immediately fell into the other extreme by saying we ought to borrow, and that he believed it was the greatest possible mistake for the Government to abandon their railway policy. The hon. member's policy, I suppose, would be to borrow money for constructing a railway to Bonny Vale, to borrow for constructing a railway to Mount Leonora, and to borrow for constructing a new line, I suppose, from Coolgardie to Norseman. The hon. member forgets, and I suppose hon. gentlemen opposite also forget, that in a transaction of this kind there are two parties. You cannot possibly borrow unless you have some security to offer, and I ask, have the Government the remotest idea of being able to borrow at the present time? The hon. member stated that the financial policy of the Government in the past had been one record of financial successes ; but when we take into consideration our Great Southern Railway fiasco, and when we consider our last effort on the London market, and the—

MR. CONNOR : And the Leederville loan.

MR. OLDHAM : Yes, and the Leederville loan, and the Perth loan, these experiences show that, instead of the financial policy of the Government being a record of success, the Government are really in this position, that in consequence of their bad financing, and not in consequence of the bad security we have

to offer, their financing has been undoubtedly a howling failure. I am not croaking.

THE PREMIER : Oh, no.

MR. OLDHAM : I am not vilifying this country. I have as firm a faith in its vast resources as any member who sits on the Government side of the House, for I think we all recognise that our gold mining industry has been placed of late first in Australia ; that, so far as our timber industry is concerned, we have vast fields of timber which are I suppose worth millions of money ; and I am willing to believe, on the authority of agricultural members in this House, that in agriculture we are fast overtaking the demands of the colony, and that in this industry also we have an untold and practically unlimited wealth ; yet, in spite of this, in spite of our being first in Australia in gold production, in spite of our being absolutely first in our timber resources, what is the position of the country at the present time? In spite of all the splendid assets which the country is possessed of, what is the position? We have a commercial depression, a deficit of £186,000, a probable deficit next year of £300,000, and we have got a decreasing population. We have had a loss in population during last month of 900 departures over arrivals. Now, capitalise each of those 900 persons, and what amount do we arrive at? Suppose them to be capitalised, as I presume the Premier capitalises the population of this country, for our population is the security we have to offer to the London investor, and the security which we do offer, and the only security which the London investor looks at and that he accepts when we are floating a loan—

MR. MORAN : Then China ought to be able to float a good loan.

MR. VOSPER : China gets more money than we do.

MR. MORAN : No ; China does not, per head.

MR. OLDHAM : We have lost 900 people in the last month. When capitalised, those 900 people mean half a million of money.

A MEMBER : They have gone to see the Melbourne Cup.

MR. OLDHAM : We could borrow half a million of money on those people, if

they were in the country at the present time.

MR. MORAN: Then, how much could you borrow on 186,000 of population?

MR. OLDHAM: The hon. member need not try to be funny. He is not on the dump at the Ivanhoe Venture.

MR. MORAN: That is where you ought to be.

MR. OLDHAM: Oh, I have been there. I say again that the fact of 900 people, capitalised at £500 per head, leaving the shores of this colony means an absolute loss of almost half a million of money.

MR. MORAN: What is our population?

A MEMBER: They are coming back again.

MR. OLDHAM: An hon. member says they are coming back again. They will never come back again as long as the hon. gentlemen opposite (on the Government side) occupy seats in this Chamber.

THE COMMISSIONER OF RAILWAYS: At that proportion we could borrow 85 millions of money on the population of this colony.

MR. OLDHAM: Does not the hon. gentleman opposite recognise the fact that what we want, for the purposes of developing the great resources of this country, is population, and, following in the train of that population, capital?

MR. MORGANS: Hear, hear.

MR. OLDHAM: And is it possible to get capital into this colony unless we have population?

MR. MORGANS: Not when we have pessimistic speeches.

MR. OLDHAM: Not when we have pessimistic speeches? I should like to ask the hon. member this question: Is our position in any way rectified by shutting our eyes to what are palpable facts? Is it in any way improved by living in a fool's paradise?

MR. MORGANS: No.

MR. OLDHAM: If we could, by any art of arithmetic, persuade people that the finances of this country were in a thoroughly sound and satisfactory condition, then I say that the man who would broach that confidence to outsiders would be a traitor; but, when the world, as well as ourselves, knows that the finances of this country are not in a satisfactory condition, it is far better for us now, at the present time, to face our difficulties in a

manly way than to pursue the Micawber-like policy which seems to have possessed the Government all through. I was about to say that what we wanted in this country was population. In looking back over the policy of this Government, have they ever endeavoured by any means to attract population to this country?

MR. MORAN: Yes.

MR. OLDHAM: They have? Well, the only two instances I know of are these: that they sent a gentleman called William Traylen to England to deliver a lecture or two; then they issued a novel, by Trant Chambers, called "The Land of Promise." That is all I know of that the Government have ever done for the purpose of attracting population to this country.

MR. MORAN: What about their public works policy?

MR. OLDHAM: But, on the other hand, what have they done to prevent people coming here? Why, our financial position at the present time can be attributed to nothing else than the policy of the Government with regard to the duties on the food supplies of the people.

MR. MORGANS: What about the cost of water on the goldfields?

MR. OLDHAM: Oh, that, I suppose, is a panacea for all the ills this country is suffering from—the Coolgardie water scheme.

MR. MORGANS: That is right; that is what will save everything.

MR. OLDHAM: According to the gospel of the member for Coolgardie. What I want to point out is that, in consequence of the policy of the Government, hundreds of people, thousands of people, have been prevented from bringing their families to this country.

MR. MORGANS: What policy?

MR. OLDHAM: Now, the hon. member's comprehension is not so dull as to require him to ask me a question like that.

MR. MORGANS: Yes; it is. I do not see what there is in that.

MR. OLDHAM: I have tried to explain to the hon. member that the policy of the Government with respect to the duties on food has prevented hundreds and thousands of people from coming to this country.

MR. MORGANS: Sixpence a week!

MR. DOHERTY: Hundreds and thousands?

MR. OLDHAM: The hon. member, or somebody else on his (the Government) side of the House once stated that the American war cost 100 million lives. I said that hundreds and thousands of people were prevented from bringing their families to this country, and that cannot be denied. That has been the result of the Government policy in keeping a duty on the meat of the people, a duty which, in itself, was probably not extremely large, but which, by the monopoly it created, by the time it got to the consumer made Western Australia the dearest country in Australia to live in. Is it not a fact?

MR. MORAN: But the wages paid here are higher than in any other colony.

MR. OLDHAM: The hon. member does not know much about that; he does not understand the subject.

MR. MORAN: The working men get £4 a week on the fields.

MR. OLDHAM: Yes; when they get work.

MR. MORAN: But there is plenty of work for them there.

MR. OLDHAM: That is not so in Perth. There are hundreds of people coming down to the City Council office begging for employment.

MR. MORAN: What would you do? Reduce the wages and put more men on?

THE CHAIRMAN: Order!

MR. OLDHAM: Do not ask foolish questions. I was about to say that it ought to be the policy of the Government to attract population; and let me take it in another sense. Let me give a sentimental reason for the repelling influence of the policy of the Government with regard to the inducement to people to come here. Have the Government not made the people who have come here strangers in a strange land? Has not the policy of the Government always been in the direction of preventing these people from exercising their rights of citizenship, and does the hon. gentleman believe that people who come to a country such as this, who have been brought up with all the traditions of the British race, are going to settle down as citizens of a country in which they are deprived of that right which they have always, in other countries, looked upon as their birthright? I believe that our present position is

one which we could only expect from the past policy of the Government. I have said what I intended to say upon the Estimates.

MR. MORAN: What is wrong with them?

MR. OLDHAM: This is wrong: that, until we have a complete reversal of the policy of this Government, we shall not be able, as a country, to progress in the manner in which we have progressed in the past.

MR. MITCHELL (Murchison): The Committee have just been treated to what we are getting accustomed to in the shape of a long lecture. It can no longer be said that all the members of the Opposition have no policy, because some of them have a very pronounced policy, namely, that of decrying the colony in which they live, and of general fault-finding, without advancing a single suggestion whereby those imaginary evils of theirs can be rectified. For my own part, I do not take such a gloomy view of things generally. It is true the revenue has somewhat fallen off lately, which is much to be regretted; but those things must be expected here as well as elsewhere, and perhaps it is right that it should be so, because it is likely to instil into the minds of the general public the desirability of appreciating good times when they do come, and those good times will come as sure as daylight; and I believe one little instance that has happened in the sitting of this Parliament, that is, the elimination of the dual title as regards gold-mining leases, is a forerunner of a change for the better. We have heard a great deal lately about the public debt of the colony. Truly, it is very large when compared with the population; but I will point out that in this country, unlike almost every other country, the Government undertake the public works, which, as a matter of course, go to pile up the public debt. I was just thinking, however, that, inasmuch as most of those public works are now completed, they should be rightly considered as a national asset against the public debt. Now, supposing, for one moment, that those public works had not been undertaken, what would be our situation? Why, we would

be in the same position that we occupied 25 or 30 years ago, with no debt, and, so to speak, no anything.

MR. VOSPER: There is a good deal of the latter now.

MR. MITCHELL: A great deal has been said about the railways. That department comes in, generally speaking, for a fair share of adverse criticism. Now, I find that the capital account of that department is £5,069,028, which alone amounts to half the present debt of the colony.

A MEMBER: More than that.

MR. MITCHELL: Considerably more than half the present debt of the colony. I am not referring to what is authorised, but to what has actually been borrowed. On the 30th June last the actual expenditure in construction and settlement of railways was £5,047,261, or an average per mile of £5,088. At the same date we had 992 miles of railways in use for traffic, and since then other railways have been taken over, some I believe being worked by the contractors, which bring up the total mileage to date to something like 1,367½ miles, or an average of about one mile for every 125 of the inhabitants of the colony. This is the greatest average for any country at the present moment. Then, again, we have the Fremantle harbour works. I do not think there is a member of this House, even sitting on the Opposition side, who would say that this money has been badly spent. I well remember the time when only very small craft could pass in and out at the mouth of the Swan River, but what do we see now? A splendid harbour with a very good entrance to it, and only a few days ago there was said to be a ship of 6,000 tons burthen berthed there. I have no hesitation in saying this goes far beyond our most sanguine anticipations—at all events, it does mine. Then, again, let us look at the public buildings, and public works all over the colony, those which have been erected and paid for by the Government, and are the public property of the State. Then, again, there are a lot of reservoirs constructed all over the colony at a cost exceeding £150,000. It has often been said that some of these reservoirs are failures. I do not know whether they are or not; but this I do know, that in a country like this, where

water is sometimes so scarce and expensive, the idea was very good; and, even if there is a small percentage of these reservoirs actually failures, the State is amply paid by those that are successful. It has also been said that mistakes have been made in the selection of the sites of these catchments. My answer is, that he who makes no mistakes does nothing. There is yet another old and true saying, that it is very much more easy to find fault than to mend matters.

THE PREMIER: Hear, hear.

MR. MITCHELL: I refer to these particular buildings and public works to show that, although the public debt is large, I consider it is amply covered by the value of those buildings and works. Coming on to the Estimates, although we have sat close upon four months, not a single item of them has yet been passed. But I do not consider the Government altogether to blame for this. I think those members with such wonderful talking capacity should take some of the blame of this delay. The other night my hon. friend the member for Central Murchison (Mr. Illingworth) interrupted me, as he often does, when I said that although we had been sitting a long time, very little had been done, except to provide copy for the newspapers and *Hansard*. We were told two months ago that there was an accumulation of something like seven tons of type for *Hansard*. From the way in which we have been going on, we may reasonably expect that we shall have 70 tons before Parliament is prorogued. One word more, in conclusion. I have during this somewhat protracted session been very much pained to listen to strictures which have sometimes been passed upon the Government. I know the Government have done their best irrespective of condition or class, and perhaps they have done as well as those who may come after them will ever do.

MR. MORAN (East Coolgardie): I do not propose to say much, but I think the present condition of the colony sufficiently important for members to express their opinion on the general question. I was going to say that of all the speeches I have heard in the House, the ablest, the best, and the most encouraging, is that of the member for North Perth (Mr. Oldham).

I say this because there is no doubt about his ability as a financier; and when he tells the House that the departure of 900 people the other day robbed this colony of the borrowing power of half a million, knowing the population is 175,000—

MR. OLDHAM: I said capital.

MR. MORAN: Your very words were "loss of 900 population the other day means that we have lost the power of borrowing half a million."

MR. OLDHAM: No, no. Capital.

MR. MORAN: If you want to correct yourself, I will be only too happy.

MR. OLDHAM: I said capital value.

MR. MORAN: That means this colony can safely borrow something like eighty odd millions capital value. What is loan money but capitalised value? When you obtain a loan, you are borrowing capital; you are not borrowing interest. No matter how the statement is made, I think it is very encouraging.

MR. VONPER: Can you borrow to your full capital value?

MR. MORAN: You can borrow to your full capital value. Your loan is your capital value as far as the colony is concerned. I think what the hon. member meant to say was that the loss of these 900 people was to be deplored at the present time. There is no doubt about it. I have been disappointed with regard to the population of the colony. I have, I may say, been disappointed in reference to the extent of population on the gold-fields, but not disheartened. What I have said right through, and what I say now, is this. All the financial authorities in this colony, and all over the world, that I have been able to look through, teach this one doctrine, that it is unwise to endeavour to screw out of your present population the capital cost of loan works. That is absolutely true to-day, and in this colony we ought to adopt a policy in accordance with that principle. The £186,000, and in my opinion another £300,000—in other words half a million—ought to be placed against loan. Even public buildings of a grand and national character should be put against loans. Analyse the matter. How long does a public building last? It is handed down, just as a railway is handed down, to generations to come, and it is not bad financing at all if we ask posterity to bear a

share of the cost of Parliament House, for instance, or a share of the cost of the Supreme Court, if your population is not able to stand it at the present time. I fail to see any argument in the world why we should bear the full capital cost of the Supreme Court or Parliament House, or other great national buildings, which will be handed on as going concerns to those who come after us. I know it is not a popular view, but I maintain it is a mistake to say the only basis of borrowing money should be that of population, so much per head. One country with a population of a million may possess ten times as much as another. The fact remains that there are resources to be developed, and population is not the only thing that has to do with capital value. A rich country like this, with great undeveloped resources, might be able to borrow up to £100 per head, whereas another might not be able to borrow above £50 per head. We know that a man who has 1,000 acres of ground can borrow a thousand pounds at the bank, possibly, whereas another may not be able to borrow a thousand shillings. That is the case, in a limited sense, with regard to the indebtedness per head of the people of a country. If it were absolutely the case that borrowing power depended upon population, China, Persia, India, and other countries would be able to borrow hundred of millions; but we know perfectly well that they are not able to obtain anything like the amount that we can get, in proportion to population. So there are, I repeat, other considerations to be taken into account besides that of population. My view of Western Australia at the present time—and I am sure also it is the view of the Premier—is that the public works policy is finished for at least six or seven years, except as regards that one great work, the Coolgardie water scheme. We have accomplished more than any similar number of people in any British colony, and we can safely say that we have filled in the skeleton and put flesh on its ribs. What is the position? I was struck by an argument used by the member for the Murchison (Mr. Mitchell) that we have one mile of railway to every 125 people in the colony. The hon. member says that is the world's record; but look at it

in this light: this great record is also an argument in support of the contention that we have overstepped the mark.

A MEMBER: No.

MR. MORAN: If there be one thing that is going to make railways pay it is the travelling and industrial population, and if you have a mile of railway for every 125 people, you have a great many miles too much, or else you have to stand still and populate your lines of railways. What is our condition in Western Australia to-day? We have no hope of getting a railway line between Norseman and Kalgoorlie, but we have a vast and tremendous industry at the other end. We shall hope to see not only 30,000 people being carried over our Eastern Railway line, but, in ten years' time, 300,000 people. Another thing is that we have erected public buildings ready to serve a population, in my opinion, of a million.

A MEMBER: No.

MR. MORAN: I think so. I say the one post-office we have in every little agricultural centre down in the south is going to be quite sufficient to serve ten times the number of people. The whole country at the present time resembles a huge skeleton. We have undoubtedly gone forth and built railway lines connecting fertile and populous parts with the wilderness. Now is the time to stand still for a social and improvement policy which will put the people along those railway lines, filling up the small villages, and making towns of them. Therefore I say the time has come when the policy of West Australia shall be no longer one of preponderating public works, but an industrial policy, a policy of encouragement to agriculture in every one of its possible spheres, and an encouragement to manufactures if possible. I think the time has come for us to face the great question whether we are going to be a protectionist or free-trade country. That is the point. I would ask the Committee, for one moment, to consider the railway line from Perth to Albany. Here we have 300 and odd miles of railway absolutely through the best parts of the colony, following the Swan, up through the Avon valley, and reaching Guildford, Beverley, and Katanning. That railway, in my opinion, is

competent to serve ten times the population at present along its route. We know it would do so. Anyhow, the railway is there. We may have to increase our railway rolling-stock, but the original capital cost has been incurred. That railway line is, I say, going to do all that is required for ten times the present population. What is our policy as a Parliament? It is to see that those beautiful fertile lands along our railway lines are no longer locked up. That is what we have to do in the future. We are to see that men who hold the best land in the colony shall sell it, cultivate it, or pay a tax upon it. I was struck with some remarks made by the Premier the other evening, when he said the time had come for a betterment policy to be introduced into this colony; that is to say that lands which are made accessible by our railways and increased in value should pay some taxation to the country for that betterment. It may be difficult to introduce the betterment policy, but the colony holds a weapon which it can always use, for we know that during the last sixty, seventy, or eighty years splendid lands have been held along the Avon Valley from Guildford to Beverley, and along the Southern Railway right to Katanning and to Albany, and that many of these estates which have been made accessible and been greatly increased in value by our railways have not been, and are not yet, cultivated, and have never paid taxation, but yet there they lie, increasing in value, but totally unused; and I say it is unfair to ask us to keep on running railways at the expense of the present population, unless this Legislature says these lands shall be utilised and be made a benefit to the country.

