

Legislative Assembly,*Thursday, 29th November, 1906.*

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

PRAYERS.**QUESTION—RAILWAY REQUESTS,
WEST GUILDFORD.**

MR. JOHNSON: I desire to ask the Minister for Railways, by leave without notice: 1, Is it true that the Commissioner of Railways has notified the local bodies of the West Guildford district of his willingness to visit the district and inquire into a request for the erection of a railway station, etc.? 2, If so, is it the intention of the Minister to accompany the Commissioner of Railways on the visit, as promised to a deputation? In explanation, I may add that I rang up the Hon. the Minister on the telephone to get this information. I was abused for my trouble, and was eventually told to ring off. Consequently, I desire to ask the question in the House.

THE MINISTER FOR RAILWAYS: Arrangements were being made with the Commissioner for Railways in regard to that matter, as the hon. member is aware.

MR. JOHNSON: I did not catch the reply.

THE MINISTER FOR RAILWAYS: Arrangements have been made with the Commissioner for Railways to visit that district.

MR. JOHNSON: If the Commissioner goes, then according to the Railways Act I cannot be present; and my question is whether the Minister intends to visit the district in company with the Commissioner, as he promised a public deputation he would do.

THE MINISTER FOR RAILWAYS: I cannot go this week. I may as well explain to the House in regard to the

matter, that some time ago I made arrangements for visiting West Guildford in company with the Commissioner of Railways. The arrangement was that we should make the visit on last Friday; but I found it impossible to go, as I had arranged to visit Smith's Mill in company with Mr. Gull, and also to attend at Claremont in connection with the gas plant. Therefore I requested the Commissioner of Railways to make arrangements to visit the district and attend generally to the requirements of the people in regard to a siding or station at that place. I placed the whole matter in the Commissioner's hands, as is plain to the hon. member opposite; and, unless a satisfactory arrangement cannot be arrived at, I do not propose to interfere.

QUESTION—TIMBER HEWERS.

MR. BATH asked the Minister for Lands: 1, Did the Forestry Department, through its officers, on or about Tuesday, 20th November, 1906, refuse to issue a timber hewer's license to W. Carliss, of Mullalyup? 2, If so, what cause did Carliss give the department to justify the refusal of the license which prevents him from earning a livelihood? 3, Have the officers of the Forestry Department power to refuse a hewer a license without just cause for so doing? 4, Have these officers power to compel inspection of timber cut on freehold or C.P. land, or insist on payment for same even if inspection is not desired by hewer, contractor, or owner of property? 5, Is there any redress for a hewer if he is refused a license without justification?

THE MINISTER FOR LANDS replied: 1, Yes. 2, Carliss was cutting simultaneously upon his private property and Crown land. The Ranger, in order to discriminate between the sleepers cut on private land and Crown land, wished to enter upon the private property and take tally of the sleepers. Carliss refused to allow the Ranger to do this, and the Ranger, when applied to for a license to cut on Crown land, refused to issue same, in order to confine Carliss to his private property. 3, The cause was considered sufficient to justify the refusal. 4, No. 5, In this case justification is claimed. In any case where it is considered that a license has been refused

without justification there is nothing to prevent an appeal being made to the Minister.

QUESTION—LANDS ACCOUNTANCY.

MR. H. BROWN asked the Minister for Lands: 1, What special qualifications are possessed by Mr. Peacock that caused the Government to engage his services to assist the Committee to assist the Accountant of the Lands Department to reorganise his department? 2, The amount of remuneration paid Mr. Peacock per day?

THE MINISTER FOR LANDS replied: 1, Wide experience in the planning and working of card systems and in modern business methods in regard to financial operations, gained mainly during a two years' tour of the world, made with the special object of becoming acquainted with the most up-to-date methods and devices in the conduct of all classes of business. 2, Mr. Peacock's services extended over four days, for which he was paid 20 guineas. In farther explanation, I may say that this gentleman was engaged on the recommendation of the Public Service Commissioner and on that of the Committee of Accountants, by reason of his special knowledge of the card system.

LAND TAX ASSESSMENT BILL LOST, INTENTION OF GOVERNMENT.

SPECIAL SESSION TO BE HELD.

THE PREMIER (Hon. N. J. Moore): In view of the action taken by the Legislative Council—I refer to the rejection of a measure which was submitted to that House for the purpose of raising certain revenue by taxation—I think it is desirable to make a statement at this stage. I deem it my duty to indicate the intention of the Government in regard to those measures which may be affected by the action of the Council. I am of course cognisant of the fact that the rejection of the Land Tax Assessment Bill was brought about in a small House, under peculiar circumstances, and that the decision, being as it is contrary to the decision expressed by the whole of the House in regard to the measure, does not truly represent the matured decision of another place. The intention of the Government

is to deal with the Loan Bill, the Loan Estimates, and the Railway Bills already decided on, and to continue the necessary preparations for carrying on the works. As, however, we realise that it is absolutely essential that additional taxation should be imposed, I purpose to recommend His Excellency the Governor to call a special session of this House in February next, when certain taxation measures will be submitted. I trust that before the special session is held, the Chamber which has been responsible for rejecting the measure will realise that if the public works policy which has been initiated and which we consider so essential to the welfare of Western Australia is to be continued, it is absolutely necessary that the Government be empowered to raise the necessary revenue to carry on the public works of the State.

MR. T. H. BATH (Brown Hill): I desire to say that the attitude which has been adopted by another place is not at all in keeping with what should be done on an important money and taxation Bill. I do not think their attitude in any way affects objections raised by hon. members on this side in regard to facilitating the passage of the measure by the Government accepting certain amendments. But the manner in which the Bill was rejected shows that it was not rejected because of the refusal to strike out the exemptions requested by another place, but owing really to the methods adopted by those who were entirely opposed to the tax. Under the circumstances I think that the Government are wise in adopting the opportunity of reintroducing the measure at the earliest possible date.

SESSION TO CLOSE, OPINION OF THE OPPOSITION.

MR. T. H. BATH (Brown Hill): Before the Orders of the Day are read, I desire by permission to make a statement in regard to the transaction of business at the conclusion of the session. As stated by the Treasurer and myself, we met with a view to arriving at arrangements, and I followed the course which was adopted by Ministerialists of consulting the members of the party before an arrangement was entered into on this very important question. The

opinion of members of the Opposition is that while they are anxious to facilitate the transaction of business as far as possible, as evidenced by acquiescence in the resolutions providing for extra sitting days and hours, and for the suspension of the Standing Orders, in view of the important business before the House they would not be justified in agreeing to fix any period or any particular date for the termination of the sittings of the Assembly. I have only to point out that the Opposition entered into an arrangement last year, and that to a certain extent the discussion of measures introduced at the termination of last session was not of that nature which evolved the fullest information to Parliament; and that is shown in the fact that even the Government acquiesced in a review of one of the decisions then arrived at by agreeing to the appointment of the select committee moved for by the member for Perth. In view of that fact, and in view of the fact that we have important Railway Bills involving a very considerable amount of expenditure, which will require the fullest information being supplied to this House, while they are ready, as I said before, to assist in facilitating the transaction of business, they do not think that with these measures before us they can agree to any specified date for the termination of the session. I have already spoken to the Premier in regard to this matter, and I felt it my duty to make this statement for the benefit of members of the House.

THE PREMIER (Hon. N. J. Moore): In regard to what the hon. member has said, I take it that notwithstanding what he has stated it will be found that by sitting every day with the exception of Saturday we will have ample time to give due consideration to the measures which will be submitted. As far as the Railway Bills are concerned, every possible information will be given, and it is our intention to have all the information that is available printed on slips, so that members may have exactly the same information as the Minister in charge of the Bill.

MR. BOLTON: It would not matter if they had to stand over till February, if you are to have a special session.

THE PREMIER: That will be a special session for one thing.

BILL—EMPLOYMENT BROKERS ACT AMENDMENT.

Read a third time on motion by **MR. A. J. WILSON**, and transmitted to the Legislative Council.

LOAN ESTIMATES, 1906-7.

Message from the Governor, with Estimates of Expenditure from Loan Funds for the financial year, now considered in Committee of Supply.

Vote—Departmental, £54,186, reconp £8,009:

GENERAL STATEMENT ON LOAN WORKS.

THE TREASURER (Hon. F. Wilson) said: In introducing these Loan Estimates to the Committee, I do not purpose to take up much time, because it will be readily seen that the Loan Bill which was introduced the other evening and the Loan Estimates are essentially bound up together. In introducing the Loan Bill, I went as fully as I deemed desirable into the measures which the Government propose to submit, and regarding which that Loan Bill covered the necessary authorisations for raising funds to carry them out. The Loan Bill shows the total amounts proposed to be borrowed for specific purposes, and in contradistinction to that the Loan Estimates show the amounts which it is proposed to expend out of loan funds during the present financial year. Of course the Loan Estimates, as members will see, give a very much wider range of details in addition to what I have just stated. I do not propose, however, this afternoon to do more than briefly explain the measure to members, and without touching on the details commit the same to the care of the Committee. The details are matters which affect Ministers in their individual departments, and will be much better dealt with as we come to them in Committee after the general discussion has been completed; therefore I do not purpose unnecessarily to take up the time of the Committee by discussing the details. I should like, however, to call attention to the items themselves. On page 3, under "Summary," members will find set out clearly the position of the General Loan Fund. In the first column they will find parti-

culars of the total amount voted in the Loan Estimates for the last financial year, and in the second column particulars of the total amount expended out of loan funds during that year. In the third column, under the heading "Liability under Section 36 of Audit Act," they will find particulars of the total expenditure authorised by the Government but not paid for at end of the financial year; and such expenditure is, of course, necessarily covered by "New Expenditure" in the last column of the summary. The difference between the first column and the two next columns—that is the difference between the amount voted and the column under the heading of "Expenditure," and the column under the heading of "Liability under Section 36 of Audit Act"—is the amount over or under, as the case may be, the vote of last year; that is, the amount under-expended or the amount over-expended as compared with the vote of last year. In the column under the heading "Recoup to Loan Suspense Account" members will find the details of the total amount expended for which no loan authorisation exists, but which is included in the Loan Estimates of last year and charged to Loan Suspense Account pending the passing of the new Loan Bill which is now on the Notice Paper. The amounts in question were duly authorised in the Loan Estimates of last year, that is the Government received the necessary authority to expend moneys under these headings; but as no Loan Bill was put before Parliament last year, such expenditure has to be dealt with in what is known as the Loan Suspense Account, to be subsequently covered by a new Loan Bill. That explains fairly clearly, I hope, the position of the summary of these Loan Estimates; and on pages 4 and 5 members have the details of that summary, showing the detailed railways, the detailed expenditure under "Departmental," details of Harbour and River Works, Water Supply and Sewerage, Development of Goldfields, Development of Agriculture, Roads and Bridges, and Public Buildings. It is unnecessary for me to labour any explanation of these. The Estimates, I am sure, appeal to every member as being explicit, and as showing exactly the details of the columns I have referred to

on page 3. Then if we turn to page 6 we shall find the details of Railways, Mines, and Lands Loan Salaries Estimates. These are the details of departmental amounts shown at the head of page 4. There members will see the totals of expenditure in respect of Mines, Railways, Lands, and Works; and on page 6 the details of that expenditure are set forth for their information. If we turn to consult these Estimates from pages 8 to 23, it will be seen that the columns are numbered. Column 2 shows the unexpended balance of loan appropriations on the 30th June, 1906, showing the balance of loan authorisations, including those in the present Loan Bill before the House. Assuming that the Loan Bill has already been passed, these are the balances as they stand opposite the different headings shown in that column. Column 3 gives particulars of expenditure for the present financial year, and agrees with the two columns showing Recoups to Loan Suspense Account, and New Expenditure, appearing on pages 4 and 5 previously referred to. Column 4, on page 8 and subsequent pages, contains the estimated unexpended balances of loan authorisations at the end of the present financial year; and in the other columns, 5 and 6, members will find opposite each item details of the progress made during the financial year ending the 30th June last, and the anticipated progress to be made during the present financial year till the 30th June next. That briefly explains these Loan Estimates; and in addition, members will find an important schedule which gives quite a fund of information. It gives all details of the position of the General Loan Fund, the unexpended balances, the Loan Estimates for 1906-7, and the provision which is required to be made in the Loan Bill. Members will see this schedule refers both to the Loan Estimates and the Loan Bill. The columns are numbered. The first column contains merely the progressive numbers of the items; the second shows the items themselves and the departments concerned; and in the third column will be found the total of the authorisations since the formation of the General Loan Fund in 1896. It is perhaps necessary briefly to explain that prior to 1896 each loan was kept in a separate account.

Moneys raised under authorisation were credited to each loan in the Treasury books, and the expenditure incurred under the authorisation was debited *per contra*. That system was abolished, for various reasons which I need not mention here; and since 1896 the whole of our loans when raised are placed to the credit of the General Loan Fund Account. This has enormously simplified the bookkeeping, and that is why members will see a total of only 11 million odd pounds in column 3, as against the total of our public debt to-day, some 16 or 17 millions. It is hardly necessary for me to refer to the other columns, for I did so when introducing the Loan Bill itself; but I should like to explain that column 4 shows the balance available under existing authorisations, and in columns 5 and 6 will be found the details of amounts which we propose to reappropriate—in column 5 the items from which these are to be reappropriated, and in column 6 the purposes to which the amounts will be applied. In every instance, as I explained when introducing the Loan Bill, it is endeavoured to keep the expenditure of a similar class of work to a similar district for which it was originally voted. In column 7, members will notice “Recoups to Loan Suspense Account,” totalling £145,362. This expenditure has of course to be covered by the Loan Bill before the House. In column 8 is the new expenditure as proposed in the Loan Estimates of £1,186,738, which is the amount, together with the recoups, which it is proposed to spend during the present financial year. Column 9 gives the balance of new expenditure thereafter, that is after the estimated expenditure on the different works at the close of the present financial year. Column 10 gives the total amount of expenditure. It really includes column 11 (which is the amount of the Loan Bill), and the available authorisation (with the exception of one or two items referred to in a foot note), and the reappropriations referred to in columns 5 and 6. I think it would perhaps be an insult to the intelligence of members if I endeavoured to say any more in regard to these documents. The returns are so clear that a little study on the part of hon. members will put them in possession of the whole facts as they appear to the Treasury to-day, and as

they appear to me. My intention in asking the Committee to permit me to introduce these Estimates now before we proceed with the discussion of the Loan Bill, was that hon. members in discussing the Loan Bill might have these details before them, because essentially the debate on the one must include the other. So we economise time and consult the convenience of hon. members, and members will have the fullest information which otherwise they would not have. I have much pleasure in moving the first item on the Loan Estimates.

On motion by Mr. BATH, progress reported and leave given to sit again.

BILL—LOAN, £2,467,000.

SECOND READING.

Resumed from the 20th November.

MR. T. H. BATH (Brown Hill): In dealing with the Loan Estimates, the Treasurer stated that it was unnecessary to make lengthy remarks in introducing them, because he had dealt exhaustively with the proposed loan expenditure for the forthcoming year in moving the second reading of the Loan Bill. It is certainly true that the Treasurer did speak at some length in regard to the Loan proposals of the Government, but I desire to point out one very significant omission, and that is the failure of the Treasurer in dealing with these loan proposals to give any idea to members of the House of the relation the loan expenditure will bear to the ordinary financial administration of the Treasury Department. The first point that strikes one in looking at these Loan Estimates and in taking the speech of the Treasurer in conjunction with them, is that it is a candid admission of the abandonment by the Government of one of the principles, or shall I say fighting planks of the Ministerial party when seeking election in October last. At that time the slogan, the war cry of the Ministry was: No retrenchment, nor economy. [THE TREASURER: No.] I mean economy in the shape of retrenchment—a complete abandonment of the mark-time policy and a vigorous public works policy from revenue. The Loan Estimates with the proposals embodied therein, so far as the present Ministry are

concerned, unless they have an extraordinary streak of luck, mean the practical abandonment of any vigorous expenditure on public works from revenue. Before I conclude my remarks I shall be able to show very conclusively, not only from the experience of last year but also from the Revenue Estimates presented to us, that my contention is absolutely correct. The Treasurer, in view of that position and in view of his inability to answer criticisms urged against him by members of the Opposition, now comes before us and says in effect, practically: "Perhaps we were too sanguine last October"—it is all very well to be sanguine when seeking election—"and it seems to me, as Treasurer of this State, that this is the psychological moment for introducing a bold public works policy from loan moneys." The Treasurer also gives us to understand that it is the only possible way of inspiring confidence in the investors of the State, and I presume the investors outside the limits of the State.

THE TREASURER: That is a good thing, is it not?

MR. BATH: It seems to me that if the Treasurer were at some pains to make himself acquainted with the financial history of the States of the Commonwealth, both when they were Colonies and since they have become States, he must admit that adopting a policy of loan expenditure has been continually the refuge of incompetent Treasurers in those States; and so the burden of the argument rests not with members of the Opposition to show the folly of a borrowing policy in substitution for wise expenditure from revenue on public works, but it is rather the duty of the Treasurer to demonstrate the superior virtues of the proposals embodied in this Loan Bill, and to show that in launching into this policy he is taking a new departure altogether from that adopted in the Eastern States of Australia, beyond all possible dispute, with disastrous results to those States.

THE TREASURER: Are you going to oppose this Bill?

MR. BATH: The hon. member will have no doubt as to my attitude before I conclude my speech. I listened to the Treasurer without interruption, and I desire him to extend the same considera-

tion to me. [THE TREASURER: I beg your pardon.] I was pointing out the experience in Australia of carrying on public works from loan expenditure, and there can be no shadow of doubt that the whole history of the financial administration of the States proves that this policy has been one which has been followed by disastrous effects. And then I have only to point to a colony in which the result is even more striking, I refer to the colony of New Zealand; and it is common history, not only as far as Australia is concerned but throughout the whole world where an interest is taken in financial concerns, that in New Zealand, as the result of the borrowing policy adopted by Mr. Julius Vogel and his successors, New Zealand was brought almost to the verge of bankruptcy, in spite of the lavish expenditure of money right and left from one end of the colony of New Zealand to the other. The policy that secured the support of those people was really that of support in return for concessions. The population was leaving New Zealand, the departures were greatly in excess of the arrivals, and it was only due to the birth-rate of New Zealand at that time that there was a slight increase in the total population in those years. We know, when as a result of the financial ruin which, as I said before, brought New Zealand almost to the verge of bankruptcy, these people ultimately were thrown out of office and a new Ministry had to come in to practise economy, to cut down the loan expenditure of what in many instances had been expended on unproductive works or unredemptive works. And they had to devote themselves to raising money by means of a land tax and an income tax in order to carry on more of their public works from revenue and retrieve their position. We know how they retrieved their position under the guidance, first of Mr. Ballance and afterwards of Mr. Seddon; they retrieved the position of New Zealand, and it is only in recent years they have departed from the sound policy fathered by Sir George Grey and introduced by Mr. Ballance. It is only in recent years that they have departed from that policy. I can only use the evidence that exists in New Zealand at the present time that the change from the hitherto prosperous conditions enjoyed is attributed in the

greatest degree to their departure from the sound financial policy hitherto produced.

MR. FOULKES: Some people attribute it to too much Labour legislation.

MR. BATH: I can answer that contention. There was no legislation prior to 1890; the whole of the Labour legislation which they enjoyed has been introduced since 1890, and in spite of what has been said by critics and commercial men those engaged in industrial enterprises have enjoyed greater prosperity, and the workmen and women employed in the factories have enjoyed better wages and conditions, and more employment has been found as a result of the Labour legislation and the wise developmental policy introduced in conjunction with it. No Labour legislation with unwise and reckless administration would keep that colony in a prosperous condition. The members of the Opposition, while they are committed to Labour legislation, are just as strongly committed to sound financial administration, and just as strongly committed to the policy of loan expenditure on no other than reproductive, or to express it better, redemptive works. It seems to me a policy such as this, introduced at the present time, is an exemplification of the fact that the Treasurer as the financial head of the State has not the moral courage to embark on that policy, to attempt to alter the position as far as Western Australia is concerned; because he probably recognises that it will involve some temporary unpopularity, and he is not prepared to face that temporary unpopularity for the sake of the ultimate good that will accrue to the people of the State. In regard to the claim that the expenditure of this loan money is to give renewed confidence to the investors, and is going to evidence to them that this is not only a Government with a policy of faith, but a Government with a policy of work—the idea embodied in that statement of the Treasurer is altogether contrary to the practices of the commercial world. If the member for Claremont or the Premier goes to a financial institution for an overdraft they are not likely to get it unless first they have to give ample security, and they would not be likely to get an overdraft if it were known that those gentlemen in-

tended to embark in reckless undertakings. It would depend as much on the faith of the bank in their financial acumen as that they had a certain amount of security behind them before an overdraft would be considered. No individual could secure an overdraft unless he were able to give to the financial institution the greatest amount of security.

THE PREMIER: We could satisfy them it is a profitable undertaking.

MR. BATH: Satisfy them it is a profitable undertaking, and satisfy them that the persons engaging in the undertaking are not reckless individuals but men capable of managing commercial concerns.

THE PREMIER: They could get that undertaking all right.

MR. BATH: The banks would not be likely to go to a man like Benson, who was known as the "plunger," who had at one time between £70,000 and £80,000 behind him, and lend him money to splash up at Monte Carlo. It is the same thing in connection with private undertakings; and this rule as applied to private undertakings in the commercial world should apply to the control of expenditure by any Administration. We also have the very absurd idea that our credit in Great Britain is increased by the amount which we borrow from them, and that the proper way to increase the confidence of the investor in the old country, in Australia, and in the possibilities of Australia, is to borrow as much money as possible. That is an idea dinned into the heads of the people of Australia since I have taken an interest in politics. We have the member for Perth and some of his colleagues, or shall I say satellites, some of his followers, stating that because the members of the Labour party were opposed to an indiscriminate borrowing policy, they are destroying the confidence of the investors in this State.

MR. FOULKES: Many of your party object to borrowing.

MR. BATH: The hon. member will find after the members on this side have spoken, that he will have no doubt in his mind as to the policy of the members of the Labour party. The fact remains that it has been stated that the confidence of the British investor is destroyed because a part of the Labour party is opposed to a borrowing policy. This is

what Mr. French, the general manager of the Bank of New South Wales, says after a recent tour of the Continent:—

There is a kindlier feeling in British financial circles towards Australia. They all know about the money held by the Australian banks in London, and this together with the repayment of several loans and the probable repayment of others has led them to the conclusion that this is not the paper country they believed it was.

That statement from a gentleman of Mr. French's high financial standing as the general manager of a leading banking institution practically amounts to this, that the people of the old country are prepared to place more confidence in a community or group of communities which is self-reliant, and is self-reliant because the people believe in their own resources, than in a community which in a time of financial stress resorts to the London money market to tide over the difficulty. I wish to point out that the Treasurer is not alone in respect of indulging in the dangerous profession of prophesying. We have the Minister for Works claiming to prophesy with certainty as to our attitude towards these Loan proposals. I had no conception of what gave him justification for acting as prophet until, on perusing a report of his speeches in Geraldton, I found that he claimed personal acquaintance with the angel Gabriel.

