

dropping out of sections of the Act, one section having reference to an appeal against the decision of justices appears to have disappeared. This is a section I always look for, and no doubt the Colonial Secretary will have no objection to such a provision as that I have indicated.

THE COLONIAL SECRETARY: Are there appeals under the Customs Act?

HON. R. S. HAYNES: Yes.

Question put and passed.

Bill read a second time.

ADJOURNMENT.

The House adjourned at 4:53 o'clock until the next Tuesday.

Legislative Assembly,

Thursday, 11th October, 1900.

Perth Public Hospital, Select Committee, change of Member—Petition in favour of Perth Electric Tramways Lighting and Power Bill—Papers presented—Question: Railway Employees at Southern Cross, Discharges—Bills of Sale Act Amendment Bill, first reading—Patents Amendment Bill, first reading—Stamping of Furniture Bill, first reading—Registration of Births, Deaths, and Marriages Amendment Bill, third reading—Federal House of Representatives W.A. Electorates Bill, Council's Amendment—Public Service Bill, Council's Amendment—Land Act Amendment Bill, in Committee, reported—Health Act Amendment Bill, second reading—Annual Estimates, Debate on Financial Policy (resumed), adjourned, Division—Adjournment.

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

PRAYERS.

PERTH PUBLIC HOSPITAL, SELECT COMMITTEE.

CHANGE OF MEMBER.

On motion by MR. HALL, and after reason stated, Mr. Hutchinson was relieved from attendance on the Select Committee to inquire into the manage-

ment of the Perth Public Hospital, and the name of Mr. Vosper was substituted.

PETITION—PERTH ELECTRIC TRAMWAYS LIGHTING AND POWER BILL.

MR. RASON presented a petition, bearing (he said) over a thousand signatures, from ratepayers of Perth, in favour of the private Bill for authorising the Perth Tramways Company to supply electric light and power in Perth.

Petition received and read.

PAPERS PRESENTED.

By the PREMIER: 1, Returns (as ordered) showing salaries paid to public servants for month and year ended 30th June, 1900; 2, Commandant of Local Forces, annual Report.

Ordered to lie on the table.

QUESTION—RAILWAY EMPLOYEES AT SOUTHERN CROSS, DISCHARGES.

MR. OATS asked the Commissioner of Railways, Why five employees of the railways at Southern Cross station were discharged without notice, when, it was stated, other employees were working overtime from 16 to 18 hours in a fortnight?

THE COMMISSIONER OF RAILWAYS (Hon. B. C. Wood) replied:—Eight cleaners were dispensed with, who have now been re-started at other depôts. One cleaner was dispensed with whose appointment had not been formally arranged, and one who had not passed the doctor. One cleaner (the tenth) was acting as a fitter's labourer, and his foreman advised him that he would dispense with his services as soon as a fitter's labourer was available. The majority if not the whole of these men were practically casual hands.

BILLS OF SALE ACT AMENDMENT BILL.

Introduced by MR. WILSON, and read a first time.

PATENTS AMENDMENT BILL.

Introduced by the ATTORNEY-GENERAL, and read a first time.

STAMPING OF FURNITURE BILL.

Introduced by MR. HALL, and read a first time.

REGISTRATION OF BIRTHS, DEATHS, AND MARRIAGES AMENDMENT BILL.

Read a third time, and returned to the Legislative Council with an amendment.

FEDERAL HOUSE OF REPRESENTATIVES W.A. ELECTORATES BILL.

COUNCIL'S AMENDMENT.

Schedule of one amendment made by the Legislative Council, considered.

IN COMMITTEE.

Amendment to strike out Clause 8, providing for the remuneration of officers, and expenses of federal elections:

THE PREMIER moved that the amendment be agreed to. The clause which the Council proposed to be struck out provided for the remuneration of officers and for expenses. We need not legislate for these, because, as far as he could see, the Federal Parliament would have to bear the expense of the federal elections, and this House would not have to provide money for the purpose. Clause 83 of the Commonwealth Act said:

No money shall be drawn from the Treasury of the Commonwealth except under appropriation made by law. But until the expiration of one month after the first meeting of the Parliament, the Governor General in Council may draw from the Treasury and expend such moneys as may be necessary for the maintenance of any department transferred to the Commonwealth, and for the holding of the first elections for the Parliament.

MR. VOSPER: Where would the Governor-in-Council get the money from?

THE PREMIER: From the Customs revenue.

Question put and passed, and the amendment agreed to.

Bill reported with an amendment, and the report adopted.

PUBLIC SERVICE BILL.

COUNCIL'S AMENDMENTS.

Schedule of five amendments made by the Legislative Council, considered.

IN COMMITTEE.

Amendment No. 1.—Clause 5 (to add new paragraph relating to Clerk of Council and Clerk of Assembly):

THE PREMIER: The first amendment made by the Council was in Clause 5, to add the following to exemptions: "(f) The Chief Clerk of the Legislative

Council and the Legislative Assembly respectively." The reason why this was not inserted in the Bill, as he believed he explained on a former occasion, was that the clerks of Parliament were already protected by the Constitution Act. They could not be removed except by a vote of the House. Still, he thought it would be well for these officers to be in the Civil Service, because they might have opportunities of promotion to even better positions than those they now occupied. He understood, however, that the officers preferred to be excluded from the operation of the Bill, and he had much pleasure in moving that the amendment be agreed to.

Question put and passed.

No. 2.—Clause 19 (to strike out the compulsory insurance clause):

THE PREMIER said he had read a newspaper report of the arguments used in another place with regard to this clause. The clause appeared to him to be a very useful one. It was introduced by the member for Toodyay (Mr. Quimlan), and was not in the Bill as submitted by the Government. Apart from this clause, the Bill provided that no person should be allowed to join the service unless he had a medical certificate of physical fitness; and the absence of such a provision was a weak spot in our present system. Persons entered the service without a medical certificate, and difficulties resulted in some cases. That was not the case in other services, such as the Army and Navy, because persons had to be medically examined before they could be admitted; therefore a person whose health was good enough for him to obtain admission would also be able to pass a medical examination for insurance, so that there would be no difficulty about that. This provision was, as he understood, inserted in the interests of the officers themselves, so that they might be compelled to make provision for a time when they would have to retire from the service. He therefore moved that the amendment made by the Legislative Council, for striking out the clause, be not agreed to. He did not feel strongly on the matter, but took this course in order that members might discuss the provision. This compulsory insurance would not apply to persons now in the service, but only to persons who

might hereafter seek appointment to the service.

MR. ILLINGWORTH: It would apply to temporary officers.

MR. QUINLAN: The object with which he had moved the adoption of compulsory insurance, when the Bill was before this House, was to stop the practice of having to make provision on the Estimates for some officers or the widows of late officers, while not making a similar provision for other cases equally deserving, in which a less salary had been received and probably less provision made for widows and children. By insisting on compulsory insurance, the country would be relieved from the necessity of making provision in some cases and not in others, and thus do away with an injustice to the poorer class of civil servants. He knew there were numerous widows of officers formerly in the service who never dreamt of appealing to Parliament for assistance on the death of their husbands; but unfortunately there were some others who, having received greater benefits by the larger salaries paid to their husbands and having lived fully up to their means, had no delicacy in approaching the Government and asking for a gratuity or some pension. The clause he had introduced into the Bill was in operation as the law in New South Wales; and it was not intended that compulsory insurance here should apply to officers already in the service, because probably a third of them would not pass a medical examination, and it would have been an unjust provision to make in their case. It might cause some slight difficulty to officers on the temporary staff, yet the Bill provided that those temporary officers who had been in the service over two years, and whose services were not intended to be dispensed with, should be placed on the permanent staff. Those who were on the temporary staff and were provided for in that way should not necessarily have to undergo a medical examination before admission to the permanent staff. One objection made in another place to this provision was that an officer receiving say £200, and obtaining increases later, would have to pass a medical examination on each occasion he was promoted to a higher position; but that would not be the effect of the

clause. As to compulsory insurance being a hardship on persons receiving small salaries, he would illustrate that by showing how little was the sum that had to be paid for insurance. Suppose an officer while young insured for £200; he would have to pay £3 15s. 2d. per annum. If a person insured for £100, at about double the age of the other, say 40 years, he would have to pay about the same rate, £3 15s. 2d. Persons desiring to enter the public service would readily pay that amount as a condition of entering it; because hon. members knew there were hundreds of persons, perhaps thousands, who were applying to members and sometimes pestering them to use their influence for obtaining appointments in the public service, and very few of these persons would object to pay so small an amount for insuring their lives while young. Many older officers in the service had told him it was a sorry day they ever started in the public service, as they found they could have done much better outside.

THE PREMIER: That was after they had got in.

MR. QUINLAN: If it were possible to do something to prevent this feeling among so many persons, that the only way to get on in life was to obtain a position in the railway service or the police service, or some other branch of the public service, a real good would be done to the community. This principle of compulsory insurance was a new departure in this colony, and if not agreed to now, the time was near when it certainly must be adopted. Knowing the injustice that had been done to many deserving widows and orphans of deceased public servants, by allowances being made for some and not for others whose necessities were greater, it was desirable to enforce this principle, so that proper provision should be made by officers for their families in the future, while in a position to do it.

MR. KINGSMILL: While fully recognising that this provision was eminently desirable, yet it would be attended with some drawbacks, and would operate unjustly on some individuals. Officers on the temporary staff, who had been engaged for over two years, were to be considered as permanent; but even with that provision inserted at the instance of one

member (Mr. Illingworth), still he would find a certain number of civil servants for whom this measure would not be equitable. It would almost preclude men over a certain age from entering the civil service, although perhaps that would not be an unmixed evil, and if they did join somewhat late in life they would have to pay more for the insurance. It would be an injustice to some members now on the temporary staff if the clause were retained with its present wording.

MR. ILLINGWORTH: As this amendment made by the Legislative Council was to strike out the whole clause, there was no option for this House to amend the wording of the clause in the direction suggested by the member for Pilbarra (Mr. Kingsmill). He felt that the clause might work harshly on some members now on the temporary staff, who might desire to enter the service permanently; but admitting this to be so, it was unfortunately out of our power to make the necessary alteration now.

Question—that the amendment be not agreed to—put and passed.

No. 3—Clause 90, Sub-clause *a.* (long-service leave), strike out “eight” and insert “six.”

THE ATTORNEY GENERAL: This amendment restored the clause to its original form as drafted, and referred to the period required to entitle to long leave. The Bill originally entitled an officer who had served six years to long leave; some hon. members wished the term altered to ten years, and the Committee compromised by making it eight. There was much to be said on both sides, though he had a fellow-feeling for men desiring leave after six years’ service. He moved that the Council’s amendment be agreed to.

Question put and passed.