MR. CONNOR: You might as well say, put an export duty on gold.

MR. MORAN: No; for one is the product of an industry, and the other is an asset lying totally unused. I should like to see the Government come down next year with an announcement that they have been able to clear from their Estimates all these items of expenditure and charges which are properly chargeable against loan account. I am aware that, in order to do this, the Premier will have to borrow half a million more money, and I say it will be quite right to do so; for

what is the good of blaming the Government for the expenditure on public works in past years, when every member of this House, except only two or three, was with the Government hand in hand, and the colony was with them too, in supporting that policy and carrying on that expenditure. Indeed, the Government could not go fast enough to satisfy all the claimants, for the country was crying out for public works in many places, and even those parts of the colony which are now blaming the Government in some degree for having spent more than they ought to have spent were themselves asking day and night for more and yet more expenditure, and were complaining that the Government were not going fast enough to satisfy them. I say the Government who have done so much for the development of the country, and who have been supported in power especially by those people who have to bear the brunt if anything goes wrong in the colony, are justified in the expenditure which they have undertaken in these circumstances. The Government have been, and are now, supported by the people who cannot leave Western Australia, and are here for good and all; and these are the people who have backed up the Government in the past, and are supporting them in the present. We goldfields members represent a population who cannot be said to take the same risks as the old settlers in the colony have taken, in supporting the public works policy of the Government; and we know and must admit that, if the goldfields were to give out to-morrow, the population of those fields would vanish. Therefore it is not for us, as representing the goldfields, to blame the Government at the present time for the policy of expenditure which they have been carrying on, but it is for us to help the Government in the trouble which has undoubtedly come upon them. The trouble may be only temporary, as I believe it is; but while there is trouble, now is the time for the friends of the Government to stick by them and show their belief in the Government, show their thanks for what the Government have done, and show their gratitude for benefits received in the past, by helping the Government over the stile in their time of trouble. The friends of the Government, while advising them to

refrain from borrowing except for the adjustment of the finances, and while censuring them a little for some things that may have been done, should stand by them now and take their share of the responsibility in having supported the public works policy which the Government have been carrying out, under so much pressure brought to bear upon them by the country and members of this House, and we should now help them to bring the ship of State to a balance once more. The proper thing to do now is, not to endeavour to screw £2,900,000 of revenue out of the present small population by maintaining high taxation, but to put every item of loan expenditure under its proper head, and thereby bring the finances into a proper working condition. If it be necessary to borrow, let us borrow to clear the revenue from those charges which ought properly to be transferred to loan account; and let us be content with raising a revenue of two millions a year, and spending that amount on the necessary administration of the country. By taking this course, the Premier will find that a revenue of two millions a year is a princely income, and sufficient to maintain the colony as a full going concern. To do this it will be necessary, of course, to cut off those grants and votes which have been given so liberally in the past, for many purposes which were not actually necessary. I do not admit that population is the only argument in borrowing money; but I do admit that we have built up a huge skeleton system of railway works, which have opened up the country north, south, and eastward; one line of railway going to Bunbury, another to Albany, another to Geraldton and the Murchison, and one main line of railway going to the eastern goldfields; and now I say we should go in for social and industrial legislation, such as will put the people on the lands which these railways have opened up. I hope the Government will not try to pay off this deficit of £186,000 in the current year, for I hold that it is better to face the difficulty at once by clearing the revenue of all those items of expenditure which are properly chargeable to loan account, that it is better we should borrow enough to clear off these items, rather than that the Government should come in next year

and say, "We have not been able to pay off the deficit this year, and we come before the House with an increased deficit." I seriously advise the Government to consider whether it is better to come before the House next year with a bigger deficit, or whether it is better at once to place the revenue on a sound footing, and say that, as a going concern, the colony can pay its working expenses out of revenue, but that we cannot screw out of the population more money for public works. As to borrowing for the purpose of clearing the revenue in the way I have suggested, an additional debt of half a million, or even a million, will be no great matter for this colony, if we are going to stand still in loan expenditure for some years to come. If the Government do not borrow for putting the revenue on a sound footing, then the financial papers will say, at the end of this financial year, that Western Australia had a deficit of nearly £200,000 last year, and has now an increased deficit of £300,000. I contend that our proper course at present is to charge to loan fund what is properly chargeable to it; and to bring in a balance-sheet next year by which the Government will be able to show they have raised a revenue of 2½ millions, that their expenditure has been on the same scale, and that they intend to go on in the future raising a moderate amount of revenue without spending largely on public works. Having built railways all over the country, these must be regarded as great national works which we leave to posterity; and if these railways pay their way as a going concern, let posterity pay its share by having the capital expenditure charged to loan account. I agree with the member for Central Murchison (Mr. Illingworth), that it will be a bad thing if we are to have a big deficit next year; but I say we shall be getting a princely revenue if we receive two millions of money within the year, and that this amount will be ample to pay every civil servant a good salary, to pay all expenses of administration, to pay interest on debt, to pay for the upkeep of our public works, and to send this colony along as a good going business and paying concern. When we endeavour to pay interest and working expenses and also the capital cost of these great public

works, we are endeavouring to do too much. These are my views of the Estimates. One or two things have come under my notice, in the retrenchment which has been going on in the Public Works Department, and I do not think these cases have reached the ears of the Minister. I do not think the best discretion has been used by the under officers, in putting men off public works, for I have seen where old servants have been put off, particularly at Kalgoorlie, and new men taken on who had not been on before. This is a bad policy, in my opinion, and I took the trouble to authenticate cases, and found that in several instances old servants have been let go, and absolutely new recruits taken on. This sort of thing does a lot of harm, for you have sacked a civil servant who is thrown out, and he talks about it, whereas the new man who has been taken on says nothing. If the older men who have been thus displaced were doing their work well, the new men ought not to have been put in their places; and I do hope that, in any future retrenchment, care and judgment will be used to prevent grievances of this kind. I hope also that too much retrenchment will not be gone on with. To reduce the salaries of men below what will pay for the necessities of life will not do any good. We should stop extra buildings where they are not wanted, stop the free-handed liberality which has caused so much expenditure in the past, and we should see that only necessary expenditure for actual requirements of administration should be carried on in the future. That is where the greatest retrenchment should take place—not so much in turning men out of billets, nor in cutting down small salaries, but the Government should not undertake works which can well be spared, and in purifying their Estimates they should place on the shoulders of posterity those charges which posterity could rightfully bear. The present population would thus rightly be relieved from charges which have been made against revenue, and the taxation should be sufficient to pay the working expenses of Western Australia as a going concern.

MR. VOSPER (North-East Coolgardie): I do not desire to pose in any degree as an authority on finance, and I

have no desire to speak at great length on the subject of the vote. I cannot help adding my congratulations to the member for Central Murchison (Mr. Illingworth) on the very clear and excellent exposition he gave of the financial position in which the colony finds itself, after seven years of unexampled prosperity. We have not only an actual deficit of nearly £200,000, but we find also that, by reason of certain stores being taken into consideration as cash, in all probability that deficit is really larger.

THE PREMIER : Stores have always been reckoned in the annual balance-sheet.

MR. VOSPER : The fact remains that stores can scarcely be counted in a matter of that kind.

THE PREMIER : They were paid for in cash, and are reckoned in the balance sheet as representing cash.

MR. VOSPER : Stores depreciate, and it will not be contended that stores can be converted into the same amount of cash again.

THE COMMISSIONER OF RAILWAYS : They represent that amount of cash.

MR. VOSPER : But if we reduce the thing to the usual basis, it will be found that the deficit is absolutely larger.

THE PREMIER : We would not have the stores there, if that were not the system of account.

MR. VOSPER : But I am stating the actual cash position of the colony.

THE PREMIER : The stores would not be there, if we had not had the cash to pay for them. A merchant takes into consideration his stock, when making up his balance-sheet.

MR. VOSPER : But he would hardly deal with it under revenue and expenditure.

THE PREMIER : This is the balance-sheet of the colony.

MR. VOSPER : I say the credit is, to a very great extent, a fictitious one ; for if there were a forced sale of these assets, we could not realise the amount that is placed against them in the account, nor could we ever realise anything like the amount, because not only has there been depreciation in the value of stock itself, but it is not convertible into coin again, and what is not convertible into coin can hardly be counted as cash.

THE PREMIER : We use it.

MR. VOSPER : Yes ; you use it, but it is money expended ; and I do not think it is fair to credit the country with that form of asset.

THE PREMIER : What would you do with it—give no credit for it at all ?

MR. VOSPER : I certainly would give credit for it, but not in that particular direction. Then, in addition to that, there is the fact, as outlined here by the member for Albany (Mr. Leake), that our borrowing powers for the next two years to come are likely to be entirely absorbed in paying off the liabilities incurred in respect of the Treasury bills current. The power of taxation, as we have seen, the Government have already exhausted : they have already raised more revenue by far than they can ever expect to get again ; and, by reason of the decreasing population, the force of taxation which they have exerted in the past they will not be able to exert in the future. I think the outlook is anything but a cheerful one ; and, although I should be glad to join in the cheerful optimism of the member for Coolgardie (Mr. Morgans), yet any man who could take the same view as he does must be either blessed with a peculiarly cheerful and hopeful disposition, or must be capable of entirely ignoring the salient facts of the situation. We have a deficit, and there is the probability of a still larger deficit next year ; there is the fact that the country is heavily in debt, and that its borrowing power is practically mortgaged to meet those obligations to which I have referred ; there is also the fact that the financial depression and commercial distress which exist throughout the colony have occurred at the end of seven years of unexampled prosperity. In other words, after going through the seven fat kine of Pharaoh, the Government are landed in the midst of the famine, and we have not even the seven lean ones to fall back on.

THE PREMIER : Give us the reasons for this.

MR. VOSPER : I do not pretend to be a sufficient authority on finance to state the reason ; but I do say there must be something radically wrong about the administration which, having an unrivalled opportunity of placing the country on a sound financial basis permanently, has landed us in such a mess after such an op-

portunity. We have had gold going out of the colony, people flowing into it, our revenue has been larger, and opportunities of making money have been greater, than have ever been presented before ; and what is the result ? All the prosperity of the boom has completely vanished, and the country is now probably in a more depressed condition, in proportion to its population, than it has ever been in before. I do not think there is much to be cheerful about. I do not deny that the resources of the colony are good ; but still it seems to me there is a very definite limit to our means of developing these resources. Our population is small, and shows no signs of increasing ; and, unless we get an increase of our population, we cannot develop these resources as rapidly as we might like ; and it is therefore futile to talk of the great resources of the colony, because undeveloped resources are, for present purposes at least, practically worthless. They must be counted as worthless, because they cannot be exploited. They may take 100 years to exploit ; and that will not do the present generation much good.

MR. MORGANS : But resources which you can exploit in a year, or in two years, are worth noticing.

MR. VOSPER : Undoubtedly they are ; but they do not affect the account much ; and I do not think such resources are capable of lifting us out of the slough into which we have fallen. What occurs to my untutored mind, on thinking of this problem, is : what is the reason why we have got into this tangle, after the unlimited opportunity we have had of developing those resources and of helping the country to become rich ?

THE PREMIER : What tangle ?

MR. VOSPER : The financial tangle. The right hon. gentleman admits that there is a deficit.

THE PREMIER : That is the tangle ?

MR. VOSPER : The deficit alone is not the tangle ; but the right hon. gentleman has to admit the deficit, also the abandonment of his works policy ; and he has to admit, further, that his borrowing powers are exhausted for the next two years by his present obligations. What more does he want to constitute a tangle ?

THE PREMIER : We are carrying on a great work.

MR. VOSPER : I admit that ; but, at the same time, there is the fact that you have used your borrowing power to a large extent, not for that work out for works which you have accomplished in the past, and which you have temporarily paid for with Treasury bills to be redeemed at comparatively early dates. I cannot see what that state of affairs can fairly be called, if it is not a tangle. The member for Coolgardie (Mr. Morgans) said it was too much to ask the Government to accurately estimate the revenue returns. Well, if that be the case, what is the use of Governments ? What is the office of the Colonial Treasurer intended for, if the Estimates be not accurate, and if the Government are incapable of furnishing accurate Estimates ?

MR. MORGANS : No Government has been able to do it yet.

MR. VOSPER : But some Governments can approach within an approximation of accuracy ; yet we have had in this House the peculiar spectacle of the Treasurer continually under-estimating his revenue when large, and over-estimating it when it became smaller ; while the member for Central Murchison (Mr. Illingworth) has been fortunate enough to estimate it very accurately indeed from year to year.

THE PREMIER : No.

MR. VOSPER : On comparing the Premier's Financial Statements as delivered in this House, in the past volumes of *Hansard*, with those of the member for Central Murchison, we shall find that the hon. member has been much nearer accuracy than the Premier and Treasurer.

THE PREMIER : He is a great financier, no doubt.

MR. VOSPER : I do not care whether he is great or small : the one fact that appeals to me is that he is correct, whereas the Treasurer is very frequently incorrect.

MR. DOHERTY : You believe in the prophets.

MR. VOSPER : I believe in the profits, and the losses also ; and we have had a great deal of experience of losses under the present Ministry. If the Government

are incapable of accurately estimating these returns, then I contend that we are in a very awkward position indeed ; and that the Government, who find they are incapable of estimating these returns accurately, and who land us into a mess of this kind, should be compelled, and would in any other country be compelled, to give way to those who would do the work better. Of course the people of this colony may not insist on this, but there is a possibility that they may insist ; and I defy any combination of men which could be produced in this country to do worse with the finances than the Government have done during the last seven or eight years. We are told by the member for Coolgardie (Mr. Morgans) that the English capitalists have been withdrawing their capital. I do not believe that to be strictly correct. I do not think they have done so, or that they have had the opportunity of doing so. A great many of them have lost their capital, but very few have had an opportunity of completely withdrawing it. I am dealing with the hon. member's speech from notes I made from the report of it, and I find he attributes the loss of this capital to certain working men on the goldfields who howled for their rights.

MR. MORGANS : No.

MR. VOSPER : I am quoting from the report in the *West Australian*.

MR. MORGANS : I did not say so.

MR. VOSPER : I do not think there has actually been any great withdrawal of capital. The fact of the matter is that there was a vast amount of paper capital during the boom time poured into this country ; and now we have simply come down to a more normal system of development. I do not think that is a very bad sign ; I think it is rather a good one ; but I think it is a mistake to assert that the English capitalists have withdrawn their capital from the country. Again, it was asserted by the same hon. member that the dividends now being paid represent about 3 per cent. on that capital. I do not think that accurate.

MR. MORGANS : Quite accurate.

MR. VOSPER : I do not think so ; because it is almost impossible to arrive at the amount of capital which has been invested.

MR. MORGANS : Sixteen and a half millions.

MR. VOSPER : That includes paper capital?

MR. MORGANS : No ; actual cash.

MR. VOSPER : If that is the case, I should be very much inclined to challenge the figures, because I do not know any authority from which such figures can be gleaned.

MR. MORGANS : True ; the authorities were not quoted.

MR. VOSPER : We know that a certain amount of capital comes in on the flotation of a company. One company is floated with a capital of £250,000, another for this sum, and another for that ; and we know that the amount of capital actually received is below the nominal amount.

MR. MORGANS : I am taking the cash capital.

MR. VOSPER : And you reckon that at 3 per cent. ? I think that the cash capital in this instance is somewhat over-estimated.

MR. ILLINGWORTH : That is the cash capital which came here.

MR. MORGANS : I am speaking about the actual capital that came into this country in machinery, and money spent in this country.

MR. VOSPER : If you include machinery, I think that renders the figures more unreliable. In any case, I think that, when we come to consider the actual amount of capital spent, or judiciously spent, in this country, we shall find that the percentage has been higher than 3 per cent. And I do not agree with the hon. member on two other points. I do not agree with his statement that the panacea for all the evils which afflict the goldfields population would be the Coolgardie water scheme. I have supported the water scheme in the past and intend to continue to support it. I think the Government have gone too far to withdraw—that the best thing they could do in the interests of the country is to push on these water works as rapidly as possible ; but I do not think that this work will solve all the difficulties and remove all the evils with which the goldfields population is at present afflicted.

MR. MORGANS : It will solve most of them.

MR. VOSPER: But the hon. member is reported—I do not speak of the Press report, but of the authority to which we all look as being the reliable record of the proceedings of this House—as having declared that this scheme was a panacea for all the evils with which the goldfields are afflicted. I do not think that is so. In spite of the fact that we shall have water there at a cheaper rate than that at which it is at present procurable, until we succeed in altering the incidence of taxation as it affects the goldfields, the goldfields population will be ill-treated and discontented. We require to do something more to induce the goldfields people to bring their families to the colony. As long as we take £16 per annum from our population, I believe the result will be to keep down the number of persons actually living on the fields. I think no one can afford to disregard the warnings given by the *Economist* and the *Times*. Of course the hon. member (Mr. Morgans) has declared—I suppose on some very obscure authority, equally as unreliable as that he quoted with regard to the withdrawal of English capital—that Mr. Bargigli, the French engineer who was recently in this colony, inspired the article in the *Times* warning this colony against the result of its present financial policy.

MR. MORGANS: He did it through somebody else.

MR. VOSPER: Well, then, Mr. Bargigli did us rather a good turn than otherwise; because it cannot be termed anything more than a friendly warning.

MR. MORGANS: It was most presumptuous.