THE PREMIER: Is that you?

THE MINISTER FOR WORKS: I was not far out, anyhow.

MR. BATH: Probably that acquaintance justifies the hon. gentleman in playing the part of prophet, but according to the scriptural injunction, false prophets are not usually sent to paradise to roam with the angel Gabriel, but to a place where a very warm reception awaits such spirits. In this respect, the Minister for Works is undoubtedly a false prophet; but he is not the only one. The Treasurer, in lending the most glowing aspect to his financial proposals, also indulged in prophecies regarding the future population and future development of Western Australia.

MR. JOHNSON: They will be together, then, in the warm place; they will be associated even there.

MR. BATH: It appears to me that in deciding our attitude with regard to im-

portant financial proposals such as this, it is not our duty to prophesy for the future, or to build our hopes so much upon the future, but rather it is our duty to decide our action in the future by our experience of the past. Although the Treasurer pointed out that these loan moneys, if raised, by the end of 1908 would increase our indebtedness by £9 8s. 6d. per head of the population, making it £73 12s. 2d. per head, he maintains that the increase in population is bound to restore the balance.

THE TREASURER: Certainly. Why should it not?

MR. BATH: The Treasurer quoted certain figures as to the increase of population between 1904 and 1906; this by way of demonstrating his contention as to what will be the result in the future. Now, I shall go to the experience of the past to show that the hon. gentleman's prophecies are not likely to be fulfilled. I wish to point out the remarkable feature that during our past years of the greatest loan expenditure—in the years immediately following the greatest loan expenditure—the State has had a period of depression and a period of falling population. In those years, years during which the member for West Perth (Mr. Illingworth) was in control of the financial administration of the State, when the finances were handled with a view to relying on our own resources to a greater degree, we had a steadier, greater, and more certain growth of population than in the years characterised by a fluctuating loan expenditure. I have here some figures which I have collected from the statistics of Western Australia, dealing with the increase of population and giving a great many other particulars. In 1905-6 the amount of Loan expenditure was £650,000; in 1896-7 it was £2,609,000; in 1897-8 it was £1,896,000; and in the following year just over £1,000,000, showing a big decrease. It is a remarkable thing that, immediately following this big loan expenditure in Sir John Forrest's time, we had that period of depression during which the State suffered a decrease in population, even allowing for the increase in births when the birthrate was fairly high, to the number of 471. That was the loss of population. Farther, the increase in the following year was only 8,000; in the

next year it was 11,000; and only when under the financial administration of the member for West Perth sounder financial methods were introduced had we anything like a return to the increase of population which characterised those years in which the development of the goldfields brought a large number of people to our shores. This shows the fallacy of the Treasurer's argument. I wish to point out, too, that the year 1898-9 was the year when Sir John Forrest, who was said to be the optimist of Western Australia, the only man who really has faith in its resources, was the greatest pessimist within the borders of the State. Then he said:—

We may well rest from borrowing except for short extensions of railways required. . . . We have given the Colony a good start and it should be able to depend on its own resources now to a large extent. . . . We are getting into a more settled condition, and steady development must take the place of spasmodic effort. We must be careful not to increase our indebtedness much beyond present capita- tion, but as the population increases so can the indebtedness increase. We are better off in respect of indebtedness than other places. We owe £52 per head, but Queensland owes £67, and South Australia £69 per head. . . . We have done most of the great works that are required for our development. I can only say that when the time does come that this country is self-supporting, when we are living within our means and not dependent on loan moneys, I can well understand the position of the Minister under such circumstances being a comfortable and pleasant one.

The indebtedness then was £52 per head of the population, and Sir John Forrest said that it would be a dangerous thing to allow that amount to increase, but that if the population increased the total, the aggregate debt might increase, though not the amount per head of population. Now the indebtedness is £64 per head, and we have precisely the same story from the Treasurer. I suppose that when the Treasurer is like Rip Van Winkle, we shall have the Treasurer of that future day rising to say that the indebtedness is £90 per head of the population and that it must not be made any more. That is exactly the attitude adopted by those financial men, those administrators who depend upon loan expenditure for the carrying out of their public works without any

regard whatever to the burden which is imposed on the taxpayers. It seems to me that the figures I have quoted show that the best years of Western Australia's financial history have not been the years when there has been abnormal loan expenditure; but that the best years have been when capable men, wise, far-seeing men, have been in control of the finances, and have said "This is a good country with good resources, and we can get along better if we are more self-dependent than we have been in the past." The reason for this is not far to seek: it lies in the years of financial stress, when we have the choice between two methods: the one, as I said, of temporary unpopularity but characterised by a fixed determination to retrieve the financial position of the State; the other being simply to say "We are not prepared to undergo this temporary unpopularity; it is an easy thing to pass the burden on; we can gain a fleeting popularity by borrowing a large sum of money and splashing it up, and we can pass the burden on to the other fellow. We shall have all the credit, all the kudos, and the man who follows after will have all the blame, all the obloquy which attaches to the individual who sets himself the task of righting the finances of any community." I have referred to the experience of Treasurers in the past, and I want to refer particularly in this case to the experience of the member for West Perth when Treasurer of this State. Prior to the hon. member's taking office in that Administration we had had Sir John Forrest's Administration in existence since the establishment of responsible Government in Western Australia. Yet, although he receives the credit for many of the works undertaken in Western Australia from loan expenditure, we have only to read the political history of this community to find that while he received all the credit the member for West Perth and his colleagues had to raise the money to carry out the works. The glory has gone to those who really were not charged with the work of financial administration, and the unpopularity and obloquy attached to those who had the responsibility of raising the money and of construction. I trust that before this

debate on the Loan Bill has passed we shall have from the member for West Perth some of those independent criticisms I have listened to with so much pleasure in the past, and that he will from his matured experience in connection with politics in this State give some sound advice to the Treasurer in regard to some of the proposals the Government have embodied in this Loan Bill. The member for West Perth is supporting the Ministry. I have seen the time when the hon. member was supporting a Ministry before, after he ceased to occupy the position of Treasurer, but we could always rely at that period on the member for West Perth being independent and at times caustic in his criticisms of the financial administration of the community; and I hope that before this debate is over we shall have a flash of the old fire from the hon. member.

THE PREMIER: "There is life in the old dog yet."

MR. BATH: There is another feature which is marked with the experience of the past, and as I said before, the experience of the past is the best guide, because we have been essentially during the past 10 years a borrowing State, and we can go to no better source than that experience for our guidance in the future. The characteristic feature of the past experience of the State has been the increased inroads which interest and sinking fund have made on the surplus of our revenue over and above ordinary administrative expenditure. Of course it is only natural that with an increased loan expenditure the interest and sinking fund bill should increase; but it is not so natural or so desirable that the interest and sinking fund bill should encroach more and more on the surplus revenue over and above administrative expenditure. In 1893-4 the interest and sinking fund charges were £103,837. In 1905-6 they have increased to £764,933, and for the forthcoming financial year they will be well over the £800,000 mark. Setting that side by side with the reduction of the amount of money which we devote from revenue to expenditure on public works, you can see how this large indebtedness is affecting our expenditure from revenue. I have here the expenditure on Public Works and on Mines, two of the great public works departments of the State, and I

find that in 1903-4 we expended on these two departments £707,389. In 1904-5 it was reduced very considerably, to £586,000, and in 1905-6 it was reduced again to £468,000, and the estimated expenditure for 1906-7 is very considerably below that amount again. In view of the amount that has been raised up to date in the State from our sources of taxation and revenue, it is not likely they will be able to carry out even the low estimate they have placed before us.

MR. LLLINGWORTH: It will be £100,000 less.

MR. BATH: Yes. This is the position. Out of revenue we were able to build many works on the goldfields in the way of water supply and assistance to mining out of the mining vote. This year out of our revenue estimates it is purely and simply an administration vote; an administrative vote alone. Then take the Public Works Department. In 1903-4 we had an expenditure of £518,000 out of our revenue on public works; administration, and also the works themselves. In 1905-6 we could only expend £238,000. The amount for 1906-7 will be much less again, and if in the future this tendency goes on as in the last few years, it will mean that in our Public Works Department, so far as revenue is concerned, the money voted will only be for administrative works. This is a serious position. It will mean that unless some action is taken to check it, unless some effort is made to stem the tide, no matter what the work is, whether reproductive or non-reproductive, relating to the building of schools, roads, or public buildings, we shall have to find the whole of that expenditure out of loan moneys. With that policy in contemplation it will not be long before we are in the position New South Wales and Victoria were in many years ago. [Interjections: They have a surplus of two millions—they have got over the slump.] That is because they have wiser methods: redeeming their loans. The railways are the best thermometer we have in regard to the influence of our loan expenditure and the question as to whether we are receiving anything like a fair return or revenue over and above working expenses from our loan expenditure. Over half of our total loan indebtedness is embarked in our railways. I refer to these figures, and they are very

significant. Since the years 1905-6 and 1906-7, when the percentage of profits in relation to the cost of construction was in the one case 11·48 and in the other 9·04, we have gradually been getting into a worse and worse position, until at the present time we are not even paying interest and sinking fund. And this is a department of State in which half our loan expenditure is involved. That in itself is a sufficient warning that there is need to go carefully and slowly. The great need is to investigate to the fullest possible extent the work in which our loan expenditure is involved; because I am not here to oppose any loan expenditure on reproductive works. These are necessary for the advancement and development of the State. In regard to railways, the chief item on the loan proposals is in connection with the construction of railways both in our mineral and our agricultural belts, and although the amount set down in the Loan Estimates this year is something over £500,000, the total amount contemplated is £1,793,000. When these proposals were introduced last year it was pointed out by members on this (Opposition) side; and the result has amply justified our criticisms on that occasion, that not sufficient information was being supplied, that there was a possibility that some of these lines would not pay, and the consuming population of the State would have to bear increased taxation; would have to bear the burden for many years before these could possibly be paying propositions. The justification of our attitude is shown in the position in regard to the Kojonup Railway; also in the result of the railways from York to Greenhills, and Northam to Goomalling; and in the fact that since 1902, the last year that sectional returns were issued, there has been very little improvement in the position of the lines which at that time were non-paying lines. While main lines like the Great Southern and South-Western cannot pay working expenses and interest, how can we hope that spur lines constructed from those main lines will pay interest and sinking fund?

THE TREASURER: That is the principle adopted in America all over: putting down spur lines to increase the traffic on the main lines.

MR. BATH: In America it is a three-cent freight.

THE TREASURER: It all depends on the traffic.

MR. BATH: It depends on whether one is a member of a combine or trust. Such a member can get a rebate, but the ordinary rate which crushes out the farmer and every other man in America is the three-cent rate, which is almost a proverbial saying in America; three-half-pence a ton per mile. The only people who get an advantage are those who have a secret rebate to enable them to cut out competitors. The position is that we cannot expect these lines to pay if the main trunk lines are not paying; and the point upon which our energies should be concentrated is to try to utilise these lines or to have the lands utilised in order that the railways will pay. The construction of spur lines involves an increased working expense. Although they bring extra traffic to the main line there are extra working expenses, and if they show a loss that will probably more than counterbalance the profits which might otherwise be shown on the main lines. I have not here at the present time the reports of the working of the railways in New South Wales and Victoria, but I saw a list in the report of the Railway Commissioners for 1905, showing that on 20 or 30 railways, the majority of which were spur lines, there was a total loss in New South Wales alone of over £400,000. In Victoria they gave a list also, and the remarkable thing is that in this instance the railways are spur railways, and in some cases they had to pull the rails up. The capital expenditure had really gone. Although the rails might be utilised in some other direction, the Government were involved in this expense without any appreciable advantage to the community. The fruit of their policy of spur lines in New South Wales and Victoria has led them to adopt a principle—somewhat different in Victoria to that in New South Wales—which if adopted in Western Australia would lead me to support any reasonable proposition in this State for the construction of spur lines to assist our agricultural districts. If we adopt the same principle as they have adopted in New South Wales, the betterment principle, and the one in Victoria, which places the responsibility on the

people the line will serve, of an assurance that it will pay interest and working expenses, I am prepared on reasonable information supplied to support any proposal for spur lines to open up our agricultural districts in Western Australia. I have no desire to discourse at any length on these propositions, because I intend to embody my views in the shape of an amendment to the railway proposals brought down by the Treasurer, but they are essentially in favour of the betterment principle and providing for a contribution from those people whose land will be benefited or who will get increased value, in order that the taxpayers may be insured against having to pay a large amount in the shape of taxation to make up for loss on the railways. That principle has been adopted in New South Wales and Victoria; it is to be adopted in South Australia, and is being adopted in Queensland. Other States have precisely the same kind of traffic to cater for as we have, for they have great wheat-growing districts; and every State is guarding itself in this way against the working of unprofitable railways. And when we are embarking on the construction of spur lines, the Government will be wise if they look into the matter and adopt some similar system. Another feature of these railway proposals was complained of last session—the lack of information; not the lack of casual information supplied by some Minister or private member or some irresponsible person who says there is so much good land on this side of the route and so much on that; but it is essential we should have the opinions of men competent to express opinions; the opinion of an engineer as to the cost of construction, of some expert, say the manager of the Agricultural Bank, as to the possibilities of the land, and the opinion of someone who can speak with authority on the probable traffic and the cost of the railway. If we have these opinions, the discussion of the railway proposals will be greatly simplified.

MR. JOHNSON: As in the case of the Norseman Railway project.

THE PREMIER: Estimates of traffic and so forth are all problematical.

MR. BATH: And again we have in Victoria an example of what can be done in this respect. I do not wish to follow

the Victorian example by appointing a committee consisting of members of the Assembly. I should infinitely prefer qualified experts selected from outside the Assembly. But we do want some competent authority to advise members regarding these loan proposals. I think it is unjust, unfair to the people, to ask members who have not seen the districts, who have no opportunity of seeing them, owing to the wide areas they cover, to vote for proposals on the *ex parte* statements of persons who are really unfit to express opinions. Again, we have the battle of the routes. We have the question as to which of the lines are the more urgent. I undertake to say many places are more worthy of consideration than some favoured in these loan proposals. People who have had promises, who have been relying on those promises—relying, I will say, with far too much faith; people whose just claims are neglected in these loan proposals—are left lamenting. And not only would an advisory board be able to report on the merits of any particular railway; the board could report on the merits of one proposed railway over and above another; and where we have only a certain sum at our disposal, and cannot cater for all those entitled to consideration, we should have an authoritative expression of opinion as to which projects merited first consideration by Parliament, and we should thus rid ourselves once and for all of the possibility of its being truthfully said that certain railways were put on the Estimates because they suited so-and-so, who was supporting the Government. We should have the report of an independent, capable, and efficient board, who would not only express an opinion on the railways themselves but would tell us which railway should secure preference. I have no intention of dealing at length with the individual works and the departments which are to be catered for by this loan expenditure; but I do wish to say that in the item Harbours and Rivers there is need for the greatest caution; in fact, there is need for a review of some of the expenditure undertaken from loan moneys on these proposals. According to the published accounts till June 1906, the total loan expenditure on Harbours and Rivers, etcetera, is

£2,402,000, of which sum the Fremantle Harbour Works absorbed £1,679,000, leaving a balance of 722,000 for the other undertakings. The total received last year by consolidated revenue from Harbours and Rivers was £70,304; and of that total £53,884 was the net amount contributed by the Harbour Trust to the consolidated revenue of the State.—

THE PREMIER: Some of the other harbours contributed to the railway revenue.

MR. BATH: Leaving a sum of £16,420 to pay interest on the total expenditure, on the balance of £722,000; to pay working expenses, interest on loan moneys, and contribution to sinking fund.

THE TREASURER: What about the revenue the railways collected from harbours?

MR. BATH: The railways collected revenue from works constructed by the Railway Department.

THE PREMIER: They collected £18,000 for wharfage at Bunbury.

MR. BATH: Even making the allowance required by the Premier, loan moneys have been absolutely shovelled into those harbour works, and the general taxpayer has been called on to pay the interest and sinking fund. It is very well to say, "As long as we pay interest and sinking fund, we are all right"; but if we pursue this policy, making the general taxpayer pay the interest and sinking fund on our expenditure, we shall soon be up against a dead wall. At the present time our Mines expenditure from revenue is purely administrative; our Works expenditure is fast becoming purely administrative; and we shall soon be in a disastrous position. With wise discrimination in our loan expenditure we have no need to fear, so long as we have interest and sinking fund provisions in our Loan Bills; but if we are continually to make inroads in the surplus of our revenue over and above administrative expenditure, then we must either have efficient financial administration or the reduction or the abolition of our sinking fund, thus breaking faith with the investors who have provided the money on condition that the contributions to a sinking fund shall be regularly made. As to the Fremantle dock, it seems to me the Minister for Works (Hon. J. Price) must have been talk-

ing without his book at the Fremantle election. At that time the issue was unquestionably the immediate construction of the Fremantle dock; and some time ago I made bold to prophesy to people in Fremantle, enthusiastic admirers of the Minister for Works, that the dock would not be started within twelve months, in spite of the reports which if brought into this Chamber would cover the table and probably swamp members out of their seats. And I am safe in saying my prediction is justified, though unlike the Minister for Works, I do not claim acquaintance with the Archangel Gabriel. My prediction is justified by the Treasurer himself, who says he cannot see how the work can possibly be commenced within twelve months. And the next time I meet the Fremantle friends of the Minister for Works I will tell them that my prediction is verified. It seems to me the Fremantle dock project has been used in a most unworthy fashion; and if an advisory board were appointed to report not only on railways but on other works, I believe it would once for all abolish the practice of making public works party issues at elections, making the issue hang not on party policies but rather on the question of which party was likely to construct certain works. On that score alone it would be well if the House were to say to the present Ministry, "Let us have the opinion of an advisory board of competent persons as to these railway and other proposals." In the promises made by the Minister for Works and his colleagues with reference to the Fremantle dock were oaths, and if the same penalties were exacted for breaking those promises as are exacted for perjury, then the Minister and his colleagues would be in an altogether different dock.

THE MINISTER FOR WORKS: Suppose you said what were the promises.

MR. BATH: At times innumerable I have produced that dreadful dodger bearing the Minister's photograph. I have no desire to be continually digging it up against him. Certainly it is a skeleton in his cupboard; but I wish it to rest there if the Minister is willing.

MR. BOLTON: The promise is in the *West Australian*.

MR. BATH: One other matter I desire to mention before concluding—the

method to be adopted in raising the loan moneys. And while the Treasurer is somewhat scared about going to the market at the present time, we have nothing to guide us in forming an opinion whether better terms will be obtainable six or twelve months hence. I say, with the amount of capital now lying idle in the banks, this is an opportune time for a Treasurer who can inspire confidence by the character of the works to be undertaken, to see if he can raise some of that money in Australia—if not in Western Australia, within the confines of the Commonwealth.

THE TREASURER: I said I proposed to do so.

MR. BATH: The money is there, but I do not think the moneyed people have confidence in the Treasurer. I am trying to put the Treasurer in the way he should go. We have in the banks of Western Australia deposits bearing interest £2,354,000, and not bearing interest, £3,291,000. If the Treasurer's loan proposals are all right, if the works to be undertaken are all right, if there is a reasonable prospect of their being reproductive, he should be able to say to those depositors, "Here is an opportunity for you to utilise some of your money now lying in the banks." There is also an opportunity for the Treasurer to follow the example of South Australia, and dispense in a large degree with the intervention of the middleman in the raising of our loans and the inscription of our stock. If the Treasurer will read the speech of the Treasurer of South Australia, he will find that State raises its money much more cheaply than this, and that its flotation expenses and the cost of inscribing its stock is much lower than in any other Australian State, for the reason that South Australia depends largely on its own officers, and not upon middlemen in the old country, who often take advantage of the necessities of a State to exact unfair terms. The Treasurer will know that the Premier of Victoria was also inspired with the desire to fix up a Mr. Nicolson, who is a middleman connected with the flotation of loans in the old country. It seems to me there is an opportunity, if not for individual action by one State, a splendid opportunity for concerted action by the States, to get their loans floated without allowing

the middlemen to exact their own terms. Apart from the consideration whether the Commonwealth should take over the State debts, or whether the States should have one office in the old country, I think the Treasurer and the Treasurers of other States should try to make some mutual arrangement to avoid competition in the loan market, and to avoid the heavy flotation expenses involved. I repeat there are some proposals—the expenditure on public buildings, on roads and bridges and other works—which I have no intention of supporting, and which I will oppose as I opposed them towards the end of last session, because there is no possible justification for that course.

THE TREASURER: The money for roads and bridges is all spent.

MR. BATH: There is public works expenditure for next year. I am prepared to support any proposal for the construction of spur lines or mineral lines, if we can have the taxpayer of the State secure from heavy taxation, and if we can provide that the paying for unremunerative works will be by some betterment principle. Any step in that direction would also be an incentive to those through whose land the railway runs to use their land, because it would not pay them to wait for the unearned increment due to the lines being constructed by public moneys, and it would cause them to utilise their lands when the railways arrived.

THE PREMIER (Hon. N. J. Moore): I do not intend to speak at length, not feeling too well; but I would like to compliment the Leader of the Opposition for the exhaustive manner in which he has treated the subject. He has evidently gone thoroughly into the subject and the House is indebted to him. I would like to refer to one or two of the matters he has referred to in connection with the railway policy of the Government. He has indicated that he is of opinion that it would be advisable in considering our railway proposals to appoint a board with a view to obtaining information not only in regard to the cost of construction, but also in regard to the quality of the country traversed and the probable traffic. As far as the first information is concerned, that is easily obtainable. It will be found that as far as those Bills on

the Estimates are concerned, the total cost is given, and we have to submit, when the Bills are at their second reading stages, detailed information in regard to the cost. It is a matter very easily arrived at after the survey is made, but at the same time we are all aware that departmental officers usually err on the right side. In regard to Bills submitted to the House at the end of last session, it was stated by the engineer who compiled the estimate that in all probability those lines then authorised would cost something like £1,347 per mile. On that occasion the Government indicated that it was their intention, as far as possible, to cut down that estimate; and as a result we find that the 70 miles of line cost something like £13,000 less than the engineer's estimate.

MR. ANGIN: Now you wish to relieve the department who control them of all responsibility from accidents, etc.