No. 4—Clause 31, Sub-clause *a.*, after “Christmas Day” insert “the 26th day of December.”

THE PREMIER moved that the amendment be agreed to.

MR. KINGSMILL: Why did the Upper House trouble this Chamber with so small an amendment?

MR. ILLINGWORTH: In the Bill the holidays were scheduled in two divisions, *a.* and *b.* By the amendment it was intended to make Boxing Day a fixed holiday.

THE PREMIER: That was right. The intention was to make the day after Christmas a holiday; otherwise the holiday would be always on the next Monday.

Question put and passed.

Resolutions reported, and the report adopted.

Mr. Pennefather, Mr. Quinlan, and Mr. Illingworth were appointed a committee to draw up reasons for disagreeing with one amendment, and the reasons presented were as follows:—

1. In order to provide for the families of civil servants, the Assembly is of opinion that compulsory insurance should be adopted.

2. As this provision only applies to future candidates for the public service, no hardship can result.

Reasons adopted, and a message accordingly transmitted to the Legislative Council.

LAND ACT AMENDMENT BILL.

IN COMMITTEE.

Clauses 1 to 7, inclusive—agreed to.

Clause 8—Amendment of 62 Vict., No. 37, Sec. 148:

THE COMMISSIONER OF CROWN LANDS moved that the clause be struck out with the view of inserting a new clause. According to the amendment which would be introduced later, a pastoral lessee could only claim compensation for actual improvements on the pastoral lease. That was no alteration of the practice, for that was the usual interpretation placed on the section of the Act, and there was no record in the department that any other interpretation had been placed on that section; but recently a judicial interpretation had been given to that section of the Act, so that every lease attached to the pastoral lease could be included. The new clause would prevent any misinterpretation.

Clause put and negatived (with a view to inserting a new clause).

Clauses 9 to 11, inclusive—agreed to.

New Clause—Minister to pay for improvements in certain cases:

THE COMMISSIONER OF CROWN LANDS moved that the following be added, to stand as Clause 8:

8. Section One hundred and forty-six of the principal Act is struck out, and the following is inserted in lieu thereof:

146. On the expiration by effluxion of time of any pastoral lease not open to renewal on the same or any other conditions to the same

lessee, or upon any pastoral lessee being deprived by the Minister, acting under this Act, of the use of any land held under a pastoral lease and comprised within an agricultural area or reserve, the pastoral lessee shall, subject to the provisions of this Act, receive from the Minister the fair value of all lawful improvements then on the land of which the lessee has been deprived, or which being outside such land and comprised in such pastoral lease have become lessened in value by reason of such deprivation. If a pastoral lease be renewed to a succeeding lessee, the previous lessee shall be entitled to receive from the succeeding lessee the fair value of all such improvements existing on the land. The amount of compensation to be paid to a lessee by the Minister or a succeeding lessee for improvements shall, in all cases, be determined, as far as may be, in the manner prescribed in Section One hundred and forty-eight of this Act, as if the Minister or the succeeding lessee were a selector.

Clause put and passed.

New Clause — Compensation for improvements:

THE COMMISSIONER OF CROWN LANDS moved that the following be added, to stand as Clause 9:

9. Section One hundred and forty-eight of the principal Act is struck out, and the following is inserted in lieu thereof:—

148. The holder of a pastoral lease shall be entitled to claim from any person who under this Act selects the whole or any portion of such pastoral lease the fair value of any lawful improvements then existing upon the land applied for, or which being outside such land but comprised in such pastoral lease have become valueless or lessened in value by reason of the pastoral lessee being deprived of the land selected:—

Arbitrators to be appointed.

- (1.) The value of such improvements shall be ascertained by one competent person appointed by the selector and one by the lessee; any difference of opinion between such valuers to be determined by the Resident Magistrate of the district acting as umpire.

Pastoral lessee to be notified of application. Selector to be notified of lessee's claim.

- (2.) Within sixty days from the date on which the lessee is informed by the Minister that any land has been applied for in his pastoral lease, the lessee shall furnish the Minister with a full and complete statement of the improvements (if any) for which he claims compensation, and shall at the same time name a competent person as his arbitrator. The Minister shall thereupon inform the selector of the claim of the lessee, and shall require the selector

to forward to him the amount claimed within sixty days of the date of the notification: Provided that if the land is not surveyed at the time it is selected, the said sixty days shall commence to run from the date on which the lessee is informed that the land has been surveyed.

Selector may refuse to pay. Date of arbitration to be fixed by Minister.

- (3.) If the selector thinks that the improvements are rated at more than their value, he may, within the sixty days allowed, inform the Minister that he refuses to pay the amount claimed, and shall then name an arbitrator to meet the arbitrator of the lessee at the Court House of the district on a day to be fixed by the Minister, and the Minister shall notify the selector and lessee accordingly.

Meeting of arbitrators. Amount of award to be paid within sixty days.

- (4.) The arbitrators shall meet and decide upon the amount to be paid, any difference of opinion to be determined by the Resident Magistrate for the district acting as umpire, and the decision arrived at shall be final; the Resident Magistrate may adjourn such arbitration if he think fit, and in such case shall notify the parties accordingly. The amount fixed shall, within sixty days, be paid to the Resident Magistrate, who shall pay it to the lessee, forwarding the receipt of the lessee for the money to the Minister.

Party in default to be bound by arbitrator attending.

- (5.) If either of the arbitrators fails to attend, the case shall be heard and decided by the other arbitrator attending, and in the event of neither party attending, the claim for improvements shall be considered as withdrawn.

Costs.

- (6.) The arbitrators shall have power to award such costs as in their opinion shall be deemed sufficient; not, however, exceeding in any case Fifty pounds.

Removal of improvements.

- (7.) Provided always, that nothing herein contained shall prevent any pastoral lessee from removing, with the Minister's permission, any such improvements which, in the opinion of the Minister, are capable of removal without permanently deteriorating the value of the land on which they are, if such removal is carried out within three months

from the approval of the application to purchase.

Clause put and passed.

Title—agreed to,

Bill reported with amendments, and the report adopted.

HEALTH ACT AMENDMENT BILL.

SECOND READING.

THE ATTORNEY GENERAL (Hon. R. W. Pennefather), in moving the second reading, said: This Bill has been brought in at the request of the Central Board of Health. The main amendment is directed towards combining municipal districts and roads boards into one body, to be called District Roads Boards, to enable them to be administered more effectively and at less cost. The illustration that was furnished at the time the Bill was prepared will express very fairly what is aimed at. Between Kalgoorlie and Boulder there are three different bodies exercising independent jurisdiction as regards the public health—the municipality of Kalgoorlie, the roads board, and the municipality of Boulder. The object aimed at by the Bill is to enable these three bodies to form one district, so as to administer the whole of the combined area as one district. At present the divided authority is not conducive to the administration of the Act, and these bodies have asked the Government to bring forward a Bill to assist them. By Clause 4, power is given to the Governor to proclaim combined districts; and Clause 5 provides that each board or municipality shall elect each three members, and these members are to appoint their own chairman, and practically administer the Board of Health so long as they continue to hold office in the local bodies. The other amendments are purely verbal, and the main object of the Bill is to initiate combined districts and designate them "district boards of health." As to the clause relating to the reporting of eruptive diseases, it appears there has been some neglect at Fremantle by people in charge of ships, and these provisions are inserted to impose on them the duty of giving information to the health officer.

MR. VOSPER (North-East Coolgardie): I would like to suggest to the Attorney-General that while this Bill is

under consideration, excellent opportunity is afforded to insert a clause dealing with fumes arising from smelting works and noxious trades generally. When the Health Bill of a year or two ago was before the House, I moved an amendment enabling local authorities to cope with nuisances of the kind, but at that time the Fremantle smelting works were in their infancy, and it was thought desirable rather to poison the inhabitants than to allow these works to be injured. Since that time the people of South Fremantle and Fremantle generally have protested strongly and loudly against the fumes arising from the works, and what I predicted has come to pass. Vegetation has been destroyed, the chemical fumes are a nuisance, and the same may happen in other parts of the colony, seeing that it is very likely there will be smelting works on the gold-fields. While I do not desire to injure works, or to put the proprietors to expense, but to protect people against these noxious fumes, this is an important matter, and it is useless to provide protection against sewage and other deleterious matter, if we allow people to be poisoned with foul gases. I suggest to the Attorney General when in Committee he might see his way to draft a clause which would have the effect of preventing or palliating this very serious nuisance.

MR. SOLOMON (South Fremantle): I agree with what has fallen from the member for North-East Coolgardie (Mr. Vosper), because for a considerable time there have been a great many complaints in regard to the smelting works at Fremantle. At the same time these works are a great advantage to the town, and possibly some clause might be put in the Bill to prevent or minimise the nuisance which has been complained of. But there is a difficulty in regard to the proposed combined districts. Clause 5 provides:

Immediately after the proclamation of a combined district, every municipal council and every non-municipal local board and every road board within such district shall meet, and each shall elect not more than three of their number to be members of the District Board of Health, and shall report to the minister the result of such election.

That might succeed in a place like Coolgardie, but I do not know how it would work in more settled districts.

THE ATTORNEY GENERAL: It is discretionary.

MR. SOLOMON: Then that is all right. But, as the Bill was laid on the table only yesterday, I should like to place it before the medical officer at South Fremantle.

MR. JAMES (East Perth): I am not aware whether provision is made in the Bill to confer on the Central Board of Health all the powers and jurisdiction that local boards would have over areas not now covered by local boards of health. In cases where a local board is not established, and there is an area outside the jurisdiction of the Central Board, the latter ought to have exactly the same power as a local board would have.

THE ATTORNEY GENERAL: Clause 4 gives the power.

MR. JAMES: There are cases where it is not desirable to appoint a district board of health, or where it would not be desirable to have a combined district under Clause 4. There may be an area where there are not sufficient persons living to justify a board of health, and even where there are wide areas covered by local authorities adjoining, with a scattered population, a joint board could not be established with effective working. Under the principal Act I believe the Central Board have not the same power over areas outside the local board areas as the local boards would have if established; and, in my opinion, the Central Board ought to have exactly the same powers. When the Public Health Act is examined you will find a great number of provisions which come into force when local boards are established, but the Central Board have no such powers over areas outside the jurisdiction of local boards. Having hastily glanced through Clauses 4 and 5, I take it the intention is to make a combined district of certain local authorities, and those authorities are to meet for the purpose of appointing three of their number to be members; but I am not quite certain whether Clause 5 is so worded as to make it clear that each body has to elect three of its number.

THE ATTORNEY GENERAL: Yes; each has to elect.

MR. JAMES: Because the clause may be open to the construction that all these bodies shall meet and appoint three of their number to be members. What

provision is made for re-election? Are the members supposed to be elected every year?

THE ATTORNEY GENERAL: Yes; they are elected for so long as they continue their local office.