MR. VOSPER: I do not think it was presumptuous in the slightest degree, when we consider that the *Times* takes upon itself to advise principalities and powers, and that its opinions often have more effect with the capitalists of Europe than the utterances of statesmen; and I think it was condescending of the *Times* to give such a warning. A great London newspaper is perhaps of as much importance in the world as even the colony of Western Australia. I remember an instance, some time ago, when one of the Balkan States complained to the Court of St. James about some articles that appeared, I think, in

the London *Standard*, with reference to that principality, and suggested that the paper should be suppressed. The answer sent back by the Foreign Office was to the effect that this course could not be taken; but the *Standard* came out with an article on the subject and pointed out that its revenue alone was greater than that of the principality which complained. I think we ought really to take into consideration the solemn warning we have received from one of the greatest newspapers of the world; and, as regards Mr. Bargigli, I think it is over-estimating that gentleman a great deal to imagine that he could inspire the article in question.

MR. MORGANS: I did not say that he inspired it. He got it in through somebody else.

MR. VOSPER: I doubt very much whether such a person as Mr. Bargigli would find even the staff of the *Times* so accessible as the hon. member supposes. From what I know of the *Times* and other London newspapers, I think it would be extremely difficult for a company-promoter like Mr. Bargigli to get a hearing from the *Times* at all. I refuse to believe that the *Times*, in criticising this colony as it did, was actuated in the slightest degree by the statements made by Mr. Bargigli or any other persons. I do not believe that Mr. Bargigli had anything to do with it. I look upon it as a solemn warning to the Forrest Ministry, and to this colony, to turn from the error of their ways. It is not the only warning we have had. We have seen, with regard to local loans, what a deplorable position of affairs exists. I am not going to refer to what took place in relation to a suburban municipality (Leederville), but even that was serious. I believe if that municipality had made an endeavour to obtain that loan of £7,500 two years ago, the amount would have been subscribed. But now there is scarcely an application for the municipal bonds. To-day we have still more startling information. It is a matter of common notoriety that a few days ago the municipality of Perth went upon the market for £80,000. The result has been made known. £47,000 has been applied for out of £80,000.

The terms forbid the council to accept any offer below par, and there was only £26,500 tendered at par, or slightly above it. The remaining £20,500 is below par, and therefore the tenders cannot be accepted. A very remarkable fact about it is this, that out of £26,500 acceptable, £20,000 came from the Government Savings Bank: consequently the total public subscription is £6,500. There is £6,500 offered for £80,000's worth of bonds, yet there are members in this House who say that the depression is a myth, that the colony is in a flourishing, happy, healthy go-ahead condition, and that we have nothing to be afraid of. This is the position of our public credit after seven years of unexampled prosperity. It does not require a financier to see there is something wrong about this. It does not need a man to be skilled in figures, nor a man to understand national finance; for the figures are written so large that it is impossible for anyone to look at the results of seven or eight years of the Forrest administration without being seriously grieved as to the present, and still more seriously alarmed for the future. There is no occasion for optimism. The only thing is, we know our assets are rich, but we also know that at the present time they are unrealisable. It seems to me we have been wantonly extravagant in the past, that our finances have not been conducted on really sound principles, and that we require abler leadership than we have been accustomed to obtain to get us out of the difficulty in the future.

MR. SOLOMON (South Fremantle): It is not my intention to say anything about the Estimates, because most of these matters have been discussed at different times. I would like to congratulate the member for Central Murchison (Mr. Illingworth) on the manner in which he placed the financial condition of the colony before this House. Although the condition is one that we may be sorry for, and one which, at the commencement of the year, we did not expect, yet it may be a lesson, not only to the Government, but to this House, in passing many of the important public works. The financial position of the colony indicating a deficit of £186,000 certainly shows that for

some reason or other there has been a great falling off, and I trust every member will help the Government to place the colony in a more healthy condition. To adopt a course of opposition at the present crisis would, I think, be suicidal. It would not help the colony out of the trouble, but would be more likely to place it in further difficulties at the end of the year. There are one or two matters to which possibly attention might be called in regard to the reduction and retrenchment which have taken place. The Government made a serious mistake. If they found, at the beginning of the year, their assets were not likely to come up to the responsibilities they were likely to incur, then was the time to commence the retrenchment. I know these retrenchments have created a good deal of feeling and misery in all the towns. The fact of people going away is not an unmixed evil. Those who remain here may have constant work, and in that way it will be good for us, though we must deeply deplore any very large decrease of population. I cannot think the Coolgardie water scheme has had anything whatever to do with this matter of the deficiency. No doubt the colony has been looked upon for some time past as being in a sound position; and it is only within the last year—and I say it confidently—that the position or credit of the colony has in any way gone back. I am sorry to hear with regard to the municipal loan that it has been a failure, and this possibly shows the difference of feeling with regard to the colony which has been brought about during the last year. Only last year, a loan at 4 per cent. for £35,000 was floated by the Fremantle municipality at a premium of 2s. 6d. I take it the depression is only temporary. I believe that before the end of next year there will be a great improvement, although we may still have a slight deficiency. There is so much confidence, and the people remaining here are so willing to lend a helping hand in every direction, that I think they will pull through and place the colony in a proper financial position. I have no more to say on this matter, because it is scarcely right to do so. We have been a party to all this. We have been willing at all times to push the colony ahead, and meet the clamour of

almost every part of Western Australia with regard to public works. If the majority of this House had set their faces against public works when they were proposed, and had said "no," of course the Government would not have gone on with them: so that we, to a great extent, are to blame in the matter. So far as I am concerned, I shall give the Government every assistance in my power. No doubt those on this (the Opposition) side of the House, may speak harshly at times, but I feel sure that every member in the Assembly has the good of the colony at heart, and will do all he possibly can to try and push it ahead.

At 6.27 p.m. the CHAIRMAN left the chair.

At 7.30 the CHAIRMAN resumed the chair.

MR. WILSON (Canning): In referring to the budget of 1898-9, I wish it to be clearly understood by hon. members that, so far as my remarks are concerned, I do not wish to infer for a moment that I am at all disheartened with regard to the future of Western Australia. Far from it. I believe in the country of my adoption; I believe in her resources; and I think there is not a country that is destined to take a more important position among Australasian colonies. At the same time, it is open to every member of this House, and not only to members but to every commercial man in the community, to criticise the position of the Government, and to criticise the administration of the Forrest Ministry in carrying on the affairs of the country: and although we may criticise the administration adversely, it does not follow that we have lost faith in our country. I hope that any remarks I have to make will not be taken in a personal application; and when I criticise some of those remarks made by the Premier in his Financial Statement, I trust I shall not be credited with making a personal attack upon him. I am criticising to the best of my ability the administration of the affairs of the country, and in doing that I consider I am only doing a duty which is expected of me by the people of the country. I was struck with one circum-

stance; and perhaps the Premier will tell me why it is that his budget speech has not been issued in pamphlet form this year, as we know has been his invariable custom since responsible Government was granted to Western Australia. It was always the regular thing that hon. members should have the budget speech placed before them in a pamphlet within a few days after it was delivered; and I think that custom might well have been carried out this year, as in years gone by.

THE PREMIER: The speech is reported in *Hunsard*.

MR. WILSON: I am wondering why we did not get the pamphlet this year.

THE PREMIER: The speech in *Hunsard* is exactly the same.

MR. WILSON: It struck me that perhaps the tale which the Premier unfolded to us in that speech was not of the rosy kind which we had been in the habit of listening to in years gone by, or that perhaps it was that the Treasury was in such an impoverished condition that it would not bear the expense of publishing a pamphlet.

THE PREMIER: The speech has been printed and distributed throughout the world.

MR. WILSON: Then it is a pity that we did not get pamphlet copies supplied to us. When I listened to the speech of the right hon. gentleman, I could not help thinking that he had not the buoyancy of manner which we had been accustomed to see when delivering his budget speeches, and that he seemed not to have that confidence in himself and in his ability to steer the good ship of Western Australia through the difficulties which loomed ahead. When anyone makes a statement of that description, and does not appear to have the confidence which we expect from the leader of the Government, it is a matter of regret, because it seems to show that, no matter how we may try to bolster up ourselves in the opinion that everything is all right, yet we have a certain feeling that we must exercise greater caution, and must watch our ways and see that we do not overstep the bounds of prudence. To deal with some of the remarks, I may say admissions, in that budget speech, the right hon. gentleman mentioned that, in

his opinion, the Government had spent more than they should have done. He made that admission not once, but half a dozen times in the course of his speech. He went on to say that the Estimates for railways were far too high for one year, and he had no hesitation in saying the spending departments of the Ministerial family had made their estimates far too large, and consequently the expenditure was far too great in one year, in his opinion.

THE PREMIER: Not railways, but works, I said.

MR. WILSON: If the Premier will refer to his speech, he will find that he mentioned the railways. He went on to deplore that the Medical vote had increased in a way that was not wholly justified. He attacked the hospitals, and said we had too many hospitals, that in fact we were too hospitable; that the vote for hospitals had increased in a way he could not understand, and that if the people would not support the hospitals, they must be shut up, because the Government could not afford to carry them on any longer. He referred more especially to the Day Dawn and Cue hospitals, and he made a serious charge.

THE PREMIER: Day Dawn, not Cue.

MR. WILSON: He made a serious charge against these hospitals, for he said they were being carried on simply for the purpose of giving employment to doctors and secretaries, or for the sake of the expenditure of Government money in those districts.

THE PREMIER: You are quoting exactly, are you?

MR. WILSON: I think I am. I have taken notes of what you said, and though I may be wrong in a word, I think the meaning is there.

THE PREMIER: It is just as well to be accurate.

MR. WILSON: I am accurate. The Premier went on to admit that, in his opinion, all the Government departments had grown too big, and said the expenditure from revenue on works and buildings last year was an amount that was altogether too great; and lastly, in referring to finance, he said it was our first duty to reclaim the credit of the colony. Now, surely that list of admissions which I have just referred to from the mouth of the

Premier is an indictment which is enough, I was about to say, to almost wreck any Ministry—an admission that everything has gone wrong; that the Government have spent too much money; that they have over-estimated their revenue; that they have allowed their hospitals to spend such large sums of money that they cannot now afford to uphold them; and that the first duty of the country is to reclaim the colony's lost credit.

THE PREMIER: Are you going to stick to the word "reclaim," too?

MR. WILSON: I took the word "reclaim" down at the time, and if you wish to disown it—

THE PREMIER: I have the *Hansard* report; and the word I used was "maintain," which I can shew you if you like.

MR. WILSON: I do not object to the explanation. If you do not wish to own the word—

THE PREMIER: I never said it.

MR. WILSON: I will say it, then, that our first duty, and I say it without hesitation, is to "reclaim" the credit of Western Australia, which the right hon. gentleman and his Ministry have lost for the time being; and to support that statement I could quote authorities which have been mentioned in this House before; and it is unfortunate that one cannot help repeating statements already made, when a discussion of this sort hangs over for three or four weeks, as has been the case with this budget speech. I have here "*The Loan Fisaco*," an extract from the *Morning Herald*, quoting one or two well-known papers in London. The *Morning Herald* says:—

The London market was tired of the repeated applications of this colony for money. Other explanations of the failure may be ingenious, but they are altogether valueless.

Referring to the excuses which were made in this House—the excuses for the non-success of our loan flotation—the excuse brought forward at that time, I think, was the Spanish-American war. It was that event which was upsetting our credit; but the *Morning Herald* says here that those excuses are valueless; and it quotes the *Globe*, which is a friendly critic, by the way. The *Globe* says:—

There is abundance of money, and a likelihood of such continuing; but there is no reason why the British public should assist the colonies in over-borrowing. As we have pointed

out more than once, the Australian colonies are doing themselves an irreparable injury by their excessive borrowing. This is the case in a nutshell.

The *Financial Times* also, in commenting on the subject, said :—

We are not sorry for the result, especially if it helps to convince the Western Australian Government that it is pushing on a little too fast with its borrowing operations. The inauguration of a self-relying, non-borrowing policy has been begun compulsorily. It is to be hoped that it will be continued voluntarily.

I have other authorities. The *Economist* has been quoted already. Referring, I think, to the Coolgardie water scheme, it hoped "that this scheme would be abandoned," and it said that if the Government decided to go on with the Coolgardie water scheme, the credit of the colony, the financial soundness of the colony, would be seriously impaired. I need not quote further authorities on this matter. It appears to me that it is beyond dispute; and we are acting most absurdly if we persist in closing our eyes to the warnings of these financial authorities in London, the place where we have to go for our money, the only place where we can raise the money which is to carry on the huge works we are pledged to. If we close our eyes to these warnings, we can hope for nothing else but disaster. As I said before, the colony of Western Australia is all right. No hon. member in this House, and no person out of it, will say anything to the contrary. The country is right; but we maintain that the Administration is wrong. Individuals in Western Australia have done their duty in the past. I think I am fairly justified in congratulating the commercial men of the colony on their enterprise, for the faith which they have shewn in their undertakings in this country. They certainly have done their best to open up and develop the country; and I believe, if they had been given greater sway, we would not have had the cloud of retrenchment hanging over us, which the right hon. gentleman admitted in his speech undoubtedly existed in Western Australia.

THE PREMIER: I do not think I said as much about it as you said. I should like you to quote me.

MR. WILSON: If you will turn up the speech, you will find what you have said. I quote the right hon. gentleman

from memory; and he said it was beyond doubt that, for some time past, the commercial community had been suffering from a depression. I think those were his exact words. Whatever I may say will not alter the fact. The hon. gentleman gets up and says we never had such golden times before until this budget speech. He says we have never been in such a prosperous position. But he is not connected with commerce; he has not to earn his living outside, in the open market, in competition with others, as we have to do; and therefore he does not know that the commercial community of this colony is depressed. He cannot know it. No one can expect him to know it as business men know it, and feel it. When we go to our offices in the morning, we know that there is something wrong. We do not require to be told of it. We know very well whether our business is flourishing. We know intuitively whether the market is good or bad, and we can tell that our trade has fallen off in the past six months to less than one half of what it was 12 or 18 months ago. What is the good of shutting our eyes to the position? I am not crying. I am not whining.

THE PREMIER: Oh, no!

MR. WILSON: I say, the commercial community of Western Australia are quite able to hold their own with any other part of the world, and they are quite prepared to face any ordinary and usual depression in trade. You will have your depressions. As the tide flows and ebbs, so will your commerce flow and ebb—that is, you will have your times of depression and your times of prosperity. But we are not prepared to have that position accentuated by over-speculation, by mal-administration on the part of the Government, without raising our voices in protest, and trying to put a stop to it. Of course we know in private walks of life, in business circles that many men have gone too fast here. Many have gone too slow also, and both classes of people have suffered in consequence. But you must remember that these people are dealing with their own money; at any rate, they are dealing with their own credit; and, if they choose to speculate, they must suffer the

consequence, whichever way it goes. But is the Government justified in speculating with the public moneys? I say decidedly not. When it comes to speculating by any administration, then I say it is time to put a stop to it. No Government has a right to take the public funds of the community, and to enter into commercial undertakings which may prove disastrous to that community. It appears to me, Sir, that a good deal of what we are suffering from at the present time—and I hope I speak from conviction, and not from a personal motive at all; and I think the Premier himself will give me credit for this—it appears to me that the ills we are suffering from just now, small though they may appear to the right hon. gentleman, have to a very great extent been caused by this speculative spirit which has actuated the Government. I go further; I say that as private individuals caught the gold and boom fever two or three years ago in Western Australia, so the Forrest Ministry also caught that boom fever. I say that they launched into such a lavish expenditure on public works, they launched into such great extravagance, and I will go further and say wastefulness of public moneys, in carrying out these works, that it has brought us into the condition we are in to-night, which is, that we—a small population of about 170,000—cannot do with less than a revenue of three millions of money. That is the position, as the Premier has told us: we cannot do with less revenue. He has tried to cut down his expenditure to meet what he considers will be the actual income, and he has failed to do it sufficiently. He comes here and tells us we cannot do with less than £2,900,000, which he has estimated to receive. Why, Sir, we have carried on the business of this country in a style which would be perhaps almost extravagant for a population five times as large as that of this colony. I could not help being struck with a statement made, after the Premier had gone on making all these admissions I have quoted—making admissions of incompetency on the part of his several departments—I could not help being struck with the statement, with the daring challenge he threw out.

THE PREMIER: I did not say anything about incompetency.

MR. WILSON: I said that. I said your admissions proved that.

THE PREMIER: I thought you said, "admissions of incompetency."

MR. WILSON: I think you were not in the House when I quoted you. I could not help being struck by the challenge which he threw out, that no one could gather from his statements that there was no cloud on the horizon. After admitting that we had gone too fast, that we had spent too much money, that we had practically exhausted the credit of the country; then he says, we cannot point to a cloud on the horizon: he cannot see any cloud, and we cannot gather it from his statements. Well, I do not wish to be pessimistic; and, as I have said before, I am simply criticising these remarks, I hope, for the good of the country; and I say that, not only have we a cloud on the horizon, but in the commercial community at the present time the sky is somewhat overcast. We have, first of all, this deficit of £186,000 in our last year's revenue; we have the admitted cessation of the influx of foreign capital for the time being; we have the impaired credit of the country, which is also admitted; we have a falling off in the anticipated increase of our population; and we have a large number of unemployed in our midst at the present time, as evidenced by the crowds of men seeking employment at the gates of every factory in the colony every morning in the week. And at last we have, I am sorry to say, what has been pointed out time after time by members on this (the Opposition) side of the House, and might have been anticipated years ago, the huge army of discharged civil servants to cope with. I will go further and say that another cloud is, in my opinion, the largely overestimated revenue of the year 1898-9. Of course we are sorry that we should have to make statements of this sort, and that we should have practically, to back them up by arguments. But I assert fearlessly that it is better for us to thrash the thing out in its entirety, and to look at from every standpoint—from the pessimistic side, if you like to call it so, as well as the optimistic side. Let us, I say, look at it from every point of view, and then, per-

haps, we may, by our combined intelligence, be able to guide the ship of State so safely that we will surely overcome the difficulties standing in our way at the present time. Of course the Premier will say that I am decrying the country, and that I am unpatriotic; but I disclaim it. I would like simply to quote from one or two speeches made in this House last year, to show that the Premier was warned beyond doubt what would be the result if he went on in the course he was pursuing at that time. I think the member for Central Murchison (Mr. Illingworth) in discussing the budget of last year stated distinctly that we should very shortly overrun the constable. The leader of the Opposition also, in debating the annual Estimates, made use of that remark. He said, referring to the large amount of loan moneys which it was proposed to raise, and expend in this country, "If we are not careful we will overrun the constable." The member for Central Murchison warned the right hon. gentleman in these words, "I make this statement on these figures, and I say the Government are going on the straight way to a 'black Wednesday'". Every member of the House remembers the "black Wednesday" which took place in Victoria. They remember the distress which ensued, and the Premier was warned last year that he was fast driving this State to a "black Wednesday" in Western Australia. We have reached this "black Wednesday" to some extent, when we find that 413 civil servants, I take it, have been dispensed with, or will be dispensed with at the end of the year. Surely it is a serious matter, and one deserving of all the experience and consideration that members can bring to bear upon it. There was another quotation with respect to the revenue of the country. Referring to a statement made by the member for Central Murchison that the revenue would not be reached, the Premier said:

The hon. member for Central Murchison (Mr. Illingworth) seemed to think that the Government will have, at the end of the year, a deficiency. I do not think we shall. We shall watch how we are going on, and if the revenue does not come up to our expectations we shall curtail the expenditure. I do not think it is desirable to have a deficiency, but supposing we had a deficiency of, say, £200,000

in a revenue of two millions and a half, I do not think that would be a serious matter: we could pay it off the next year. But it is not advisable to have a deficiency. We have never had any deficiency yet, and the object of the Government will be to prevent anything of the sort.