THE PREMIER: The provision in the Bill to be introduced by the Minister for Railways is to provide for terminal charges, so as to as far as possible make these spur lines pay working expenses. We realise that the spur lines should at least pay working expenses, if they cannot pay interest and sinking fund. In regard to the proposal for the betterment principle, it is a question which has received the consideration of the Government; but it is a very difficult question to adopt in many of the districts in Western Australia. In some cases it would inflict great hardship, where settlement is sparse, unless we could debit a certain amount of revenue from the betterment tax to the Crown lands which would be increased in value by virtue of the railway being constructed. Along the route of the Donnybrook-Preston Railway, the Bill for which has been given notice of, something like 80,000 acres in one block was recently forfeited to the Government owing to conditions not having been complied with. That land in its present state would not be worth more than 7s. 6d. to 10s. an acre, but with the advent of a railway we would have no trouble in disposing of it at at least £1 an acre. Consequently in allocating any betterment tax we must bear in mind that the State itself and the Crown lands served by the railway must bear a certain proportion of the tax. It

is a big question, and I am glad the hon. member has raised it. I hope we shall hear some interesting information in regard to it. It is a question that has troubled me in dealing with this matter, because, as far as traffic is concerned, it is to a large degree problematical. Take the estimate prepared in connection with the Norseman Railway. Mr. Douglas assured us that the traffic returns would be a little over £5,000 per annum.

MR. JOHNSON: He based his estimate on the existing traffic.

THE PREMIER: Yes; but we must realise that with the advent of a railway and a reduction of freight from £7 a ton to £1 a ton, it must necessarily follow that the mines and industries in the district must be developed to a large degree, and that there must be increased traffic. In arriving at that estimate, as far as my memory serves me, Mr. Douglas said that there was an average of something like two passengers per week to Norseman. We know that when a community of 1,600 to 2,000 people become connected with the railway system, the probability is that 100 will travel per week instead of two. Therefore in considering this question, so far as the traffic is concerned, the whole matter is problematical.

MR. JOHNSON: We must get a basis to work from.

THE PREMIER: Take another case, say a line opening up an undeveloped wheat area; the traffic on the first year possibly will be very small indeed, but in say two years afterwards, if the land is good, the traffic must increase to a large extent. An instance was given by the Leader of the Opposition of the traffic on the South-Western Railway. I am not quite sure as to what the actual figures were, but according to the returns prepared on the last occasion sectional returns were kept, that railway showed an increase of 10 times the amount of traffic we had on that line when it was first opened.

MR. BATH: Yet it showed a loss.

THE PREMIER: The hon. member has said that it was the experience of many of the Eastern States that some of these lines had to be ripped up. I would point out that, as far as these spur lines are concerned, the whole of the value is practically in the rails, fastenings and

sleepers, the question of labour being the only other consideration. On the Goomalling line the whole cost of forming and platelaying was a mere bagatelle; and if in some instances it might be proved that these lines do not pay, it is only a question of £30 a mile to rip up a line. The thing is done repeatedly in different parts of the timber forests, and £30 is the estimate allowed to rip up a line and get the rails and fastenings ready to put down at another spot. The hon. member referred to the fact that the last time these railways were considered in the House there was not sufficient information given. It is difficult indeed to give any information other than what was supplied on that occasion. When the Treasurer, who was then Minister for Works, introduced the Bills, the only information he had available was the amount of land alienated, the amount of land under crop, the amount of land ring-barked, and the amount of first, second, and third-class land available for selection. I do not see that any farther information could have been given. Many members complained then that they had not the opportunity of inspecting these routes at all; but I wonder how many members have, during the last 12 months, travelled over any of the proposed lines which it was thought might be brought down this session. When speaking at Bunbury I intimated practically all those lines included in the present Loan Bill which we thought would be brought down this session. I venture to say very few hon. members have taken the trouble to go over those routes.

MR. HOLMAN: The House met as soon as you delivered your speech at Bunbury.

THE PREMIER: It was six or seven months ago. I want hon. members to have the fullest information, and I am particularly desirous that they should have the opportunity of inspecting some of these light lines. With that object in view, if I can make some arrangement, I shall endeavour to have a special arranged so that those members who are desirous will have an opportunity of going over the Goomalling line conveniently, so that they may see for themselves what has actually been done in the way of light railway construction. They will

find it an object lesson. The main thing any Government in power must bear in mind is that, when lines are completed, they must not be interfered with much by the Existing Lines Branch. It is very easy for a maintenance engineer of the Existing Lines Branch to say, "We can knock out curves here and ease grades there," but it only adds capital cost to the lines; and though the line was originally built at under £1,100 per mile, if it is left to the maintenance engineers they will soon add to the capital cost. It is the duty of any Government to watch expenditure in regard to existing lines. The hon. member in touching on the loan proposals spoke of the necessity for doing everything as far as possible from revenue. I think we must all realise that it is a fair thing that posterity should bear a little of the burden in regard to some of these works being constructed; more especially when we bear in mind that in 40 years the sinking fund wipes out the total amount. We recognise that principle in all our municipal loans, and why we should not recognise it, not only with railways, but with such an institution as the Claremont Asylum, a work which might very well be debited to loan expenditure; though personally I intend, as far as possible, not to sanction any more expenditure than we possibly can help from loan moneys on roads and bridges.

MR. BATH: You must remember that we are posterity in a sense.

THE PREMIER: If we can provide from revenue the cost of administration and maintenance of all our works, I think that is all we can be expected to provide. Certainly, with a limited revenue we cannot provide for any great public works; and as long as we are satisfied that the undertakings we have entered on are genuine ones and are formulated in the best interests of the State and that they will be productive, we cannot go very far wrong in loan expenditure in that direction. I maintain that the expenditure from loan money has been very well justified to the present, when we recognise that we have spent it on such solid assets as railways £9,618,000; water supply, £2,892,000, and harbours and rivers, something like £2,462,000. It is an evidence that practically the whole of the money has been wisely and

judiciously expended, and that it was absolutely necessary to a new country such as ours. That money was spent, I maintain, on works which are largely responsible for the position of Western Australia at the present time. It was in 1891 this House was first asked to approve of a loan authorisation of £1,336,000 and since then something like £16,664,000 has been raised, or authorisation has been obtained for it; making, as pointed out by the Treasurer, a total indebtedness of something like £18,000,000. At that time, in 1891, it was considered that we were entering on too great a responsibility; but the confidence of those who controlled the affairs of the State at that time we now must all recognise as well founded, and I think I am safe in saying that there is not a member of this Chamber who is not satisfied that it is absolutely necessary we should show we also have confidence in the State. If we are not prepared to spend a little money in the development of our own resources, it is plainly apparent that those who have money to invest here will not be prepared to embark on their operations with that determination which they would evince if the State were prepared to prove that it has confidence in itself.

MR. JOHNSON: But it is the other fellow's money you are going to spend!

THE PREMIER: Those of us who have been in business know that if your business is dull, and you want to extend your operations, you do not hesitate to go to your banker for an overdraft.

MR. BATH: Do you know that there is not one big fortune in the world that has ever been made out of borrowed money?

THE PREMIER: I know of a number of fortunes in this State that have been made out of borrowed money. Just let the hon. member ask our friend here (Hon. J. Mitchell) who has had some considerable experience of banks, and the hon. member will find that half the people in the district from which our friend comes have made a competency by reason of the fact that they have been able to go to the bank and get an advance. Provided you give good satisfaction to the bank, not only as to the fact that you can give security, but also as to the proposition being a good one, and you will always find money available to back

you up. That, at least, is my experience. (Numerous interjections.) While we recognise the necessity for careful consideration in regard to the schedule of the proposed Bill, I am confident that any member with a good general knowledge of the State will realise that while this programme covers a large number of works, it is not one whit too comprehensive for the necessities of the State, and that as such it must command the support of those who have the best interests of the country at heart. Most of the proposals contained in the loan policy of the Government have been before the House during the last six months, while two of the proposals have been standing dishes really for two or three sessions, or even longer—I refer to the Pilbarra Railway and the Norseman railway. I presume hon. members by this time have made up their minds whether it is advisable to go on the money market for funds for these two works. From a perusal of the schedule it will be seen that some £1,200,000 is to be spent on railway construction; some of these lines—the Wagin-Dumbleyung and the Katanning-Kojonup, for example—are in course of construction, while the Goomalling-Dowerin line has already been handed over to the Railway Department. I wish to say, in regard to departmental administration, that a sum of £110,000 has been provided for this item, and hon. members will recognise that to be a very liberal allocation for this particular item, especially if they bear in mind that much of this work has been done by administrative officers. We have allowed practically five per cent. on the whole of the loan to administrative salaries, whereas in one matter alone—I refer to the expenditure of £450,000, approximately, on rails and fastenings—the cost of inspection will be only 3 per cent., so that in this particular expenditure, totalling £450,000, there is a margin of something like 2 per cent. for us. The railway lines altogether will absorb £1,193,100, whilst £100,000 has been provided for lines the construction of which might be determined on at a later period. The Leader of the Opposition has referred to the fact that there are certain other lines which are also deserving of consideration, and bearing this in mind, and with a view to their ultimate

construction, we have thought it desirable while we were raising a loan to make provision for a farther £100,000 in order to allow of consideration being given to these lines also. Several of those which have been brought under my notice are certainly deserving of special consideration. One proposal is an extension from Goomalling in the direction of the Wongan Hills. Another proposal is for the construction of a railway from Broomehill down the Tambellup river, in the direction of Ravensthorpe. Now the Ministry have regarded these proposals favourably, but the money required for them cannot be expended until the Bills authorising these proposals have been brought down for the consideration of the House and passed by Parliament. Of the £1,193,100 which is set down in this Bill, Parliamentary authority has been given for the expenditure of £1,772,000, made up of additions and improvements to open railways, £51,600; Collie-Narrogin railway, £86,000; Goomalling-Dowerin railway, £7,500; Katanning-Kojonup railway £19,000; and Wagin-Dumbleyung railway, £13,100. These figures represent the cost of construction, exclusive of the cost of rails and fastenings. To these amounts we must add a certain farther amount for the Collie-Narrogin railway, which, as hon. members may be aware, is to be constructed with 60lb. rails, as against 45lb. rails provided on the other lines. I had an idea at one time of making provision for 30lb. rails, but, after due consideration, and bearing in mind that the reduction in cost resulting from the substitution of the lighter rails would amount to only £120 per mile, whilst, on the other hand, the lighter rails would necessitate more sleepers, and bearing in mind also that our present rolling-stock is rather heavy for 30lb. rails, we came to the conclusion that it would be false economy to go in for anything lighter than 45lb. rails. For the Collie-Narrogin rails and fastenings, £33,500 is provided.

MR. JOHNSON: Are you using 45lb. or 60lb. rails on that line?

THE PREMIER: On the Collie line, 60lb. rails. In connection with the Goomalling-Dowerin railway, £8,800 is provided for rails and fastenings; Wagin-Dumbleyung £15,000; and Katanning-Kojonup £18,500; making a total of

£75,800 for the rails and fastenings required for these four lines, which have been already authorised by Parliament. This makes the proportion, so far, of the loan appropriation which has already been authorised by Parliament, £254,000; so that practically one quarter of the whole of the items for railways is to be devoted to lines which have already received Parliamentary authorisation. The amount for the Collie-Narrogin line represents the cost of the portion uncompleted between Collie and Darkan, a distance of something like 50 miles. This when finished will unite the two great trunk lines of the South-Western railway and the Great Southern railway. It should be open for traffic at a very early date.

MR. FOULKES: Do you mind telling us the reason why you do not use the lighter rails on the Collie-Narrogin line?

THE PREMIER: Perhaps the hon. member may be aware that when the Collie-Narrogin railway was surveyed, the survey was made with a view of carrying coal traffic; and, this being one of the chief purposes of the line, considerable attention was given to the matter of grade, and a ruling grade of one in 80—that is, with the load—was obtained right through. Now it necessarily follows that, having secured a good grade, we must provide an adequately stable track; and always remembering that the line was to carry heavy traffic, we decided to put down 60lb. rails. The Commissioner of Railways informs me he expects, as a result of the construction of this railway, that a large proportion of the coal traffic which now goes over the South-Western line and has to come down from Collie to the western face of the Darling Range and then afterwards go up the range again *via* Chidlow's Well, will be diverted to the new line. Thus the necessity for traversing these heavy grades will be done away with, and at the same time the line constructed of 60lb. rails will carry much bigger train loads than would otherwise be the case.

MR. FOULKES: Would not the 45lb. rails do for that purpose?

MR. JOHNSON: The 45lb. rail will not carry the big engines.

THE PREMIER: No. For coal traffic very heavy engines are used, and also

trucks of 25 tons capacity. This class of rolling-stock would knock a light road about very considerably. The Government came to the conclusion that, having obtained a good grade, and in view of the cost of the construction of the line, it would be false economy to adopt a lighter rail than 60lb. All the other railways, the Goomalling-Dowerin, the Wagin-Dumbleyung, and the Katanning-Kojonup, as I have already said, have been constructed at something like £200 per mile under the cost estimated by the Minister when introducing the Bills authorising the construction of these railways. It will be a trifle under £1,100 per mile that the cost of construction averages. A sum of £555,000 under this Bill is devoted to what may be termed mining railways. To this I must add that provision is made in various parts of the Bill for water supply to the extent of £58,000 in connection with these mining railways; and, besides, £6,300 for workshops, buildings, and machinery, making a total of £611,800 to be spent in connection with these mining railways. The railways proposed for construction are the Coolgardie-Norseman, which accounts for £147,500, its length being 101 miles; the Black Range railway accounting for £133,000, and of a length of 96 miles; the Ravenshorpe railway accounting for £52,000, of a length of 34 miles; the Port Hedland, accounting for £223,000, and 115 miles in length. This gives a total of £555,500 for the mining railways, exclusive of water supply, workshops, and buildings.

MR. HOLMAN: Is that for rails and fastenings alone?

THE PREMIER: No; that is the total cost. I have added the rails and fastenings to the cost, as shown in the Bill. The costs in the Bill are much below those I have stated, but the Bill contains a special item for rails and fastenings. The fact that the whole of these proposals, with the exception of the Coolgardie-Norseman line, involve very heavy freight on sleepers will have to be taken into consideration. This factor accounts for the increased cost, while the freight on rails and fastenings as far as the Coolgardie-Norseman line is concerned will amount to something like £50 extra per mile, as compared with the cost of the agricultural lines. Reference

has been made to the question of sleepers in connection with the railways, and I wish to point out that so far as the Katanning-Kojonup line is concerned nothing but white gum sleepers have been used. As a matter of fact there is no salmon gum growing in the Katanning-Kojonup locality. On the Goomalling-Dowerin railway we have tried salmon gum, and I wish to point out—I think goldfields members will bear me out in this—that the salmon gum growing on the fields seems to last equally well with jarrah. The surface workings of the Great Boulder mine are practically all salmon gum, and the Kurrawang firewood line has been constructed with salmon gum sleepers, which have been down something like four years. Therefore, it appears that timber grown in the locality is often suitable for the work. In connection with the salmon gum on the Great Boulder mine I am informed that it has been in use for 10 years; and I can state that to-day it is as sound as a bell. When I passed from Boulder into Kalgoorlie, going towards the Hannans Club, I observed that the jarrah kerbing of the streets was eaten away by white ants. Here we have a case in which the local timber is certainly more suitable than the imported jarrah. As regards the case of the Hopetoun line the increased handling runs up the cost considerably. It will be necessary to tranship the rails at Fremantle into a small steamer, and then from that small steamer they will have to be transhipped into a lighter; consequently the cost will be raised by at least two different handlings, as compared with the cost of rails for the other railways. The remaining lines are what might be termed agricultural development lines, with the exception of the Jandakot-Armadale line, which will unite the South-Western railway directly with the port of Fremantle, and, it is hoped, render the present section, which is practically a white elephant, a payable proposition. One hon. member pointed out, during the discussion on the Railway Estimates, that if the Jandakot line was to be built, certainly the duplication between Armadale and East Perth should not have been made; because this means that we shall have three sets of rails from Armadale to Fremantle where two would suffice. Cer-

tainly it would have been much the better course to refrain from duplicating that section, and instead building the Armadale-Jandakot line in the first instance.

MR. JOHNSON: The only way to make it pay now is to close up Bunbury harbour.

THE PREMIER: Yes, that is so; but I do not think I can quite agree to that proposal. As regards the Jandakot line it will be noted from the schedule that, whilst costing considerably more per mile to construct owing to the fact that it will be built to the same standard as the section from Fremantle to Armadale, this line also will be laid with 60lb. rails. It is undoubtedly an entirely different proposition from the light spur lines which are being constructed, and anyone who has gone over the line must have noticed the considerable amount of heavy work involved in its construction; consequently, the amount we have put down for the Armadale-Jandakot section will not prove excessive. Of the agricultural railways, totalling as they do some 220 miles, while some of the lines are intended to open up large areas at present partially settled, two or three of them will run into fairly closely settled districts, the development of which has been considerably retarded by the want of proper transport facilities. I have little more to say, except to point out to the hon. member (Mr. Bath) an error in his criticism of the harbour works, with their return of £70,304 to consolidated revenue. To give due credit to the harbours, we should add to that sum the amount collected by the Commissioner of Railways, in the shape of wharfage from various jetties. Until quite recently the Commissioner collected 2s. per ton on every load of timber that went over the jetties at Albany, Bunbury, and other ports. At Bunbury alone the revenue amounted to £20,000, which went to swell the railway revenue instead of going to the credit of the harbour; so in analysing the figures of revenue obtained from the Harbours and Rivers it is well to bear in mind that we ought in fairness to add a considerable amount received by the railways. In conclusion, I feel sure, if these proposals are carried out, they will be conducive not only to the development of the State

generally, but to the best interests of the citizens of Western Australia.

MR. W. D. JOHNSON (Guildford): I wish to endorse some of the remarks of the Leader of the Opposition (Mr. Bath), as to the extreme caution needed in the expenditure of our loan funds. We know that Western Australian is now in a depressed condition, and while our people feel that the prospects of the State are not so bright as they were formerly, they are all crying out for a vigorous works policy; and in their anxiety to get works constructed they seem altogether to disregard the result of any extensive borrowing. It is the special duty of members of this House to see that the greatest care is exercised; because we are all influenced by public opinion, and no members are more influenced by public opinion than the Ministry of the day. They are constantly in contact with people who feel that certain works should be constructed in order to make brighter the condition of the country; consequently Ministers, having this view constantly before them, are possibly led to take steps which in their calmer moments they would admit deserved greater consideration. I think it is our duty in this House to impress on the Government that great care is necessary; and though I should not like to go so far as to say that we should stop public works for a while to see exactly where we are to land, I must emphasise the need for caution. It was said at one time by the member for Subiaco (Mr. Daglish) that we must review our position, and that to do so we must mark time. Perhaps the words were unfortunate at that juncture, but they were nevertheless wise. That course was necessary at the time, because we had just lost our buoyancy of revenue, and were arriving at a stage when we had to exercise the greatest care over our revenue expenditure. It was then necessary to consider our position, and to do that Mr. Daglish thought it well to mark time. Perhaps that was not quite justified; and I believe that in private business people do not usually suspend their businesses when they find there has been a falling-off in revenue; but what they do is to consider seriously every move to be made, and the means of com

pensating the losses sustained. To-day we must exercise the greatest care; and when some members urge that greater care should be exhibited, it is unfair for other members to say the former are naturally opposed to borrowing money for public works. By way of interjection the member for Claremont (Mr. Foulkes) tried to infer that the Opposition were opposed to borrowing. That is absolutely incorrect. At the present time Sir John Forrest is going through the country making the same incorrect statement—that the Labour Party are opposed to borrowing. That statement he has repeatedly made, and it is incorrect. But we believe that in connection with our borrowing policy we have to exercise the greatest care; and especially should we exercise care in spending our money. I do not think the Premier meant what he said just now—that all we had to do was to see that our loan expenditure returned to us working expenses.

THE PREMIER: I did not say that.

MR. JOHNSON: Or that all we required from revenue expenditure was a return equal to working expenses, or that undertakings constructed out of revenue need not return more than the cost of working. Even though we spend revenue on public works, I think we should get interest on the expenditure; and it is an absolutely unsound contention that revenue expenditure need not return more than the working expenses of the undertaking. I think the Premier did not mean exactly that he would not expect interest from revenue expenditure. If he did mean that, I trust he will reconsider his policy; otherwise, goodness knows where Western Australia will land. In connection with the raising of loans it is continually urged by some members—and at Geraldton the Minister for Railways emphasised the statement—that in order to raise loans we must first tax ourselves. He tried to prove that the only consideration given by London investors to loan proposals was, what were the people of the borrowing country paying by way of taxation. To my mind the London investor does not take anything like that into consideration. So far as I can ascertain, he considers only what is the population of the country; what is the burden of debt per head of population; can the country

carry an increased population? His view of the proposition is based on population; and that being so, our first consideration is, and the only sound policy any Government can pursue to increase its assets, to increase the power to raise and to borrow money, is first to increase the population. While I was a member of a former Ministry, I took that policy into consideration. My colleagues and I were continually discussing it. We said, "What we want in Western Australia is a larger population." We tried to ascertain how we could get that population; and I venture to assert that we outlined a policy which would eventually have increased the population. And what was our first consideration, a consideration publicly announced? That we must have increased land settlement. The land we could have settled at that time was thirty or forty miles from existing railways. We realised we could not expect people to settle on such land and to farm successfully, when their produce had to be carted for that distance. We decided to introduce light agricultural railways. Speaking at Geraldton, at the opening of the national show, I outlined the intention of the Government to build a series of light agricultural lines with a view to opening up our land for increased settlement, thus increasing our population.

MR. EWING: This Bill will just suit you.

MR. JOHNSON: I am coming to the Bill. I had numerous conversations with the Engineer-in-Chief as to the possibility of reducing the cost of construction if we decided on light agricultural railways. I realised at the outset that the first necessity was cheap railways, and that to get them we must tell the Working Railways to mind their own business. The officers of that department are the people who have caused so much trouble in connection with railway construction in this State. As the Minister for Mines pointed out last night, we must see that the Working Railways do not load up the capital cost of these agricultural lines. Last night I gave as an illustration the Menzies line, in respect of which the Public Works Department, who know more about railway construction than the Working Railways know, specially urged that certain stations should not be constructed on that line, because the districts did not

justify them, and for other considerations they were not necessary. But we found the Working Railways persisting in demanding a line up to a certain standard, and consequently they got it. To-day much of the expenditure is waste capital. That applies to the Menzies line, and to several others. I found the first thing we had to do was to tell the Working Railways to keep out of it for a little while; that the Public Works Department would build the lines cheaply; and after they were constructed we had to see that the Working Railways did not say the lines were not up to the required standard, and that the capital cost must be increased. The Labour Government followed up that project. It has been said great credit is due to the present Government for initiating a system of light agricultural railways.

THE TREASURER: We have built them.

MR. JOHNSON: What is the true position? The Daglish Ministry outlined these proposals as part of their policy. They instructed the Works Department to suggest a cheap means of railway construction.

THE TREASURER: But forgot to mention the matter to Parliament.

MR. TROY: It was mentioned in the Governor's Speech.