MR. JAMES: But there seems to be no provision for re-election, and to this point I desire to draw the attention of the Attorney General. With all due respect for the Fremantle Board of Health—and I speak with bated breath of the members of that body—I say there are times when the susceptibilities of local boards should be set aside, and the supreme power put in the hands of the central authority.

MR. VOSPER: Care must be taken that minorities do not obtain the whole of the control, because the local board of health, with a small population, would have equal representation with the big city.

MR. JAMES: But on the other hand smaller public bodies object very strongly to being subordinated to the interests of the larger. For instance, in Peppermint Grove, where I live, efforts have been made to combine with Buckland Hill and Cottesloe. The movement was started by Buckland Hill, and Cottesloe was quite willing to join, but Buckland Hill would not have Cottesloe, and the Peppermint Grove people objected because, though they were few, they paid the heaviest rates, and the rates would be used in the interests of the adjoining districts. That difficulty might not arise if there were proportional representation; and our duty is, as far as possible, to encourage the development of local boards. We have seen the benefit of that policy all round Perth, where suburbs have been established owing to these boards, and by cutting up districts sufficiently small, the people have been given a personal interest in public affairs.

Question put and passed.

Bill read a second time.

The debate on the Financial Statement being the next Order of the Day:

At 6 o'clock, the SPEAKER left the Chair.

At 7:30, Chair resumed.

ANNUAL ESTIMATES.

DEBATE ON FINANCIAL POLICY—SECOND DAY.

The Financial Statement having been made by the Premier and Treasurer in introducing the Annual Estimates, 9th October, and the first item moved, the debate was now resumed.

IN COMMITTEE OF SUPPLY.

MR. HARPER took the Chair.

MR. ILLINGWORTH (Central Murcbison): On so great a question as the Budget, it is frequently the practice in this House—it has been prior to this year—to adjourn the debate on the address of the Premier and Treasurer, perhaps for a week or two, or more; but in this session it is desirable that any reply to the Budget speech shall be delivered as early as possible. While I do not propose to speak at great length this evening, or to occupy the time of the Committee in any unreasonable way, I desire to do what I have done in former years. The Premier opened by announcing that this was the eleventh time he had presented the Budget to this House, and I may follow that up by saying this is the seventh time I have had the honour of criticising the right hon. gentleman's figures. Sometimes I have done so with a degree of regret in consequence of what I considered their inaccuracy. Last year I had the pleasure of congratulating the Premier on the accuracy of his estimate, and I am pleased to see that his estimate has been realised this year, as I fully expected it would be. In presenting the Budget to the House the right hon. gentleman this year has kept away from what may be considered an incitement to attack, and consequently he has not left himself open, as in former years, to any special reply. Except for the notice, a somewhat startling notice to many, of his intention or his thought of retiring from his present high and exalted position in this House, there was nothing very exciting in the address that the Premier favoured the House with. As this announcement has been made, it seems to me it should at least have some little attention from the members of the House. Before entering on any special criticism I desire to say—and I say it without in any way retracting one single

word of adverse criticism that I have uttered on the floor of this House upon any previous occasion—I think the occasion of the announcement that the right hon. gentleman intends to retire from the position of Treasurer and Premier of this country is a fitting time, as far as I am personally concerned, to express my high appreciation of the great abilities, of the self-sacrificing devotion, and of the success with which the Premier has worked for the country of his birth. [Several MEMBERS: Hear, hear.] This is not the first time I have referred to his qualities and work. I hold pretty strong opinions in regard to the desirability of recognising at fitting times and seasons the work which public men do on behalf of the public. Last evening we were discussing for a little while, at any rate, the question of payment of members, and if the arguments used were accurate—and I think no one will dispute that the labourer is worthy of his hire—it seems to me that during the years which the right hon. gentleman has occupied his position as Treasurer he, and all the other members in this House, have done a vast amount of work for the country. Estimated at something like £250 a year each, it comes to over £100,000 worth of labour that has been expended in this House for the general public good. In addition to that, we have of course to deal with Ministers who in a sense are paid; but will anyone in this House or in the country assert that the salaries are adequate to the labour which Ministers bestow on behalf of the State? The same abilities and the same labour expended in other walks of life would in nine cases out of ten bring even to Ministers far more financial remuneration than the mere salaries which they receive as Ministers of the Crown. If it be that in his wisdom the Premier proposes to retire from his present position at an early or even a later date, I would like to express once again my high appreciation of his work and service to the country. And if I, who simply have been in this country now nearly eleven years, have been enabled to realise, as I trust, the value and the worth of the work done, what must it be with those who have lived side by side with the right hon. gentleman throughout the years of his long and useful life! It is better for us to recognise these things

when we have such men amongst us. I have no sympathy with that kind of feeling which used to be expressed by the old couplet:

Seven wealthy towns contend for Homer dead,
Through which the living Homer begged his bread.

But the Premier is not dead or likely to die—none of us would like to contemplate that, for the next fifty years at all events. Nor is he retiring into private life—that, I consider, would have been something to deeply regret, if not a calamity to this country. Although he has not expressed it, I know it is the general feeling of a large number of people in this colony, and it is my hope, that he will be found taking a higher position in the new Federal Parliament under the Commonwealth, and I hope to see his name amongst the Ministers of the Crown for the Federal Parliament at a not very distant date from the present. Of course I have said, not once but often, that nothing but dynamite would move the Forrest Government; but they have been moving in pieces for years: all through the ten years they have been in office, they have been moving one by one.

MR. MORAN: One Piesse went lately, and the last piece is about to go.

MR. ILLINGWORTH: And now it is proposed to remove the last relic from the Treasury benches. I have often said, "Which Government?" when the Forrest Government have been mentioned; but what this country is going to do when we lose the Premier from his position in this House, and His Worship the Mayor (Mr. A. Forrest) from his position in the adjoining building (Town Hall), is more than I can forecast.

MR. MORAN: His Worship is coming back here next year.

MR. ILLINGWORTH: But we are likely perhaps to lose both, at an early date. However, we know their spirits will be with us, and that they will be doing good work and good service in some other portion of our legislative system at a very early date.

MR. A. FORREST: I have no intention of leaving.

MR. ILLINGWORTH: Well, that is very confusing; for not long ago I spoke to the hon. member, and he said he was going to London at the end of the year.

MR. A. FORREST: Yes; but that was for a holiday.

A MEMBER: He intends to stand again for Mayor.

MR. ILLINGWORTH: However, I will promise the hon. member that if he does stand for Mayor, he will get my vote. Passing from that, I should like to say I feel sure that the Premier is conscious of the appreciation in which he is held in this colony; not merely by those surrounding him, who are supposed to be his special friends, but by those who have, on high public grounds, constantly to oppose his proposals; and I hope that opposition in the past has not been and I believe it never has been factious. It may have been mistaken—that is a question of judgment; but I believe hon. members on this (Opposition) side and in other parts of the House who have had occasion to oppose some of the measures which the Premier has brought down, have done so with a sincere desire for the welfare of the country, and certainly not out of any personal feeling towards the right hon. gentleman. Turning to the Budget speech, I again congratulate the Premier upon what I believe to be the accuracy of his estimate for the coming year. I believe it is as near as it is possible for any man to estimate the revenue of the colony, and I believe he will just about realise his figures. And when we come to think that this young country proposes to raise through its ordinary channels nearly three millions of money from a population of 180,000, it seems to me that this is a marvellous thing, which has no parallel in the Australian colonies.

MR. MORAN: And which cannot last.

MR. ILLINGWORTH: That is just the point I was about to suggest. We must not, I think, be carried away by the prosperity of the present year and the prospective prosperity of the coming year, into thinking that this kind of increase will keep on for ever. We shall have to keep a close watch on things, as the Premier himself has suggested, when we think of the days that are coming and of the possible changes through which this country may be called upon to pass. Notwithstanding that, I congratulate the Premier on his estimate for the present year. I wish also to offer a word of congratulation to the Government generally on the firm hand which they appear

to have kept upon the Treasury chest during the past two years, by means of which they have restored the balance of our finances and obliterated that painful thing, a deficiency. The Budget speech, as I have said, has in it very little debatable matter, owing perhaps, as has been intimated, that it may be the last Budget speech of the right hon. gentleman. I may also echo the congratulations of the Premier upon the successful condition, I may say the highly prosperous condition, of the colony at the present time. Of course the Government are responsible for all this: at any rate, whether they are or are not responsible for all of it, we must give them credit for their share of it, and for the work which they have done. If there have been any failures, if anything has gone wrong, well the Opposition must take the responsibility for that! They are the only people who ever hinder anything, you know. They are the only people who ever stop the prosperity of the country. Still, we have to face and are called upon to face the fact that the colony is prospering. In his speech, the right hon. gentleman referred to a great many things. One of them I desire personally to notice is the question of education in this country. I rejoice with the Premier at the success of our effort to establish in this country free, secular, and compulsory education. But really, from the way in which he referred to it, one would have imagined that the Government alone were responsible for this state of things. And when I remember the constant effort which was made by members on this (Opposition) side of the House to force the hand of the Government upon this question, I can only realise the fact that our continued effort has been crowned with success, and that the Government were induced to establish a system which will be highly beneficial to this colony in future days. And I hope there will be no stinting on the part of any Government in this particular department. Any money which we expend in the colony can scarcely be better expended than upon the education of the rising generation. I rejoice in the success achieved, and I am glad also to join with the Premier in complimenting the head of this department on the success which has attended his work. I rejoice

also with the Premier at the fact that our population is increasing, though the increase is, I admit, not very extensive. Of course, no one can dispute or turn aside from the suggestion that we rejoice at the success of our army in South Africa, and rejoice in respect of the Paris and Glasgow Exhibitions. The only drawback is that such luxuries cost a good deal of money, and we shall have to deal with the expenditure.

MR. MORAN: *Jubilate!*

MR. ILLINGWORTH: Yes; we are singing a "*jubilate!*" just now.

MR. MORAN: And "*laudamus!*" too.

MR. ILLINGWORTH: Having briefly referred to the various points the Premier mentioned, I will ask the attention of the House to the financial condition of this country from the standpoint at which I look at it. I promise not to trouble the House to-night with many figures, but I want to make my view of the question as plain as I possibly can. I take my figures from the printed papers; and I make mention of this at the start, because I do not want the figures to be disputed. I have got all my information from the printed papers which the Government have issued, and consequently I presume they are absolutely correct. Regarding my deductions from them, that is a matter for the House to consider; but the figures themselves I have got from the published documents. I find that the total revenue up to June 30th, 1900, was £2,875,395 18s. 5d. I find that the actual mean population in December, 1899, was 168,879; and I estimate that the mean population for the whole term was something under 175,000; I take it at 175,000. This means that the people of the colony have paid into the Treasury, in one way or another, a sum equal to £16 10s. per head. Now at the outset I suggest that is a very high revenue to come from the people. Of course the answer is obvious, and I do not want to represent anything in an inaccurate manner. The answer is that the rate of taxation in this colony is not greater than in other colonies, and in many respects it is less. The lesson then that I gather from this is that we have a large consuming population in this colony, much larger in proportion to the whole population than is the case in the other colonies; because the taxation shows a

much higher rate than in any of those colonies.