That proves conclusively my argument that the right hon. gentleman was warned of the road that he was going. The member for Central Murchison clearly pointed out to him that we might expect a deficiency in the year's revenue of £200,000. That has come about. The deficiency is there, staring him in the face. The member for Geraldton (Mr. Simpson) warned the Premier last year that we were on the verge of an unemployed difficulty. That also has come about. The right hon. gentleman was also warned by other members, myself included, that the country could not employ the large army of civil servants which we had in the different departments, something like 8,000. He was further warned that the population could not stand the increased estimate of revenue which the Government reckoned to receive. It appears to me that no notice has been taken of these repeated warnings. For what do we find? Instead of the expenditure being cut down, when they found that their revenue was not coming up to expectations, we find that the whole of the revenue, as estimated has been expended with the exception of, I think, some £60,000 or £70,000; so you see that in relying upon a promise which the Premier made last year, that if they did not find their revenue come up to their estimate, they would cut down the expenditure, the House was actually misled—I do not say wilfully, but misled—into passing the Estimates on that promise which has not been carried out. The borrow and spend policy has been continued. The Forrest Ministry started with that. They have had a very fair innings. They have gone on for seven years, I believe, on the principle of grasping all that possibly could. If there was a big undertaking in this country out of which possibly a profit might appear on paper, the Government wanted that to themselves. If there is a scheme such as the Coolgardie water scheme, they will not admit private enterprise into it, but they want that also. They grasp at the whole lot, and they are going to end by getting

nothing. The only thing about the budget speech that struck me as somewhat humorous, was the fact that the Premier, with his usual faith in his good luck, was looking for something to turn up which would set him on his feet again, the same as took place when he plunged into the Southern Cross railway. Fortunate circumstances discovered Coolgardie, and of course it was all right. He said here that if they had obtained the revenue, of course we would have been all right, and on the night when he delivered that speech, he said he thought he would be able to announce that the Golden Sickle Nugget had been discovered. He hoped to be able to announce something sensational, which would turn the ebb tide into the flowing tide once more. If we are going to pledge the credit of the colony, and depend upon discoveries in our goldfields, and upon things turning out right when men of ordinary commercial acumen cannot see through it, heaven help the country. Without wearying this House, or wishing to repeat the figures which the member for Central Murchison so clearly placed before us, doing so with much better effect than I could hope to, I assert that the estimated revenue to be received out of the public this year means a taxation of £17 or £18 per head.

THE PREMIER AND TREASURER: You do not call that taxation, do you?

MR. WILSON: Most decidedly I call it taxation. What do you call it? The bulk is to come out of customs and duties, and the balance out of the railways, etc.

THE PREMIER AND TREASURER: I did not know that the railways were called taxation before.

MR. WILSON: I do not know what you call it. I reckon every penny of revenue you have to raise in this country has to come out of the pockets of the people, and I say that £18 per head is far too much. There is no other country in the Australasian colonies where taxation per head would come to anything like that. I speak from memory, but I believe I am correct in stating there is no other colony whose revenue will amount to more than £8 or £9 per head.

MR. ILLINGWORTH: Not £8.

MR. WILSON: Not £8, the hon. member reminds me. How can we expect the small population of Western Australia,

which is busy at the present time in developing practically an unknown country—developing this immense territory—to stand this immense tax? I call it a tax. The right hon. gentleman can prove it to be something else if he likes. How, I ask, can we expect these people to stand that immense tax of £18 a head? The Premier claims that the expenditure of public moneys in Western Australia is a good asset. I have been very much edified in looking through the report of the Director of Public Works, and what I want to drive home now is this: that no amount of public buildings, no amount of mileage of railways, no expenditure on harbours, can be considered a good asset unless you have a commensurate population in the country as well. Take those beautiful pictures which we have of work carried out by the spendthrift Ministry. I congratulate them upon the way in which the report is got up, and it is very gratifying that such a production can be had in Western Australia, but I presume it costs something. At any rate it brings forcibly before our minds the way the money has gone. I see here (looking at report) first of all an additional wing of public offices in Perth, situated behind us—a magnificent building which must have cost the country a mint of money. I turn over the page and see another beautiful building put up in a place called Broome, for the post and telegraph offices, and I find from statistics that Broome has a population of 360 or thereabouts. This building, to my mind, would house the whole population.

A MEMBER: What about the pearling fleet?

MR. WILSON: At certain seasons, temporary provision has to be made for 800, and I suppose half of that number do not use the post office. We have courts and public offices in Geraldton, which must have run into many thousands of pounds, for a population of 2,700. I am simply referring to works in the report, but we know there are hundreds of others. We have public offices, and post and telegraph offices, in Albany, and other places. The offices in Albany must have run into an enormous sum of money, for a population of 2,800.

A MEMBER: More than that.

MR. WILSON: According to the returns, the population is 2,800. We have a post and telegraph office at Guildford, where I think a corner store would have answered. We have there a post and telegraph office which must have cost £5,000 or £6,000, the population being 1,200. Then in Perth we have a lovely picture of the Royal Mint. Goodness knows what it cost! I think there is an estimate of something like £15,000, but, in my opinion, the cost is nearer £50,000. Perhaps the Director of Public Works will correct me if I am wrong. The Observatory on Mount Eliza is a beautiful structure. I do not know whether people walk up there to see this immense building. It appears to me that the quarters of the person in charge of the Observatory are about five times larger than the portion devoted to making observations. They cost about five times too much money. In my humble opinion we have been constructing in this colony works 10, 15 or 20 times too large and too expensive for the means at our disposal, and works, which, unless our population increases very largely, cannot be called a good asset for the money expended. I am afraid that in years to come they will be referred to as monuments of the folly and extravagance of the Forrest Ministry. Now, with regard to this deficit of £186,000, that is part of the cloud of depression which the Premier admits is hanging over the colony. I welcome that deficit if it will prove a wholesome check on the extravagance of the Ministry, but I am very much afraid that nothing will check them in their extravagance, although the Premier admits that they have spent far more than they should have done. He admits that this is a wonderful country for spending money, and always has been. I am very much afraid that they will go on finding Western Australia a wonderful country for expending money until something else brings them up with a round turn, and until, in fact, the country cannot get any more money to spend. The works we have before us at the present, with the amount of indebtedness to which we are already pledged, with the Treasury bills that are now current or floating on the London

market, amount to something like £2,650,000.

THE PREMIER: What is that?

MR. WILSON: Treasury bills.

THE PREMIER: It shows how ignorant you are. There is only one million in London altogether.

MR. WILSON: What about the Great Southern railway?

THE PREMIER: That is not Treasury bills. It is inscribed stock.

MR. WILSON: Is it?

THE PREMIER: Certainly; you ought to know that.

MR. WILSON: I think I can turn up some speeches of the right hon. gentleman's in which he referred to these railways as having been paid for in Treasury bills, and that these will mature in December, 1899.

THE PREMIER: I said the first Treasury bills current will mature in December, 1899. There are only £750,000 of Treasury bills in London altogether.

MR. WILSON: Perhaps the right hon. gentleman will tell me how many Treasury bills have been issued.

THE PREMIER: There are 1½ million pounds current at the present time.

MR. WILSON: Those Treasury bills will have to be redeemed within the next year or two.

THE PREMIER: No; within three years.

MR. WILSON: The Government have, in addition, to raise a million to carry out the contract for laying the Coolgardie pipes, and that does not include the other works; then they have to find the money for covering their reappropriations and their deficit, amounting to 1½ millions more; and these four millions will have have to be paid in the next three years.

THE PREMIER: Not so much as that.

MR. WILSON: Say 3½ millions. I do not mind giving you half a million, though I think the total will be nearer five millions.

THE PREMIER: We have only a million and a half of authorisations altogether, except the Treasury bills.

MR. WILSON: If the money is spent, we are bound to raise a loan to repay it; and I say we have to raise four millions within the next three years, or probably two years, and I believe we cannot raise it.

THE PREMIER: I deny that absolutely. You do not know anything about it.

MR. WILSON: I am trying to explain my views.

THE PREMIER: I am correcting misrepresentations that are going about.

MR. WILSON: Referring now to another matter, the cessation of the influx of foreign capital into this colony, I say that is a matter that no one can control absolutely, and I am not going to blame the Ministry altogether for the cessation of the inflow of British capital. After capitalists have had a rush in the investment of money in any country, and when the speculation fever has abated, they begin to ease off for a time, and will want to get some returns. I believe the inflow of British capital into our goldfields was, to a very large extent, stopped, checked, curtailed, on account of our unsatisfactory mining laws. I believe the British capitalists felt their tenure was not secure; and when they found there was a liability of losing their property, they naturally said they would invest no more money in this colony until these things were altered. I congratulate the Ministry and also this House on having so altered the mining laws of the country as to re-establish that confidence in our gold mines which British investors had some three or four years ago; and I trust this action of the House will certainly, and at an early date, re-establish the confidence of investors, so that we may have British capital again coming into the country, developing our industries, and so giving employment to the labour of the people. I hope the Government are, and I believe this House is, now coming round to the view which has been so strongly advocated from this side of the House, and that the Ministry will seriously take into consideration the advisability of encouraging private enterprise to assist, wherever possible in opening up and developing the country in every way. The Premier also referred to the question of having a Public Works Board established in this colony. That is a suggestion that has been thrown out by many speakers in this House, and it has been advocated especially by members on this (the Opposition) side of the House.

THE PREMIER: It was a Civil Service Board I referred to.

MR. WILSON: I am open to correction, but I believe the Premier referred to a Public Works Board being established in this country. I am with him in that, and I hope he will see that a Public Works Board is established here, so that when railway proposals come before Parliament they shall not be brought forward on the recommendations of the Ministry alone and then be abandoned, as we know the railways proposed by the Government in the present session have been abandoned, for every work of any magnitude proposed in the Governor's speech at the beginning of the session has been absolutely abandoned and given up. That shows the controlling force of the Opposition in this House. It will be a good day for Western Australia if a Public Works Board is established here on good lines, and avoiding those pitfalls elsewhere which the Ministry here have had an unhappy knack of blundering into. One serious matter that requires special comment is that our population is decidedly falling off at the present time; or if we do not say falling off, we may say the estimated increase of population is falling off. For instance, during last month our population actually decreased as much as the population had increased during the previous quarter.

MR. MORAN: A good job too.

MR. WILSON: I say it is a bad job. It is a disastrous day for any country when people begin to leave its shores.

MR. MORAN: They are better away than starving here.

MR. WILSON: That is a different argument. The fact that our population cannot get employment here and are beginning to leave our shores is greatly to be regretted. My argument and my great contention always have been that, if we had confined ourselves more to the economical administration of this country, if we had abated what has been called in some newspapers the "great public works rage," if instead of encouraging thousands of civil servants to flock over here, and seek employment in the numerous public departments we have built up and are now pulling down, we had addressed ourselves to the affairs of the country from an economical standpoint, and allowed other people to do this speculative business, our population

would have been with us to-day, instead of leaving the country as it is doing.

MR. MORAN: They would never have come here, under such a policy.

MR. WILSON: If we had confined ourselves to administration on these lines, we would not have had the enormous taxation we have to-day; but we could have devoted our large revenue from customs to the reduction of taxation in order to make living cheaper, and by that means we would have attracted an increasing population to the colony. Instead of that, we have adopted the most disastrous policy that could be devised by any Government; for we have boasted that we were going to construct our huge public works out of revenue, and we have spent something like £800,000 last year on permanent public works constructed out of revenue, and now we cannot finish them, for we have not the revenue with which to finish them, and our credit is so impaired that we can hardly raise loan moneys for completing these works. We have begun on this unwise and disastrous policy, and I have contended for the last three years that there can be no justification in taking money out of the pockets of the people in the present age for constructing works which are going to last for the next 500 years. Another matter which might have been well attended to, and would have brought most beneficial results in our administration, is the fact that we should have left this departmental day labour alone in our public works, and should have let works by contract as far as possible, instead of employing this huge army of civil servants, and instead of building up these useless departments which we have now to pull down. We would then have had our works executed by contract, and we would not have had this "black Wednesday" to face. I should like briefly to refer to the estimated revenue for the current year 1898-9, and I say the amount stated by the Premier is very largely over-estimated. I do not see the wildest possibility of our reaching the figure which the Premier hopes to receive, namely, £2,905,000. I should like to judge it from a standpoint other than that which hon. members have already taken in their arguments on this

matter, for if any business man is calculating what he hopes to receive in his commercial undertakings, he as a rule looks back to previous years or to previous months, as the case may be, and uses his judgment on the figures. He also looks ahead and averages the figures, more or less, and so proves his calculations. That is one way. I take the revenue for the past four years, and in 1895 I find that our revenue was £1,126,000; in 1896 the revenue was £1,858,000; and in 1897, when we had our big boom, the revenue jumped up to £2,842,000. Then mark the turn of the tide; for in 1898 there was a slight decrease, our revenue then being £2,754,000. The Government had these figures before them, and surely with the indications these gave, they should have seen how the tide was going, and the Premier should have been warned that the tide had turned. Surely it would have been fair to have struck an average of the four years, I do not say as a guide, in estimating the probable revenue for the present year; and if they had taken an average, it would have been £2,485,000, which I venture to state is just about the revenue they will receive.

THE PREMIER: We had a lot of new railways to take into account.

MR. WILSON: Yes; I know. Another way to look at this estimate is to take the customs collected during the last half of the year 1897-8, and it would have been seen that in the latter half-year the collections were £50,000 less than in the first six months; and yet we find the Ministry estimating that in the coming year they are to receive only £10,000 less than they received from the customs in the last year. But the figures themselves prove that the estimate must have been wrong, and that the best the Government could hope to receive would be £100,000 less from the customs than they received in the last year. It appears to me that the whole of the estimates of the Ministry are built up, not on what they think they can get, but on what they think they require to expend, and "the wish is father to the thought." They want three millions of money to expend, and cannot do with less to carry on the af-

fairs of the country; and so the Estimates are made up accordingly. The railways, as the right hon. gentleman interjected, have been extended; but I maintain that the customs revenue has a direct bearing on the railway revenue, and if the Ministry are not getting goods through the Customs, they cannot get the revenue from the railways. Most of the goods sent out of the colony, as far as bulk is concerned, are timber.

MR. MORGANS: What about the goldfields traffic?

MR. WILSON: The goldfields are not exporting.

MR. MORGANS: No; they are importing.

MR. WILSON: My argument is that our customs revenue cannot possibly come within £100,000 less than the amount received last year; and as the customs revenue has a direct bearing on the railway revenue, we cannot hope that our railway revenue will keep up to last year's receipts. All these things tend to prove that the estimate for this year is largely over-stated, and we cannot hope to get that amount. The fact is, the money is wanted to carry on these expensive departments; and we shall have to face not only the mistake that has been made this year in creating a deficit of £186,000, but we shall have to face that deficit added to a further deficit at the end of the current year, and these together will probably exceed half a million of money. I have little further to add, except to state that I think it is grossly unfair that members of this (the Opposition) side of the House should be told, time after time, that they have induced the Government to undertake this excessive expenditure. I think the few quotations I have given from *Hansard* show that members on this side of the House have always held out warnings to the Premier, and have endeavoured to restrain the Government in their unwise tendency to lavish expenditure. Therefore I do not think it is fair that we should have it thrown in our teeth that we have been parties to this expenditure, or that we are encouraging the Government this year to still further increase the indebtedness of the country. They have been warned time after time. According to those warnings, all their public works, I mean

their railways, have this year been abandoned; and abandoned not because they wished to throw up their policy, but because they saw that the predictions of the members who had warned them were coming true; because their revenue had proved, as I have shown, that it could not possibly keep up, or come up to anything like what they hoped it would be. I hope this retrenchment, which the Commissioner of Railways and Director of Public Works has taken in hand, will not stop at the rank and file, for I hope he will see that, when the cutting down takes place, the pruning knife is used on the heads of the departments as well as on the rank and file. I regret to see that the £2 10s. a week man is being discharged wholesale, while the heads and sub-heads, and all the other men who draw the larger salaries, are retained. We cannot hope to have successful retrenchment in this way. If we take it that those 400 civil servants who have been dispensed with average something like £2 10s. per week, you have then only some £1,000 per week saved, or say £50,000 a year. What is that in an expenditure of three millions? In many instances, whole departments require wiping out; and I think that can be done. I say there has been wasteful extravagance in all these departments. Any Administration which had been in power as long as my friend the Premier and his colleagues have been in office, would be bound to get into that extravagant way of carrying on the country's business, especially after having passed through such boom times as we have had here. I admit that. I do not care who are in power for seven years, they are bound to ultimately wind up with extravagance. But I do say that some men could put on the brake, and cut their coat according to their cloth. I hope the Forrest Ministry will do this, and not half-heartedly; I hope they will take the departments in hand, and that extravagant departments will be looked into by Select Committees of this House. I think there is nothing better for such public institutions than that Committees should be appointed from time to time to inquire into them, and endeavour to initiate reforms. I intend shortly to move that a Committee be appointed to investigate one of the departments, which I hope can

be cut down to a great extent, and can be made to produce a much larger revenue than it has produced in the past, and which I hope can be conducted on much more economical lines than it has been hitherto; though perhaps my friend, the Premier, will not agree with me in that respect. I hope we will adopt as our policy, as the great problem which we have to settle as the legislative power in this colony, that of trying to induce people to come to our country and settle in it. That appears to me to be the great desideratum for Western Australia; and our aim in carrying out that object should be, not to carry on huge and gigantic public works; our aim should rather be to wisely administer the affairs of this State so that we may reduce taxation to a minimum, so that we can reduce the cost of living, and so that we can induce the people to come here permanently, and thus, I hope, to develop the country to which we have all pinned our faith, and which I hope we all intend to stand by.