MR. JOHNSON: Then they appointed the Immigration Commission to ascertain the possibility of increasing land settlement. The Commission were instructed to investigate the question of spur lines; they elicited from the Works Department the very information the Labour Government had told the department to prepare; and plans were submitted to the Commission outlining the routes of the spur lines. To cap all, the Daglish Government went to the London market, raised the money, and handed it over to the present Government to carry out our policy. Now we are told that the present Government deserve credit for that policy. I believe one member of the House used the words, "If they have failed in everything else, they deserve credit for introducing the system of light agricultural lines." We should give credit where credit is due. I do not get much credit in this world, and I want a little credit for the active part I took when introducing these light railways. I am satisfied with

the progress made, and I give every credit to the present Government for pushing ahead those railway projects. Ministers deserve every credit, and I will avail myself of the kind invitation of the Premier to see one of those light agricultural railways, because I wish to know what work the department are putting into the lines for the cost allowed per mile; consequently I desire to give credit to the Government for the work they have done in this direction. It brings me to another point, that seeing it was part of the policy of the Labour party that these lines should be constructed, and seeing that the Labour party were convinced it was a sound policy, it is unfair to say the party are opposed to the construction of light railways. They are as much concerned about the necessity for land settlement in this country as any party in the House, and they desire as much as any party to assist in the development and progress of Western Australia; consequently when these Bills come before us, because we criticise them, because we counsel a little care, and counsel perhaps a little more consideration, it cannot be interpreted to mean that we are opposed to the very policy we ourselves were responsible for initiating. I do not say that we absolutely initiated it, because spur lines were spoken of long before the Daglish Government. There is very little more I desire to say, but I wish to refer in a few words, in support of the contention of the Leader of the Opposition, to the advisability of appointing a board of experts to go into these railway proposals. It is a matter that has been discussed in the House on several occasions, and the Labour Government put it into force in connection with the Norseman Railway. It has been stated that the report in connection with that railway is of very little value. I disagree with that entirely; it is a valuable report. We have in it the report of the Engineer-in-Chief, giving proposals for different grades of railway, what a cheap railway will cost, and giving full particulars; we have also the State Mining Engineer giving the possibilities of the district from a mining point of view, and we have a traffic expert going into the revenue that would be derived from existing traffic. We could not expect a traffic expert to calculate what bearing the future progress

of the district would have on the traffic, but he gave us a basis on which to go. He told us what we could expect from the existing traffic. We all know very well that the very building of the railway will increase the traffic to Norseman. The Premier spoke of the calculations being based on two passengers per week; but I know myself that there are more than two passengers per day per bike. I have been down there by coach. If there was a railway to Norseman I would not use the coach, and I do not know any person in Norseman who is anxious to do so. However, we see that the traffic to-day is not traffic that goes by coach, but traffic that goes by bicycle; and that should be taken into consideration. If it were taken into consideration to-day the number of passengers per week would be ten times more than stated in the report, but we have in the report a basis on which to work; it is circulated amongst members, and we have something to start on. Under existing conditions there is a possibility of Ministers painting a picture just a little brighter than it should be.

THE HONORARY MINISTER: Ministers have to take the responsibility.

MR. JOHNSON: Yes; but take the Katanning-Kojonup line. There is a proposal which was brought down by the Government, and the Government convinced the House, I believe, because I was not present, that the line was the best proposition out of the three then before the House.

THE TREASURER: The Opposition said it was the only proposition they would support.

MR. TROY: Not on the present route.

MR. JOHNSON: At any rate members were themselves satisfied that the Katanning-Kojonup line was the best of the three proposals. Why was it the best? Because the Minister gave a little more information concerning it.

THE TREASURER: No.

MR. JOHNSON: Then why was the House convinced? Members had not gone down to see.

THE TREASURER: Members were convinced before I spoke.

MR. JOHNSON: How is it that to-day, although members did not visit the locality, and although they admitted that it was the best proposition of the three, we find that it is the most unpopular of

the three? I did not know it before, but I know it now, that there is a great deal of dissatisfaction existing in Katanning and district over the railway.

HON. F. H. PIESSE: Not in Katanning.

MR. JOHNSON: I have reliable information.

HON. F. H. PIESSE: Will you give it?

MR. JOHNSON: Yes.

HON. F. H. PIESSE: And will you give the names of the people who gave it.

MR. JOHNSON: Yes; I will have a conversation with the hon. member and explain the whole thing to him. It has gone this far that I am perfectly pleased now that a select committee was appointed in order that they could go into this proposition. It brings me to the point that the Katanning-Kojonup line was then the popular line and to-day it is the unpopular line.

THE MINISTER FOR WORKS: It is the only line subjected to criticism from two or three men, and there may be nothing in it.

MR. JOHNSON: The Minister is wrong. It is not two or three; it is a large proportion of the people in the district. I have to-day received information from a man, in whom I have absolute confidence, that there is a lot of dissatisfaction, and this man is a fair authority in these things. However, hon. members by their interjections are leading me away, and I do not wish to speak at any length. The position is that the Katanning-Kojonup line was the popular line. The Minister must have given a brighter picture in connection with that line than other lines, and we had the energetic member for Katanning (Hon. F. H. Piesse) ready to give his picture as bright as possible, so that we had all hon. members more anxious over that line than over any other. I do not say that they injured the State in their anxiety to get the line built, but it only demonstrates that it is possible that the worst proposition may get the most consideration at the hands of the House, and that we do not get that information we should get. I maintain that the only way to get it, and to remove this possibility of a picture being painted a little brighter than it deserves, is to get a non-political and noninterested party to go into this question and to report to the House.

THE TREASURER : Not members of Parliament?

MR. JOHNSON : No. Get away from politics in these things. Let us have a nonpolitical board.

THE TREASURER : They have a political board in New South Wales.

MR. JOHNSON : I would be perfectly satisfied with a board consisting of the Engineer-in-Chief, a man who we know is one of the best authorities on railway construction in the State, if not in Australia, the manager of the Agricultural Bank, who is an undoubted authority on the possibilities of land, and the Chief Traffic Manager, who would go into the question of the possibility of freight.

MR. HEITMANN : Leave him out.

MR. JOHNSON : I am satisfied with him, and I have confidence in him. There are three men we could appoint to go into the question. They are disinterested, and we would have an impartial report given to the House, and something to work upon. I trust we will not go too fast. As much as I am anxious to see this country, especially the agricultural districts, opened up, I still think there is a danger of going a little too fast in connection with these agricultural lines. I think it would be better if we saw how one line was worked for a little or if we waited to see how these three lines worked.

THE HONORARY MINISTER : We have had the Goomalling line for some years.

MR. TROY : Is it paying?

THE HONORARY MINISTER : It is a paying proposition.

MR. JOHNSON : We have not had a light agricultural line built. The only propositions in that direction are the three brought in last session. The Goomalling Railway is not a light agricultural line. I would like to see whether there is anything in the statement of the Commissioner of Railways contained in his report, that there will be difficulties in operating these lines. It is possible that the Commissioner of Railways in his prophecy may be correct. The only way of satisfying ourselves on the point is to see how these lines operate for some time.

THE HONORARY MINISTER : Say ten years.

MR. JOHNSON : We can see in 12 months or two years how the lines are going on. I do not wish to be misunder-

stood. I do not say that we should not take other lines into consideration. The position is, and I suppose it will be so, that we will not be able to do a great deal in connection with the loan proposals we have before us to-day. We have first to get the money. The Treasurer says there is a certain amount of difficulty in getting the money. After we have the money we have to place our orders for rails and fastenings, and so we will have 12 months' experience of one or two of these lines before we get any of the others. I trust the Government, although they get authority to construct these lines, will take the experience gained on the three lines before constructing the others. There is absolute necessity to exercise care. It has been said, by the Minister for Railways last night, and by others, that we have the experience of the goldfields firewood lines. I hope to goodness we will never run our traffic on lines such as they do there. True they chuck down a line and cart firewood over it, but the Government could never operate a line of the same standard as those built by the firewood companies on the goldfields. It suits their purposes. If a truck is capsized you hear nothing of it. There are plenty of men working about the spot, and they rush to the scene. They pick up the truck and put it on again, and away she goes; there is no difficulty in it; but if we had the experience of a truck being capsized on the agricultural railways we would have the line hung up for a while.

THE HONORARY MINISTER : The farmers would do it.

MR. JOHNSON : They would not be there. You want 50 or 60 men about to do as they do. There is no comparison between the two classes of railway, and it is not right to base the cost of construction of light agricultural lines on the cost of construction of firewood lines. Consequently we have had no experience yet of operating these lines, and I trust the Government, before they start the other lines, will profit by the experience gained in connection with the three now nearing completion. There is nothing else I desire to say. I have no intention, as the Minister for Works prophesied, of opposing the Loan Bill tooth and nail. It is true that as the different proposals come before us I will want information.

I will want certain information in connection with the railway propositions; but generally speaking, I desire to give every assistance to the Government to carry out these loan proposals, and I do counsel them to exercise great care in the expenditure of this money.

HON. F. H. PLESSE (Katanning): I am sorry I was not here when the Treasurer introduced the Loan Bill, feeling that it is so necessary for all members to hear speeches on these important matters. It seems to me that with so much prospective work before us, and rushing along as we have been doing for the past few months at a sort of break-neck speed to do more than we possibly can do if done properly, many good speeches are lost to members because they cannot give the whole of their time to the long hours of sitting in this House. It seems to me that if we are to have work carried on thoroughly we should not attempt too much legislation, but try to get through the work within a reasonable time, and then we should not have the complaints made by some members last session as to rushing the work. As regards the Bill itself, I have read the speech of the Treasurer, and I have had an opportunity of looking through the Bill, and although the amount appears to be large, it is an amount which the country can afford to raise because of the great possibilities of this State. Although our population is small we have immense advantages in this country over other parts of Australia. We have a large area of virgin land available to people and at lower rates than land is available in the other States. We are trying to do our best to induce the population to come and settle on the land. This is the only way in which we can induce population. We must take on our shoulders the responsibility of raising this large sum, comparatively speaking with other amounts which have been raised recently, but it is not large when we take into consideration the opening up of the vast area of country. We have heard so much said about the agricultural lines, but we must not lose sight of the fact that some attention has been paid to the opening up of the mineral resources of this country, giving communication to districts which have long been asking for it. It has been stated in regard to the Norseman

railway that there has not been sufficient development in the past, and not sufficient encouragement now to construct that line; but it can be built at a moderate cost, and knowing the cost of transit from the nearest point of the railway to Norseman I think the expenditure is fully justified by present prospects. I am satisfied when the railway is constructed we shall see farther development by prospecting in that country, and we shall see a great deal more done there than has been done in the past. This will help the country considerably. We have the farther extensions to the North-East. They are justified. It is such railways as these that we have built in the past that have opened up the distant fields and brought them into touch with the people in other parts of the State. Then the railway in the North is mentioned, the line from Port Hedland to Marble Bar. If all the accounts are true this line will open up a very fine area of country, and no doubt the reports are authentic. It is a line that should have been built earlier, and it is a line which will repay the expenditure, and will open up a part of the country that is little known. I compare that country in many respects to the outlying districts surrounding agricultural centres which have been spoken of by members who know very little about them. It is because members have not seen the pastoral country that they disparage it and speak in condemnatory terms of it. The Marble Bar country has not been visited by people so often as other parts of the goldmining centres have, and the people have not had an opportunity of judging of the capabilities of that part of the State. One thing that convinces me there is a great deal of good in that country, and that the mineral sources are most important, is that the people who go out there seem to be doing well. They stay there and continue to develop the country. If the country was not worth developing the people would soon leave; but they have done well in that country, small fortunes have been made there. The people are working quietly, not in such large numbers as in the better known centres, but at the same time there is certain evidence that the prospects of the place are good, and the people who have been

there are so far satisfied with the results. I shall be glad to see the proposal to construct the line carried because it is the commencement of a work which will be eventually of service to that important district. In regard to the agricultural lines mentioned I am certain the opening up of different parts of the country through which the lines are to be built will afford a great opportunity for settlers to take up land. What I like to see is an opportunity given to people to take up land under equal conditions to other people who have taken up land adjacent to lines already in existence. And I hope the lessons which have been learned in the past will be of benefit in the future, and that we shall see that the land is more rapidly developed than some of the lands that have been taken up and which are close to railways. Of course there has been a good deal of development, but not as much as I think ought to have taken place because the inspection and enforcement of conditions of inspection have not been strict. The Lands Department had good excuse as the work was sprung on them so rapidly, and the staff was not equal to the demand, but we ought to have put on more men and have seen that the people settling on the land carried out the improvements according to the conditions under which they took up the land. As to the country through which the new railways will pass, I hope under the new Land Bill to see a more vigorous development, and that the conditions of improvement are enforced and that better results are attained in much less time than has been the case in the past with the land adjacent to our railways. As to the character of these lines, the member for Guildford touched on a very important point, the question of construction, pointing out that in the old days the Working Railways would have only the very best constructed railways and all the conveniences they could get. We must not forget that they were working under an Act that placed a great responsibility on the engineering staff, for a certificate had to be given by the officer in control of the building of the railway that the lines were safe for traffic. That was necessary under the Act. It was also wise to make a provision to ensure the safety of the travelling public.

If we are prepared on behalf of the country to take the responsibility in the way proposed in the Bill before us, we shall relieve officers of the responsibility which has hitherto attached to them. In doing this we are taking a risk, but we must take care how far we go in lessening the restrictions and conditions in regard to the staff, because we may go too far in the other direction, and allow them to make the lines so fragile as to render them unsafe in working. I hope there will be sufficient protection in this direction, and that we shall have someone responsible for the building of the lines who is prepared to give a certificate that the lines are safe for traffic. If people travel on the lines and they are not built safely and an accident does occur, I do not think any legislation we are likely to pass will prevent the country from being sued under what is termed the common law. People will be able to take action in that respect, yet we have gone too far in the other direction in the past in having the lines made so substantial in places where perhaps it was not necessary. In regard to the lines which are being constructed the exception I take to them, and especially in regard to the Kojonup line, is that it is somewhat longer than I thought it should be, but this was rendered necessary because the line had to be taken along a certain route to obtain a grade of 1 in 60. If we construct a line under the old system we can shorten it very much because there are earth works provided for, but that would have added considerably to the cost of these lines. As the Kojonup line travels through agricultural country a mile or two is not here or there. If we can lessen the cost of construction as is the case in this instance, with proper care and proper sleepers of these lines, and not making the curves too acute we shall get a line equally as safe as those at present in existence. I have seen much of the timber which is going into these lines, and I am satisfied the lines will last for several years, especially those constructed with white gum sleepers, because white gum has a life of 25 to 30 years, especially if it is cut without too much sap, but sufficient hard wood to enable it to last.

MR. JOHNSON: Is white gum identical with wandoo?

HON. F. H. PIESSE: It is the same timber. There is one thing I would like the Treasurer to take into consideration in regard to this matter, and that is that in carrying out the surveys of these lines I notice provision has been made for an amount for certain surveys, and these surveys are in connection with the lines already mentioned. But let us take an instance such as that which came under my notice, and no doubt it refers to other places. There is a proposal for the construction of a line from Donnybrook towards the Upper Blackwood. It is not yet decided whether this line shall join the extension from Kataning to Kojonup now being constructed, or whether it shall go from another point. I would like the Government to take into consideration the question of the early survey of a line to join this one, which after all is a line to be built through to some point on the South-Western railway. If that survey is made when the other work is in hand it will enable the Government to have some definite data to work on, and they can make their reserves and have their proposed town sites laid out or areas reserved for them. People taking up land in the locality will then know where the railway of the future is likely to be. As the cost for the survey would be small it will be within the province of the Government--and at the same time should be provided for in the schedule--to carry on the surveys. It does not follow that the line will be made unless with the sanction of the House, but it follows if the survey is made some definite information is before the country as to where the line in the future will go. I mention this because I think it will be economy in many respects and beneficial to the part of the country to be served. This will apply also to other places where there are definite points of junction. In this instance it came under my notice, and reserves should be made by the Government so that townsites could be proclaimed in the future, and it would prevent the difficulty in many cases of making a survey after settlement has taken place, and I think it would be a good thing. Before concluding, I wish to say that I am satisfied that, with careful economy in every direction, and also with the

prospect of the increase in the population which must follow as the result of the extension of these lines, we shall be able to meet the obligations which are cast on us for the provision of interest and sinking fund. We have a big country, a country which will carry an enormous population, and with the inducements we can hold out--of course it will not come immediately--but with these railways and the means of settlement which we can afford, we shall receive a very great benefit in the increase of population following in their wake. I agree with other members who have spoken as to the difficulty of getting men to go on the land. The people who will do so are as a rule people who come here with a few pounds in their pockets, and who are therefore able to start and make a home on the land. Those are the people who are attracted to the land because of their knowledge of the land; and those are the people whom we want to induce to come here. It is slow work, I know, and difficult, to get them; but little by little they will come, and those who come will inform their friends of the advantages of this country, and no doubt we shall find their friends coming in large numbers and adding to our population. I do not think it a fair thing, however, to try to rob the Eastern States of population for the benefit of our own State, because that does not help the Commonwealth. At the same time, of course, we have to consider Western Australia in this instance. One thing which has detracted greatly from our prospects of farther settlement--and it is fortunate for our Eastern friends--is the very good seasons experienced lately in South Australia, Victoria, and Queensland. Those three States have had excellent seasons, and consequently their people are well satisfied with the country in which they are now living. I hope these seasons may continue; yet, at the same time, I cannot help remembering that we already have a very large number of settlers from those States, who came here at a time when those States were somewhat depressed. Those people have made the best settlers, because of their knowledge of agriculture and because of their love of the land. It does not seem fair, however, to try to draw these people over here except by ordinary induce-

ments, by showing them that we have land here and by letting them know that if they choose to change their country of residence we shall be glad to have them. In regard to the matter touched on by the member for Guildford (Mr. Johnson), I wish to say again what I have said before, that there will always be complaints in any locality in which a railway is to be constructed. In this instance there is a set of people down at one end of the country, Broome Hill, who think the line should go from Broome Hill. The distance from Broome Hill by road to Kojonup is 30 miles, and the line would have to be equally tortuous with the line from Katanning. Therefore, it would have meant an extra six miles of construction to make Broome Hill the starting point. Then, again, there is a certain number of people on the old main road, and I am as sorry as anyone can be that they are not served by the railway. They are the people complaining because the line has not touched them. However, it has gone between them and another set of people who were equally anxious that the line should run through their district; consequently, it seems to me that the line has taken a middle course, which should be adapted for serving both sections. It has to be borne in mind that a line such as this, surveyed over such undulating country, cannot take a definite course, plainly cannot follow the old road, and therefore has to be taken by the next best route. Then there were people of large property who did not want the line to run through their land. Hence, all these difficulties have arisen—people in one instance objecting because the line did not go close enough to them, and others objecting because it went too close. This is a frequent experience in railway construction. In the case of undulating country such as this, railway construction is not so easy as in the case of a line over flat plains, like those on the gold-fields and elsewhere. The country here in question is rather difficult—not very heavy, but perhaps hilly rather than undulating, and that feature makes railway construction much more difficult than it would be in such country as that between Northam and Goomalling. For this reason there has been an unusual number of complaints in regard to the route of

the line. However, as a select committee has been appointed to go into the matter, I am only too pleased to leave it in the committee's hands, relying on the opportunity its members will have of seeing the country, to enable them to recommend the best route. Although the line has been so much condemned, it has been condemned by people who have never seen it; and I certainly wish they would go and see it and then decide whether they should condemn it or not. But do not condemn before you have had an opportunity of seeing. I am indeed pleased to support the second reading of the Bill, and I congratulate the Treasurer on its introduction. I believe that the Ministry have taken a great responsibility on their shoulders in the country's behalf but are thoroughly justified in carrying out the order of work provided by the Bill. The whole of the work will not, of course, be carried out immediately; but the various constructions, extending over a period of some two years, will prove a benefit to the country in many respects. The country will benefit not only by the expenditure of the money, but also by the opening up of very large tracts of country, which will become available for our people. As regards the spending of the money, I do not agree with people who think this is going to relieve the depression. Those people are, I think, getting into their minds a very erroneous idea; because the relief can only be transient. If we are always to look to the expenditure of money for the building up of our industries and for the improvement of our financial condition, an end must come some day. The main benefit to which we look from the construction of these railways is the opening up of new mining fields and of new agricultural country for our people.

MR. H. E. BOLTON (North Fremantle): I desire to offer a few remarks on the Bill, in order to make my position clear. I wish to say first of all that I approach these railway proposals with a perfectly open mind. If the Government can convince me of the necessity for the construction of these railways, I am prepared to be convinced; but if the Government are not prepared to bring down sufficient information to prove the necessity of their proposals, then neces-

sarily they must expect to be asked for more information. I put it in this way, only because in my opinion sufficient information was not supplied last session. I hope enough will be furnished this session, and, in that case, the Government will find that I at least am in agreement with their proposals. One part of the Loan Bill to which I take exception, and to which I think attention ought to be called, is the item providing for what I may call the annual increase in the capital cost of the already existing railway system. Here it is proposed that no less a sum than £185,000 shall be added to the cost of our opened railways. Take the Loan Estimates, and see what they say under the heading of Additions and Improvements to Opened Railways! That is what I take exception to, for a start. I am of opinion that at least some modification of the policy of increasing the capital cost of the opened system should be taken in hand.

THE MINISTER FOR RAILWAYS: Work is going on, as you know, at Fremantle. That is the biggest item we have, with that duplication.

MR. BOLTON: I take no exception to those two works, but to some others I do object; because I consider that in the present state of our finances it is well to curtail such large expenditure. Let the expenditure extend over a much longer period, or else if that cannot be done, let us do without the work.

THE MINISTER FOR RAILWAYS: We have done it: I pointed out last night that it was done.

MR. BOLTON: I noticed that remark, and I know there is not a great deal to be provided for this year; but there is a large sum to be provided out of this loan.

THE TREASURER: A small sum.

MR. BOLTON: A sum of £185,000. Every time a loan proposal is introduced a good slice of the loan money is to be spent in improvements to already existing lines.

THE TREASURER: That is right.