MR. MORAN : Take dutiable goods, for instance.

MR. ILLINGWORTH : Looking at the direct taxation, we got from customs and excise the sum of £933,716 11s. 2d., equal to £5 8s. per head. No other colony raises more than £2 3s. 6d. per head, and many countries raise less than £2, down to as low as £1 9s. 6d. We got from the dividend duty last year—the first time it was in force—£55,015 8s. 9d.; stamp revenue £36,866 6s. 3d.; licenses £26,982 15s. 5d.; and fines and fees of court and fees of public offices, £36,146 13s. 2d.; so that the total sum which we raised by direct taxation was £1,088,727 14s. 9d., equal to £6 5s. 9d. a head for the whole population. Then we obtained for services rendered, such as harbour dues and wharfage, £18,919; educational and Rottneest establishment, £6,318; water receipts, £11,738; interest, £6,632; miscellaneous receipts, £18,301; and re-imbursements in aid, £21,588. The total that we received from the general public for services rendered in these departments amounted to £83,499 0s. 5d., or 9s. 10d. per head for the whole population. Then comes "territorial"—what I call "territorial revenue." There is mining £106,589; and sales of land and rents of land, £129,525. The total we received for territorial, that is out of the soil, letting the land for mining or other purposes, or selling our lands—amounted to £236,114, equal to £1 7s. per head of the population. Turning to trading concerns, we have obtained from our railways £1,256,812, and £2,133 from our trams; amounting to £1,258,945, equal to £7 3s. 8d. per head for the whole population. Coming to our postal and money order departments, which are also trading concerns, we have £105,432; telegraphs, £80,704; telephones, £21,971, making a total of £208,108, equal to £1 3s. 9d. per head, and a total of all revenue of £2,875,395, or £16 10s. per head of the whole population. I want hon. members to look for a moment or two at the profit and loss account of our trading concerns. Our railways showed receipts £1,258,945, the expenses £884,860, being a profit of £375,084. Our post and telegraph offices, telephones,

and money orders receipts were £208,108, and expenditure £239,309, leaving a direct loss of £31,200. From our territorial revenue which I mentioned just now, our mines and Crown lands, we have receipts £236,114, and an expenditure of £150,590, leaving a balance, or a profit, of £85,524. Now the total receipts on our trading concerns are £1,703,169, and the total expenses £1,274,760, or a gross profit of £460,608, less our loss on the post office of £31,200, reducing the profit to £429,408. Our whole trading concerns—the railways, the post office, our territorial revenue, selling lands and leasing them—brings us in a net balance of £429,408. On our loan money for last year we had to pay for interest and sinking fund £489,825, and it is estimated we have to spend this year £474,028; so that if we place one against the other—the trading concerns on the one side and the interest on loan money on the other—we are £10,416 short.

MR. A. FORREST : Very good.

MR. ILLINGWORTH : I am not saying whether it is good or bad: hon. members may draw their own conclusions. That is the position so far as the revenue is concerned. I want to look for a moment or two at the position of our loan account. A great many statements have been made in previous debates on this question, and the Premier has replied to those statements, but I must say he has never obliterated the impression formed in my mind. I have taken the trouble to verify my own figures, and they come very close to those stated on the floor of this House. On the 30th June, 1900, the total authorisations amounted to £12,550,929 11s. 3d. The total amount raised by inscribed stock and bonds was £9,870,929 11s. 3d., leaving a balance to be raised by inscribed stock or bonds of £2,680,000; but of this we have temporarily raised by Treasury bills £1,800,000; so that all we have actually available is a balance of £880,000; that is the amount available when all our authorisations are raised. When the Treasury bills are repaid we shall have £880,000, the total sum of money available. But we had at the beginning of the year, cash in hand, £979,635 9s. 9d.

MR. MORAN : That was not all cash.

MR. ILLINGWORTH: The hon. member will find that I have not missed much. So that the gross sum available for public works in this colony is £1,859,635; but these authorisations were given for special works, and from these special works there have been reappropriated certain sums of money under the Loan Act 61 Vict., No. 9, of 1897, £395,000, and under the Loan Act 62 Vict., No. 7, of 1898, £561,000; so that the total sum that has been reappropriated and spent on other works not contemplated in the original authorisations is £965,000. Then supposing this money is recouped—and what I just mention in passing is that to recoup this money there must be a loan of a million, and it is questionable whether a million loan will raise £956,000, but it is near enough for our present requirements—we require a million loan to recoup the money we have borrowed from projected works and existing authorisations. If we had that money borrowed—as soon as we borrow a million of money—we shall then have a total sum available for our public works of £2,815,635 9s. 9d. But from this gross sum available we should reasonably deduct the stock which we have in hand. We have a stores account, and it is now probably as low as it is likely to be, and is very much lower than it has been for many years. The total shown in the books is £337,775 7s. 1d., and I very much question if it is possible to bring our general standing stock below this figure; consequently that sum of money is not available and cannot be made available for immediate use for public works. I admit that these goods must be all taken into stock and that this money represents things that cannot be brought into use all at once; but assuming they can be brought into use at once, other goods will have to take their place, and it is inevitable, therefore, that we cannot count these goods as cash. However, this is our system and we must treat it from the standpoint existing.

MR. MORGANS: It is an asset.

MR. ILLINGWORTH: Undoubtedly it is an asset: our railways are an asset, but you cannot pay wages with railway iron.

MR. MORAN: Are all of these reappropriations absolutely additional to the old authorisations?

MR. ILLINGWORTH: As far as I can see, they are new works, entirely separate from the authorisations.

MR. MORAN: I think they are temporary loans from one authorisation to another.

MR. ILLINGWORTH: They may be, but I do not think so; at any rate, there are not any material amounts which will affect the final figures. We come to this: we have £2,477,860; supposing we collect all our money and get back the million, that is the £956,000, and put it into the Treasury ready for public works, and raise the balance of authorisations £380,000, and spend the £979,635, we have a total of £2,477,860. We have certain works which have been passed by this House, works which have been begun and must be completed. The foremost among these is the Coolgardie Water Scheme. At the date to which I refer, the sum expended on this work was £586,927 7s. 2d., and I know that some money has been expended since. The vote for this work was £2,500,000. We will say £600,000 has been spent, therefore we require £1,900,000 for this work. Under the Loan Act of 1899, which is part of our authorisations, we authorised a loan of £680,000, and we only spent £180,000 of that, consequently we require £500,000 for the work. Then we have to complete the Leonora railway and the Goomalling railway—for one £60,000 was passed and for the other £20,000. I am not able to get at the exact figures, but I certainly think we shall require not less than £300,000 to complete these works. Then we have to continue and finish the Fremantle Harbour Works and that dock which has been long projected. For those works we shall require at least £250,000. We long ago decided to build the workshops somewhere, to cost say £200,000; then we want rolling-stock, some have said that we want £700,000 of rolling-stock—my friend (Mr. Holmes), who knows something about it, says we want every bit of that—but I have only estimated £350,000. This brings the total to £3,350,000 that we are committed to, and must have to carry out these works. We must find the money, and we cannot get out of it unless we are going to stop the Coolgardie Water Scheme, and who is going to propose that? None of these works can be stopped; they must

be carried out. The country is pledged to them : Bills have been passed, resolutions carried, Appropriation Acts passed, and Loan Acts have been passed, for carrying out these works ; and now the position in which we find ourselves is that, without touching the smaller works or dealing with the projects of the present session, such as railways, one of which was lost the other evening and others may be, still we want three and a-half millions of money—all of it—and towards that there is £2,477,860, so that the balance that will be required to complete existing works is £1,022,139. Then we want £1,000,000 to replace authorisations, which makes the total £2,022,139 which we want, and which we have to raise. It must come under the category of a new loan. That is what I want to impress upon the Committee, that we are really committed to over £2,000,000 for works already in hand and to be completed ; consequently I do not think hon. members who in the early part of the session urged this House that it was inadvisable to commence any new works, were going outside the strict laws of justice, and not only justice but also that it was wise in regard to this colony. This is a summary of our position : Our present authorisations are £12,550,929 ; recouped reappropriations, £1,000,000 ; and there is required to complete authorised works, £1,022,140 ; a total of £14,573,069. From that we must take sinking fund, £377,160, which leaves £14,195,909, or, in round figures, £14,000,000. Of that money, we have to raise almost immediately, in some form or other, £2,000,000 to carry on the works ; and to put our finances on a proper and sound basis we must have £1,800,000 to pay Treasury bills, thus bringing our debt, without new works, to £14,000,000 ; so that, if we raise the money in two years, and during those two years our population rises to 200,000 people, as I hope it will, then our indebtedness will be £70 per head. Hon. members know I have a great horror of this Treasury-bill business. When legislation was introduced authorising the Government to raise by Treasury bills the sum of £3,500,000 against loan authorisation, I opposed it, and did my best, but unsuccessfully, to reduce it to £2,000,000 ; and I consider the intro-

duction of that Bill has been fatal to our finances. If we had been, as we ought to have been, in a position to restrict our works until we got our loans in a proper business-like way, instead of running to the market for these Treasury bills, our position to-day would have been very much more satisfactory. In October, 1900, there is due in connection with the Savings Bank £300,000 ; and as we are to some extent justified in dealing with those moneys, I will not complain or carp at that. If the State is responsible for the money, and has to pay interest on it, that is possibly as good a way of investing it as any other. Then there is due to the London and Westminster Bank in October, 1901, £500,000, and in November £500,000, so that during next year—not the present financial year, but twelve months hence—we have £1,000,000 to pay for Treasury bills. In addition to that, there is due to the A.M.P. Society in June, 1901, £250,000 ; in September, £100,000 ; October, £50,000 ; November, £50,000 ; and December, £50,000, or a matter of £500,000. We thus have £1,500,000 out on Treasury bills, which fall due at the latest in December next year, and we want immediately £2,000,000 to carry on our projects ; so that if we are to finance in a proper, legitimate manner, we shall have to go to the London market for £3,500,000 before the end of the year 1901. That is the position as I see it ; but, of course, we may do more Treasury-bill financing, which however I do not think would be to the interests of the country. I would like to call attention to a statement made by the Agent General, wherein he refers in the strongest terms to the difficulties he had in negotiating £1,000,000 for Treasury bills last year. The money market, I am aware, has been in a very strained condition ; but I see no prospect of an immediate change, and that being so, it is time for the Committee to consider whether we ought not to be, to say the least of it, just a little bit careful. I am no pessimist, and I shall show in a moment what my ideas are in regard to the country ; but when we have got the finances in this, what I consider, complicated condition, and when money is required urgently for public works and there are no means of raising it except by Treasury bills, I think our financial

position is not satisfactory. The Premier may think otherwise, but I am expressing my opinion, and I say the position is not satisfactory. It would not be satisfactory for an ordinary business to be carried on with loans at short-date bills. If you can make permanent fixtures, as we do under Loan Bills, for 40 years or even shorter periods, we know where we are; but when we have to repay one set of bills with another set of bills, we know to what it leads. You cannot conduct finance on a satisfactory basis under such conditions; and you cannot go to the London market and ask for £2,000,000 or £3,000,000, when your Treasury bills are floating about for £1,500,000.