THE PREMIER AND TREASURER (Right Hon. Sir J. Forrest) in reply: I am sure we have all listened with much attention to the hon. member who has just sat down; and, if some of my observations are directed to what he has said, and if I omit reference to what some other members who have preceded him have said, it is only because what the hon. member for the Canning (Mr. Wilson) has said is more fresh in my memory. The hon. member has told us a good deal about extravagance. Well, I am sure most of us will agree that it is a good thing to be economical, and certainly a bad thing to be extravagant. But I remember some years ago—it has just come into my mind—that, when we were in the boom time, the hon. member was one of those who led an attack on the Government because they had not seen far enough into the future, and did not provide sufficient rolling-stock to meet the requirements of that time. That necessitated an expenditure of more than a million of money without the authority of this House—without the authority of Parliament—in order to meet the requirements of the colony.

MR. MORAN: We were all in that.

THE PREMIER: The hon. member was one of those who then blamed the

Government because it had not seen far enough ahead; because we were not able to cope with the extraordinary circumstances that arose at that time. If during years past we have tried to cope with the difficulties that have beset us, and have tried to look into the future to some extent, it is fortunate that we have not overstepped the mark—for in my opinion we have not overstepped the mark. But it seems that the hon. member is now on the other side, charging us with extravagance, because he thinks we have to some extent overstepped the mark; and I think I shall be able to show, before I sit down, that we have done nothing of the sort.

MR. WILSON: You have gone to the other extreme now.

THE PREMIER: In making the Financial Statement every year, I have always desired to give a history of the colony. I have always desired that anyone who takes up the speech which I have had the honour of delivering to this House, should be able to judge for himself of the position of almost every, if not every, industry of the colony—of its development during the past year, and its prospects in the future. I have dealt with all the subjects which are of interest to us—with financial questions, with questions connected with the produce of the soil and its development, with the gold industry, with the debt of the colony, in fact, with every subject one could be desirous of knowing, if one wished to become acquainted with the actual position of our affairs. In criticising the Financial Statement made by me, as Treasurer of the colony, one might expect that members of the Opposition would deal with some, if not all, of the questions dealt with by the Treasurer in his Financial Statement. One might expect that we should have reference made to the various interests of the colony and its various industries, criticising some, praising others. Generally, I think I might expect that those members who took on themselves to form an Opposition or to lead an Opposition, should have something to say in regard to the various interests which go to make up this great colony. But I will ask hon. members if we have received from the gentlemen opposite anything of the kind? They have dealt with only one or two

points, and that generally as if they had a brief to attack the Government, and to say as much as possible, within moderate bounds, in regard to the maladministration, as they term it, of the colony by the present Ministry. The member for the Canning (Mr. Wilson) told us the colony was all right. Well, I am much obliged to him for that; I am glad he should say so; and I hope that part of his speech will be printed in large letters, and some other parts of it be printed in very small. I generally find, however, that all those parts of a speech by an Opposition member which reflect upon the stability of the country, or upon the Government, or upon the administration of affairs, are given a great deal more prominence in the Press, not only here, but elsewhere, than those parts which are of a contrary tenour. The hon. member has told us that there is a depression in this colony. I think I referred to it, to some extent, in the speech which I delivered on the 18th of August last. I did not say, as the hon. member would make me say, that there was no cloud upon the horizon, that there was no dark cloud upon it; but what I did say was that I could not distinguish it, that I could not see the dark cloud, in looking round about this colony, and in looking at the colony's various industries. I said I had looked at the agricultural industry, that I had looked at the pastoral and timber industries, that I had looked at our great gold-mining industry, and was more than satisfied; also that I found myself in a difficulty to account for the depression which was said to exist in some circles. And so I do. I have not heard from the hon. member opposite (Mr. Wilson), nor from the member for Central Murchison (Mr. Illingworth), nor from any of them, any real or good reason for this depression. I have heard, of course, that it has resulted from the maladministration of the Government, and that it is all due to the Government; that the Government are to blame, that they have brought all this upon the colony; and I shall be able to refer, directly, to some of the arguments adduced in favour of those propositions. I only ask them—and I might have expected from them, I think—that if the Government are to blame in regard to this matter, we should be told in what

way we are to blame; and no one would have been more glad than I to listen to observations from hon. gentlemen showing in what way, during the last year or two, the Government have been to blame in regard to what is called the depression in this colony. I know this, that during the last year the Government spent $3\frac{1}{2}$ millions of money out of revenue, and nearly two millions, £1,900,000 odd, out of loan; making a total of over five millions of money which was spent; not all in this colony, for of course some went to pay interest on our debt, and to buy rolling-stock and other things we have to import from the old country; but still the gross expenditure on account of revenue and loan was over five millions, and therefore it is strange, and requires care and consideration, more care than the hon. member has given, I take it, to know why it is that during last year, when we were spending this large sum of money, a far larger amount than was ever expended in this colony previously, that the revenue of this colony has proved to be less than it was the year before. In the year ending 30th June, 1897, we had only a million pounds worth of gold exported; our population was smaller; the expenditure of the colony was far less; and still, for that year, the revenue of the colony was greater than it was for the year ending the 30th June, 1898—in the year, as I said before, when the Government spent over five millions.

MR. WILSON: Over-expenditure.

THE PREMIER: Over-expenditure! Then I cannot see it. If the hon. member tells me that spending money causes depression—

MR. MORAN: Not during the year it is spent, surely.

THE PREMIER: During the year it is spent.

MR. WILSON: You cannot make a country prosperous by excessive public expenditure.

THE PREMIER: Well, it might be private expenditure, then. I differ from the hon. member. I believe that when there is a large public expenditure, the colony will have prosperity—at any rate, at the time the money is being spent.

MR. WILSON: But that time is past.

THE PREMIER: The hon. member is wrong. I said that, during the year ending 30th June, 1898, when we were spending this money, and when we spent a very much larger amount—a million more, in fact—out of revenue than we had spent the year before, the revenue of the colony was less.

MR. ILLINGWORTH: How do you account for it?

THE PREMIER: I should like the hon. member to have told me that; but he has not told me. No; he prefers to deal with references to the Estimates in which he tries to show, and to his own satisfaction does show, that the Treasurer has always been wrong, and he himself always right; but he forgets to tell us that he always has the Treasurer's Estimates before him when he criticises the financial policy of the Government, and is therefore in a better position as to time for forming an opinion on the position of the country than is the Treasurer.

MR. ILLINGWORTH: That is not correct.

THE PREMIER: He is in a better position, as he was a few nights ago, in having spoken two months after I did, and in having two months of the history of this colony in his favour.

MR. ILLINGWORTH: That is not correct, because my figures were written down before your budget.

THE PREMIER: I do not know what your figures are, but I should have thought you would have used them at the time. Surely you would not have allowed two months to have passed.

MR. ILLINGWORTH: My figures were written down before the budget speech was delivered.

THE PREMIER: Then I am glad the hon. member can see so far. I would not do such a thing, myself.

MR. ILLINGWORTH: Perhaps not.

THE PREMIER: That is all right, then. It just shows us how far the hon. member can see into the future. The hon. member asked me what was the reason of the decrease of revenue. I will tell him directly. I am sure anyone who has listened to the speeches this evening—I will deal directly, with those delivered the other evening—must have been rather disappointed. There is no fear that anything the member for North Perth (Mr.

Oldham) and the member for the Canning (Mr. Wilson) says in this colony will be valued at anything more than is due to the positions those gentlemen occupy in the colony, and the opinion the people of this colony have of their general worth; they will be taken by the people of this colony probably at what they are worth, and that worth each one will judge for himself. But beyond the limits of this colony, they will not be taken as in any way associated with those two hon. gentlemen, but they will be taken as coming from members of Parliament occupying seats in the Opposition; and they will have an exaggerated effect, I take it, over and above the influence they will have in this colony, where we are acquainted with everyone, and where we know the exact state of affairs, and therefore are not influenced to an undue extent by what a person says. I would ask those gentlemen who have said so much about the administration of this Government within the last seven or eight years, whether one might not have expected from them something in the way of generosity in regard to the exertions made by hon. members sitting on these benches, and also by the other hon. members on this (the Government) side of the House? I would ask them whether they think that, in the speeches they have made in this debate, they have acted in any way fairly to those who have tried to do their best for this colony, as far as their ability would allow them, during the past seven or eight years. I should like to ask them whether they have looked before, whether they have taken the trouble to look back on this colony as it was seven or eight years ago, and to compare it with its position now; and whether, if they have done so, they should not now be able to say: "Well, at any rate, whatever the demerits of these persons who have had the administration of the affairs of this colony have been during the last seven years, at all events they have made this colony a very different place now from what it was at that time."

MR. OLDHAM: The people made that.

THE PREMIER: The people?

MR. OLDHAM: Yes.

MR. ILLINGWORTH: Did the Government make the country?

THE PREMIER: Certainly, the administration of this country is reflected

upon everything that has gone on during these years. What policy has built railways all over the country, has given water all over the goldfields, and has built public buildings all over the colony? Has it nothing to do with the administration of affairs all this time, building jetties and harbours, and doing everything to transform the country from what it was seven years ago? Is it all due to the people here? Is nothing due to the administration? The people had very little to do with guiding the destinies of the country.

MR. ILLINGWORTH: Where did you get the money? Who provided it?

MR. OLDHAM: You pulled through the bicyclist who came here the other day, I suppose?

THE PREMIER: I showed him the way, 20 or 30 years ago. (General laughter.) The hon. member has told us we have done things too well in this colony, that our buildings are too good, and generally that we have been extravagant in making these buildings. I think we were told these buildings were going to last 500 years, so at any rate we made them substantial. My idea is that in a colony like this, with such great possibilities, with the eyes of the world upon us, as they have been during the last seven or eight years, it would ill become us to put up paltry buildings of iron or tin, and that whilst about it, having faith as we have in the future of this country, we certainly ought to put up buildings somewhat commensurate with our possibilities. After all, our buildings, as a rule, are not so good as those in other countries which are not better situated, some of them not so well situated as we are; and I think if we have erred, we have done so on the right side. Seeing that we have been able to build a great many of these works out of our current revenue, and that they are no charge on the people of the country, whilst the tariff existing to-day, and which will exist probably for a long while, is not much more than it used to be, I am of opinion we have done well. We have taken advantage of the money we had in trying to make this country better, more habitable, and more convenient, as well as more profitable to the people who live in it. I say if any one wants to know what the present Government and the Parliament—I do not say the Government only, but Parliament, and

I will even include the members on the Opposition side of the House—have done during the last seven years, all he has to do is to follow the advice given to a person in St. Paul's Cathedral, to whom someone said, in regard to Sir Christopher Wren's monument: "If you seek a monument, look around!" So I say to all those who carp and criticise: if you want to see a monument of what the Parliament of this country has done during the last seven years, look around you. I desire to thank my hon. friend the member for Central Murchison (Mr. Illingworth)—I have not forgotten him, although I have left him till now—for the speech he made the other evening. I desire to thank him for the generous expressions he made towards me personally, and I may say that, taking him as a rule, I think he is of a generous disposition—certainly in dealing with individuals, and he sets us a good example in that respect. He does not descend to criticise us personally; but, for all that, leaving out the personal part of it, he criticises us pretty severely, after all. I am going to tell the hon. member, while thanking him most sincerely for the generous references to myself personally, which I highly appreciate, that I do not think he was fair in the criticisms which he passed upon me and upon the Government. He told us that all the trouble that had come to the colony was due to our bad management, and bad financing. He spoke about the depression, about the falling revenue, and about his own good estimates with regard to the revenue; but he told us very little on the other side. He did not tell us much about the great gold increase, and the possibilities—he did not wax eloquent regarding what our gold production will be in a year or two. He never told us a word about that.

MR. ILLINGWORTH: You did that.

THE PREMIER: No one could do it better than the hon. member. Why did he not wax eloquent with regard to the future fortunes of this country?

MR. ILLINGWORTH: Because you have done it.

THE PREMIER: But I think it very necessary, and it would be corroborative of what I have said. I repeat that he never spoke about the great gold-mining industry or its possibilities.

MR. ILLINGWORTH: Yes, I did.

THE PREMIER: Very little. He never said what it would be in two or three years, and he did not say anything about the wool industry.

MR. ILLINGWORTH: I did.

THE PREMIER: Or the timber industry.

MR. ILLINGWORTH: I did.

THE PREMIER: The agricultural and pastoral industry.

MR. ILLINGWORTH: I did. You are not fair.

THE PREMIER: He said very little about them, and he never waxed eloquent with regard to them; nor did he tell us what I wanted him to state—the reason for this depression. That is what we expected from him.

MR. ILLINGWORTH: I did. You have not told us yet. Will you now?

THE PREMIER: I will tell you, directly. I have told you it is difficult for me to understand it; it is very difficult, and I should like a great financier like the hon. member to devote himself to that aspect of the affair, and tell us the reason why, with the vast expenditure of money last year, the revenue should have fallen more than the year before, when the revenue was a million less and the gold export was a million less.

MR. ILLINGWORTH: I told you in a single sentence. Take the normal condition.

THE PREMIER: I do not see why you should. When our gold was booming up, and our revenue and loan expenditure was so large, why should we get into normal conditions? The hon. member tells us we are taxed to the extent of £16 per head. That is a new idea of finance.

MR. ILLINGWORTH: I did not say that.

THE PREMIER: Well, the hon. member opposite (Mr. Wilson) told us. He forgot to tell us that we expended money to the extent of £30 per head.

MR. ILLINGWORTH: Where did you get it?

THE PREMIER: Get five millions and divide it by 170,000. But the hon. member did not tell us that. He dealt only with his side of the question. If he aspires to be leader of the Opposition, or to be a prominent member of it, he will not find members ready to listen to him and give him credit for his observations, unless he looks at both sides. If his desire is to make out a case against

the Government, he should certainly endeavour to act fairly.

MR. ILLINGWORTH: You look on one side.

THE PREMIER: I look on the right side.

MR. ILLINGWORTH: So do I.

THE PREMIER: My idea is that the reason this depression came upon us, in the midst of this great expenditure of money, was the withdrawal or stoppage of the inflow of foreign capital.

MR. ILLINGWORTH: Is not that what I said?

THE PREMIER: Did you?

MR. ILLINGWORTH: Yes; it is here in *Hansard*.

THE PREMIER: Then I did not hear it. I say it is because the British investor or the foreign investor—

MR. MORAN: And the Australian investor.

THE PREMIER: I mean the whole lot of them, stopping the investment of capital, or not going on very quickly with it. There are a good many reasons for that. I agree with the member for the Canning (Mr. Wilson) that our bad mining law had something to do with that. There was a reason for it. It was not the fault of the people of the colony, or those who had taken a leading position in its politics, so much as it was the clamour of a lot of people who thought they knew a great deal better than we did. We had no law to go upon in 1886. The mining law was introduced by the hon. member opposite (Mr. Illingworth), and by others who thought they knew a great deal more about mining law than we did: and we, thinking they knew something about it, very foolishly agreed with them. We also listened too much to people who were suffering from undue prosperity, and to a lot of agitators and those who were given to riotous behaviour, and we began to think that they, too, knew something about it. I refer not to members in this House, but to persons on the goldfields. We thought they were suffering under some real grievance and hardship, and we listened too much to them. We now see the result. We introduced into our goldfields law a system which gives no security to those who invest their capital; and I would like to ask anyone in this House, or in the colony or outside of it,

whether, if they had the whole world before them for investment, and had the money in their pocket to invest, they would invest in the goldfields in this colony if they could not get security of tenure. No one but a lot of simpletons would do it. The reason money has been invested, since the Mining Act of 1895 was passed, is that the people who invested did not know the conditions under which they were investing, or they would have buttoned up their pockets.

MR. ILLINGWORTH: There is no connection at all. It was the "wild cat" schemes.

THE PREMIER: There is another reason. I have told you about the stoppage of capital and the bad mining laws; I have told you about riotous behaviour on the goldfields, an account of which was cabled to England and read by capitalists, who will not invest in a country where even the Premier of the colony cannot go to a place without being insulted, hustled, and maltreated. Is that a place where people would invest money? They would think twice about it. There is another reason. I refer to the continual wailings of members of the Opposition, which are carried away to other parts of the world, including the great centre from which capital comes.

MR. MORGANS: The Mayor of Kalgoorlie, for example.