MR. BOLTON: Seeing that the finances are in a bad state, would it not be better to make these improvements as far as possible from the revenue of the railways, and to abstain from the spending of loan money? Even if there is justification for spending loan money on the extension of railways in other direc-

tions, or even in the same direction as already existing lines, it does not follow that there is justification for continually spending loan money on the already existing system, a system which will bear favourable comparison with anything in Australia. Still, we are continually increasing our capital cost. I know that last year I complimented the Government on having spent a good deal of money on blue-metalling, to replace gravel ballast. I still maintain that was a really good work; but now we have it advanced, as an excuse for spending so much more money, that the effect will be felt sooner or later. While you are supposed to decrease the expenditure, you are still increasing the capital cost, and thereby necessarily increasing the interest bill. If the railways cannot now pay interest and sinking fund, how is it possible that they will be able to if you keep on increasing the interest bill? You make the interest so much heavier by increasing the capital cost. Therefore I say the time has arrived when some modification of policy in this respect should be made by the Government. I have said I would approach the Government proposals otherwise with an open mind—even the Jandakot-Armadale proposition. Even on that, although it may be looked on as a little quixotic, I have an open mind. I see that all that is proposed for the next twelve months for that railway is the paltry sum of £5,000, and the note to column 6 explains that all the Government propose to do will be probably—with emphasis on the “probably”—the earthworks and clearing. I think that a line which has generally been acknowledged to be of no use stopping where it does, ought to be connected as soon as possible with the South-Western Railway; and I think it would be better if provision were made for the spending of more money. Why not build the line at the earliest possible moment? Surely it will not take twelve months to construct simply the earthworks! Undoubtedly the whole section can be built, finished, and handed over within twelve months; that is, taking a line from the time it took to build the section from Fremantle to Jandakot.

THE MINISTER FOR WORKS: That item refers to the permanent survey.

MR. BOLTON: Only £5,000 is provided for the next twelve months.

THE PREMIER: We could not spend any more up to the 30th June, 1907. We cannot get the rails in less than ten months.

MR. BOLTON: The Premier some months ago informed a deputation that the Government had decided the point at which to connect this line with the South-Western Railway; and surely if he had decided so much as a Government measure, some steps could have been taken to have the permanent survey completed and the order placed for the rails and fastenings.

MINISTER: That might have thrown the Bill out.

MR. BOLTON: So much might have been done without the sanction of the House at all.

MINISTER: What? Incur expenditure without the sanction of the House?

MR. BOLTON: The Government are not always so careful about obtaining the sanction of the House. They now talk as if they could not buy threepence worth of dogspikes without the sanction of the House. It is a pity they did not wait for the sanction of the House before making all preliminary arrangements in connection with the three railways passed on the last day of last session.

MR. BATH: You must not give them bad advice. They get enough bad advice already.

THE TREASURER: Yes.

MR. BOLTON: A Government with such a majority have the right to run a certain amount of risk, and have the right to assume that a Bill will be rejected or passed according to their decision.

THE PREMIER: That is a very debatable question.

MR. BOLTON: The Government, having decided upon Armadale as the point of junction with the South-Western railway, should have gone on with the work, and then, if necessary for the passage of the Bill, should have cracked the Government whip as they did on the Education Bill. Then, undoubtedly, they could have got the Bill through. They know they can pass the Bill; consequently preliminary arrangements could have been made, and the Government would have been justified in making

them, and in providing a larger sum on the Estimates.

THE TREASURER: We never crack the whip.

MR. BOLTON: Perhaps the Whip cracks you, as I am reminded. Referring to the Harbours and Rivers vote, I have only one item to mention. I say emphatically, I deplore the fact that the present Government, like past Governments, should tinker with the Fremantle dock question. This is not the first time that has been done, but I will do the Government the credit of saying this is the worst effort so far; it is the smallest vote yet thrown out as a bait by any Government. To make it look a little better, they write it up as £109,000, £10,000 of which is to be spent this financial year. I am quite prepared to believe that the Government, including the Treasurer, know that not £1,000 will be spent in that period. A one-line note in column six says, "Preliminary arrangements as to site and boring." The Treasurer said when introducing the proposals that at least twelve months must elapse before the Government could get the specifications and the site. The same argument has been used year after year. The same argument was used by the Government I supported, but they fixed on a site for a sort of dock which the people of Fremantle did not think it advisable to accept. Still the changes of site go on. Why do the Government want so many sites? Surely they have decided on a site, or have decided not to construct a dock. It would be far more honest to tell the Fremantle people that the time is not ripe for a dock, and to strike out the proposal. I am far more disgusted with the present than with any preceding Government. To put down £50,000 out of a possible half-million for a national work of that sort, and plainly to state that no other moneys from this Loan Bill can be used for the work without a farther loan authorisation, is too ridiculous. It is well known that at least three years must elapse before the Government ask for any other loan authorisation, and if they do ask for an authorisation, it will be just as easy to put another sum on the Estimates and not expend it, as to set down this £50,000 with very little intention of spending it. I hoped that

during this session at least something tangible would have been done, so that this vexed question should have been settled for the good of the port. I am not speaking altogether for the residents of Fremantle; I am speaking for the port. It is the general wish of the ship-masters calling at that port, apart from residents of the district, that a dock should be provided. It is certainly not a relief work, as was alleged by the member for Greenough (Mr. Stone); and had the Government considered the question fully, had they been prepared to spend the money which the dock will cost, they could have increased the total of these Estimates by an amount representing the cost of construction. Then the people would have been satisfied the Government were in earnest, though they did not intend to spend the money this year. Now the opinion in the district is that the Government do not intend to proceed with the dock. For water and sewerage a large sum is set down, and I think the Government are to be commended for their deep-drainage work. For this £278,000 is provided and, I presume to keep the Fremantle people from complaining, this sum is earmarked "Sewerage for Perth and Fremantle." From column 6 it will be seen that Fremantle is to get about 16s. Anyhow, Fremantle can have little of this money. A good slice is already cut out in Perth contracts, and nothing is proposed in Fremantle but the completion of the works.

THE MINISTER FOR WORKS: The pipes are under order for Fremantle.

MR. BOLTON: What about Perth?

THE TREASURER: Both places are provided for.

MR. BOLTON: It is easy to give an order for pipes for Perth and Fremantle, but it is just as easy to receive only those needed for Perth. The sum provided will be found insufficient for Fremantle. It necessarily follows you would not order pipes sufficient for Perth alone; but all Fremantle will get out of the £278,000 will not be more than 1s. in the pound from the vote. I take that view because the cost of the Perth sewerage scheme far exceeds what was anticipated, and the vote will not be sufficient.

THE MINISTER FOR WORKS: Who says so?

MR. BOLTON: Such municipal authorities as the member for Perth (Mr. H. Brown). The estimated cost of the scheme has more than once been discussed both by question and motion in the House, and in one instance it was stated the estimated cost had doubled.

MR. H. BROWN: The Government have given a guarantee that the first section will not cost more than £75,000.

MR. BOLTON: If I remember rightly I heard the hon. member say it had cost about twice that sum up to date.

MR. H. BROWN: No; it will by the time it is finished.

MR. BOLTON: Then my statement is justified. Another vote will be required for Fremantle. From this it appears again that Fremantle has been ill-treated by having its allowance amalgamated with that of Perth. It would be preferable if only £78,000 were put down for Fremantle.

THE MINISTER FOR WORKS: You are misrepresenting.

MR. BOLTON: I have not yet made on this question either a correct representation or a misrepresentation.

THE MINISTER FOR WORKS: You are making it now.

MR. BOLTON: But what I have said has not altered the views of the people of Fremantle. I say my opinion is, Fremantle will not get more than about a shilling in the pound out of the whole vote.

THE MINISTER FOR WORKS: Give your reasons.

MR. BOLTON: I have given them: that the estimated cost of the scheme for Perth has been practically doubled up to date, or will be practically doubled when the scheme is completed. That is one reason why I think the vote will be insufficient.

MR. BATH: I suppose you are judging the Government by their record.

MR. BOLTON: I did not think of that, but with the greatest pleasure I will use that reason. If every other reason be as sound as that, there will be nothing of which to complain. I would suggest, if it were possible—though even if it were possible the suggestion would not be accepted from this side—that a certain portion of this vote, however small a portion, be set aside for Fremantle. I still maintain that not a

shilling in the pound will be spent in Fremantle, unless some portion of this is set aside, because the money must be swallowed up in Perth.

MR. M. F. TROY (Mt. Magnet) : I do not purpose taking any exception to the Loan Bill, particularly to that portion providing for goldfields railways, of which I have an intimate knowledge. With regard to the agricultural railways, I have no knowledge at all of the districts they are to traverse, but I hope to have a greater knowledge of them when the Bills are under discussion. I believe it is the Premier's intention to give the House the necessary information; and I, like other members, will fully investigate the matter, so as to cast an intelligent vote. Although last year I did oppose agricultural spur lines, I did not oppose them because I objected to agricultural development, but because no information was given the House to justify their construction.

THE TREASURER : *Hansard* is full of that information.

MR. TROY : The Oppositionists were not the only members who opposed the construction of those lines, because the present Minister for Works (Hon. J. Price) opposed them, for the reasons given by the Opposition. The then member for East Fremantle (Mr. J. J. Holmes) and the member for Coolgardie (Mr. Eddy) opposed them for the same reasons. Recent developments in connection with the Kojonup Railway prove conclusively that the lines were passed without due consideration; and profiting by the mistake we made last year, I intend to investigate the matter more fully this time, so that such mistakes shall not occur. I am not opposed to agricultural lines; I am much in favour of them. Wherever a line is justified in an agricultural district, that line will have my support, because I believe the State can never make progress until its agricultural development is encouraged and the fullest possible benefit derived therefrom. My remarks this evening will apply more particularly to the goldfields lines; and in this connection I have to voice my disappointment at the action of the Government in putting off the construction of the Black Range line until a later period.

THE TREASURER : There is no permanent survey.

MR. TROY : That is no excuse. The Government have as much information as to that line as they have regarding the Ravensthorpe line or any of the agricultural lines. The Ravensthorpe route is not surveyed, neither are the routes of several agricultural railways; therefore the Government have less justification for constructing these lines than for the Black Range line. The Norseman line takes precedence in these Estimates over any other goldfields railway, and the next line is that to Pilbarra. To these projects I take no exception; rather shall I vote for them, because I believe they are necessary for the development of those localities. But I intend to point out how one line, more fully justified than these two, has been overlooked by the Government.

THE TREASURER : I thought you said it was shelved.

MR. TROY : It has been shelved till next year. Yesterday we discussed that matter. To-night I will take the Treasurer's word that it is not shelved. I notice that only £2,000 is provided for the current year, and I suppose that sum will be expended on a permanent survey. But the survey will not cost much, and the Government have a great deal of information regarding the line. Last year the State Mining Engineer visited Black Range; I accompanied him for a fortnight through the district; and he secured valuable information regarding the field. Later on Mr. Muir, an engineer of the Railway Department, visited the district, made a flying survey, and collected information, which will be valuable so far as the construction of the line is concerned. I intend to point out the comparisons in favour of the line as against the Norseman line, although I do not wish it to appear that I have any hostility towards the Norseman line. The distance from Mount Magnet to Black Range is, as the crow flies, 90 miles, although according to the road it is 95 miles, but the distance from Norseman to Coolgardie is 110 miles, so that there is a distance of 20 miles less to construct from Magnet to Black Range. Apart from that I want to point out what justification there is for the line to Black Range as against the line from Coolgardie to Norseman. The

Black Range is a new field, probably only three years old. It was coming into prominence when I was first elected. It was then an alluvial field, very few reefs had been taken up, and it is from that date the progress of the field can be reckoned. To July, 1906, the production of gold from the Black Range field was 39,844 ounces, valued at £160,000. In view of the fact that the field was only two years of age, £160,000 worth of gold is a very good return. It is a remarkable record when we take into consideration the production of gold from other districts of the State. The output per month has been 4,000 ounces of the value of £16,000. The Norseman field is 10 or 12 years old, and is one of the oldest in the State. It is fully developed. There is not the possibility of development in the Norseman field as there is in the Black Range field, because the Norseman field is 12 years old and has had 12 years development, and people have been residing there for the last 12 years.

THE PREMIER : It is 100 miles from a railway system though.

MR. TROY : Black Range is 90 miles away, and the Black Range field is producing twice the amount of gold that the Norseman field produces. I will give the Minister some figures, which I have taken the trouble to obtain from the Mines Department. Whilst the Black Range field for the first six months of this year, produced 24,000 ounces of gold, the Norseman field for the preceding 12 months produced 24,903 ounces, therefore the Black Range produced in six months as much gold as the Norseman field produced in 12 months.

THE PREMIER : The Norseman field will double its production in the next 12 months.

MR. TROY : I hope so. I have no reason to speak in hostility towards the Norseman field. But there is no doubt that the Black Range field will treble its production in the next 12 months. I have every justification in making that statement. On the Black Range field there are 20 head of stamps, 10 head at the public battery and 10 head on the Black Range Gold Mines, and as a result there has not been the same facilities for the crushing of stone as there is on the Norseman field. On the Norseman field there are 60 head of stamps, whilst

at Black Range there are only 20 head of stamps. At Maninga Marley, 20 head of stamps are being erected now, and 20 head of stamps are being erected at Nungarra proper. It should be remembered that although Black Range is producing twice the gold that the Norseman is producing, the larger mines at Black Range have not been assisting in the production of gold at all, because recently a number of the large mines have been taken over by big mining companies, and these are not assisting in the production of gold, because they are being developed, awaiting the arrival of machinery. The Oroya Junior, which is owned by Bewick, Moreing, & Co., has a two years supply of stone that will give a profit of £2 per ton. Then there is the Oroya Junior, and the Sandstone, and many other mines. When these mines are equipped with machinery the production of gold at Black Range will have trebled; therefore I am justified in saying that the production of gold at Black Range will increase three times the extent it will in the Norseman district. These mines have been proved and are awaiting the arrival of machinery. The ore is there, the gold is in the ore, and all that is required is machinery in order to extract that gold. With regard to the population on the Norseman field, there are about 2,000 people there, while the population of Black Range at the present time is about the same number, and with the successful developments which are taking place, and when the large mines have to be manned in the new year, it is to be expected that in a short time the population of Black Range will amount to 4,000 or 5,000 souls. Twelve months ago there was only one township at Black Range, the township of Nungarra, but the development has been so great that there are now three townships in existence. Nungarra has increased in size; a new township has been surveyed at Sandstone, for which the Government received £14,000 for blocks, and another town has grown at Maninga Marley, in the vicinity of which there are promising properties, on which machinery is being erected. The prospects are very promising indeed. It must be remembered that Black Range is not like the Norseman field, for it has a great hinterland, it has a large

area of country at the back. At Norseman there is no back country. You go towards Esperance, and you cannot secure the same hinterland as you can in connection with Black Range. Behind Black Range there is the East Murchison field. Lawlers is only 90 miles distant, and that is one of the largest goldfields in the State. That goldfield has produced 150,000 ounces of the value of £600,000 roughly. This goldfield will be served by this particular line. There is every justification for the building of the railway, for the district is opening up well. I think there has not been in the history of the State such magnificent development as on the Black Range field. It is reckoned that outside Kalgoorlie there is no more promising field in the State than Black Range. In no such time has such great development taken place on any field. I want to impress on the Government the necessity for building the line as early as possible because the Government must recognise what a necessity it is to mining development in that locality. Every ton of machinery required at Black Range at the present time has to be conveyed to Nungarra by teams, and the cost of carriage is very great. If people can save £2 a ton in the conveyance of their machinery to Black Range we will have that £2 per ton sunk in the field in mining development. The same thing obtains in connection with the carriage of produce. If people can get their produce to Black Range cheaply, the money saved will be sunk in mining development. If we retard the development of the field we will put off its success for years to come. There is no time like the present, because a lot of machinery is required for these mines, and the district is going ahead fast, and if we assist the people now we shall help them to get their machinery very cheaply and assist in the speedy development of that field. There is every justification for the construction of railways to mineral districts. Had it not been for the construction of the railways on the Murchison fields there would not have been nearly so much development, and many localities on the Murchison would not be existing were it not for the railways running through them. If the railways had not been built in the past, many localities, supporting large populations, would not exist. It is

a fact that if people have railway communication, and have easy access to other places and living is made fairly comfortable, the people will stay there, and because they stay there they will assist in the development of the place. Boogardie, three miles from Mount Magnet, three years ago was deserted, but almost to-day near a railway, and people having access to other portions of the State, that little district is supporting 400 people, and it is progressing by leaps and bounds. Where prospects are good, we should endeavour to encourage the people to stay there. There is no encouragement to go outside, away from civilisation, unless people have railways. We should give the fullest encouragement to people to stay in such places, assisting them to go farther out and open up other districts. If we open up the Black Range district we shall assist in opening up districts farther north, farther east, and farther south, and we shall do something for the future development of the State. With regard to the Pilbarra line, I think that railway is essential, although I do not think that railway should take preference over the line I have been speaking about. There is no reason why the Norseman line or the Pilbarra line should take precedence over the Black Range railway. It is apparent that the development in both of these places is not so promising as in the Black Range district, therefore there is not the same justification for the construction of a railway as to the district of Black Range. As to the Norseman line, I support the construction of it, because I believe the district deserves a railway, and we should encourage the people to further assist in the development of the district. As to the Pilbarra line, I think we might well build that railway, because for a number of years the people residing in that district have been endeavouring to open it up, but they now say they are handicapped for the want of railway facilities. While we may hear of people who deprecate the building of this railway, this district cannot be successfully developed unless the people get a railway, and I shall support a railway to that district, because it is in a rich portion of the State; rich in minerals, and rich in precious stones. If there is a railway to that district it will assist materially in its development. I hope

my remarks will not be lost on the Government; I hope the Premier will see his way clear early next year to visit the Black Range district, and if he does so he will meet with a favourable reception. The Government are to be congratulated in having done a little towards encouraging the people in that country, but I am sorry the encouragement is not greater.

THE PREMIER: It is more than you expected.

MR. TROY: I had a feeling all along that the Premier would not treat us badly. I shall have great pleasure in supporting the goldfields lines in the schedule, and as far as the agricultural lines are concerned I shall cast an intelligent vote in regard to them.

At 6:30, the **SPEAKER** left the Chair.

At 7:30, Chair resumed.

MR. J. B. HOLMAN (Murchison): Although I do not intend to oppose the Loan Bill, still I think it contains many works which will stand a lot of criticism. Personally I am not, as the Minister for Works said I was, going to oppose the Loan Bill; but many of these works being non-productive and such as should not be constructed from loan, I intend to oppose as strongly as I possibly can. I am sorry some Ministers have not risen to explain why many of the works have been proposed.

THE PREMIER: Wait until we get to the Estimates.

MR. HOLMAN: It is all very well to say that; but we know that, with the majority behind the Government, and the nice way the works are set out in almost every case to suit every member on that side of the House, it will be an utter impossibility, no matter how good a case we put forward, to have any change made in the schedule. I take strong exception to the fact that the loan which it is intended to raise within the next two years is earmarked for the purposes set out, without any consideration for the interests of other parts of the State. Of course, in all probability I may not understand the exact intention of the Government in the event of necessity arising for a large loan expenditure in any other part of the State; and I should certainly like some explanation from the Treasury Bench on that point. It is ridiculous

to imagine that the works set out in the schedule are the only works which will require the consideration of this Assembly during the next two or three years. myself am fully in accord with the passing of an Authorisation Act, because we know that at present, as the Treasurer has already stated, though a statement of that effect from him was not required, the money market is very tight. We need only take into consideration the fact that although South Australia required but a little over a million pounds some little time ago, to repay a loan that was falling due, still the Government of South Australia recognised the absolute necessity for passing an Authorisation Act allowing them to raise six million in order that they might raise that amount when the opportunity presented itself. I do not consider we should take exactly the same stand, but I do consider that we should not risk forcing ourselves to go on the London market at a time when we might have to accept a very bad bargain. I am fairly in accord with the passing of an Authorisation Act, therefore. Now I intend to place before the House some of the works which I consider should have been contained in the schedule to the Bill. From what I can see, the only works contained in the Bill are given to those who perhaps have made themselves more persistent in asking that certain works should be done, and other parts of the State, which have equally good or better claims, have not been considered at all. Firstly, I shall mention Meekathara, which at present is without doubt one of the best gold-producing centres in Western Australia. Meekathara has received the least consideration. Probably the Treasurer would say that the Government are spending some £9,000 to provide a water supply for Meekathara, but when I give the actual figures of gold production from that place it will be seen that Meekathara should receive far more consideration, and that the railway line should have been extended towards Peak Hill from Nannine. As regards Nannine, the people have a water supply, but what is the present Government doing? Extorting from the people 12 per cent. of the amount of money expended in providing the water supply. Those people are asked by the Government to return

12 per cent. of the capital cost annually. They are being charged at the present time 10s. per thousand gallons. The water supply works have been in operation now for 12 months, and the water supply did cost some small amount of money; but the people have had to return £229 in a single year, and that is equal to 12 per cent. per annum. Such treatment is utterly unfair. I consider that if the Government received half the amount, it would be ample. The Minister should treat the people reasonably, in the same way as the Eastern Goldfields people have been treated. These latter are being charged 5s. per thousand gallons. It would be better still to allow the municipality of Nannine the same privileges as are allowed in other places, namely to take the water works over. That has already been done at Cue, where the supply is managed by a board. In connection with the betterment system, which was touched on by the Leader of the Opposition, I recollect that the Premier thought it worthy of consideration. I am rather surprised, however, that the Minister for Lands has not given it any consideration. The suggestions of the Director of Agriculture, contained in last year's report, set forth fully the betterment system, and I consider the Premier should have taken those suggestions into consideration.

THE PREMIER: Theory.

MR. HOLMAN: Not theory, because the betterment system has been in operation in other States. The idea was taken by the Director of Agriculture from similar works in the other States. If the Minister will look at page 18 of last year's report he will see that the ideas put forward by the Director of Agriculture are in no way new; but they are worthy of every consideration. I shall now deal with the loan which it is proposed to raise at the present time. The amount asked for is two and a-half millions of money. That means that we shall have to pay interest and sinking fund amounting to at least £125,000 a year, which will make a very considerable inroad on our revenue funds. That point should be taken into consideration.

THE PREMIER: Not so much as that, because the sinking fund does not start for five years.