MR. MOORHEAD: There is security, you know.

MR. ILLINGWORTH: This is not a question of security. I know the colony is equal to borrowing £50,000,000, so far as security is concerned. I have never said, and I hope I never shall say, one single word to cast any reflection on the country; and, in passing, I say it is most unjust and unfair of hon. members, and especially the Premier, when we try to put the finances on a satisfactory business basis, to turn round and say that we are belittling the country or are pessimists. We know that the Premier does not mean half he says in matters of that kind, and we take his remarks in the way they are meant; at the same time, this kind of thing is not quite fair. Before I sit down, I want hon. members to look at what I call the story of the Customs-house. We have no figures for the Customs-house later than 1899, and in that year to 31st December the total value of our imports was £4,467,599, which, with £5,933 in coin and bullion, brought the total imports to £4,473,532, showing a decrease of £768,433. To me, that is a matter of great satisfaction, representing as it does the greater productive power of this country, and the fact that money we have been sending away for products which this country ought to produce is being reduced. The remarks of the Premier in regard to the position of our land legislation and the effects of it have my complete sympathy; because we have already begun to remedy one of our weak points, namely our rushing away in a particular direction, and neglecting one

of our very best assets in our agricultural lands. I have always contended that the development of the goldfields meant the development of agriculture, because the goldfields are opening up a profitable market near our own doors; and I have also constantly affirmed that the railways which are called goldfields lines are in reality agricultural railways. We do not want many railways to bring down gold, although the gold is valued at millions, but in order to keep up supplies for 50,000 or 60,000 people on the goldfields, we do want railways; and a vast amount of traffic has been created from the coast to the fields. If goods are taken from agricultural districts and from the coast to the goldfields, I contend that the railways are agricultural railways, and not mining railways at all; and, consequently, I am not surprised that agricultural members have supported the railway policy of the Government. I am not surprised they are disposed to support that policy still further, because in increasing our products, and finding an easy, convenient, and profitable market, we are doing the best possible for the large agricultural resources of the country. I am pleased to find the Customs-house tells the story that our imports of goods, which ought to be produced in the colony, fell over three-quarters of a million in one year, while our exports of merchandise materially increased in 1899, amounting to £1,454,582, or £500,274 more than in the previous year. So that we gained a distinct profit in two directions: we imported less and exported more, and the difference amounts to a million and a quarter. Of coin we exported £79,692, and the export of gold has increased immensely, amounting in 1899 to £5,451,368, or nearly £1,460,670 more than the preceding year. The total difference or gross profit on our trading last year amounted to £2,025,636; that is, we exported more than we imported, and the balance goes to our credit. From that balance we have to deduct £1,966,351 paid in dividends from gold mines. I am sorry to say the great bulk of these dividends go out of this country. I am not sorry for the people who get them, but sorry that the people of this colony do not happen to be the owners of the mines. I estimate that besides the gold-mining dividends there is going out of

our colony every year a sum of no less than £200,000 for dividends of banks, insurance companies, and institutions of that character, and last year we sent out as interest on our loans and sinking fund £439,825, so that our credit balance of £2,412,110 is just £194,066 short of the money that we sent out of the colony. Members may remember that I expressed a hope last year that this year would show we were turning the corner in this respect, and that our exports not only paid for our imports, but for interest on all our loan moneys, and for all the dividends going out of the colony. We have got a good way, and for all practical purposes we have reached that point, the balance being £145,779. Looking at this question from a Customs-house point of view, the exports total £41 7s. 8d. per head of the population, and the imports £26 9s. 9d.; so that taking the gross profit we show £14 17s. 6d. per head upon this transaction. To me the lesson of the Customs-house shows not only prosperity but promise. It shows to me at any rate that we are getting to normal conditions which are greatly to the advantage of this colony. We have had our season in which we experienced somewhat of a boom, and there was a good deal of extravagance and waste in our public places, and in private businesses also. We have had a little check, which was called the depression, and in some cases many people thought that this depression was going to be a smash like that experienced in other colonies; but we have passed that depression now, and we are on the eve of a cycle of steady prosperity. I do not anticipate and I do not desire a season of unrest and wild speculation either in mines, in property, or lands, or anything of the kind; but I think this country is now starting out upon a career of prosperity—slow, perhaps, in its progress, but sound and secure for the people of this colony. The agricultural interest, the timber interest, and the mining interest of the country are, I believe, starting upon a period of steady advance and prosperity, and the effect of it will be that people will come to these shores. People who lost confidence will return, and others will come, and I have every hope that there will be 200,000 people in this colony within the next two or three years. I hope so. Going back

again, during these years we have had to raise for existing works, existing authorisations, projects already in hand, three millions of money. If it were only three millions of money I would not be very much concerned, but we need clearly £2,000,000 more to set our finances in order. Practically then, out of this £14,000,000 of money that we want to raise we have only raised £10,000,000 in a proper way, and we want £4,000,000. To me, it seems that it would be a wise thing for this House and for the country for the next year to be content with the work we have done, and to consider that this country has done well; to be content with the projects we have in hand, to complete those projects, and see they are satisfactorily completed. The great Coolgardie Water Supply Scheme is still a matter not of the utmost certainty, and a great deal has to be done. Of course members know that it is four years since it was promised that this work would be completed in three years. I was railed at because I said the work could not be completed in three years. At the same time I said it could not be completed for two and a-half millions of money, and I repeat that now. The water cannot be got to the people so soon, and until it can be got to them you will not be able to obtain any revenue from it. We have entered upon this project, and, besides spending a lot of money, we have committed ourselves to a lot more, so this work has to be completed now. The harbour at Fremantle has to be completed, as has also the dock, and there are the railway workshops. The rolling-stock must be added to, otherwise we cannot conduct the business of the railways. All these things teach one important lesson. That we have done a lot of work in this country I admit, and I am not going to complain now of the nature of it; but I say the work we have in hand is sufficient to keep us employed and the people of this colony employed for a good while yet; and until we have completed those works and raised the money to put our loan finances upon a fixed basis by inscribed stock or bonds, it is not wise for this House to enter upon other projects. That is what I have said all the time this session, and I say it here again. One thing said during this debate is that the money we have spent is not a

debt, but we have assets. It would be a strange process for any colony like this, with a population of 180,000 people, to involve itself in a debt of ten millions of money, if there were nothing for it. But I call the attention of this Committee to a very serious fact: I called attention to it a year ago, and I do so now, this fact being that the railway revenue of this colony is materially decreasing in proportion to the mileage that is being opened, and for every hundred miles of railway that you put on to your existing long-length railways you will burden the Railway Department. You will not be able to show presently that your railways pay interest or the sinking fund. What has been the experience elsewhere? Political railways built in different parts of the colony, overloading the railway system, until vast deficits have grown up of two millions or three millions, which have become a burden to the State, and have robbed the State almost of its needs. To-day the railways in Victoria are not paying much more than $2\frac{1}{2}$ per. cent upon their capital value.

MR. MORAN: Do you mean $2\frac{1}{2}$ per cent. all included?

MR. ILLINGWORTH: It does not approach interest. We are getting close to the borderland in our railway system, in which we can only show that the railways are paying interest. How is this produced? We do not arrange matters in relation to our rolling-stock as we might do. I will say something about that later on, but just now I do not wish to say anything stronger on the subject. The Government have been compelled (or at any rate they have done it) to get new rolling-stock to put on our lines when old stock ought to have been repaired and put there; and if repairs had taken place there would have been a debit to the railway system, whereas the new stock is put upon loans, and the loan account and not the department has to provide the interest upon that amount. We are coming to a time when we shall have to face this question, and when we shall have to repair our stock in a proper way, and lay upon our railways their own portion of wear and tear. I do not blame anybody in regard to the past. Members have heard me again and again express my strong sense of the action taken in

a general way. As to details, the details are sometimes horrible, such as we have seen in the case of the Perth Ice Company frauds. But taking the great railway system, I have said it is a well-managed system; but with the best management in the world, things of the kind I have referred to will reduce the railway system at a very early date to such a state that you will not be able to show a profit which will cover your interest. If the figures were fairly put upon the table, and fair allowance made, the railways at the present time would not show the interest upon the money spent and sinking fund. If you load this railway system with extensions, such extensions as will necessarily reduce the profits, you will gradually get to the same condition as has been reached in the other colonies, where the railway system has become a burden upon the State. Where are you going to get this sum of money from? I have shown that if you take the whole of your profits from the railways, and the whole of the territorial receipts, those amounts will be absorbed in payment of interest during the present year. The sums paid for all the land sold, also all the rents received, and all the rates obtained for mines, less of course the sum for expenditure, have been swallowed up in interest and sinking fund upon your loan moneys. It is all very well to say that so much is secured, but we have to pay interest and sinking fund. Unless you obtain funds to pay that, how can we remain in what is called a solvent condition? If I borrow £5,000 I may have very good profit, but what will happen if the mortgagee does not get his interest? I do not suggest that this country will ever be in such a position as not to be able to pay its interest; but what I suggest is that the railway system is not going to pay this interest, and that will be the case at a very early date. I warn this country that these conditions are close upon us, and that every extension of the railways means bringing us into that condition; consequently when a railway extension is proposed, this House ought to have laid upon the table sufficient data by which it can judge whether the railways contemplated are going to pay or not. How do we know, for instance, that the Leonora railway will pay? We all believe it is going

to pay, and we all want it to be built. That is a splendid concern, and there is a splendid goldfield, but I want to know what return we shall get from the railway after it leaves Menzies. I say emphatically that portion of the line will not pay. Of course, if you take the whole distance from Fremantle, the line may pay.

MR. MORAN: You cannot separate it.