THE PREMIER: I am talking of the Opposition and the way in which they try down the Government. They desire to promote the interests of the country, but they wish to attack the Government, and in attacking the Government they do not care to what length they go; the result being that they traduce the colony.

MR. MORAN: That is politics.

THE PREMIER: A gentleman recently returned from London told me that the speeches made in this House during this session have done a great deal of harm in London, through the terribly pessimistic view taken by members of the Opposition in regard to the financial position and future of the colony. That gentleman was a person in a responsible position. The statement can be taken for what it is worth, but I thoroughly believe it. What is said is read in the London papers. If a spicy thing is said against the Government or against the colony, we find

it reproduced, not in one paper, but in several.

MR. ILLINGWORTH: You hardly get Australia mentioned.

THE PREMIER: Oh, yes.

A MEMBER: What about the *Times*?

THE PREMIER: I never say anything against the colony, or the Government. All I can say is, if these wailings and these pessimistic speeches traducing the Government, and traducing the colony, did not have any effect, they should have had; because if I were to read the speech of the member for the Canning (Mr. Wilson) and that of the member for North Perth (Mr. Oldham) and had money to invest, I should certainly be very much influenced by those speeches, and should consider whether it was worth while or desirable to invest money in a country so badly managed and on the precipice of ruin.

MR. WILSON: If it makes you more cautious, it will do good.

THE PREMIER: It will do you a lot of harm, in the meantime, I am afraid.

MR. WILSON: I will chance that.

THE PREMIER: There is one very great thing, however, that this depression, as it is called, has done. It has brought some people to their senses. The noisy agitator is coming to his senses, and he finds that unless he is more moderate and reasonable, his occupation will be gone—he will have to "seek for fresh fields and pastures new." And there is a better thing than that: the people are getting reasonable, too, and sensible, and will not listen to agitators much longer. In fact, you can see it everywhere. The people are coming to their senses, and you can trust the people when a matter is brought home to them. They are, I repeat, coming to their senses, and as far as I can see they are determined to judge for themselves and to judge wisely. I am very glad to join with the member for the Canning, in regard to the passing of the Gold Mines Bill. I am glad indeed it has passed this House, and I have no doubt it will pass another place, if not exactly as we sent it, at any rate in a way quite satisfactory. It does seem to me, looking back upon the history of all these troubles resulting from the dual title, to be absurd and strange that in a country

which is a reefing country, as a whole, we should have gone so far out of our way as to destroy security of tenure, when we could easily have given all the necessary security and privileges to the alluvial miner. We could easily have done that by examination, before the issue of a lease, so as to preserve alluvial ground as far as possible from the lease. Alluvial is, as I say, the exception and not the rule; and it is strange that we ever embarked upon legislation endangering the title of every single leaseholder, in order that a few of the leases might, as we think they should, be open for the alluvial miner. I am glad indeed to say that we, too, are coming to our senses. It is gratifying to know that we are almost, if not altogether, unanimous in this Assembly in regard to the matter; and members may be sure that on the gold-fields, and throughout the colony, we have the people with us. The member for Central Murchison had a great deal to say in his speech about the amount per head in regard to the public debt. He was, I am glad to say, accurate in regard to what our public debt will be when our present authorisations have been exhausted. I think he said it was something like $11\frac{1}{2}$ millions. That, or something like it, will be the real figure; but we have not the exact amount. He knows well that it will be some time yet before all our authorisations are exhausted; and if we do not increase the amount, it must be 2 or $2\frac{1}{2}$ years before we shall owe the whole of the money. He jumped at the conclusion, or led us to believe that, seeing that our authorisations were $11\frac{1}{2}$ millions, our indebtedness was £70 per head. I would ask the hon. member (Mr. Illingworth), and other members, whether that was a fair way to put that proposition. Seeing that our indebtedness will be $11\frac{1}{2}$ millions in $2\frac{1}{2}$ years, and that our population is 170,000 at present, is it fair to divide 170,000 into what our indebtedness will be?—because that assumes that our population will not increase during the next two or $2\frac{1}{2}$ years. He knows very well, and no one better, that our population is an abnormal one. I do not know whether he said so or not, but he knows it, because he is aware that something like half of our population consists of adult males, wage-earners who

are capable of sustaining a much larger public debt, and of paying a very much larger revenue. No one knows it better than he, but did he mention it?

MR. ILLINGWORTH: Yes, I did.

THE PREMIER: Well, if the hon. member did that, he said it in such a way that I did not notice it.

MR. ILLINGWORTH: I said the population might rise to 200,000.

THE PREMIER: But the hon. member did not divide the indebtedness per head into 200,000. Is it right to assume that the population is not going to increase during the next two years?

MR. MORGANS: No; it is not right.

MR. ILLINGWORTH: It may decrease.

THE PREMIER: Is the hon. member going to argue that the debt may increase and the population is going to stand still?

MR. ILLINGWORTH: I am afraid it is going to be so.

THE PREMIER: Then the hon. member tried to make his hearers believe that the debt would be £70 per head, and that the population would remain as it is. He ignored the fact that our population is made up of one half males, and is therefore in a better position to bear taxation and indebtedness, as compared with the population in other colonies.

MR. ILLINGWORTH: Yes; I did mention it.

THE PREMIER: Then the hon. member made a very small point of it, and I do not remember it. If he wished to act fairly, he would have said our population is equal to 250,000 in its power to bear taxation; that, in proportion to our adult males, if we had a proper number of women and children, our population should be 250,000. Therefore my contention is that we are twice as well able to bear taxation as would be an equal number of population in other colonies, and that we are twice as well able to bear our public debt.

MR. ILLINGWORTH: I gave an exact analysis on those lines, last year.

THE PREMIER: It is a very important point, in relation to the ability of the population to bear taxation and to bear the weight of debt. The hon. member did not tell us we are the largest gold-producing colony in Australia.

MR. ILLINGWORTH: Yes, I did, and said we are the largest dividend-paying colony.

THE PREMIER: Then I did not hear it. What I mean to say is that the hon. member waxed eloquent and got so excited over what he was saying, that I asked him not to be excited in regard to these matters; and as to what he said on the other matters he has mentioned, they were so slight that they have escaped my memory. He seemed to me to be like a counsel engaged for the prosecution, and left out the defence altogether.

MR. ILLINGWORTH: That is not fair, and you know it.

THE PREMIER: I say it is perfectly fair, for I never heard a more one-sided speech in regard to the financial position of the colony. It would be ungenerous for me to say a word that is unfair; but the hon. member criticised me, and his speech was most unfair. He said I had over-estimated the revenue, and he made a great point of that. The hon. member has had the advantage of two months more time than I had in making his estimate, and if he has not taken the advantage of the additional time, he ought to have done so. I believe now it will take us all our time to get our revenue, and I said so in my Financial Statement. I think there is hope, and I said that also in my statement. It would have been quite easy for me to have shown a deficit of £186,000 on the current year's account, and to make my estimate of revenue £170,000 less; but I thought there were prospects ahead, and there were signs of returning prosperity. I know July was a bad month for revenue purposes, and I believe the reason is that at the end of the financial year there are scrapings by everyone to get revenue into the Treasury, and therefore the next month often suffers by comparison. Take the railway revenue, or take that of any department, and it will be found that at the end of the financial year they gather up the outstanding debts. The revenue for August was fairly good, and for September it was fairly good; and the revenue for October, up to the 10 days of this month, is £4,000 more than the amount received for the first ten days in October of last year.

There is hope, as I have said; and while we know there will be a large expenditure in connection with the Coolgardie water scheme, we also expect there will be ships coming to our shores, and, like ships of old that came to the coast of Tarshish, we will have ships coming to Fremantle to carry away our timber. Looking also at the increasing export of gold, and taking all things into account, I was not one of those who was going to despair of my country; but I had hope and confidence, and I took a reasonable view of the future. I may say now that, if the revenue in the current year does not come up to the estimate, it will be my duty to try and keep down the expenditure. The member for the Canning (Mr. Wilson) or the member for North Perth (Mr. Oldham) could reduce these departments in a month, and bring the expenditure within the revenue; but when a member on that side comes to have the opportunity, if he ever does, he will find it is not so easy a matter as he seems to imagine. If our revenue proves to be less than our estimate for the year, it will be our duty to do our best, and we will do it too, to try and bring the expenditure within the limits of the revenue. One of those astounding statements made by the member for Central Murchison (Mr. Illingworth), and I think the worst statement he made, was that the whole of the depression was due to the deficit of £186,000.

MR. ILLINGWORTH: No.

THE PREMIER: If the hon. member does not withdraw that at once, I shall have something to say about it.

MR. ILLINGWORTH: It is not necessary to withdraw it, because it is not true.

THE PREMIER: The hon. member said—and I laughed with derision at the thought—that the deficit of £186,000 had brought all this depression on the people of this city and on the people of the colony; and all because we spent £186,000 more than we received, and more than we ought to have spent. When I heard him say that, I almost gave up the good opinion I had of him as an expert in finance. All my good opinion seemed to vanish, when the hon. member made that astounding and very foolish statement.

MR. ILLINGWORTH: You misunderstood the thing.

THE PREMIER: It comes to this, that the deficit actually made all this terrible difference in the condition of the people of the colony, when we had spent $5\frac{1}{2}$ millions during the year in trying to give employment and in carrying out our public works schemes! And, although we had spent all that money, the hon. member says the fact that we spent £186,000 more than our revenue during the year caused all this terrible depression! The member for the Canning (Mr. Wilson) seemed to think the members of the Government and those who support them on this side had only one object in view, and that was to spend as much money as we could, and get it any way we could, not caring what the result would be. If I were to apply that to members opposite and to some others, it would apply to them with more reason than it does to the Government. Are we likely to bring ruin on this colony? Who would suffer? Would we escape scot free—we who are the representatives of the old inhabitants of this colony, who to a man, I am glad to say, support me in this House—are they to escape scot free? Who is to suffer first? It has been said that, although other people may come to this colony and may leave it at the first sign of trouble, like rats from a sinking ship, yet those who must remain to bear the burden are those who have their homes in the country and intend to live and die in it; and are we likely to bring ruin, or to do anything so foolish as will bring discredit on the colony where all our interests and hopes are centred? The thing is absurd. We are trying to do our best, in the interests of the colony, and in the interests of ourselves and everyone belonging to us; and to tell me that our object is to get money where we can, and go on the spendthrift plan of spending money, not caring what is to happen, and bringing ruin on ourselves and those—

MR. WILSON: We never mentioned "rats."

THE PREMIER: Some member said others might go away, but that we, the older settlers, would have to stay and bear the burden. It was perhaps my friend from Kalgoorlie (Mr. Moran), who

said that we on this side were not likely to leave the country; that all our interests are here, and all our hopes are centred here, and that whoever may go away from the country, the old settlers must remain. The member for the Canning blames us very much for this deficit. I can assure hon. members that a deficit comes out very easily, for if you start the year with certain plans and you find your revenue does not come in as you expected, it is not easy to stop the expenditure suddenly. But why apply that only to the Government? Apply it to private affairs, and you will easily find that the balance may come out on the wrong side of the ledger. Are the Government the only persons who started the year with great hope and promise, in June, 1897; and who at the end of June, 1898, found our hopes and aspirations have not been realised? Yet we are blamed as bad managers and bad financiers—what for? Because we spent a little more money than we received, although at the same time we spent less than we had estimated to spend. We did not get as much revenue as we hoped for, or we would have had a balance to credit; but still we spent £70,000 less than we had intended to spend, and even then we had a deficit at the end of the year. The fact is, we had more faith in the revenue-producing capabilities of the country for that year than we ought to have had.

MR. MORGANS: You were too honest.

THE PREMIER: I know it is a bad thing to show a deficit in your balance-sheet; but do we cry about it in private life? When we owe a few thousand pounds to our bankers, does that trouble us? No. So long as we have plenty of assets on the other side, the deficit does not even disturb our rest. All this hullabaloo about £186,000 is nothing at all; and because we do not get rid of it in a moment, it is said we are bringing ruin on the country. We know that by gradual economy and care, we can easily get rid of this amount. If there were nothing else to trouble me than the deficit of £186,000, I should sleep soundly; but what does trouble me, sometimes, is that our revenue does not always come up to our estimate. Then the member for the Canning (Mr. Wilson) had a great

deal to say about private enterprise, and he seems to be the advocate for private enterprise, and for contractors. Everything should be given to private enterprise, according to him, and everything should be let to contractors; but the hon. member knows well what that means. I am not opposed to private enterprise, although he would lead people to believe that I am not in favour of private enterprise at all. If it were a necessary work and the people wanted it, I should not object to private enterprise doing it; but when there is a great national work, and one which the people can afford to pay for, I know the best and cheapest way is to do that work through the Government, because private enterprise means double the capital, to start with, and means promoters and underwriters, and a lot of plundering. If we have private enterprise, we must put up with these things. I do not say there is not a system of private enterprise by which these evils can be avoided, and I want to give some consideration to that; but by the system of private enterprise as we know it in this colony, the amount of capital required for a particular work is doubled, and I know that many of the enterprises cannot stand the doubling of the capital cost. I believe that even contract work costs more than day work. I do not say it is advisable to go in for day work; but, after all, we have no law suits arising out of the day work, and we have none of the troubles which do arise with contractors. I have often said to contractors, though they are all friends of mine, "You seem to belong to a genus that wants to get everything, and give nothing in return." I must say, at the same time, that the contractors we have employed have always done the work to our satisfaction; but they have always tried to get as much out of us as they possibly could.

MR. OLDHAM: The jetty blew away, you know.

THE PREMIER: I can only say, in conclusion, that I agree with those hon. members who have spoken of the revenue during the last year and in the present year as being a magnificent one. It only means that our demands for developing this immense territory have grown so quickly upon us, with a large population coming in so rapidly, and requiring to

have its wants attended to, that without the means of communication in the country everything was against us; and, as nature has placed gold in parts of the world where it is difficult to obtain, we had a great deal to do in trying to make the country practicable for persons to go into the unsettled parts of it. The expenditure has been very large, but even as large as it was it was not large enough for the requirements of the country, and we could easily spend another couple of millions a year, and do good work with it for years and years to come; but we must not do that unless there is real necessity. My desire is not only to promote everything that is best in the country and make it great and flourishing, but my desire is to maintain the public credit of the country. We have great responsibilities, no doubt; but our responsibilities are not greater now than they were when we began under responsible Government. Fancy our responsibility, when we had a revenue of half a million a year! And compare it with our responsibilities now, when we have two and a half millions, or £2,600,000 by the estimate of the member for Central Murchison! Surely, then, if we have been able to manage this colony with a small revenue, we shall be equal to the occasion with a large one. I only ask that we shall have faith in the country. Do not let us go about crying it down, knocking hope out of persons who have any. That is what the member for the Canning (Mr. Wilson) and the member for North Perth (Mr. Oldham) have done tonight. Anyone here who had any hope and confidence in the future of the colony, who believed that it was going to prosper, would go home and say, if he believed those members' statements, "Well, these men, holding responsible positions, seem to think the Government are so bad, that they are so ignorant, so desirous of bringing discredit and ruin on this country, that I must not touch this country until it has got rid of such a Government." If that is the wish of the people of this colony that I should retire, then I say I would hail the morning on which that retirement occurred. If the people of the colony are willing—though I know they are not; that they are not yet ready to entrust the Government of this coun-

try to the hon. member Mr. Wilson) and his private-enterprise and contractor friends—when the people are ready, no one will be more pleased than I to hand over the affairs of the country to them. I say we must have faith in the country. Let us have faith in this colony, as we have had it in all these years that are past; let us stand by the colony in time of need, in the day of necessity, if it comes upon us; and I say we shall deserve success, at any rate, and we will try our best to command it.

MR. DOHERTY (North Fremantle): In viewing this subject, I think we ought to look at the matter from the point of view of the welfare of the country, and not to concentrate our attention on the small deficit that appears in the Treasurer's statement. If we take the gold returns of this year, we find that something like a million ounces of gold have been exported during the twelve months, representing four million pounds. Some people say this four million pounds is of no advantage to this country; that it is all taken by the English investor. I cannot perceive how that can be, or how it works out; because I take it in this way: I have no doubt that on the gold-fields of this colony there are over 20,000 people, each of whom earns at least £3 a week, which represents £60,000 per week spent, or, for the entire year, it means £3,120,000. That accounts for £3,120,000 worth of the four millions. Then there is something like £500,000 paid in dividends. That brings it up to £3,620,000; and then there is a balance of £380,000. Now, it is probable that this amount is absorbed by stores and material—that is, it is spent in the colony; so that the four millions of money which is alleged to go to the British investor, is, I say, kept within our own boundaries and spent here.

MR. MORAN: Do not forget what is sent to the other side.

MR. DOHERTY: That could be dealt with in twelve months. If the Government would only take the trouble to do so, and would give small pieces of land for settlement, say, a ten years' purchase, to assist people to build dwelling-houses in and around towns, as the Commissioner of Crown Lands is assisting the agriculturist, and would advance a certain sum of

money upon such leases, so that people could make their homes here. But at the present time people are expected to spend their money to come here, and then to pay large rents. Give a lease of 10, 20, or 22 years to the working man, the amount to be guaranteed by some reputable citizens, and in this way prevent the outflow of money to the other colonies. I think we can safely say that the entire gold output is spent in this country. Again, take the timber industry. The timber export was something like £200,000 for last year. Probably this year it will be something like half a million of money. That does not go out of the colony. To produce that, a sum of £250,000 is required, which must be spent in the country—every bit of it. The wool export for 1897 was something like 19,000,000 lbs. This year there will be one-third increase on the value, which will mean half a million pounds. Every penny of that will be spent in Western Australia. Every penny will be spent, and probably some more extra capital will be put into the industry; and, when all this money is being spent here, how could this country go down? Take the small deficit of £186,000. It is only 6 per cent. on the entire revenue. Suppose a case of a clerk in an office in Perth, who wants to build a house, would anyone blame that man, or say he was going to the dogs, if he mortgaged his income for 6 per cent. for only one year, in order to build? We know there are hundreds of individuals in this country who mortgage their salaries, and will anyone say that 6 per cent. would be too heavy a burden? Suppose there is a deficit next year of half a million, that would be 15 per cent. of our income. Would you suppose a man who had £300 a year would be acting rashly if he undertook to pay £45 as interest on a mortgage? You would say, surely a man with a salary of £300 can easily save £45 per annum? I think that is the logical conclusion to come to; and, if we have, at the end of our next financial year, a deficit of half a million, I do not think there will be very much difficulty in making it up. We have a wonderful asset—it is a most extraordinary thing which no other colony can show—the best narrow-gauge railway system in Australia, with the best

hauling power and the heaviest rails, and, I think, the best-run railways in Australia. The railways pay interest on the money borrowed—that is, five millions—their full interest of $3\frac{1}{2}$ per cent.; and there is a profit of $1\frac{1}{4}$ per cent.