MR. HOLMAN: It means at any rate £100,000, without sinking fund; and of course the sinking fund will have to be met in the future. Probably the Government will say that the works to be constructed will be reproductive, or will even pay interest for the first five years of their construction; but, in point of fact, some of the works to be constructed out of this loan authorisation are not reproductive works at all. This is the strong objection to the proposals of the Government; they mean to construct unproductive works out of loan funds. Even so, if we consider the statement that the railways they intend to construct are needed, we shall find that in the near future there will be five or six different broken sections of railway to look after. We have three at present; the main section from Perth to Kalgoorlie down the Great Southern; then we have the Midland Company break; and, thirdly, we have the Roebourne tramway. If the proposals of the Government are carried out, we shall have two more broken sections to add to the number: the Phillips River and Raveusthorpe section, which will be a complete section in itself; and the Pilbarra section. We all know that to work a railway system broken into several sections, apart from each other, in this way will be more expensive than if the whole system were complete in one section. As regards the railway proposals, I candidly believe that the railway from Coolgardie to Norseman should be the first goldfields line constructed. I consider the people are entitled to it, and I have been an advocate and supporter of that line ever since I have been a member of the Assembly. I am still of opinion that, even although other places are opening up well, the fact that Norseman has been working on for the last 12 years under grave disabilities entitles that goldfield to the first goldfields railway built in Western Australia. I strongly support the passage of the measure at the earliest possible moment. Let hon. members not look at Norseman only in connection with the construction of that line. There is Widgiemooltha, which, when the railway reaches it, will employ a large number of men. There is also Higginsville, a new find, where some very fair results are being obtained. As I pointed out before, we have the fact before us

that the railway line will act as a carrier both ways, bringing firewood and timber to Kalgoorlie mines. I do not take into consideration that the gold returns from Norseman have not been so great as perhaps from other parts of the State. That is because the field has not had the same chance, and it should be given a fair chance. Moreover, Norseman has a considerable area of back country which will assist to make the railway a payable one after it has been running a few years. Then there is Dundas, besides several other centres. The member for Mount Magnet (Mr. Troy) drew attention to the fact that the Black Range railway ought to be constructed. I, too, am of opinion that that railway should have every consideration; but I join issue with the member for Mount Magnet, and the Government as well, when they say that the starting point should be Mount Magnet. I maintain that any railway constructed in this State should start from the point which will benefit the greatest number of people, and from which the railway will open up the largest field for industry. If the Black Range railway is constructed from Magnet to Black Range, it will pass through 96 miles of country with only one centre, which centre at the present time is not being worked to any considerable extent—I do not suppose more than 10 or 20 men are on the field—Paynesville, in the East Magnet district. The whole line will pass through unworked country. The total returns of gold from Black Range, according to the member for Mount Magnet, up to the present amount to 49,598 ounces, of a total value of £219,953. But the whole of that output does not come from Black Range: a considerable quantity comes from the Montague Ranges, about 40 or 50 miles from Nungarra; and the Berregrin returns are also included. Several starting points have been mentioned, amongst others Cue and Nannine. From Cue the line would serve two or three centres, Errols and Barrambi, before reaching Black Range. Those centres are promising, and will return a great quantity of gold. The distance of Black Range is practically the same from Cue as from Mount Magnet or from Nannine. The distance from each centre is about 100 miles; but if the line were constructed

from Nannine towards Black Range, it would assist some dozen gold-producing centres. It would go close to the Star of the East, which has turned out some 20,000 ounces to the value of £86,252. It would go near to Quinn's, which has turned out 2,049 ounces, valued at £8,705. It would go close to Burnakurra, which has returned thousands of ounces of gold. It would go close to Gabanintha which has turned out a considerable quantity of gold. It would bring railway communication 50 miles nearer to Wiluna, which has turned out £320,777 worth of gold, and would bring that communication some 40 or 50 miles closer to Gum Creek, which has turned out a large quantity of gold, though it has been worked for only a brief period. It would bring communication closer to the Montague Ranges: it would go almost direct from Errols to Barrambi and would serve in all some twelve gold-mining centres. The starting point, therefore, should not be from Mount Magnet but from Nannine. By adopting the latter route the actual increase in mileage would not be much greater than ten miles.

THE PREMIER: Would not that be like going round two sides of a triangle?

MR. HOLMAN: No; the railway would go in a direct line from Nannine, not touching every centre I have mentioned, but bringing communication almost to their doors. The distance to Black Range from Nannine would be practically the same as the distance to that place from Mount Magnet. The Nannine route would involve the carriage of goods over an extra 90 miles of railway, but the people of Black Range would have to put up with the greater cost. It is far preferable to allow the Black Range people a reduction in freights proportionate to the extra 90 miles.

THE PREMIER: Would not the most direct route be from Mount Magnet to Black Range? If the line is ever constructed to Lawlers, and the two railway system are connected, the connection will be via Mount Magnet and Black Range.

MR. HOLMAN: Not necessarily. The same system could be extended to Lawlers, and connect through Leonora from Nannine—a much better route than from Mount Magnet to Black Range.

THE PREMIER: It would not be nearly so direct.

MR. HOLMAN: No; but we are not considering the speed of trains. I thought the policy of the Government was to construct railways which would serve the larger number of industries and of people, rather than to construct direct lines. There would be only the extra haulage from Mount Magnet to Nannine. The value of gold yielded by those centres which will be served by the line from Nannine is £544,791, and a considerable quantity of copper and other minerals has been won. Most of the centres I have mentioned have not yet reached the gold-producing stage. At Errois a 20-head battery is being erected, to be increased in the near future to a 60-head. Members have read the reports about Bar-rambi, and know it is a highly promising centre. But if the line goes from Mount Magnet to Black Range, those centres will be as far away from railway communication as they are now. That is why I protest strongly against the schedule as printed, for it will not allow of farther consideration, no matter how important may be the requirements of the district.

MR. EWING: You can amend the schedule.

MR. HOLMAN: But I am taking my opinion from what has occurred in the past. No matter what arguments are used on this side of the House, it is almost impossible to convince members on the Government side, provided the Government have taken a certain stand. I say that with regret, and because I have seen instances of it this session, not only in one important matter, but in other matters involving the lives and limbs of the largest body of workers in this State. One of the railways which should have been pushed on is that from Nannine towards Peak Hill. In the first place, that railway will pass through proven country that has turned out nearly two millions pounds worth of gold, as shown by the report of the Mines Department. Facts like this show that various parts of the State have not received fair consideration. The line should be constructed first from Nannine to Meekatharra, which is a comparatively new centre 24 miles from Nannine. Meekatharra has been worked for a few years only; the State battery there

works only four to twelve hours a day, for lack of water.

THE PREMIER: There is about £9,000 provided for water.

MR. HOLMAN: That should have been provided years ago.

THE TREASURER: The present Government were not in power.

MR. HOLMAN: The present Minister for Mines was in power six years ago, and I could show an enormous file containing my letters on the subject of water supply. The gold production of Meekatharra till the end of October was 36,462 ounces; total value, £154,885. The railway if extended to Meekatharra would serve Abbots, which has turned out 35,426 ounces, to the value of £150,484. It would bring railway communication 24 miles closer to Peak Hill, which has turned out 205,292 ounces with a total value of £872,157.

MR. GULL: Does Peak Hill warrant a railway?

MR. HOLMAN: It does. Nannine has turned out 54,582 ounces with a total value of £231,854, and there are other centres.

MR. GULL: What about Peak Hill?

MR. HOLMAN: Peak Hill will warrant a railway. I dare say there are in Peak Hill hundreds of acres of the best gold-bearing land, locked up continually by the Peak Hill Company. The total quantity of gold taken out from the centres I have mentioned, and others, is 337,469 ounces with a value of £1,433,622. In those places it is impossible properly to carry on mining, owing to the lack of valuable mining timber, and of firewood for the mines. At Meekatharra, which is undoubtedly a most promising centre, which has turned out a better average than any other field in Western Australia for its age, there is not a stick of mining timber within a radius of miles. The whole of the country I have mentioned has been opened up by local prospectors, and Meekatharra, which has turned out over 40,000 ounces up to date, has been almost entirely exploited by local pioneers, who have worked the properties they discovered. There is only one mining company in that centre, all other leases being owned and worked by local people. Let us consider another railway line in the schedule—that from Hopetoun to Ravensthorpe.

Ravensthorpe is a place some years older than Meekatharra. The total quantity of gold returned from the Phillips River field is 22,794 ounces with a value of £91,176. The field has also turned out copper ore to the value of £72,611, or a total production from that centre of £163,787.

MR. GULL: The railway is to be 40 miles in length.

MR. HOLMAN: About that length; and the Premier said the Government would spend £54,000 on that railway. Which place should be considered first: a place that has proved itself, though worked under great disabilities like Meekatharra, or a place that has not yet come to the front as a gold-producer? The Hopetoun to Ravensthorpe line is really being constructed to suit a speculator. Mr. Kaufman, who came to this country but a little while ago. No reason has been given for constructing the line; and the mere fact that some Ministers have promised Mr. Kaufman the railway before the matter was considered by Cabinet or by the Ministry as a whole —

THE TREASURER: What did the Minister promise?

MR. HOLMAN: I am speaking on the authority of Mr. Kaufman's report, and the truth of that has not been denied by individual Ministers.

THE TREASURER: It has.

MR. HOLMAN: It was denied by the Government as a whole, but not by individual Ministers. I desire some Ministers to deny the report, and to give an explanation.

MR. EWING: One Minister could not give the denial.

MR. GULL: Your case is quite good without that point.

MR. HOLMAN: I am showing how one part of the State is favoured while another is not. What has the promise of this railway done for Mr. Kaufman? He spent £20,000 odd in purchasing properties at Ravensthorpe. He floats those properties in the old country, and almost before they are put on the market they have a market value of over a million pounds. This shows the danger of a Government allowing any individual investor to boom properties for his own benefit and at the expense of the State. The total production from the whole Phillips River goldfields, including

Ravensthorpe, is only about £163,000, and the goldfield has been opened for years; yet the market value of the flotations by Mr. Kaufman is $1\frac{1}{2}$ millions.

MR. GULL: Was it not the booming of Peak Hill that brought the other railway?

MR. HOLMAN: No; because the gold returns from Peak Hill, when the railway was constructed to Nannine, amounted to hundreds of thousands of pounds. I was trying to show the danger of any Minister assisting an investor who has come to Western Australia to secure properties and boom those properties at the expense of the State. If the properties can return only £163,000 worth of gold and copper in a good many years, how can the British investor receive a fair return on a capital of $1\frac{1}{2}$ millions, and pay all the working costs as well? That is the ruination of mining in this State, and the Government should be first to prevent such speculation. The British investor who puts his money into West Australian properties should be protected to the utmost. I do not consider that has been done on the present occasion. It is the investor who gets no protection. We should protect the investor and the industry as well. The first thing these new companies on the Phillips River goldfield will expect is that they should get a return on the million or two millions of money which is the market value of the properties, and it will be impossible to get such a return, and our mining industry will suffer as a result. I do not say the Phillips River will turn out a failure. I hope it will be one of the best fields in the State, but taking into consideration the present condition of affairs it does not warrant the construction of a railway. The proposals of the Government are not in the best interests of the State. I hope some other members will take up this matter and show that what I have stated is true. I sound this note of warning, and I should like to point out to the British investor if possible to beware and not take up boomed stock. Other lines are promised in the schedule. Let us take the railway from Newcastle to Bolgart. I have been through that part of the country, and I think that line is warranted, but I do not indorse the action of the member for Toodyay in drawing attention to the fact that the railway was

required in the manner in which he did. I take strong exception to any member in this Chamber taking the action which was taken on this occasion, and in saying that if he did not get a railway line he would join the Opposition. I take exception to such a statement. I have travelled through miles of this country and I believe the railway is warranted. I shall support it because the Labour Government surveyed the line, and that would not have been done if the line was not justified. This shows that we do not know what pressure has been brought to bear on the Government in connection with other lines in the schedule. Inquiries should be made into every one of them.

THE MINISTER FOR WORKS: Talking like that shows that you can be squeezed.

MR. HOLMAN: I was not sent here to represent the parish pump. I refuse to sell my political opinions or change my seat for what I can get for my electorate. If I do that I shall be content to take a seat in the background. I am sent here to do the best I can for my electorate and for the State as a whole, and I am here to set the requirements of my district before the Government, and to do so without threats. It would be useless for me to say that I will not support the Government unless they give me a railway. I intend to move an amendment in the item "Agricultural lines generally," making it read "agricultural and other lines generally." If we see in the near future the absolute necessity for the construction of railway lines to promising mining centres there should be some means for providing for these works. As I do not intend to speak when dealing with the Loan Estimates I should like to refer to the fact that the goldfields have not received the consideration that they are entitled to. There is one item in the Bill of £18,000 for the whole of the Murchison and Peak Hill fields. We know the Murchison is the second important goldfield in the State. Members will agree that it has not received the consideration which it should, and when I talk of extending the line from Nannine to Peak Hill I say it will open up a considerable area of gold-bearing country and will serve the pastoralist as well. Some of the best pastoral herds are to be found in that part of the State. A large

number of stock and sheep will be sent away from that district by train every year which would be a means of revenue. I sincerely trust before the Government take into consideration this schedule the remarks I have made will be considered, and that the Government will see fit to consider the goldmining centres I have mentioned, and give them a fair share of assistance. I would like to say that there are scores of batteries scattered through the district I have mentioned. The whole of the country, in spite of the fact that it has not received fair consideration in the past, is a progressive one, and I feel proud to represent one of the most promising districts in Western Australia. If that district only receives fair consideration from the present Government or any Government in power, we may rest assured that the gold returns will not decrease as has been the case in the past. At the same time I am willing to give support to every agricultural line that is necessary, but before supporting any line at all we must have information supplied, and we must be assured that the Bills will not be rushed forward as was the case last session. If such a thing is attempted I shall oppose the Bills until I am satisfied the works are warranted.

MR. J. EWING (Collie): I should not like to lose the opportunity of speaking for a short time on the Loan Bill, and I should like to draw attention to the fact that members on the Opposition side have criticised the Government for going back on their policy and not going on with the progressive policy which was promised for Western Australia. The evidence we have before us in this Bill is sufficient to satisfy the greatest fault finder in this direction, that we have in power a Government who have the full confidence of the people of Western Australia. It is gratifying to know that the Government have not considered on which side of the House a member sits, but have cast their favours over the length and breadth of Western Australia. The member for Murchison said that many lines should be included in the schedule, but he only mentioned one and that was the line from Nannine to Peak Hill. The suggestion he has made in regard to agricultural lines is a very estimable one and should receive the consideration of

the Government. There is an item of £100,000 for agricultural lines, and the words suggested to be inserted would give an opportunity, if it were necessary to build other lines in the best interests of the State, of considering such lines. In speaking of the Ravensthorpe line I do not see how the Government can be blamed for a certain individual coming here, securing an option over certain properties, and then being clever enough to go to London and make money out of them. The district should not suffer because the individual, in the opinion of the member for Murchison, has not acted in the best interests of Western Australia. The Government did not give any assistance in that direction by letting him know what their policy was, and I am prepared to accept the assurance of the Government in that direction.

MR. HOLMAN: The Government are spending more money in that district than has been returned from the district.

MR. EWING: The Government are in possession of reports in regard to the capabilities of that district, and are fully justified in giving every assistance possible to develop the gold and copper mines in that district. I do not know this district, but I do not think any member can take exception to the expenditure proposed in that district. The member who represents Ravensthorpe is not present, but when he speaks no doubt he will tell us the Government have not done half enough for the district. I would like for a moment to express my wonder at the remarks of the Leader of the Opposition when speaking this afternoon. No doubt he enlightened the House materially in regard to his views, and I suppose his views to a great extent are the views of members sitting in Opposition. At any rate he is the mouth-piece of the party, and the policy enunciated by him is no doubt the policy of those sitting in Opposition.

MR. TROY: We are not like you, we do not re-echo.

MR. EWING: There is no doubt if the Leader of the Opposition happened to be in a position to enunciate a policy he would do so on the lines that he has indicated this afternoon. No doubt all of us would be delighted indeed if we could place a schedule such as we have before us and construct the works

out of the revenue of the State. But the hon. member goes beyond that question and takes exception to the expenditure of money from loan for the simple reason that he thinks a large number of the works are unproductive and therefore should be carried out from revenue.

MR. WALKER: Is that not a sound policy?

MR. EWING: It is sound, but it cannot be applied to Western Australia at the present moment. I take exception to the policy for the reason, and the hon. member knows full well that the revenue of the State is rapidly falling. The hon. member knows that if we were for a moment to contemplate the carrying out of a policy such as he advocates it would be impossible for the next 10, 15 or 20 years to have such a schedule as that now before us. The member knows the Government contemplate spending during the next two years or two and a half years about three millions of money. What sort of taxation should we have to place on the shoulders of the people to carry out that policy within the period named.

MR. WALKER: What about betterment?

MR. EWING: The hon. member also referred to the policy in regard to the spur lines, and said that it was similar to the propositions in the Eastern States. The policy the Government are carrying out is dissimilar to that carried out in the Eastern States. If we take the three railways which were passed by Parliament last session and follow the work done, and follow the settlement that has taken place in the wake of those lines, it cannot be argued that they are going to be a failure. We must recognise that for many years to come it will be impossible for the lines to pay anything more than working expenses. The member for Kanowna asks what about the betterment principle. That is very excellent in theory, but we must be careful indeed in what manner we handicap those who take up our lands and settle on them. We have an instance in the Coolgardie Water Scheme by which the people on the Eastern goldfields receive from the consolidated revenue fund £70,000 a year. The time will come when that scheme will pay its way, but at present it does not. On the same line of argument why

should not the country lands be developed, and why should not the goldfields people pay their share of the burden? Because every portion of this State that is developed, and every settler we get on our land, enhances the value of the property of every land-owner and advantages practically every person in the State of Western Australia.

MR. BATH: You must remember that the water scheme has to pay interest and sinking fund.

MR. EWING: Yes; and it is the sinking fund that makes it necessary to find the money from revenue.

MR. SCADDAN: A ridiculous proposition, that the sinking fund—

MR. EWING: Perhaps it may yet come home to the people of the goldfields that the sinking fund is an excellent proposition; we do not yet know how long the pipe-line will last.

MR. SCADDAN: Oh, the sinking fund is all right in that respect!

MR. EWING: The sinking fund is such that at the end of 20 years we may, if necessary, relay the pipes. The Leader of the Opposition speaks also of carrying out no public works except what he calls redemptive works, works which will repay interest and sinking fund from the initiatory stages. I know from my experience of the country districts of Western Australia that a good many works in this schedule will not be reproductive for many years to come. Therefore, the policy of the Leader of the Opposition simply means that we must do without these railways for many years to come.

MR. BATH: What is your policy? To put it on the taxpayer?

MR. EWING: My policy is founded on the fact that the indirect benefit to the people of the State from the settlement of the land, consequent on the construction of these railways, is a sufficient return for the interest and sinking fund which will have to be paid from the revenue if this loan is raised.

MR. BATH: That's right! Stick the burden on to the taxpayer!

MR. EWING: The Premier this afternoon has said that every business man who wishes to increase his business and make more profits must have sufficient capital to do it with; and every individual member of the House knows that

many a fortune has been made with borrowed money.

OPPOSITION MEMBER: And many a bankruptcy.

MR. EWING: It is reasonable to borrow if you have a security sufficiently good to get a reasonable rate of interest. Notwithstanding the somewhat parlous position of the finances of Western Australia at the present time, our security must be acknowledged to be gilt-edged; and the necessity for developing our State is self-apparent. In my opinion, the expenditure of this two and a-half millions, or two millions of money, will result in bringing a very large population to Western Australia, a population not of an itinerant nature, but a population coming to settle and be part and parcel of Western Australia itself. As the Leader of the Opposition pointed out this afternoon, the borrowing of the money means increased indebtedness to the extent of something like £9 per head; but he said he would not indulge in prophecy, and did not believe in prophesying by other people either. It must, however, appeal to anybody's common sense that an expenditure of two and a-half millions of money in the agricultural districts must lead to people settling there. Settlers must come from the Eastern States, or from some other part of the globe.

MR. BATH: You forget that £560,000 of the proposed authorisation is for rails.

MR. EWING: The hon. member must bear in mind that the expenditure is bound to afford a considerable amount of work to those at present out of work; it will do a great deal to find employment for people who will perhaps settle on the land soon.

MR. BATH: You forget that this is to refund money we have expended from revenue in previous years.

MR. EWING: Every new work must give employment. The hon. member knows perfectly well that we are losing on the Federal tariff £102,000 this year; and next year, according to the member for West Perth (Mr. Illingworth), whom the Leader of the Opposition eulogised so much this afternoon, there is going to be a fall of another £102,000.

MR. ILLINGWORTH: I did not say that. I said there would be £100,000 less from revenue for public works.

MR. EWING: I think the hon. member will agree with me that there is going to be a considerable falling off in revenue; and, if that takes place, what sort of burden is going to be placed on the shoulders of the people of this country to carry out a policy similar to this from revenue? Everybody knows we must have increased taxation. Perhaps it will be a land tax, perhaps an income tax.

OPPOSITION MEMBER: You are telling tales out of school now.

MR. EWING: No; I am only giving my own individual opinion. We must find at least £100,000 to pay interest and sinking fund on this loan. It is necessary, therefore, to put on taxation to provide for this loan. What farther taxation does the hon. member propose to place on the people to provide the money for these works? If the hon. member is such a strong advocate of carrying out public works from revenue, let him tell the House where the money is to come from. If he cannot state that, let him cease to maintain that the Opposition can do it.

MR. BATH: When one has drifted so far, one cannot get back to a safe position all in a moment.

MR. EWING: I offer my sincere congratulations to the Government on having the confidence to take in hand such a splendid policy as we have here to-night. As one Minister stated—I think it was the Premier—out of this loan something like £600,000 is to be devoted to lines on the goldfields, to lines for the farther development of the great mineral industry of the State. Several members have not said in so many words, but have inferred that the majority of the works in the loan schedule are for the benefit of those supporting the Government. Now, the total expenditure for railways, including an amount of £100,000 for agricultural lines, and of £440,000 for rails and fastenings, is only £1,193,000. Of that amount, £600,000 is to be expended on lines for the development of the mining industry. There should be no exception whatever, I maintain, on the part of any member of this House towards the propositions of the Government. The member for North Fremantle (Mr. Bolton), speaking this afternoon, was, I consider, most ungenerous. The hon. member rose in the House to doubt

the sincerity of a Ministry which has included in the Bill £50,000—this, added to a previous £59,000, makes a total of £109,000 for the Fremantle dock. And yet he doubted their *bona fides*.

MR. BOLTON: I do doubt their *bona fides*.

MR. EWING: The hon. member knows full well that this Ministry, once it pledges its word—[Opposition laughter.]

MR. SCADDAN: Try to be serious.

MR. EWING: I do take this seriously, and that is my sincere opinion.

MR. BOLTON: I will hand you a copy of the *West Australian* showing that the Minister for Works promised that the Fremantle dock should be taken in hand this session; and he was supported in that by the present Minister for Mines and Railways, the present Attorney General, and the present Premier.

MR. EWING: It often happens that policies propounded cannot be wholly fulfilled. I doubt, moreover, whether the Minister would make a promise in those terms; because he could not undertake to establish a dock in Fremantle within twelve months. Probably he promised to use his best endeavours to push the work forward during the next twelve months. However, there is evidence on the Estimates of the *bona fides* of the Government in making the promise. The dock is going to be constructed as soon as possible. Now, as to the sewerage works, for which £278,000 has been provided. A doubt was cast as to whether that amount was to be expended in Perth or, as indicated by the schedule, in Perth and Fremantle. The Government, I take it, are not in the habit of placing on the schedule moneys allotted to Perth and Fremantle and then allocating the whole of the money to Perth. There is not the slightest doubt that Fremantle will certainly get justice at the hands of the Government. In connection with one matter which the Premier mentioned this afternoon, a matter which has received considerable attention at the hands of members—the question of sleepers—it has been stated that salmon gum has been used for sleepers on certain agricultural railways, and that it has proved an excellent sleeper. My experience of salmon gum in the districts of which I have any knowledge is that it certainly is a most inferior timber in the ground.