MR. ILLINGWORTH: The question is whether the earnings per mile of the extension from Menzies to Leonora will cover the cost of working and interest upon its construction. Hon. members know very well, if they have gone into the question at all, that the cost will not be covered; and I say that every ton of goods taken from Menzies to Leonora is going to be taken at cost or under. That being so, the railway must eventually become a burden upon the State. I challenge examination of the statements that there are not more than two of our railway systems, taken by themselves, which can show a clear profit on the work that has been done, and that a considerable quantity of goods carried on our railways to-day is being carried at a loss, for which loss other goods have to pay.

MR. MOORHEAD: There are other railways which make up the loss.

MR. ILLINGWORTH: Of course I know that the railways mutually assist each other. The hon. member is correct.

MR. MOORHEAD: The same argument applies to all railways.

MR. ILLINGWORTH: I want to point out that at the present we are providing interest and sinking fund through our railways. If we lose that arm of defence, we shall have to fall back on direct taxation.

MR. MORAN: Or increase the rates.

MR. ILLINGWORTH: Or we shall have to increase the rates. Now it will be a difficult thing to increase the rates. What we want to do is to resist decreasing the rates. There is now a tendency to decrease the rates below cost. I say we have to provide for interest on our national debt. At present we are providing for it out of our territorial revenue, and out of the profits of our railways. All that we have left, apart from these sources, is our customs.

MR. MORAN: We have not that left.

MR. ILLINGWORTH: Hon. members know that we have entered the Commonwealth of Australia.

MR. MORAN: That is the point.

MR. ILLINGWORTH: Now, I hold opinions to which my friend from East Coolgardie (Mr. Moran) will not assent; but I hold them all the same. I hold that the effect of federation will be to increase the revenue through the customs; but I do say that the increase is an absolutely unknown quantity.

MR. MORAN: That is the point.

MR. ILLINGWORTH: I say it is an absolutely unknown quantity; and in my estimate I am just as likely to be wrong as right.

MR. MORAN: True.

MR. ILLINGWORTH: And I defy anyone else to give an estimate, because there are no data upon which an estimate can be given. [MR. MORAN: Hear, hear.] That being so, we have nothing left to provide, out of our revenues, for any loss that may come to us: we have nothing at all left except direct taxation.

MR. MORAN: That is a poor arm of defence.

MR. ILLINGWORTH: That is the only thing we have left. But we have to pass over to the Commonwealth the whole of that direct taxation.

MR. MORAN: Yes; they have the first call on it, certainly.

MR. ILLINGWORTH: An hon. member shakes his head before I finish my sentence. Will hon. members just take note again, because this point is important enough to repeat. The customs and excise of this colony for last year brought us in £933,716. That revenue goes over to the Commonwealth Parliament first. Of course I know they return three-fourths of it, but it goes from us at the start, and we have to be dependent upon the proportion returned to us. The dividend duty will remain with us, and so will the stamp revenue, the licenses, and the other forms of direct taxation, totalling £155,000. But all that we have left to deal with is practically £1,000,000, and out of this we are in danger at the present moment of having to fall back upon direct taxation to make good the interest on our loans. This being so, I say we are here face to face with two or three things which I consider worthy the attention of the House. We

are faced with the fact that the railways are on the border line.

MR. MORAN: Their earnings are going down every year.

MR. ILLINGWORTH: I hope they will be kept at any rate high enough to cover the interest and sinking fund. That will depend on the wisdom of this House in regard to extensions. We stand in the position that we have an absolutely unknown source of future revenue. I have expressed my opinion, though of course there are really no data; but why I speculate is because I believe we shall have general prosperity. Still, we have to part with a certain quantity of our revenue indefinitely; we lose the direct control of it at the start, and we have to wait to get back a proportion. Now supposing, and it is always worth supposing, the prognostications of our own Actuary, of members of this House, and of other able men come true, and supposing our revenue does materially decrease because of goods coming from the other colonies in constantly increasing quantities—supposing that to occur, I want to ask this Committee, how do they propose to carry on the business of the country if we increase our loan authorisation? As far as the revenue is concerned, I have never made any complaints in this House; as far as regards expenditure out of revenue, I have made few complaints, except to try and stop waste; but in regard to loan authorisations and the peculiar manner of dealing with loan moneys in this country, I have lifted up my voice every session, and if the method continue and I have the honour of being here another session, I shall continue to do so, because it is in the interest of this country that I should.

MR. MOORHEAD: I do not want you to answer the question now; but how are you going to raise the deficiency?

MR. ILLINGWORTH: I am suggesting that for the consideration of hon. members at the present moment. One thing is certain: it means direct taxation. [A MEMBER: And free-trade?] Then if the Federal Parliament be returned upon a free-trade basis—and many people would like to see it on that basis, even hon. members of this House, some of whom will go from this Parliament to take their seats as free-traders in the great Parliament of the Commonwealth.

MR. MORAN: We cannot have free-trade: that is a certainty.

MR. ILLINGWORTH: There will have to be a revenue tariff, anyhow. In any case we find ourselves in the position that we shall have to raise direct taxation. It requires all this million of money to keep us going now, and we shall have to raise the necessary money to conduct the business of this country.

MR. MORAN: Three millions, I reckon.

MR. ILLINGWORTH: The one point I want to emphasise, and which I rose to-night to deal with, is the absolute necessity for stopping further borrowing until we have paid off our Treasury bills and raised the money indispensable for the completion of the works in hand. And if anybody in this colony can say there is anything pessimistic or unwise in that statement, I am quite willing to bear the responsibility. I think, as sensible men entrusted with the interests of this country, we are bound to take care that we do not leave to those who succeed us a burden which may be too heavy for them to bear; and consequently, I say that "wise caution" is the motto which should lead us. I have said, and I repeat it in this connection, that the prospects of this country were never brighter than they are to day; that we are beginning a cycle of prosperity in almost every industry; but we must remember that there are contingencies in life. We must remember that even in so great a goldfield as that of Kalgoorlie there are times of depression. We have known the time when a great goldfield with great returns has had seasons of depression and sometimes of obliteration; and I contend that we really must go a little more cautiously than we have been going, and we must be content, and I hope this House and the country as a whole will be content, to say, if they like, to the Forrest Government (and I do not object), that they have done well, that they have been brave, that they have been determined in the interests of the country, if you will. Say that they have put railways here and there, that they have put telegraphs and post offices all over the colony. Say all this; but say that when they have done so they have done enough for the present, and that the best thing we can do now is to pay up fairly and squarely the liabilities of this country,

and to place ourselves on a sound basis before we enter into a further loan and extension policy. Mr. Harper, I thank the Committee for the interest they have taken in the remarks I have made to-night. (General applause.)

[A lengthy pause ensued.]

A MEMBER: Better go on with the Estimates.

Several interjections.

MR. WILSON: I move that progress be reported.

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

Ayes	11
Noes	14

Majority against ... 3

AYES.	NOES.
Mr. Gregory	Sir John Forrest
Mr. Hall	Mr. A. Forrest
Mr. Hutchinson	Mr. D. Forrest
Mr. Illingworth	Mr. Higham
Mr. James	Mr. Hubble
Mr. Kingemill	Mr. Lefroy
Mr. Moran	Mr. Mitchell
Mr. Oats	Mr. Moorhead
Mr. Solomon	Mr. Morgans
Mr. Wilson	Mr. Pennefather
Mr. Vosper (Teller).	Mr. Piesse
	Mr. Quinlan
	Mr. Throssell
	Mr. Rason (Teller).

Motion thus negatived.

MR. MORGANS (Coolgardie): I desire to congratulate the leader of the Opposition on the speech he has just delivered. The only quarrel I have with him is that he has not introduced any material into his speech that opens up a discussion. As a matter of fact, he is so much in accord with the views of the Government and the members on the Government side of the House that there are really no points to discuss with him. On former occasions the hon. member has left a few points of attack in his armour, but on this occasion he does not appear to have done so. His statements are indorsed by every one in this House, especially by those who sit on the Government side. The figures that the hon. member has given the House are an exact replica of the figures given by the Premier: there are no points of distinction and no difference between them. There was one point however raised by the hon. member with regard to the total amount of debt of the colony. I think it is quite correct that at the end of two years the colony may have a debt of £14,000,000, according to the state-

ment made by the hon. member. He says that at the end of two years the total loan money will be £14,195,000, which will represent an indebtedness of £70 per head of the population. While that is so and while Treasury bills have to be met, and met by a new loan, and if the authorised expenditure or rather the loan for authorised expenditure is raised, this debt will no doubt amount to what the hon. member said. The other night when the member for East Coolgardie (Mr. Moran) was speaking on the Address-in-reply, he made a strong point that the debt of the colony will be £14,000,000 in two years time.

MR. MORAN: I said 14½ millions.

MR. ILLINGWORTH: That is assuming there are no more loans.

MR. MORGANS: Although I am prepared to give the member for East Coolgardie credit for being correct at figures, I am prepared to take the figures of the leader of the Opposition, who shows that the debt at the end of two years will be £14,195,000. I do not see any reason why the member for East Coolgardie on that occasion should have tried to emphasise that point so much. Why did he try to impress on the House that the debt will be 14½ millions, when we all knew it. No one disputed it; everyone on this (Government) side understood that, and we are quite in accord with the hon. member that the debt will be 14 millions at that time; therefore there is no necessity to emphasise the point. We know quite well that it is possible to juggle with figures, but we cannot juggle with facts, and we know perfectly well that the loans of this colony at the present time amount to more than eleven millions. Now, when the authorised loans are raised and when the Treasury bills are covered, the debt must amount to the sum spoken of.

MR. MORAN: The authorised loan will not amount to anything.

MR. MORGANS: It will be close on the amount stated, at any rate.

MR. MORAN: The works will not be carried out.

MR. MORGANS: The hon. member will have an opportunity by and by of discussing the question. These are facts. Really the only point at issue with the leader of the Opposition, so far as I am concerned, is the remarks he made with

regard to the railways of this colony. He has shown us, supposing the population increases to 200,000 at the end of two years, that the debt *per capita* will be £70.

MR. ILLINGWORTH: With 200,000 people.

MR. MORAN: If we get them.

MR. MORGANS: I do not say that we are going to get them. I am taking the statement of the member for Central Murchison that the debt will be £70 per head. When we consider the question of debt per head in this colony, we must go on different lines entirely from those taken in the other colonies. The conditions here are entirely different, and any member of the House who attempts to show that this colony is in financial danger—

MR. ILLINGWORTH: That has not been suggested.

MR. MORGANS: It was suggested by the member for East Coolgardie (Mr. Moran) the other night, that we had now got to such a pitch that the debt *per capita* was becoming an absolute danger.

MR. MORAN: I said it would; not yet.

MR. MORGANS: That is the impression the hon. member conveyed, and I am bound to say that is the impression the member for Central Murchison (Mr. Illingworth) conveys to-night when he says that at the end of two years the debt *per capita* will be £70, because he said further that that was as much as the colony could stand. I propose to show that this is not so, as far as this colony is concerned, a question of debt *per capita*. That is not a fair or legitimate basis on which to draw conclusions.