MR. MORAN: There is the sinking fund.

MR. DOHERTY: After allowing for sinking fund, our railways pay 7.5 per cent. on our loan money. Outside of the ordinary revenue, you would only have to find $1\frac{3}{4}$ per cent. on 5 millions to pay the entire revenue. Is there any country which can show such a record? I do not think there is. We have had a bad year, so they say, in 1897-8, but still we have this record to show. I think if there is one fault to be found on the Government side, it is that they expect one man to act as Commissioner of Railways and Director of Public Works. Now, when you abolish dual titles in mining, I think you should abolish dual titles in the Ministry. It is not possible for a single man to manage such a huge system. You must remember that we have 1,400 miles of railway. Is it possible for one man, who, although he of course cannot do the work personally, is responsible to this House for it, to put his hand on every man in that system; and, when he has done that, can turn round and put his hand on every man in the public works system? I say he cannot do it. Is there any railway company in the United Kingdom having as many miles of railway as we have, and, if so, is it managed by one man? No; the British railway companies have managers receiving large salaries, and, in addition, they have large boards of directors to help them; and we expect one man to manage an enormous department like the railways, and then to turn round and manage that huge spending department, the public works. The position of the Commissioner of Railways and Director of Public Works has often presented itself to me in this way: When the Premier sends round word that the Estimates are to be made out, the Director of Public Works receives the information, and naturally says, "I wonder what the Commissioner of Railways wants." The Commissioner of Railways sits down before the Director of Public Works, and says, "What do you want?" The other

says, "I want so and so." Now, it is very natural that the Director of Public Works would say, "Well, the Commissioner of Railways is a very decent fellow, and I will give him all he wants. That is reasonable." Now, is not that a logical conclusion to come to? He is practically criticising himself; and it is very natural that the railways get a very huge slice of our money; whereas, if a man had to deal with another department than his own, he would be very chary of giving it. We know very well that is so.

THE COMMISSIONER OF RAILWAYS: I have not the control in that way. The departments are granted special votes by Parliament.

MR. DOHERTY: Yes; but you have the asking of the special votes. If it were in my power, I should be very pleased to see the railways taken out of the hands of Parliament. I should put them under a good Act, and get a good board to manage them; and I would have the railways free from political control.

THE COMMISSIONER OF RAILWAYS: They are all going back again to the old system in the eastern colonies.

MR. DOHERTY: It has not been so in New South Wales. The system in that colony is one that is being followed by all the colonies, and no one can deny that Eddy worked the railways of New South Wales up to a pitch never attained in any other part of Australia. You must have a board—a separate board—or a separate Minister. One man cannot manage two large spending departments such as these; and the sooner the change comes about the better. I was somewhat surprised at the member for the Canning (Mr. Wilson) speaking about civil service boards. I should have thought he would have been the last man to advocate boards, considering the late experience we have had with the Perth water supply board. The evidence taken at the inquiry might possibly incline the hon. member to lean towards a board; but certainly the House, taking its cue from the evidence in that particular inquiry, should be very chary before allowing any of the public departments to wander into the care of irresponsible people like the members of the Metropolitan Waterworks Board. I am sorry that

the member for Central Murchison is not in his place.

MR. ILLINGWORTH: He is here.

MR. DOHERTY: Because you said just now that nobody ever heard of Western Australia in the old country. I am pleased to be in a position to tell the hon. member that, when I was at home, a gentleman asked me who Illingworth was, "because," said my queriest, "he said in his speech last year that he advised the Government to sell their £100 stock at 93; so that people who bought some twelve months before and paid £101 for it should be left in the lurch by about £8." "What class of man is he?" said this gentleman, and I really could not describe him, but I thought that the best name to give him was that of a prophet; and I said that three months after the Estimates were out—after he had three months for consideration—the hon. member could tell exactly how the revenue was going to turn out. Well, we will deal with the hon. member's figures on that particular occasion, and will see how he pans out. I am very glad that I met that friend, who put me on the road to find out the true bearing of the hon. member's remarks. The hon. member says, as quoted in *Hansard* of 2nd December, 1897:—

That has only confirmed what I say, and I ask, what have the Government done? They have sold a 4 per cent. bond worth £110 in the market with a two years' currency, when they could sell a 3 per cent. bond for £93, or perhaps as high as £96.

I am going to work these figures out directly. The hon. member went on to say:—

Supposing the exigencies of the case required that the Government should sell their bonds at £93 net in the London market to-day, the 4 per cent. bonds they have sold are equivalent in market value to £114 19s. 4½d.; so that the purchaser has made a profit of £13 19s. 4½d. on every £100 bond he has purchased having two years' currency.

We will take the hon. member's own figures. He advises the Government to sell their stock at 93.

MR. ILLINGWORTH: No; he does not.

MR. DOHERTY: I beg his pardon. The hon. member cannot contradict his own words. He advised the Government that, rather than sell their Treasury bonds for £100 at 4 per cent., to sell a 3 per cent. bond for £93. We will work the figures out, and I can assure

hon. members that they will see that, for a man who pretends to have any idea of finance to make such a statement is most ridiculous, and that he should not be listened to in this House.

MR. OLDHAM: You do not understand the subject. That is the argument.

MR. DOHERTY: Well, I will put it so clearly before the Committee that even the hon. member will understand it. We will take the million loan on the basis of the profit from the amount the hon. member speaks of, and reckon it at 93; that would give £930,000. We would pay two years' interest on that at 3 per cent., which would be £16,000; and deducting £16,000 from £930,000, we have the exact figures of £870,000. That is the amount for two years' currency that we would have under this large financial man's proposition. Now, take what the Government did.

MR. ILLINGWORTH: That is not the proposition at all.

MR. DOHERTY: Allow me. The hon. member can speak afterwards.

MR. ILLINGWORTH: I cannot: that is what is the matter.

MR. DOHERTY: This is what the Government did. The Government sold a million pounds' worth of Treasury bills, for which they got £1,010,000. They also got 1½ per cent. on their £100,000 of Treasury bills. The interest for two years on that amount is £80,000.

MR. MORAN: 4 per cent.

MR. DOHERTY: Exactly. Deduct £80,000 from £1,010,000, and you have £930,000, against this financial magnate's £870,000—a difference of £60,000. Now, there is the man who stands up in this House, and tells you that he knows all about finance! Why, if a clerk in your office came in with a statement like that, what would you do? You would dismiss him.

MR. ILLINGWORTH: Read the figures I gave you.

MR. DOHERTY: These are the actual figures. I simply say you are not worthy of holding any name in this country as a financier.

THE CHAIRMAN: Do not address the hon. member. Address the chair.

MR. DOHERTY: I apologise, Mr. Chairman. I regret that the hon. member does not know a little more about

finance, and that year in and year out he has posed here as financier ; but now he is discovered, he is found out, and simply through a London man calling my attention to these figures. I have always heard the hon. member deliver the same speech every year. Why does he not get a little stereotype block made of the speech, to save him the trouble of delivering it? I will quote again from *Hansard* to bear this out, and to show that the expressions of last year are introduced into this year's speech. This is what he said last year, and these remarks remind me of the story about the sailor and the Jew—you all know what that means, although I cannot tell it in this House.

MR. ILLINGWORTH: No; I never heard it.

MR. DOHERTY: Well, I will tell it to you, by-and-by. This is what the hon. member told us a few nights ago:—

There is no scarcity of money in the London market, for on the day when our last loan was put on the market there were thirty-four millions of gold in the Bank of England. These are the little things that he tells us the other day. He tells the Government things that they know a great deal better than the hon. member himself. He says the money market is ruled by the Bank of England. Is there a child in pinafores who does not know this? But the hon. member gives it out with such an air of authority, such an absolute certainty, as if nobody had ever heard of it before he announced the fact. Why does not the hon. member tell us something fresh? Why does he not say what he would do to bring the country back to its position?

MR. OLDHAM: What would you do?

MR. DOHERTY: I will tell the hon. member what I would do. Instead of having a revenue tariff, I should have a protective tariff; I would have an unimproved-land tax; and I would have an export duty on gold, or on the gold that does not go through our Mint. With an unimproved land tax, we should receive revenue from people who derive a benefit from the country; and by an export duty on gold, we should receive a revenue from people who take our gold away. I would stop borrowing, probably. We started in 1891, and we have

built up everything since then. The country was then destitute of public buildings, and we have erected them all since that time. If we had a really sound, sensible revenue, we should be able to do a great deal.

MR. ILLINGWORTH: If you can persuade the Government to do what you suggest, I will help you.

MR. DOHERTY: The hon. member for the Canning (Mr. Wilson), seemed to be sore about the spending power of the Government—what he called the extravagance of the Government. A most peculiar thing about that is, that not many days ago, the hon. member introduced a deputation to the Premier with the object of asking the Government to purchase a park. This park was entirely out of the hon. member's constituency, but he wanted the Government to buy that park for £12,000. Anyone who knew this land which it was desired the Government should purchase for a park, knew that it could have been bought the day before for £2,000. Probably the hon. member did not know this. If the hon. member did know it, and knowing that the country wanted money, as he says, he should not have wished the Government to penalise itself to the extent of £10,000, when £2,000 would have bought the land. Perhaps the hon. member can explain that to the Committee.

MR. WILSON: I do not think I ever introduced a deputation about a park. Prove your statement.

MR. DOHERTY: The hon. member was always opposed to the Bunbury harbour works, but when he can get anything out of Bunbury he is in favour of a concession for that place. The Bunbury harbour works are very good, then, for the member knows that every one of his vessels that goes into the port of Bunbury can be taken in with greater safety. We have to sit quietly by and listen to these things. There is one particular expenditure that appears on the Estimates which I take exception to. It is hardly fair to mention it, because so many members have touched upon the point. Following up what the member for the Canning said, I think there should be district boards controlling hospitals; that these boards should be established

under an Act of Parliament, and if the inhabitants of the district where a hospital is situated contribute £1, the Government should give 15s. The Government have no right to support hospitals any more than to support boarding-houses. We know it is necessary to help people when they are hard up; but the way in which the Government have been keeping the Coolgardie Hospital going with champagne is monstrous. I think it should certainly be stopped. It is no good cloaking these matters, for they are public scandals. I think the Government should stop this sort of thing that has been going on.

MR. ILLINGWORTH: Every one should not suffer for Coolgardie.

MR. DOHERTY: Then you might tell us about Cue.

MR. ILLINGWORTH: There is no champagne up there.

MR. DOHERTY: There is one thing I wish to refer to, and that is the civil service. There has been a great outcry about the deficit; but has there ever been a country in Australia which has not had a deficit? In Victoria, they have a deficit year after year, and now the country is improving day by day. Take the example of New South Wales. The Treasurer in his last speech stated there was a deficit, and yet trade in New South Wales was never better than at present. Is it necessary to say that a country is rotten, because it has a deficit? I will ask the member for Central Murchison that question?

MR. ILLINGWORTH: No.

MR. DOHERTY: The hon. member admits that it is not so. Because we have a deficit, it does not show we are bankrupt, nor that we are paupers. I want to say that I hope the Government will not carry out the wholesale dismissal of public servants for the purpose of cutting down the Estimates, which may probably be reduced in this way by a few hundreds of pounds. The public servants in this country came here in all good faith, and we should keep faith with them. Before the Government should dismiss the public servants in a wholesale manner, they should go carefully into the whole question. It would be better to have a deficit than to turn men out into the world. Give the country time to rest itself, and

probably at the end of twelve months there will be no need for dismissals, and we shall have prosperity. We shall then have our Treasury overflowing with sovereigns, and business will be increased, which will mean a great advantage to us. A great deal has been said about the Observatory, and a great many people have a "down" on the Observatory. I want to say I have no "down" on the Observatory. I have walked from the railway station often, and I have had to hold my hat on as I came through the streets; I did not know what was the matter with it, but when I came into the House I saw by the notice from the Observatory that it was blowing in Perth. Is it not a good idea to know that? I knew what was the matter with my hat then. Another time I have come out, and I have wondered what was wrong with me. I felt cold and miserable. I have come inside this House and found, according to the notice, that it was raining in Perth. These things are worth knowing; but it is a pity the astronomer could not tell us these things a day before they happened, so that we could have brought our umbrellas and coats with us.

MR. OLDHAM: Is that worth £50,000 a year?

MR. DOHERTY: There is another item which has been touched on by the hon. member for the Canning, who described it as a terrible tax. He said our people were taxed at the rate of £18 per head. Of course, he was wrong; we always expect that he will be. Our taxation is not £18 per head: that includes the railways. Supposing we had a taxation of say £8 per head, and supposing the taxation in New South Wales is £4 a head—

MR. ILLINGWORTH: It is less than that.

MR. DOHERTY: Well, take it at £2 per head, and take our taxation at £4 a head. Take Victoria; say the taxation there is £4 per head, and in this colony it is £8 per head—I am taking the hon. member's figures, and it does not matter to me what the taxation is; I simply want to give an example. Take the taxation in Victoria at £4 per head, and the taxation in Western Australia at £8 per head.

MR. OLDHAM: But you are not right.

MR. DOHERTY: I say that our people are earning exactly double what the people in the other colonies are earning.

The miner in Victoria earns £2 or £2 5s. per week, and in this colony the miner earns £4 to £4 5s. a week. If you have taxation at the rate of £8 per head here, and at the rate of £4 per head in Victoria, still we have double the wages here to pay the tax with. Therefore, it is not such a terrible thing as was attempted to be put by the member for the Canning. If in any other country a man received £1, and in this country he only received 10s., then it would be a different matter. I hope we shall always have prosperity in this country. In conclusion, I wish hon. members to take the advice of the Premier and have a little hope, and not use political policy to condemn the country. We are young and we must put shoulder to shoulder to help the country along. Do not cry down the country, and do not say it is not worth living in. If we have a deficit, what is it?

MR. ILLINGWORTH: We do not cry the country down.

MR. DOHERTY: You are always crying the country down.

MR. ILLINGWORTH: We never said it; you said it yourself.

MR. DOHERTY: We want hon. members opposite to join with us, and if they have any policy let them put it forward, and let us see what it is, and whether it will help us. The member for Central Murchison has told us nothing new; he has only criticised the Estimates. If that hon. member has anything to say which can assist us, and which can get the country out of the present difficulty, let him tell us what it is, but do not let hon. members cry the country down, as they are now doing. I do not know a great deal about Scripture, but it says that a man sinned seven times a day, and was forgiven. We are willing to forgive the hon. member seven times a day, if he will try to assist the country into a better position.

MR. CONOLLY (Dundas): A good deal has already been said on the Estimates, by one speaker or another, and from both sides of the House pretty nearly everything has been said that practically can be said on the financial condition of the colony. My main reason for getting up at this late hour of the debate is the same as that given by the member for East Coolgardie (Mr. Moran) when he spoke.

namely, that this is a debate, and an occasion on which every member should place his opinion on record, as to the condition of the colony and its past and future management. For this object alone, I wish to say a few words. On both sides of the House, during the course of the debate, two very decided opinions have been expressed. On the one side, the whole of the depression and trouble this colony is undergoing has been placed on the shoulders of the Government. On the other side, the whole of the trouble and depression has been credited to extraneous causes, and not regarded in any way as the result of the policy of the Government. Looking at the whole situation from a fair and reasonable standpoint, there are many causes which have brought about this temporary depression. It cannot be attributed to one cause, and probably the hon. member for Central Murchison (Mr. Illingworth) and the member for Coolgardie (Mr. Morgans) mentioned the principal causes. These causes may be placed under three headings. The first is undoubtedly the cessation of the influx of investing capital into this colony, and there are perfectly fair and reasonable causes for this cessation. The second cause is the injudicious and, in many cases, the unnecessary manner in which the Government have expended public money; and that undoubtedly is a very potent cause. The third cause is simply what every man who looks about can see, namely, the reaction after a boom. These three causes are really the root of the temporary depression which seems to have come on the colony, and, looking at the matter in all its bearings, I cannot say that any one of those causes is serious, or could not be very easily remedied, if taken in a proper way. In some respects, I agree with the member for Coolgardie, when, in his usual pleasant manner, and with characteristic confidence and hope in the future, he said there was no ground for any fear, and that, practically, everything was going on very well; but I cannot altogether agree with the hon. member. I do not think everything is going well, or would go well, if we all assumed the tone and spirit of the hon. member. The first thing we have to do is to look things fairly and squarely in the face, and apply those remedies which undoubtedly are

necessary. The main remedy is, not to be afraid of the situation. There is nothing to be afraid of, and if reasonable action be taken, this colony, in a very short time, will be placed in a thoroughly sound and satisfactory condition. In fact, what we are pleased to call depression, simply means we are passing from an abnormal and unnatural condition to a sound, solid, and normal condition.

MR. MORAN: What is a normal condition?