I am glad, however, to hear that salmon gum can be used on the Eastern Gold-fields—probably on account of the drier climate—because it would certainly mean a considerable expenditure to the State to transport to the fields sleepers from the Great Southern district or from the South-West—that is, either white-gum or jarrah sleepers. If it is possible to use salmon gum in the construction, there will be a considerable saving in that item alone. Another question, raised by the member for Katanning (Hon. F. H. Piessé), was as to a railway line from Donnybrook *via* the Preston River to the Upper Blackwood district. The hon. member stated that in his opinion it was advisable to continue the survey of the line to the point where the junction is to be. I hope the Government will give that recommendation every consideration, for, while the survey comes to within four or five miles of Kojonup, it would be a great saving to determine where that line is to junction; for junction it must. The hon. member pointed out, very truly, that once the line is determined and one knows where it is to be, reserves can be made, and people will come and take up the land. I hope the Government will give every consideration to that suggestion. I wish to congratulate the Government on having included in this Loan Schedule the Port Hedland Railway, and to point out that the previous Government—I do not know whether they were sincere in this direction, and I am satisfied they would not have received the support of some gentlemen on the opposite side of the House if they were sincere—that the previous Government contemplated the building of this line by private enterprise. I know there was considerable trouble about it at the time, because members then supporting the Government said they would not support them in any such proposal. However, the matter did not get so far as to come before the House for consideration.

MR. ANGWIN: Tenders were called.

MR. EWING: I am speaking of the attitude taken by the previous Government. They stated that rather than not get the railway line, they were prepared to let it be built by private enterprise; and a considerable number of the gentlemen then supporting them said they would not sup-

port them in that direction. However, I am glad that the present Government have recognised the great possibilities of that portion of our State, and that they are willing to build the railway from Government funds. It is only right and just that the people and the Government of the State, and not private enterprise, should get the benefit of this railway. I take it that no private individual or firm would put £100,000 into the building of that line unless assured of success; and if the money is available for private enterprise, surely it is available for our Government. It is only right that the Government should invest this money, and let the State reap the benefit.

MR. COLLIER: Keep all the good specs. for private individuals.

MR. EWING: I do not know that there are many good specs. in regard to railways in this State. In conclusion I can only say that I hope the Bill will pass without any serious changes, that the confidence shown by the Government in Western Australia will be fully justified, and that these works will be carried out to the advantage of the State at a very early date.

MR. A. C. GULL (Swan): My remarks will be very brief. I congratulate the Government on bringing in the Loan Bill. When I spoke some time ago I said that I hoped it would be a good solid Bill; I am glad it is so. I am quite satisfied that under the existing circumstances in Western Australia, if the State is to hold up her head and force her position among the sister States of Australia, a loan policy is the only policy at the present time. The Leader of the Opposition referred to the increased debt per head. I realise the position just as strongly as the hon. member; but what is the alternative? If we cease to borrow money to develop the country, and try to increase its productiveness we will lose population, so it will be the same thing in the end. On the other hand we add £9 per head to the public debt by raising loans for carrying on works which we hope and sincerely believe will advance the country in wealth and population, and on the other hand if we stop loan expenditure population drifts away from us and exactly the same

position is arrived at—an increased debt per head of the population.

MR. BATH: In Queensland they have not borrowed for three years, and they are in a better position than they have been for ten years.

MR. GULL: My whole contention is that as we have entered into Federation, which we should not have done, our only alternative is to try to force ahead the development of the country and to try to make up lost ground.

MR. WALKER: By borrowing?

MR. GULL: It is absolutely necessary to borrow to make up the lost ground, by trying to bring fresh people into the country and to start fresh industries and to produce what we import from the other States.

MR. BATH: Previous borrowing has not done that.

MR. GULL: It has done so, and is doing so every day. What happens directly we stop loan expenditure in Western Australia? There is a slump. Look around Western Australia to-day and see if the country is not in a state of slump.

MR. HOLMAN: But loan expenditure is going on now.

MR. GULL: The country is in a state of slump because there has been no loan expenditure worthy of mention for the last year or two. It is brought about by the fact that directly loan money is put in circulation here it is handled about once and then disappears from the State.

MR. BATH: What about the slump in 1898 after a loan expenditure of two millions?

MR. GULL: Oh, well, I am not dealing with that now. If we spend money for the purpose of bringing people into the country and trying to put our industries on a basis that will enable them to compete with the other States, we are doing the right thing in borrowing money; and even if it does no good we will not be in a worse position than if we ceased to borrow; because when we cease to borrow the population will drop and the same conclusion will be arrived at—we will have the same debt per head of population as if we borrowed. In nearly every instance I am a supporter of railway extension in Western Australia both in the farming and in the mineral dis-

tricts for the reasons I have just stated. If anyone studies the condition of Western Australia he can come to no other conclusion but that we must build railways to try to settle the country.

MR. COLLIER: You will settle it all right.

MR. GULL: Among those lines I have for years looked forward to is one to which I am going to give my strongest support. I refer to the proposed construction of the Port Hedland-Marble Bar railway. I honestly believe that the Pilbarra district is one of the best mineral districts in Western Australia. I know the railway will be an expensive business, but I think the district warrants the expenditure. In regard to some of the Southern lines, for instance the Donnybrook-Preston, I have my doubts. I am quite open to conviction, but I want farther information on the line before I am going to vote for it. I have fair information about the country, but I want more. As regards the section from Nannine to Meekatharra towards Peak Hill, I am quite in accord with the member for Murchison (Mr. Holman) that it would be a desirable railway; and I hope the Government will accept the amendment the hon. member proposes; because Meekatharra is one of the best mining spots in Western Australia at the present time, and where there is one spot like that, I believe that with reasonable facilities similar spots will be found. [MR. HOLMAN: There is another spot equally as good eight miles from Meekatharra.] I would be pleased if the Government would construct that section of 20 miles from Nannine to Meekatharra with the hope of ultimately carrying it on farther if development warrants it. I have done. I believe the Government are doing the right thing.

MR. SCADDAN: What about the Jandakot-Armadale line?

MR. GULL: I am supporting that, not because I think it is a wonderfully paying proposition, but simply because the previous Government started the line and ended it practically at a stump in the bush. Before that line can be of any use whatever it must be connected up to the best point on the South-Western Railway.

MR. ANGWIN: Is that the only reason why you are supporting the line?

MR. GULL: I naturally advocate the best town in my electorate, Armadale, as the junction, but had it not been Armadale I would still have supported the line, no matter where the junction was. I am honest about it. Armadale is the shortest route. It is making the best of a bad bargain to which the previous Government committed us.

MR. ANGWIN: Do not forget that at the next election.

MR. GULL: I told my constituents that I realised that it was a mistake and that the only thing was to make the best of a bad bargain.

MR. WALKER: That is what your constituents have to do.

MR. GULL: It may be a compliment to me for hon. members to keep chipping at me when I am speaking, but I do not altogether like it. I believe that a loan policy is the only policy possible at the present moment, and I am going to give the Government my hearty support in carrying it out.

MR. E. C. BARNETT (Albany): I very much regret the attack made by the member for Murchison (Mr. Holman) on the proposed line from Ravensthorpe to Hopetoun. I believe that if the construction of any mineral railway is warranted at the present time, the construction of this line is. Speaking from personal knowledge I know that there is a thousand tons of cargo lying on the beach exposed to the weather.

MR. HOLMAN: The latest information telegraphed is that it has been caught up to and that it is now loaded.

MR. BARNETT: Pending the construction of the railway, development on the mines has practically stopped. I shall read a copy of a telegram received by the member for Dundas (Mr. Hudson) which should be of interest to members. It is as follows:—

Reply your wire, no mail this week. District contains about seventy-five thousand acres good agricultural land. Present population approximately fifteen hundred. Two thousand acres under crop this year. Trade expenditure, including wages, stores, and general, for past three or four months amounts to £10,000 monthly. Field has to date produced £150,000. This is from ores of high values only; low grade rejected owing to cost of treatment. Large quantities high and low-grade ores are being developed. Field entirely depends on economic smelting which can only be brought

about by cheap haulage of fluxes, coke, etc., from Hopetoun, which is nearest and best available port. Advent or railway will thus enable treatment much lower grade ores. Proved mineral belt extends fifteen miles north from Kundip and thirty miles west, development of which will be greatly expedited and depends on construction of line. Belt contains many other mineral deposits besides gold and copper, including manganese now being worked, which can be profitably dealt with by railway. Present cost haulage by teams is from £3 to £5 per ton, distance thirty miles. Rent leases paid Government approximately £250 monthly. Sales town lots realised £2,000 since 1st August. Over one hundred mineral and gold leases covering 2,000 acres held and worked. Railway is key to development of field which will carry large population under most favourable conditions of climate. Committee will be greatly obliged if you communicate this message to Bath, Glowrey, Oats, Bellingham, and Barnett.—GRIFFITHS, Secretary Railway League.

MR. WALKER: Who signs it?

MR. BARNETT: It is signed by Griffiths, secretary of the Railway League, Ravensthorpe.

MR. HOLMAN: How old is the railway league?

MR. BARNETT: That I cannot tell you.

MR. HOLMAN: Nearly three weeks.

MR. BARNETT: That does not alter the fact that it would be impossible to develop the field while carting is £3 to £5 a ton for a distance of 35 miles. I think with the member who has previously spoken that it is regrettable that the value of the shares are being boomed to the extent they are, if the report is correct that one pound shares in the company are being quoted at present at £4 in London.

MR. HOLMAN: Five pounds.

MR. BARNETT: I think it is regrettable, and the effect of such a boom will be the same as in previous instances in Australia, the holders will probably be disappointed at what should be a first-class speculation and investment. The regrettable feature of the case to my mind is that while the construction of the railway is absolutely necessary, it is assisting large speculators to unfairly boom—and when I say unfairly boom, I am not satisfied that the development done will warrant the boom. I do not think it would be wise in the interest of the State to delay the construction of the railway. I consider the Phillips River

mineral field, if not the most promising mineral field at the present time, very important, and it is in the best interests of the State that the railway should be constructed, and the field developed as soon as possible.

MR. HOLMAN: The first flotation of 100,000 shares has been boomed to one million and a quarter pounds.

THE TREASURER: How many shares would sell at that?

MR. BARNETT: While we propose generally that loan moneys should be used for reproductive purposes, there is one phase of the question I would like to bring before members of the Ministry. I would like to see some money placed on the Loan Estimates for the construction of bridges and the making of roads for developing new agricultural areas which at the present time do not warrant the construction of a railway. The pioneer settlers in these districts are doing a great work in opening up the new lands of our State, and I consider that money expended in this manner will be as largely reproductive as some of the agricultural railways now before us. I trust the Government will place at least £20,000 of the loan money on the Estimates for this purpose. It will be money well spent, and aid a very deserving class of settlers. With reference to the proposed agricultural lines, I trust the Government will have the fullest information placed before the House. What I would like to see would be a railway construction committee appointed as they have in Victoria, or a public works committee as they have in New South Wales, with power to take evidence as to the area of land available, the best routes, the starting and terminal points of the railway, thus removing all these things from political influence. It is for the House to decide whether the line is necessary; the starting points and the terminal points and other matters should be decided apart from political influence. I intend to support the proposal of the Government as a whole, but I do not bind myself to support each individual line on the Loan Bill. Personally I shall treat each railway Bill on its merits.

MR. T. WALKER (Kanowna): I do not intend to detain the House for long with what I have to say, because the

main discussions on the Government proposals will take place when each particular work is before the House. I wish only to express, if I may put it in that form, a feeling of regret that this State should not be able to get along without going to the money market for what is comparatively a very large loan. It is a striking phenomenon to me that whilst we are in an impecunious position the Government should have to resort to pettifogging methods to obtain a few pounds, whilst for the mere sake of doing absolutely necessary work that should be provided for from revenue we have to borrow so largely, the Eastern States are flourishing to a large degree. There is scarcely one now that is in a poor condition.

THE HONORARY MINISTER: They have all borrowed.

MR. WALKER: I admit they have all borrowed and stopped borrowing, and we are still in that position, and we have far more natural resources and natural wealth than any one of the other States. Are we taking the right course? Are the Government taking the right course to get this country in a staple position, a growing and advancing position? It is not alone by borrowing money this is to be done. The member who is so good naturedly interrupting me is himself a banker, and has a knowledge of banking. He has, I believe, done some good to the Agricultural Department over which he presides. Why does he not more or less psychologise, if I may put it in that way, all the members of the Cabinet of which he is an ornament. Why does he not bring his banking knowledge to the service of the Government? Will he deny to me this: that if the Government like to take a bold stand and become their own bankers and to issue paper money, that they could raise means and provide the means on the State assets and on the State security, to carry out all the works scheduled in the Loan Bill, without borrowing one penny from an outsider?

MR. H. BROWN: Double his salary.

MR. WALKER: Double his salary and he will; I suppose that is what is meant. I protest against these constantly increasing burdens on the people when other

means could be taken for financing our public works without this wholesale resort to the London money market.

MR. ILLINGWORTH: It would still be borrowing.

MR. WALKER: The member says it would still be borrowing; but it would not be borrowing in that sense which makes us subservient to outsiders. That is the great difference. It is that kind of borrowing the banks are always doing, and they grow fat on it. Every pound in paper money issued by a bank is in truth a species of borrowing, but, my word, the difference helps the bank to get along, and it is that kind of borrowing I want the State to do. In other words, the privileges extended to private institutions, to all our foreign loan agencies, as almost every bank in this State is, the Bank of Australasia or the Bank of New South Wales and the other banks, with perhaps the exception of the West Australian Bank, are all local representatives of foreign capital—we give to these the right to issue wholesale, or comparatively wholesale, this paper money which enables them to carry out their enormous transactions, which transactions mean getting a grip on our soil, our property, our real estate, upon which is the foundation of our future despair or our future hope.

MR. GULL: Would you establish a gold reserve?

MR. WALKER: The hon. member asks would I establish a gold reserve. What gold reserve is placed against the paper money which is to bring us this three million pounds? What gold reserve has the member established against that? Nothing whatever. What is the Government doing now in raising this loan? Issuing paper money, only instead of issuing this paper money in £1 notes which can circulate in the community and keep things moving—because it is the circulation of money that is the life blood of any community—they issue notes of £100 or £1,000 as the case may be. They are not negotiable quite in the same way. That is the difference, and the only difference, excepting this, that if the State became its own banker, if its assets were as good behind the £1 note as behind the £100 debenture, it would not have to

pay the interest on that £1 note. That is the point I am drawing the attention of the House to. Our debt per head for interest is growing rapidly. We have to do an enormous amount of labour and create an enormous amount of wealth in this country, merely to pay the interest on what we have borrowed in the past. Everyone who has to toil for his living has to take his share of that burden, and it is a burden for which at the present time I can see no end, for repeatedly the cause has happened in the East, has happened here and will happen again, that new loans have to be borrowed, and perhaps at disadvantageous rates, to wipe off the old indebtedness.

THE MINISTER FOR WORKS: You have overlooked the fact that the loans are borrowed for 40 years, whereas there may be a panic and all the £1 notes may have to be paid at one time.

MR. WALKER: So with every bank in the State. Did they not have a panic a little time ago in New South Wales, and what was the result? The Government of New South Wales came down—Sir George Dibbs came down into the public street and when there there was a run or likely to be a run on the Government Savings Bank, to prevent the run on the private banks he said, "The State stands behind the banks." The country made itself responsible for the redemption of these bills. And what happened? The scare ceased. Have there not been runs before to-day on the Bank of England itself? (Interjection.) Gold reserve in the bank? The gold reserve of the Bank of England had been exhausted. The bank had been unable to discharge upon demand its liabilities.

THE MINISTER FOR WORKS: How long ago?

MR. WALKER: Never mind how long ago.

THE MINISTER FOR WORKS: It makes all the difference.

MR. WALKER: It does not make all the difference. I hope the hon. member is not completely demented over his dock. The Bank of England itself has had runs made upon it and could not discharge its liabilities. Now mark the point, what

happened? The Government of England stood behind that bank, and the moment the Government of England did that the bank became solvent. What has enabled the Bank of England to occupy its position to-day? Only the fact that it is a semi-State bank. It has the Government of England as its indorsement behind it, the assets of England. If the hon. member is capable of following the steps of a logical argument—

THE MINISTER FOR WORKS: You are off on a side track.

MR. WALKER: I cannot address one particular member I think, by the rules of the House. I will allow the hon. gentleman to follow me, and I will speak to other members who are not entirely devoid of logical faculties to follow a sound argument. The Government of New South Wales standing as security, with no gold of its own, not a penny so to speak in its coffers, saved all the private banks and made their notes good. The Bank of England in a crisis could not meet its liabilities, and the Government of England came to its rescue, authorising it to issue farther paper, and that paper became currency, good, creditable, and acceptable, though really the bank itself had not gained one single sovereign more reserve behind the paper it issued. If that can be done there, so could our Government stand behind the paper it issues here. If the Government can give to private banks good security for their private paper, then it can make its own paper currency. It can make its own paper capable of discharging the function of circulation.

MR. GULL: The currency in town and country, but how about the exchange?

MR. WALKER: Of course I did not rise upon my feet to give a lecture upon banking, and I do not know that I should be in order in doing so. I am speaking for our own currency, for ourselves, in our own country. It might be necessary and will be necessary I have no doubt to liquify our obligations abroad in gold. We have to do it now repeatedly. The gold is sent home, I was going to say by ship loads, but every now and again you hear of £150,000 sent to India, so many hundreds of thousands to California,

so many hundreds of thousands to England, in one ship load perhaps. For what? To make a balance in gold currency abroad. The paper is with us. We are content to circulate the paper. The gold balance is effected by transmission of actual coin as well as bullion abroad. See what can be done for the private banks in that respect, for their paper does not circulate abroad. Just then as they can do this by keeping their paper circulating here, so the Government could have an issue. There would be no danger in sending its gold abroad and circulating its paper here amongst its citizens, who would have the same security for their one pound note on the assets of the country as those who will hold our debentures abroad will have for the loan which is to be floated now. The borrowing is an evil principle which must be stopped, and something which would lead us and help us at any rate in the direction of prosperity would be to stop this borrowing if we could do so, and finance for ourselves and so remove that danger which is growing so gradually of having to burden our people more and more for the payment of interest to those who spend their wealth in foreign countries. To one who has at all a sense of love for the country he has made his home and who desires to see this country become one not only to be proud of amongst ourselves, but an object of admiration abroad there is something humiliating in the fact that we are parting with our assets to foreigners. When I say foreigners I do not say it disrespectfully, for some of those are of our own race of people in the motherland. To whom does the Coolgardie water scheme belong, that we have heard so much talk of to-night? Not to us but to those who lent the money earmarked against that particular scheme. They are the holders of it. We are the workers of it. We have simply to make that scheme pay for foreign debentures holders. Who holds our railways? Whose are they when it comes to the utmost? The money-lenders. [MEMBER: George's.] He is simply the agent for the money-lenders, and that is the reason why we hear so much of

making the railways pay. They are told they must make them pay. They have to meet the interest on the money borrowed and to provide sinking fund for the redemption of the loans already floated, consequently these railways have to be made to pay. There is no other policy than that of cash pay. That is the only policy which can actuate us in managing these great public works. Not the public weal, not the opening up of the country, which may sometimes demand an actual and extensive sacrifice, but the security of payment of interest, the handing up of cash to those who have lent us money. That is the position in regard to our public works. They are not ours. They belong to those who advanced the money to build them, and we have simply the custody of them, the charge of them, the duty of making them pay. That is all, whereas if we had our own national bank, our own issue of paper, as they have in North America, in France, in England, and in Germany, we should not be constantly putting a lien over our national assets, we should not be constantly putting our State property in jeopardy, mortgaging the services of the community for years to come; putting them under bondage to those "who toil not neither do they spin" in our own midst, but who enjoy such luxuries as the services of the wealth of this State can create, transmitted to them across the sea in the shape of interest. That is the position. It is dangerous to us, and I protest against this constant borrowing as a menace when we can get over these difficulties by other methods. What was done on the little Channel Islands? Those who have read the history of those Islands know how public works were constructed. They know that no outside borrowing was effected, but paper was issued against that public work whatever it was. If they want to create a work of a reproductive character worth £100,000, they issue paper against that work which becomes currency, and the work produces its interest and the amount can be redeemed. The consequence is that these little Islands are flourishing by this method of financing. We rely too much on money lending institutions abroad.

It is against this I protest as a method that threatens us and brings us more and more into despair, for we have not only the ruination afterwards of repaying the loan, but of repaying added interest, which in every age and by every people has always been looked upon as a menace to prosperity. When the particular works reach the stage of discussion I shall perhaps have something to say upon each one. Now I simply desire to protest against this policy of borrowing. I admit with everyone in the House the absolute necessity of going on with some kind of public works and doing something to stop the drainage of people from this State into other States; something that will allure more than the mere promise of railway lines built. I am anxious to see money circulated amongst the working population. I am anxious to see industry where now there is starvation. I am desirous of seeing closed factories opened, and new ones built, and I am anxious to see every home in the guardianship of a husband who is earning enough wages to give happiness to his wife and children. I fully recognise the necessity of going on with some kind of work. I admit that there is wisdom in spending money on this. I admit that if there is anything at all that the Government can be congratulated upon it is on giving a sort of policy of public works at last. The only regret is that there is not more variety with it, but that it all hangs on a few spur lines, as if their whole ideas were exhausted in spur lines, and that apart from those they had not a single dream of this State's prosperity or advancement, which is more necessary than helping a few agricultural supporters.

MR. BATH: They want some sort of a spur.

THE HONORARY MINISTER: What about the goldfields?

MR. WALKER: Surely the Government are not demanding credit for that? I have heard so much of that. Every member on that (Government) side of the House has got up and congratulated the Government on its liberality and its large-heartedness in giving a few lines on the goldfields; as if they had discovered those lines, as if they had un-

earthed them by some magical means, and as though all the credit was to be taken purely by them. As a matter of fact this kind of railway construction, this kind of spur lines in the agricultural districts, is borrowed holus bolus from their predecessors whom they affect so much to despise. They have not even a single thing upon which to base any credit, but they are only borrowers, absolutely, as they are in this Loan Bill. They are pawnbrokers pure and simple, dealing with second hand goods. Credit to this Government for those reasons? Why, there is nothing at all that they need to boast about. The whole sum and substance of a long session's hard labour resolves into a Second-hand Dealers Bill, a Bills of Sales Bill, and a Loan Bill—the pawnshop, the second-hand dealer, all the way through. That is the Government in a nutshell; and they crow over this, just as the cuckoo crows when it sits in another bird's nest.