MR. VOSPER: The money market is.

MR. MORGANS: No; not the money market either. I would like to ask members on the Opposition side, what would the financiers in London say if you suggested a loan for China, for instance, on a *per capita* basis? Suppose we gave China credit for £50 per head, and went to the London market and asked for a loan on that basis, do you think the London financiers would grant such a loan?

MR. VOSPER: If they paid interest.

MR. MORGANS: But they could not: it would be impossible to be done. Just fancy asking for a loan for 400 millions of people on a basis of £50 per head. I am rather inclined to think that it would

be a shock to the financiers in London or any other centre. I give that illustration to show that the *per capita* basis is clearly and entirely misleading. The financiers do not look at that at all.

MR. MORAN: What are the bases?

MR. MORGANS: The bases are the products of the colony, the exports, and the facilities which every country has for increasing its production; these are the things which are looked to. The financiers in London have nothing to do with the question of population. They will not look at it at all. They look at the value of the country, what it can produce, and what the probabilities are of the interest being paid and the capital being returned. I say the *per capita* argument is misleading. It is all very well for members on the Opposition side, when they want to introduce bogeys to scare the people. It is a very nice argument to put forward in order to mislead the public as to the true facts of the case. The member for East Coolgardie the other night raised enough bogeys in the House to justify hon. members in looking upon him as "the bogey man," and I have heard so many bogeys raised on the Opposition side of the House also with regard to the financial position of the colony—

MR. JAMES: That you are going to leave it.

MR. MORGANS: That I should say unless members on the Opposition side are careful when they criticise the financial status of the country, they will be dubbed "The bogey brigade." No doubt it is proper for a Government, like individuals, to be careful in the management of their finances; but the statement laid before the House by the Premier the other night should be enough to convince not only hon. members but the people generally, that this country is in a splendid condition of prosperity at the present time.

MR. ILLINGWORTH: So say all of us.

MR. MORGANS: And from the present outlook there is every reason to believe that prosperity will continue. Has anyone in the House ever been able to show any possibility of the reduction of the output of gold? Has anyone shown any likelihood, any possibility, or any probability of a reduction of the agricultural production? On the contrary, the whole of the testimony we

have is that increasing prosperity is now before us. Agricultural lands are being developed, and more wheat, more fruit and vegetables are being produced; and taking the average of last year and the year before, there has been a substantial increase in the production of gold. At the largest gold-producing mines at Kalgoorlie—whence comes the largest percentage of the total gold yield—machinery is being perfected at the present moment with the object of treating sulphides; and in the very near future the production of gold, though now enormous, will be greatly increased. It is quite impossible for any hon. member to show that the country is not in a greater state of prosperity than it has ever been. In regard to the question of debt *per capita*, there is one feature that has not been called attention to, namely that the producing power per head of this colony is greater by twice than it is in any other colony; and that is one of the things a financier in London would look at and take into consideration when examining the question of lending money to this country. The first thing a financier would turn to would be the production returns and the population, and he would see at once that the population of Western Australia is returning 100 per cent. more wealth than any other colony in the Australasian group. That fact alone shows how fallacious it is to base an argument, in relation to the expenditure of this colony, on the bogey of the *per capita* debt. It is perfectly ridiculous, and no man who understands finance would ever think of making that the only basis for his calculations as to the financial status of a country. Then, if any Government of a colony go to London to borrow £3,000,000, lenders are not going to ask whether the population has increased to 200,000 or 250,000, but they will turn to the Government returns, and see there is a considerable increase in the production of gold from year to year, and they will also look at the effects of the expenditure on railways.

MR. MORAN: Sir Edward Wittenoom does not say that.

MR. MORGANS: I have read what Sir Edward Wittenoom has written, and I see nothing there to contradict the position I have taken up.

MR. MORAN: You have not read it, then.

MR. MORGANS: I have read it very carefully. What would be the effect of an examination into the financial position of the country to-day? At least £7,000,000 of the money invested in railways in this country is reproductive, and the member for Central Murchison, by his figures, has shown that at the present moment the railways are giving a gross return sufficient to pay more than 70 per cent. and sinking fund on the total debt of the colony.

MR. MORAN: Do you say that?

MR. MORGANS: I am taking the figures of the member for Central Murchison.

MR. MORAN: I do not think the hon. member ever said that.

MR. MORGANS: Yes.

MR. MORAN: I never heard him.

MR. ILLINGWORTH: It is the hon. member's calculation on my figures. I never asserted that.

MR. MORGANS: I said when I began that I did not question the basis of the figures of the member for Central Murchison; and I simply transpose the position, and put the figures into percentages instead of totals.

MR. VOSPER: Stand them on their head, so to speak.

MR. MORGANS: The figures are sufficiently sound to stand on their head if necessary. I wish to emphasise that financiers in London will look on the finances of the colony on the lines I suggest, and if the Government go to London to borrow again, I am certain the same view will be taken, and probably a more favourable view than that taken when the Government were able to place a loan at 3 per cent. at par, which they were successful in doing. Why is it that the last loan was placed on the London market under less favourable conditions? That had nothing whatever to do with the finances of the colony or the population of the colony. But the reason the loan was not placed under such favourable conditions was simply that the money market was not in the same favourable condition for floating loans. There are times when no Government in the world can float a loan advantageously. Let us take the British Government, whose credit is certainly beyond all question or doubt, and see what happened the other day. The British Government placed

£10,000,000 of Treasury bills at $3\frac{1}{2}$ per cent.; and is not that a proof of the statement I make, that the financial position of a colony, when a loan is placed, providing capitalists are satisfied with the position, has nothing to do with the question of the rate of interest or the ease or difficulty of placing a loan, but that it is entirely a question of the market? It would be, therefore, quite ridiculous for any member in the House to say that the Government cannot go into the market and borrow as well now as before. It is only a short time ago that the rate of the Bank of England was 5 per cent. and it has been even more than that.

THE PREMIER: Nearly six per cent., once.

MR. MORGANS: Supposing this Government, or any other Government, had then gone into the London market and attempted to place a loan at 3 per cent., what chance would they have had of doing so? It is absurd to suggest that simply because a Government cannot walk into the market at any time and borrow at 3 per cent., the credit of the country and the Government is not good.

MR. ILLINGWORTH: That has never been suggested.

MR. MORGANS: The member for East Coolgardie suggested it the other night, half a dozen times.

MR. MORAN: I never said so in my life.

MR. MORGANS: It was suggested by statements and by direct innuendo.

MR. MORAN: You are drawing on your wonderful imagination.

MR. MORGANS: I am taking the statement of the hon. member, which, when he made it, almost made a man feel as though cold water were running down his spine. To listen to the hon. member, one would have considered the other night that disaster had fallen on the colony, and that we had borrowed up to the very hilt. When this House was asked to expend £250,000 for the purpose of constructing a reproductive railway to Norseman, the hon. member got up and tried to prove that the financial condition of the colony is in a precarious if not a dangerous condition.

MR. MORAN: It is perfectly sound.

MR. MORGANS: I think I have shown that the conditions in regard to the borrowing of money do not depend

on the population of the country, nor entirely on the financial status of the colony, but rather on the condition of the market in London. I am perfectly prepared to admit that no financier or body of financiers would lend money to this colony at 3 per cent., unless it could be shown the colony is able to repay the money, together with interest and sinking fund. But I contend that not only is this colony in a position to pay interest on loans as they stand to-day, but further, that the production of wealth is much greater than in any other colony, and that we have magnificent liquid assets which can be converted into cash at any moment. The position of this colony financially is so sound to-day that if the Government were prepared to transfer the railways to private capital and private enterprise in London, money sufficient to pay the whole of the national debt would be found in cash for the railways. I will go further and say that a sum of £15,000,000 could be got in London at any time for the transfer of the railway system of this colony, with the right to build extensions.

MR. MORAN: Norseman principally.

MR. MORGANS: The Norseman line would add very greatly to the value. If that is the financial position of the country, even admitting the figures that have been stated, then the sale of our railways alone, with the right to build extensions, would pay the whole of the national debt at the end of 1901.

MR. ILLINGWORTH: That is the argument they put forward in Victoria.

MR. MORGANS: I do not know what argument they put forward in Victoria, but in that colony political railways were built, which has not been done here, and on some of those railways the grass was growing six months after their construction. You cannot find that on any of the railways of Western Australia; and the construction of the railways in Victoria, has proved the existence of more jobbery and dishonour to the Government and politicians of that date than, I suppose, has been proved in the history of any British colony. I do not for a moment intend to compare the railways of Victoria with the railways of this colony, these latter having been built for commercial purposes and on commercial lines, and not as political railways, the

result of political jobbery. What better proof can you have of the splendid foresight of the Premier and his Government than the construction of the railway to the Eastern goldfields? What better investment has any Government ever made? And I would like to ask hon. members on the Opposition side, supposing they had been in the same position and in possession of the same facts, would they have resisted the temptation to build the railway? It is a very easy matter for hon. members on the Opposition side to criticise the Government.

MR. A. FORREST: And some hon. members on this side.

MR. MORGANS: Yes; and some on the Government side also.

MR. MORAN: Which side do you belong to?

MR. MORGANS: I belong to the right side. I know we have two political bogeys on the Government side of the House, but I will only speak of one just now, because the other is in the Chair. There is no doubt the member for East Coolgardie has completely turned a somersault in regard to his views and opinions of our goldfields.

MR. MORAN: No.

MR. MORGANS: This is by the way, but the hon. member appears now to have changed his love from gold-mining to agriculture. A change has come over the spirit of his dream, and we find now that this splendid advocate for the goldfields and all their rights is not so warm in his advocacy, that now on the contrary, judging from his speech the other night, he rather opposes expenditure on the goldfields.

MR. MORAN: Only one goldfield.

MR. MORGANS: I will accept that. I do not think he has any opposition except to the Norseman railway. I do not wish to do him any injustice at all. I say he did show a strong objection to that, and I think he was clearly wrong. It is quite clear, judging from the position my hon. friend has taken up, that he has turned his attention from gold to pork.

MR. MORAN: You have lived on "wild cats" a long time.

MR. MORGANS: There is one other point, and I do not think I will occupy members of the House much longer.

MR. MORAN: Do go on.

MR. MORGANS: You will see, on referring to the Agent General's report, that the whole of it simply points to the fact that at the time he was dealing with this question the money market was in an impossible state.

THE PREMIER: There were all those troubles in the Transvaal.

MR. MORGANS: That is all it showed. It showed nothing in connection with the financial position of this colony, but it indicated that the London market was in an impossible state.

MR. ILLINGWORTH: It showed that you should not have Treasury bills.