MR. CONOLLY: That is simply a matter of contrast or comparison. Up to the present, large amounts of money have been streaming into the colony, and now the flow has temporarily ceased, and, owing to the contrast, we immediately believe the colony has become insolvent. It appears to me, however, that many excellent results will accrue to us from the lesson which I, for one, am glad to see this colony has received at such an early stage in its history. There are excellent reasons why the influx of capital is not going on as it did. The people who have invested money in Western Australia are, it is reasonable to assume, sound commercial and business men, and they are, naturally enough, waiting for some return; and I have no doubt whatever that, when our goldfields prove what we all know them really to be—probably the most extensive and richest in the world—we shall get a good, steady influx of investing capital into the colony again. We may, with all reasonable confidence, look forward to that very satisfactory state of affairs at no very distant date. Taking the third reason, namely, the reaction after the boom, I ask hon. members, who know the past history of any of the colonies, whether the same reaction has not occurred in every case. Indeed, we cannot point to any one of the other colonies in which a similar reaction has not occurred. The only difference is, that, in some of the eastern colonies there has been a really serious depression, the result of a far greater boom than we had here, and, consequently, the reaction has been in proportion. In Western Australia the reaction has occurred at a very early stage, and, consequently, will not be so serious. In regard to the expenditure of public money, the Government are simply experiencing what they undoubtedly should

have foreseen; and, in saying this, I do not wish to blame the Government for anything that has not been their fault. The Government, with the Premier at their head, have, I believe, a sincere and real desire to see the colony succeed and prosper. But they should have acted with rather more foresight, and the present position is simply the result of their attempting to carry out a gigantic policy of public works, with such a small population as this colony possesses. The present position is practically due to trying to do what, in any other country, would be regarded as impossible. Furthermore, the Government have ignored and discouraged that medium, of which every other country has taken advantage to further its development—namely, the medium of private enterprise. In this colony, for reasons we have all heard in this House, in connection with concessions granted in former times to private people, the Government have steadily and perseveringly turned their faces against that medium, and the result is that the colony has had to bear the whole cost of development. It will come as a matter of considerable satisfaction, not only to members of this House, but to many thinking men outside, that the Premier has so far relented in the prejudice, which undoubtedly the Government have hitherto shown, as to state that, on reasonable terms, private enterprise will be allowed to carry out works which the Government are not in a position to undertake. That alone is most hopeful, and will, in a great measure, assist in restoring the colony to a prosperous condition. I agree with the member for Coolgardie when he says that it would be better for this colony to close the financial year with a small deficit, rather than go on with the wholesale and fearful retrenchment which the Government have initiated. That, undoubtedly, is the worst feature of the lack of foresight which the Government have shown in the management of public affairs. They have allowed financial difficulties to accumulate from year to year, until at last they have been obliged, suddenly, and at a couple of months' notice, to do what they should have done two years ago. That has undoubtedly caused a very severe shock, which we never should have felt, and which

the colony would never have realised, had steps been taken at the proper time, and in due moderation. Still, after the policy which the Premier has declared both this evening and formerly, there is every reason to believe the colony will be placed on a sounder financial basis in the future, and commercially and industrially will occupy a much more flourishing position. It merely requires a little more ordinary common sense and retrenchment to bring about this end. The colony has immense resources, and, while we have a small population, our debt, though *per capita* it may be large, is very small in proportion to the debts of the other colonies. It is absurd to think that one-third of Australia is going to be very long with only 170,000 people—a population which scarcely represents that of a Melbourne or Sydney suburb. To state that the population is going to stand at its present basis is unreasonable; and, although we shall never see the big influx of population we had two or three years ago, we may reasonably look forward to a good steady influx of people year after year. That influx of population, accompanied with a fair and reasonable expenditure—that is to say, a considerable retrenchment on the expenditure of the last two of three years—and with a judicious use of private enterprise to assist in the development of the colony, will give Western Australia a very hopeful and a thoroughly sound and successful future. There is no cause for fear. If we look into the matter reasonably, we can congratulate ourselves that this slight check or depression has occurred at such an early stage. It has taught us a lesson which cost the eastern colonies many millions more to learn. For that reason alone we need not look with such a gloomy eye at the present condition of the colony. I only hope in conclusion, that the Premier and the colony will carry out in every respect the policy which the right hon. gentleman has declared with reference to the Budget. We have seen one serious retraction of the whole policy of the Government, and I hope we shall not see another. If I may be allowed to express an opinion one way or the other on this question, it seems to me the Premier has fully realised the danger in which the colony stands, and has made up his mind

to face things squarely, and to remedy them by the best and quickest means.

MR. KENNY (North Murchison): I listened with great attention to the able speeches delivered from all sides of the House. I must honestly confess that I neither possess the ability nor the inclination to add one word to them. Already this debate has occupied a very long time, and I have no desire either to pose as a financial expert, to play the part of a candid friend to the hon. gentlemen occupying the Treasury benches, or to preach an "ordinary" to this hon. House: but, with all sincerity, I would say, let us look not into the past, which comes not back again, but, rather, wisely improve the present, and go forth into the future without fear and with manly hearts.

Question—that the first vote, "His Excellency the Governor, £1,055," be agreed to—put and passed.

This concluded the debate on policy.

DEBATE ON ITEMS.

Executive Council, £268—agreed to.

Legislative Council, £1,920—agreed to.

Legislative Assembly, £4,910—agreed to.

The Treasury, £10,465—agreed to.

London Agency, £4,250—agreed to.

Customs, £31,407 :

THE PREMIER moved, as an amendment, that, in item 81, the words "Sub Collector and" be inserted before "Landing Surveyor."

Amendment put and passed.

MR. JAMES (referring to Customs generally): Was provision made in the Estimates for the appointment of excise officers for the collection of excise duties, and also for looking after the quality of liquor sold?

THE PREMIER: Provision was not made in the Estimates, because the matter was not arranged when the Estimates were prepared; but it would not prevent the Government from carrying out the law, and arrangements were now being completed.

MR. ILLINGWORTH: It was highly desirable that the Government should have officers of excise, because he believed it would lead to a very large increase of the revenue. He was informed that a very large number of people in this city carried on the illicit sale of liquors, besides which,

there was the illicit manufacture of liquors, which paid no duty whatever, and we knew this did great damage to persons who consumed them, in addition to interfering with the revenue of the country.

MR. MORAN: Were the Government doing anything for the goldfields?

THE PREMIER: Yes.

MR. MORAN: The amount of liquor sold in Western Australia by persons who paid no license at all was astonishing, the liquor sold in licensed houses being only a circumstance, in comparison.

MR. DOHERTY: The officers engaged in the collection of excise in the breweries could carry out the Act.

THE PREMIER: There was no provision, but he might say the collection of excise duty on beer was now being carried out without any extra expense. He found that in South Australia they did the same thing.

Vote, as amended, put and passed.

Harbour and light, £15,882:

MR. JAMES: What had been done in connection with the multitude of small boats of all sorts, including steam launches, kept at Fremantle for Government purposes?

THE PREMIER: There was one launch belonging to the Medical Department at Fremantle.

MR. JAMES: How many others were there belonging to departments? There had been complaint about so much extravagance and the uselessness of some of the boats. He would like to know which were useful and which were not. A great number were entirely useless.

THE PREMIER: Some of them were wanted in connection with public works.

MR. ILLINGWORTH: Did the Premier intend, in going through the Estimates, to make any deductions with a view to bringing them within the probable income? Were the Committee called upon to pass the whole of the estimated expenditure, with a clear prospect that the money would not be forthcoming to meet it?

THE PREMIER: It was proposed to ask the Committee to pass the Estimates as they stood. It would be impossible to deal with them in any other way, after having placed them on the table; but not only he (the Premier), but every other member of the Government and

every head of a department, would do everything possible to reduce the expenditure. If the revenue did not keep up the expenditure would be kept down. If, on the other hand, the revenue came up to expectations, there would not be such necessity for cutting down the estimated expenditure.

MR. ILLINGWORTH: That should be clearly understood.

THE PREMIER: That was the desire of the Government.

MR. ILLINGWORTH: Would it be necessary for the Committee to seek out items upon which deductions should be made?

THE PREMIER: Possibly some items might be struck out, and he would feel obliged if members would point out any that could be dispensed with.

MR. ILLINGWORTH: It would be difficult for members to deal with single items.

THE PREMIER: True. He had tried it himself.

MR. ILLINGWORTH: The assurance of the Government could be accepted; but it should be understood that the Committee were authorising this estimated expenditure only in case it should be absolutely necessary. It was too much to expect the Government to recast their Estimates; but it should be understood that the Government would not spend all this money, although authorised to do so, if they could possibly restrict their expenditure.

MR. DOHERTY: Was there any intention of reducing the heads of departments, and using the money so saved to avoid the necessity of dismissing men receiving small salaries?

THE PREMIER: It was not proposed to reduce any salaries included in the Estimates this year. Officers who were not wanted would be got rid of; but the salaries of individuals would not be attacked, though care would be taken not to give extravagant salaries to any new officers who might be engaged.

MR. MORAN: The police salaries had been reduced all round.

THE PREMIER: No; only some allowances, he believed.

MR. JAMES: If any question did arise with regard to a reduction of salaries, it should be remembered that last year

the officers of the Works Department received increases they were not entitled to, because the Minister, or whoever was responsible, did not cut down the salaries as directed. That department, therefore, should be the first to be cut down, so as to bring it to the level of the other departments.

MR. ILLINGWORTH suggested that the items should be passed *en bloc*.

THE COMMISSIONER OF RAILWAYS (Hon. F. H. Piesse): An explanation was due with regard to the Works Department, as a misapprehension had arisen with respect to the salaries. The Estimates placed before the House were subject to misconstruction, because the officers of his department had been brought up to a level with other branches of the public service, and then immediately cut down. They, therefore, had gained no advantage over other departments.

Item, upkeep and insurance, uniform for officers and crew of Penguin:

MR. CONNOR: Items 70 to 75 already provided for the master, pilot, and crew of the steamer Penguin. Such items should not be passed without discussion.

THE PREMIER: This item was for insurance, etc. Certainly the allowances appeared to be large; but the Penguin could not be dispensed with. She was used for looking after the buoys along the coast of the colony, which were previously attended to by a lighter engaged by the Government at an even greater expense. This steamer was also useful in connection with harbour works, and for giving assistance to ships; and, though expensive, she paid her way.

Item passed.

Other items agreed to, and the vote passed.

Government Stores, £5,525:

Item, Clerks and labourers occasionally employed, £2,000:

MR. DOHERTY: How were these men employed?

THE PREMIER: The Government Storekeeper stated, in his report, that he hoped to save the whole of this £2,000 at the end of the year, when he got into new premises.

Item passed.

Other items agreed to, and the vote passed.

Literary, Scientific, and Agricultural Grants, £12,250—agreed to.

Pensions, £5,161 16s. 2d.:

HON. S. BURT asked whether it was the intention of the Government to give effect to the recommendation of the board of governors of the High School (Perth), in regard to the retired second master, Mr. E. W. Haynes. In the report, the governors of the High School recommended that some recompense be given to Mr. Haynes for his many years of labour. Mr. Haynes was to retire at the end of the year, and was now on leave of absence on full pay. The governors of the school were precluded from more adequately recognising the valuable work done by Mr. Haynes by granting him either a retiring pension or a gratuity. At the time when the High School was established Mr. Haynes generously gave up the establishment which he owned at the time, and which was progressing favourably, bringing him in some return, and transferred his scholars to the High School with himself. This was done at the request of the Government, and Mr. Haynes's scholars formed the nucleus of the High School. It was thought that if Mr. Haynes continued in opposition to the High School, the success of the High School would not be so assured. It was understood that at the end of this gentleman's service, a similar treatment would be meted out to him as was meted out to the public schoolmasters in the elementary schools under the Public Education Department. The High School was not exactly on the same footing as the State schools, but it received a Government gratuity, without which it could not have existed. At the end of 13 or 14 years, Mr. Haynes had been asked to retire for no particular reason, only it was considered it would be well to try some new blood in the school. Mr. Haynes was a most efficient teacher, as many engaged in business and professional work about the colony could testify. He was always considered one of the best teachers of the school since its formation, and he had attended to his work more assiduously than any other man in the service. The Government should not pass over such a recommendation as that made by the governors of the High School. No

provision had been made on the Estimates for granting a fitting gratuity to Mr. Haynes, and he would ask if it was the intention of the Premier to suggest any gratuity to the Committee.

Mr. JAMES said he wished to add his heartfelt testimony to the public service which Mr. Haynes had discharged towards the colony whilst connected with the educational institutions of the colony. He (Mr. James) spoke with deep feelings of personal gratitude towards Mr. Haynes, who was the one man to whom, during the few years of his (Mr. James's) school life he owed all that he learned, and he might say it was to Mr. Haynes he owed the position he occupied to-day. He was only recently speaking to one of the youngest boys attending the High School, and he (Mr. James) was delighted to find that the testimony of this boy was similar to his own experience. After a long and faithful service Mr. Haynes was entitled to some recompense, and he hoped the Government would see their way clear to adopt the recommendation which the governors of the High School had made.

Mr. A. FORREST: When the debate occurred last year in reference to the High School, he was one of the members who spoke most strongly in regard to a change being necessary in the High School. He never dreamt, at that time, that Mr. Haynes, who had really initiated the school, would be the first to be removed. He (Mr. Forrest) had said it was necessary, in the interests of this country, that a better class of teachers should be appointed to the school, and he had supported an increased vote for that purpose. Mr. Haynes had done good work in his time, and it was only fitting that the Treasurer should place a sum of money on the Estimates as a pension. It was not desirable to grant a gratuity, and it would be better to give a pension. There was an item before the Committee for a pension to Mr. G. T. Poole, late Assistant Engineer-in-Chief, £170 a year.

Mr. JAMES: For how long?

Mr. A. FORREST: For life. If Mr. Poole was entitled to this pension, surely Mr. Haynes, who had devoted many years of his life to the service of the State in the High School on a small salary of £250 a year, should have a pension granted to him, when a gentleman like Mr. Poole,

after a few years' service was to receive a pension of £170 a year. It was difficult to see why one servant of the State should not be entitled to a pension in the same way as other officers of the State; and it was to be hoped some provision would be made for Mr. Haynes in the Supplementary Estimates. Last year many members, and especially those whose children were attending the High School, urged the necessity for bringing the school up to a higher standard, so that young people need not be sent out of the colony to be educated. On that occasion, an increased vote for the school was unanimously passed; but it was never understood that the gentleman who had really inaugurated this establishment should be the first to go. He would be sorry to say the governors of the school were wrong in their decision; but, considering the work Mr. Haynes had done, that gentleman was more entitled to a pension than many persons whose names figured on the list before the Committee.

Mr. CONNOR: The way in which the Estimates were being rushed through was almost indecent. There ought to be further discussion, and he suggested that progress be reported.

THE PREMIER: The recommendation in the report of the governors of the High School, in reference to Mr. Haynes, had not been specially brought under his notice. Some reports presented he read, and some he did not, before they went on to the Printer: and, as he had said, the recommendation of the governors had not been brought directly under his attention. The recommendation was a general one, and he would have much preferred a special recommendation, so that he could have found out what was in the minds of the governors of the school. The Superannuation Act only provided pensions for persons in the permanent civil service of the country, and he did not know whether Mr. Haynes could be said to be in the permanent civil service. If it could be legally shown that Mr. Haynes was in that position, the matter could easily be arranged; but he (the Premier) did not think Mr. Haynes was in the permanent civil service, merely because the High School had been given a certain annual vote. The only way he saw c

dealing with the case was by a gratuity. He must confess he had not considered the question, although the member for the Ashburton (Hon. S. Burt) had brought it under his attention; and he would like to consult the governors of the High School in regard to it. He believed this officer had done good service in his position, and many young men occupying good posts in the colony had been taught by him. It was difficult to deal with these matters. All he could ask was to have the matter left open for consideration, and he would consult with the governors to see what could be done. He hardly thought the Superannuation Act would apply.

Item, G. T. Poole (late) Assistant Engineer-in-Chief, £170 :

MR. JAMES asked for explanation of this item; also item 72, J. F. Stone, Immigration Agent, etc., £65 12s. 6d.

THE PREMIER: Item 63 related to the Assistant Engineer-in-Chief. The officers desired the Government to abolish the office. For one reason or another the administration was not considered altogether satisfactory, but there was no fault whatever to find with the capabilities of the officer, who was one of the most competent architects in the colony. He was imported from England years ago, and occupied the position of Government Architect, or superintendent of public works, or whatever the position was; but the time arrived when the head of the department (Hon. F. H. Piessé) was reorganising it, and then it was desired that another officer should be placed in charge. The Government could not say this officer was incompetent, and the only way was under the Superannuation Act to abolish the office; therefore the office was abolished. As a rule, the Government allowed so many years extra in computing the superannuation allowance; but in this instance nothing extra was allowed. The Government offered a lump sum or a pension, which they believed he was entitled to; and he chose the pension. With regard to item 72, the Government had no option. About 19 years ago this officer acted as Immigration Agent and officer to carry out the Passengers' Act, and he was subsequently transferred to a division in which he could not carry out those duties, being made Superintendent of the Prison.

He obtained a letter from the Governor, saying that whenever he retired he should receive a salary of £17 10s. a year. Eventually he retired from the penal service. All the Government could do was to carry out the arrangement made.

MR. JAMES: How long was this system of pensions to continue? The office of immigration agent in this colony was a small matter, a merely formal affair; yet this officer, after serving for 19 years, received a pension of £17 10s. per annum.

THE PREMIER: Such a case could hardly occur again. There had been a complaint that the pension was too small.

Item agreed to, and the vote passed.

Refunds, £3,000—agreed to.

Miscellaneous Services, £86,683 9s. 7d. :

MR. A. FORREST moved that progress be reported.

Put and passed.

Progress reported, and leave given to sit again.

COMPANIES ACT AMENDMENT BILL.

Received from the Legislative Council, and, on the motion of MR. MORAN, read a first time.

ADJOURNMENT.

The House adjourned at 11.16 p.m. until the next day.