MR. MORGANS: No; it showed that when a loan cannot be successfully floated, the Government must issue Treasury bills in order to get the money.

MR. ILLINGWORTH: The money was wanted to meet Treasury bills.

MR. MORGANS: Precisely. It was to meet their liabilities. Whatever reason it may have been, there is no British colony which does not raise money by Treasury bills. It is, unfortunately, a matter of necessity, and the hon. member knows that such is the case as well as anyone in this House. He knows that we had a splendid example of that in the British Government the other day, when they issued Treasury bills to the extent of 10 millions sterling. So that system of finance is not peculiar at all to Western Australia, but is one which is adopted by every British and colonial Government. There is nothing strange about it.

THE PREMIER: It is adopted everywhere.

MR. MORGANS: It is strange that the member for Central Murchison (Mr. Illingworth), who certainly has a good grasp of finance, gets up and harps on this question of Treasury bills as he does. He knows that it is a legitimate scheme of finance. He knows that this Government and other Governments do this, and it is done by the British Government.

THE PREMIER: Hear, hear.

MR. MORGANS: What is the good of harping upon Treasury bills, harping on a policy which all other Governments carry out? It must be more advantageous to place inscribed stock at 3 per cent. than to borrow money at 4 per cent. on Treasury bills. We know anyone would rather pay 3 per cent. than

4 per cent. We need not discuss here whether it is more advantageous to float a loan or to issue Treasury bills. We know perfectly well that it is much better to float a loan, when the Government and the country are in a position to do so.

THE PREMIER: And do it cheaply.

MR. MORGANS: An argument was used by the hon. member (Mr. Illingworth) in regard to the railways. Before touching that, I would like to remark that supposing we leave out of the question entirely the very important point raised in regard to the production of wealth in in this colony (which is twice as great as in any other), and take only the liquid assets—realisable, live assets which produce a splendid revenue and must continue to produce a splendid revenue—then our railways alone would justify our borrowing money to a very much larger extent than we have borrowed to the present time. Giving credit to the country for the railways as a liquid and live asset, an asset that is returning dividends, I think our debt can be considered as some £30 per head of the population, as it stands to-day. Supposing that we were to set apart our railways to deal with the finances of the colony, then the most you could say at the present time would be that this colony shows an indebtedness of £35 per head. That would be the true financial position of the colony.

MR. MORAN: Supposing—

MR. MORGANS: I am supposing fact; you are supposing chimeras.

MR. MORAN: How can you suppose a fact?

MR. MORGANS: I am taking a supposition.

MR. MORAN: A supposition is not a fact.

MR. MORGANS: You cannot raise up arguments on chimeras.

MR. MORAN: A supposition is an unknown quantity.

MR. MORGANS: You can get a known quantity by using an unknown quantity. It must be admitted that these railways as an asset are entirely different from money invested in public buildings or in many other ways in which we find Governments investing money. We know perfectly well that they are returning profits, and therefore they are, I repeat, liquid assets and a value not only to the colony but a

security in the case of the Government wanting to borrow money. The member for Central Murchison (Mr. Illingworth) raised a point with regard to the extension of the railways in this colony, saying that the further you go on a railway the less is the profit, and I suppose he had in his mind the differential rates. I assume that this is what the hon. member bases his argument upon. I do not know whether I am right in supposing such to be the case.

MR. ILLINGWORTH: A lower rate.

MR. MORGANS: A differential rate. On the face of it a differential rate may appear to reduce the cost of carriage on goods at the end of a long system of railway. But you must bear in mind that if you have a thousand tons of freight to take over a railway of a thousand miles in length, the whole of that railway from the first mile up to the end of the thousand miles has the benefit of the freight. Therefore, supposing the rate per ton per mile at the end of the distance is less in proportion than the rate paid for the first part, still the fact that all the freight goes over the first mile of railway at a much greater cost shows there is a greater profit on the first mile, and therefore the loss is not so great on the last.

MR. ILLINGWORTH: The goods would go, anyhow.

MR. MORGANS: No. Supposing you do not construct the Leonora railway, there will not be one-third of the freight going to that north-east railway that there will be if the railway is constructed. It is not fair to assume you will get as much freight from a place in the back country where there is no railway as you will from a place where there is, and I do not think the hon. member would wish to convey that to the House.

MR. MOORHEAD: His argument went in that direction.

MR. MORGANS: Every member of the House will admit that the extension of a railway into a goldfield must mean the development of the resources of that goldfield.

MR. MORAN: If the goldfields are there.

MR. MORGANS: I am satisfied they are there, otherwise the railway would not be built. As to differential rates, I am prepared to admit that so far as

regards the latter end of the railway, they do make the working profit on that part of the railway (supposing you separate that from the other portions of the system) appear small. Supposing you split up freight over various parts, it would be fair to say that as on the first part of the line the profits are much higher than on the other portions, it would be a safe and proper principle for this Government or any other Government to increase the freights to and from the distant places. It would be a proper and safe thing to draw a line of demarcation on the railway at Southern Cross, another at Coolgardie, another at Menzies, and another at Leonora. Those people in the back country are getting all the advantage of the railway being built, and there is no doubt, looking at the enormous benefits which accrue to people in the development of their resources through the introduction of a railway system, differential rates might be arranged between Perth and Fremantle and the distant parts of the goldfields—differential rates could be arranged whereby the system would be divided into blocks, each of these blocks being made profitable. I am sure no one in Kalgoorlie, Coolgardie, or any mining centre of Western Australia, at the present time, would object to the railway rates as they stand to-day. I would like to ask what would become of Kalgoorlie, Menzies, or Coolgardie if the railways were taken away to-day. If you take a negative view of this question, and ask what would become of those centres without the railway, then I may ask you what will become of those enormous centres in the north-east districts when they get railways. The same thing will happen, and there will be an enormous development of the resources of those goldfields. Doubtless the great policy of this Government, and of the Government which succeeds that of my right hon. friend the Premier at an early date, I presume, must be a policy for extension of the railways of this colony; for otherwise the colony must stand still. Railway extension must be the keynote of the policy of Western Australia. There is no possible means of developing the enormous resources of this colony except by the construction of railways, and every point in those distant goldfields that will justify the construction of a railway must

receive the consideration of this House. The Government will have to borrow money to build railways in this colony, and they will have to see that these railways shall be made to pay for themselves. This is the policy that will have to be adopted. Notwithstanding that the hon. member (Mr. Illingworth) has tried to show that this country has no right to go beyond an indebtedness of 14 millions unless the population exceeds 200,000, I say this colony would be justified in borrowing up to 20 millions (supposing the population reached only 200,000) for the construction of railways, provided it could be shown that those railways, when constructed and running, would return interest and sinking fund and the working cost. [A MEMBER: Reproductive.] Yes, reproductive. I say that to raise the question of tying this colony down to borrowing upon the basis of population is misleading to this country and to those gentlemen at home who are so well disposed towards us, who desire to lend us capital to develop the resources of this colony, and who are quite prepared to lend this Government any reasonable amount of money, so long as the Government can show that the expenditure they are about to make, particularly for developing the goldfields, is justified; and I am perfectly sure that there will never be any difficulty experienced in borrowing necessary capital. I do not intend to say any more, except that I should like to express my regret, and I am sure I shall re-echo the sentiments of many hon. members, if not of all, at the announcement which was made by the Premier the other night of his early retirement from politics in this colony. [MR. ILLINGWORTH: Hear, hear.] Personally, I feel as a very humble member of his party in this House, that I am very much indebted to the Premier for guidance in the very small part I have taken in the public life of this country during the four years I have been a member of this Assembly. I have felt that in the right hon. gentleman we have had a great leader—[Several MEMBERS: Hear, hear]—and I feel that this country will never be able to adequately repay him for his great services. He has steered the destinies of this colony throughout a period of ten years. Fortunately, those ten years have been years of prosperity, but they have

not been without their difficulties, both political and financial. We remember that two years ago my right hon. friend had to approach this House with a large deficit, and we know how manfully he undertook the reduction of that deficit; and the member for Central Murchison (Mr. Illingworth) congratulated him upon the manner in which he so successfully wiped it out. Well, all credit is due to the Premier and his Government for the way in which they performed that service to the country. I mention this to show that although the Premier has had a prosperous career, at the same time it has been a career filled with many difficulties; and I, as another member who is leaving at an early date—I think this will be the last time I shall have the honour and pleasure of addressing this House—should like to add my testimony, to the effect that I look upon my friend the Premier as a great political leader, as one whose every motion has been based upon principle and patriotism; and I am sure that every member in this House will agree with me that when the Premier places his political armour at our feet and retires from this House, he will carry with him a spotless banner and a spotless reputation—a reputation of which any public man in this or any other country might well be proud.

MR. MORAN: I move that progress be reported.

Motion put and passed.

Progress reported, and leave given to sit again.

ADJOURNMENT.

The House adjourned at 9:50 o'clock, until the next Tuesday.

Legislative Council,

Tuesday, 16th October, 1900.

Papers presented—Question: Canning Jarrah Mills closed, Conditions of Concession—Question: Liquor Licenses, and Reformatories for Drunkards—Motion: Railway towards Norseman, to Construct 25 Miles, Amendment passed, Division—Motion for Papers: Judges and Conciliation Bill—Conciliation and Arbitration Bill, second reading, referred to Select Committee—Constitution Amendment Bill (Members of Federal Parliament, to disqualify), in Committee, third reading—Public Health Amendment Bill, discharge of order—Adjournment.

The PRESIDENT took the Chair at 4:30 o'clock, p.m.

PRAYERS.

PAPERS PRESENTED.

By the COLONIAL SECRETARY: 1, Beer Duty Act, Regulations; 2, Fever cases reported near Sanitary Pumping Site, North Perth, Return; 3, Rabbit Invasion, Correspondence.

Ordered to lie on the table.

QUESTION—CANNING JARRAH MILLS CLOSED.

HON. J. M. SPEED asked the Colonial Secretary: 1. If it is a fact that the Canning Jarrah Timber Company's mills at the Perth water supply catchment area were recently closed down for a period of six months or more. 2. Did the said company thereby break its agreement and render itself liable to ejection. 3. Why were steps not taken by the Government to have the said mills and the adjoining settlement removed.

THE COLONIAL SECRETARY replied: 1. Yes, during a process of re-construction of the company. 2. If the output from the machinery was less than twenty loads of timber per month, for six consecutive months, the unexpired term of license and the machinery were liable to forfeiture. 3. It was not deemed equitable, during the re-construction of the company, to enforce the extreme rigour of the agreement as to forfeiture, even if the circumstances would legally have justified the Government in so doing.

QUESTION—LIQUOR LICENSES, AND REFORMATORIES FOR DRUNKARDS.

HON. J. M. SPEED asked the Colonial Secretary: 1. Whether the Government,