MR. F. ILLINGWORTH (West Perth): After the heroic address to which we have listened, I will endeavour to come back to the real facts of our position. Members have asked during this session and at other times also, "Why put these items in a Loan Bill? Why not construct roads and railways, why not do all this work which we know should be done and which we all desire should be done, out of revenue?" The answer is simple: because there is no revenue out of which to construct the works. The question is, how has this state of affairs arisen? Since I entered the House in 1894 I have steadily opposed a borrowing policy except for reproductive works. At that time, in 1894, the loan charges for interest and sinking fund were less than £100,000. We had a rising revenue; we saw money coming in from all directions; and we were able to spend some £800,000 to £1,200,000 a year on public works. But the loan policy which started in those days grew from very small beginnings to its present dimensions, and we have to-day, including this loan, to face the question of raising every year a million of money for interest and sinking fund. A borrowing policy is limited

by the capacity to pay interest and sinking fund; and if we are able to do that, there can be no objection to a borrowing policy wisely administered. But we have to consider the position in which we stand to-day. Our revenue has its limitations; and though I do not agree with those who say it is a diminishing revenue, those limitations are being approached. And if we are to pay out of our annual revenue £1,200,000 or perhaps £1,400,000 for carrying on our railways, and £1,000,000 for interest and sinking fund on our loans, it must be plain to all who consider the matter that we cannot continue to expend moneys on what is called a public works policy. And yet there are things requiring to be done, which we all feel ought to be done; and every Government, like private persons, must say: "If we have not enough money in our own pockets, we must borrow it from somebody else, or go without the work which we feel ought to be done." In this State we have an immense estate calling in every direction for development; and we can approach the lender and say: "We have a property which is not now productive, but if we can expend a certain sum on it we can make it productive, and can not only pay you interest and sinking fund, but make a profit for ourselves." Borrowing money in such circumstances is a sound financial transaction. The wisdom of a borrowing policy, however, is determined also by the administration of the money borrowed. Certain members have argued and pleaded from the beginning, and I still plead, that we ought if possible to confine the expenditure of loan moneys to those undertakings which will produce interest and sinking fund. If that be not done, the interest and sinking fund must be produced from somewhere; and if we have to take them out of general revenue, and the revenue is not capable of standing the strain, where shall we be? We have to face certain occurrences alluded to by the Leader of the Opposition (Mr. Bath). We have reduced fares and extended our railways until we have after paying railway working expenses a surplus sufficient to pay interest only; and now, as for many years past, we are taking a con-

siderable sum from revenue for the purpose of making good our obligations under the Bills which call for a sinking fund. The same remarks apply to the Goldfields Water Scheme. From £120,000 a year down to £75,000 a year has been taken out of revenue for years past to make good the sinking fund on that undertaking. Eventually, of course, it may be said that these projects will pay interest and sinking fund; and we are quite willing to wait, and to a certain extent suffer a diminution in our revenue, for the sake of these undertakings. But everything has its limitations; and while we are crying out in all directions for railways here, roads there, and public buildings in another place, and while we are calling for help for our mineral resources and our mining and agricultural industries, we must remember we have nearly reached our limitations, and must settle down fairly and squarely to consider what we are to do. For reasons which all know, we cannot increase our revenue through the Customs. That is a simple matter; because indirect taxation is very easily raised. People do not notice that they are thus contributing to the revenue, and those who are unable to contribute largely in that manner can economise by doing without many things they cannot afford to buy. But when we have to face the question of raising revenue now, we must go direct to the pockets of the people; must impose direct taxation. Nothing leads people more closely to consider what they are paying to the Government, and makes them watch more carefully how money is expended, than direct taxation; and proposals for direct taxation will do more to produce economy in a State than any other system of raising revenue. This session we have had some experience of trying to raise revenue, and so far have not succeeded very well. We shall perhaps be able to succeed after a little tussle next session, but we are faced with the question that we have to raise this money, and we are here to-night proposing to add to our interest and sinking fund a matter of £112,000 a year. Where is this money to come from? From direct

taxation? We have to consider how that taxation is to be enforced.

MR. BOLTON: Raise another loan to pay it. That is what it will come to.

MR. ILLINGWORTH: I hope it will not come to that, nor to what has already been suggested—that we should forego our sinking fund. I hope that will never happen; that whatever responsibilities are thrown upon posterity, we shall not ask posterity to take over engagements whereby we ourselves undertook to pay interest and sinking fund on the money we borrowed. So long as the State can easily bear the interest and sinking fund of another loan, and so long as the borrowed money is wisely expended on reproductive works, I think borrowing is a safe and in many cases a wise proposition; because what we can do at once by borrowing would take perhaps 50 or 100 years to do if we waited till we saved the money from revenue. By borrowing we at once get the benefit of the added prosperity and the added conveniences. This Bill proposes that a lot of work be done. If we were satisfied that these railways would within a reasonable time produce interest and sinking fund, I should feel very easy and comfortable about the Loan Bill. I am not satisfied that this will be the result. I am not satisfied that these spur railways will within a reasonable time produce interest and sinking fund; and I say this country ought to pause and think, and make the ground sure by testing some of these proposed railways to see whether they will do what we desire. Some items in this Loan Bill I regret to see—items which ought to be provided by the people of this day; that is, they ought to come out of revenue, though I do not see how that is possible, because, anxious as I am to have a considerable amount of work done out of revenue, I am not yet prepared to suggest how that revenue is to be raised. The rabbit-proof fence ought for instance to have been built out of revenue; and in coping with the rabbits we have arrived at a serious stage. In 1896 Mr. A. Y. Hassell and I impressed on the House of that day the absolute necessity of erecting a wire fence beyond Eucla. Had that been done we should

have saved hundreds of thousands of pounds and much anxiety. We were then told that the rabbits would not thrive and would not live in the Southern country; that there was no danger whatever in allowing the rabbits to come. We spent close on a quarter of a million for a rabbit-proof fence, and it is not a question of a reduction of expense but of salvation from destruction; hence the money in these Estimates. We must fairly consider how long we are to continue this system of borrowing. I, of course, like others, would rather not borrow; but we must either improve our estate with borrowed money or allow it to remain unimproved; and we have to settle that question in this and in other sessions. Shall we continue to improve our estate, or shall we allow it to continue in its present unproductive condition? I contend it is wise to improve our estate, even if we borrow money for the purpose; and let us always carefully ensure that in borrowing to improve our estate we improve it, and not merely spend money on it. Anybody can do that. Anybody can spend money on a piece of land; but the question is whether that expenditure will really improve the estate. In some cases I have my doubts. I fear some of these railways will not improve our estate at all in proportion to the proposed expenditure. When these Bills are before the House I shall want to know what are the prospects of these railways paying interest and sinking fund within a reasonable period. If not, we are going in the wrong direction. The only absolute excuse for the borrowing of money is that the improvement made by means of that money will be of such a character that the assets shall be increased in value to the full extent of the debt incurred, and that provision shall be made for interest and sinking fund. I do not intend to occupy time in this debate, as the items will come up from time to time; but I desire to impress on members that we are not now in the position we were in ten or twelve years ago. We cannot argue with the same earnestness and force as to the necessity and absolute utility of doing this and that work out of revenue. We simply have not got the revenue to

spend; and the reason why we have not the revenue to spend, I wish to emphasise, is that we have borrowed so much money and involved ourselves in so much for interest and sinking fund that the money from revenue is not available. The longer we go in that direction, the worse of course we shall get. It is a question for every hon. member and for the country to consider, whether we shall take the risk of borrowing money and improving our estate, or whether we shall leave our estate unimproved.

THE TREASURER: Do you not think the increase of population will counter-balance the increase of debt?

MR. ILLINGWORTH: I am not sure of that. My experience was that as we increased the indebtedness we decreased the population.

MR. BATH: The thing is proved. You cannot get away from the figures so far as Western Australia is concerned.

MR. ILLINGWORTH: My object while holding office was to put the finances of the State on a sound basis, and I think that to some extent I succeeded, as far as was in my power during the period I was in office. We hear that work is calling for us in all directions; and the question is, are we going to do it all, or are we going to have a little patience? I think we had better have some patience, at any rate; and I think we ought to make very sure that when we are going to put £100,000 into a railway on the goldfields or anywhere else, that railway is going to return interest on capital and the sinking fund within a reasonable time. I simply throw out these suggestions for caution. I am not going to oppose the Bill, nor am I going to oppose any items specially, but I should like to have some information on these lines as the Bills are presented to the House.

MR. H. BROWN (Perth): I have but a few words to say on this Loan Bill, which, by the way, is as large as the most optimistic member of Parliament could possibly wish. Indeed, before the Bill is put through the second reading I should like to hear the Treasurer state, not only what we are pledging the country to now, namely the raising of this two and a-half millions, but also to what we are committing the country in addition. Because

I think that some of these works are very much underestimated, and that we shall be passing not only this two and a-half millions, but practically pledging ourselves to double that amount for the completion of these particular works.

THE TREASURER: No.

THE ATTORNEY GENERAL: What figures do you challenge?

MR. H. BROWN: The first, I think, is £50,000 for the dock at Fremantle. We are told that a floating dock is going to cost half a million, and a graving dock three-quarters of a million.

MR. ANGIN: Who told you that?

MR. H. BROWN: I think the Government engineers made that statement publicly, in their reports to the House.

MEMBER: It is not so.

MR. H. BROWN: Then I stand corrected. I think even the Port Hedland and the Norseman railways will not be completed for anything like the amounts set opposite the names of these railways. I am, of course, well aware that the greater portion of the cost will come out of the £440,000 for rails and fastenings. I certainly intend voting for as many of these items as I possibly can; but, like the member for West Perth, Mr. Illingworth, I am going to use my judgment in reference to these spur lines. In fact, under the present railway management I am going to give as little inducement to the expenditure of money through the hands of, in any case, the present Commissioner of Railways as I possibly can. I think that if the figures I gave last night are studied, it will be found that at all events the railways of Western Australia are the most extravagantly managed of any in the Australian States. If you come to look at the list of these spur lines, I think you will find that in a very few years, if they are carried out, the south-western portion of this State will be practically like a huge gridiron. We find the member for North Fremantle (Mr. Bolton) complaining very bitterly, not only as to the sewerage of Fremantle, but as to the whole of the money being expended in Perth. For my part, he is quite welcome to the projected sewerage scheme for Perth: the hon. member can have it for Fremantle. He forgets that this is practically the only work in the schedule which is really not a gift from the Government, because the cor-

porations of the metropolitan area would be quite willing to carry out the scheme themselves, without asking the Government for any money whatever. Then the corporations would have some voice in the particular schemes projected, but here they have a scheme foisted on them by the Government; and they have not only directly to pay the taxation for this particular scheme, but they have also indirectly to pay the whole of the remaining cost of these particular works. Returning to the spur lines, we know that Victoria was practically ruined by them for some considerable time; and really, if many more of these spur lines are to be put down we shall be compelled to grope amongst the districts to find people to travel on them. The member for Collie (Mr. Ewing) said they would bring the people; but I may tell him that one of these lines, at all events for 15 miles, runs through only three estates, and no settlement within miles.

MR. HOLMAN: What line is that one?

MR. H. BROWN: The one in connection with which we asked for a select committee.

MR. HOLMAN: Do you know what estates it runs through?

MR. H. BROWN: You will learn that from the report which the committee will present to the House. I think the Government are giving the farmer fairly good facilities, but I am sure that to get rid of our State lands is a very costly matter. At the present time it costs the Lands Department 80 per cent. of the purchase price to get rid of land. It will be far cheaper, in my opinion, to let anyone come in and jump the land so long as he fences and carries out stocking regulations; because while the State is selling land for 10s. or £1 per acre, it costs the State £1 or 10s. per acre to effect the transaction. I do trust that when these works are put in hand the money paid for wages, at all events, will be spent in the State. I ask that the workers of this State, or a great number of them, be a little more loyal to the State and expend their money in the State in which they earn it. We all know that at the present time, and for years past, the wage-earners, or a great number of them, are and have been sending away their earnings to keep their families in the Eastern

States; and Western Australia is much the poorer for that. In conclusion I may inform the Minister for Works that I am quite aware the Public Works Department will force on this particular sewerage scheme, and that I am quite certain their reason for doing so is to keep up a huge Public Works Department; moreover, that I am quite certain there are just as good engineers outside the department as in it. It is strange that both the present and the late Minister for Works have done their best to let this work be executed by the Government. The people of Perth and suburbs have not been asking that the Government should take on this work, and surely the old maxim of no taxation without representation applies, and the metropolitan area should be allowed some little voice in the system of sewerage which the Government contemplate putting down.

[MR. ILLINGWORTH took the Chair.]

MR. J. A. S. STUART (Mount Leonora): In common with members occupying seats on this side of the House, I regret that it is necessary in a Parliament such as this to consider the Bill which has been the subject of our deliberations to-night. I look forward to the time when there will be in power someone with sufficient ability and intelligence to make good enough use of our national resources and our natural assets to prevent the necessity for our going, cap in hand, to the foreign money lender; but as it is not at present possible, perhaps, to vote against these proposals, about all that we sitting in opposition can do is to see that fair play is meted out to all parties alike. So far as I am personally concerned, I have the same sympathy for the struggling agriculturist as for the much-enduring pioneer out back; and I think I would as readily support an agricultural railway, which will be the means of bringing into closer communication with their market a few hundred farmers, as I would support, perhaps, a railway to such a place as Ravensthorpe, where something over a thousand people are endeavouring to open up a part of the State which, up to the present, has not been very reproductive or very remunerative. I am not in a

position to say much about the agricultural lines, but I can speak with some knowledge on the goldfields lines, having travelled most of the goldfields of this State, and knowing most of the local requirements. The only point on which I should like to be clear, in taking part in a discussion such as this, is that the proposals will be put forward in such a manner that those of us who are not perfectly acquainted with the localities may not find ourselves the unwilling or helpless victims of a battle of the rival routes. I could not say, without farther information, whether a line should be built from Katanning to Kojonup, or from Katanning to some other place, or from Broomehill to Kojonup; and therefore I sincerely hope that the Government, in a matter such as this, will not rush the proceedings and ask us to take part in deliberations without full knowledge of what is going on. As for that part of the country of which I do know something, I should like the House to consider not altogether alone the present proposals, in some instances, but what the present proposals may lead to in the amplification of our railway system later on. Particularly is this the case in relation to the proposed extension from Mount Magnet to Black Range. If that line is taken in a certain direction it will undoubtedly tend to unite two at present disconnected parts of what should be one thorough and complete system. I refer to the North Coolgardie railways, and the Murchison railway, terminating at Geraldton. In my opinion the geographical and mineral features of that part of our country point to a speedy connection from Leonora to Lawlers, from Lawlers to Black Range, and from Black Range to Kanowna, thus practically completing the circle; while the construction of the transcontinental railway will continue the communication from Kalgoorlie to Adelaide on the other side. It would be most desirable in a case such as this, to have one complete system instead of several disconnected systems. Another general feature of these proposals with which I could not help being struck, was the mention of the fact that it is not intended to add to the capital cost by regrading and improving some of the existing railway lines. I think that would be a mistake. It would be better to add to the capital cost

and decrease the constantly recurring working costs. I think all engineering authorities would be united on the point that it would be better to do this and have the system economically worked.

THE PREMIER: It all depends on whether the traffic warrants it.

MR. STUART: With regard to some of the other railway lines that might ultimately be necessary, the Government might seriously consider the possibility of a railway line to connect the pastoral industries of the North-West with the goldfields. I notice that in another set of figures we have something placed on the Estimates for a stock route from the North to Leonora. I have just recently come from the Leonora district, and I know that the people who have to bring stock to the Eastern Goldfields from Gascoyne complain of the difficulties and of the want of communication. I think a Government that wants to bring the producer into contact with the consumer should take this matter into consideration.

THE PREMIER: The stock route is a long way north from Gascoyne. It is right through to Sturt Creek.

MR. STUART: The country between Gascoyne and Leonora is what they complain about now. It is the route mostly used, but there is a stretch of dry country, so that the cattle have to be fattened on arrival at Leonora.

THE PREMIER: All the pastoralists have sent down a letter expressing satisfaction with the stock route.

MR. STUART: With regard to the general policy of borrowing, I think we should cease it as soon as possible. I do not think that we get value for the money raised. The expenses of flotation are too high. I would sooner see the population increased and a reduced indebtedness per head, and the only way to do that is to introduce better industrial laws that would induce people to flock here to participate in the prosperity that wise legislation would bring about. While we are in a measure forced to vote for a Bill before the House, we should not forget to place on record our desire that this loan business should cease as speedily as possible. As I am not in a position to vote against any of these proposals, I will be guided by the knowledge I gain of those lines of which

I know nothing; but with regard to those with which I am acquainted, whether agricultural or mineral, where they are required I shall support the proposal according to the knowledge I possess.

MR. W. C. ANGWIN (East Fremantle): I do not intend to say much in regard to this Bill, with the exception that I wish to congratulate the Government on bringing forward a bold public works policy. My only regret is that the amount is not a little larger than is set down. I regret we did not have a longer time for the Bill to develop. A few weeks ago it was a million; then we were told in the Press it was to be a million and a-half; then it came up to two millions and at last it has reached the sum of two and a-half millions. If there had been a little longer time to consider the matter the amount might have been still larger. I realise that it is a matter of impossibility at the present time to develop the country unless there is money provided by way of loans to do so; consequently I have great pleasure indeed in supporting the Government in the Loan Bill they have brought forward, while at the same time expressing regret that a little larger amount was not included. We were told this evening that in 1899 Sir John Forrest said he thought the State should become self-supporting. No doubt it was at the time Sir John Forrest brought before Parliament the raising of a large loan that Parliament approved of. We saw in the Press the other day that even Sir John Forrest criticised the present Government because they were not entering into a loan policy to carry out the works the country demanded, but at the same time Sir John Forrest is the foremost man in trying to take away the powers of the State to raise money when we require it. The member for Perth (Mr. H. Brown) to-night rather criticised the member for North Fremantle (Mr. Bolton) in regard to the water and sewerage scheme included in the Bill for Perth and Fremantle, and pointed out that the work was being carried out by the Government and that the citizens of Perth had no say in the matter. If I mistake not, the citizens of Perth have been fully represented in the scheme. Only a few years ago the city

of Perth entered into a water scheme and they were anxious for the Government to relieve them of the liability; consequently the Government had to pay a large sum to relieve them of the monopoly they granted to a private company. No doubt the Government will think twice before handing over the sewerage scheme to the city of Perth to carry it out. It would involve such a large expenditure that even the citizens of Perth might again find it necessary to call in the aid of the Government to relieve them of the liability into which they entered. I do not profess to know the requirements of the district into which railway lines are proposed to be constructed, but I realise that the Government will give us all the information possible when the Bills are before the House, and we will then be able to form some opinion as to whether the railways are wanted or not. There is a matter under the item of Harbours and Rivers to which I wish to draw attention. I regret it falls to my lot to do so, because I notice that members never in the course of their remarks bring in anything in regard to their own districts. We are tarred with the same brush no matter where we sit, whether on the Ministerial or Opposition benches, and my own opinion is that every member does the best he can for the constituency he represents. In this connection I notice there is only a small sum of £50,000 set down for the Fremantle Dock and Slip, but the worst part of it is that the Government intend to make farther inquiries, and in all probability they will again bring in an expert to decide the question as to the site of the dock. We find that already between £20,000 and £30,000 has been expended on the dock and slip at Fremantle, and the only thing done for that expenditure is the erection of a small engine-house and a very small slip, the cost of which no doubt would not exceed £6,000. Boring has been carried on and reports have been made from time to time by engineers since 1896, so that the Government should be able to take in hand immediately the construction of this work. In fact, in looking through *Hansard* I find that the Treasurer was one of the strongest supporters in the House, in 1900, in regard to the commencement of this work. The Ministry of to-day are

now in exactly the same position as the Treasurer then found the Forrest Ministry. The Treasurer then said :—

We find the Ministry are in the position that an urgent work which was sanctioned by Parliament is not yet ready to be undertaken.

The Treasurer at that time used the words "four years ago." I think I can to-night use the same words and say that the Ministry are in the position that an urgent work sanctioned by Parliament ten years ago is not yet ready to be undertaken. If the Treasurer at that time thought a dock was such an urgent necessity that it should be undertaken, surely to-day, with such a large increase in the tonnage of the port, the time has arrived when no time should be wasted in regard to experts' opinions and when the officers of the department should settle the question at once and proceed with the work. On that occasion the Treasurer went on :—

We wish the Government to stop this procrastinating policy of getting works approved in the House and never carrying them out, or of waiting for years until the opportunity is gone, until the country at large has suffered for the want of those works. The decisions of Parliament have been flouted, urgent works have been passed here, and yet we have the Government holding back and practically refusing to carry out the instructions of Parliament.

The Treasurer was certain that the construction of the dock would be beneficial to the State and he said :—

Every practical man in the House knows full well that the harbour works will not be complete without a dry dock, and yet although the work has been authorised and the money voted not one thing has been done to carry out the vote of this House. . . . I for one protest strongly against this policy. I do object to the decisions of the House being flouted in this matter. I spoke strongly the other evening as to the workshops, and I speak strongly again now. I say that when Parliament decides that a work is urgent and necessary in the interests of the whole country, then it is the duty of the Government to carry out that work as quickly as possible, or at all events to give sound reasons why it should be delayed.

Those are the words used by the Treasurer in 1900. I maintain they can be repeated to-night. Though I am not able myself to put it in such language as the Minister did, I hope he will allow me to use his words to-night in such a way as to impress him that the work should be commenced.

THE TREASURER: They should convince you that I am a friend of Fremantle.

MR. ANGWIN: The hon. gentleman went on to say:—

If we construct this dry dock we are going to build up ship repairing yards, engineering works and foundries which will be established in our midst, and so we shall have much larger and more profitable industries than the Fremantle locomotive shops have ever proved to that town. Another advantage of course, and one which we cannot overlook is the fact that the dock will assist to make this harbour a reproductive work. No doubt the harbour dues obtained from the shipping will go a long way towards paying the interest on the cost of construction and possibly the sinking fund.

We find to-day that interest is being paid and a large amount towards the sinking fund.

But I would point out that a dry dock there capable of taking steamers of larger dimensions, such as visit our port to-day, will benefit our revenue enormously and will ensure the financial success of our harbour.

Though I advocate this dry dock being constructed immediately in the interests of the whole colony, yet it is going to bring a great amount of prosperity to Fremantle itself and to North Fremantle especially.

I maintain that these words used by the Treasurer in 1900 can be used to-day with greater effect. If it was necessary in 1900, when the tonnage of shipping arriving at Fremantle was 801,072, to immediately carry out the authorisation voted by Parliament in 1896, then I maintain it is more necessary to-day when the tonnage is 1,462,995 tons. The number of vessels arriving 1900 was 480; the number of vessels arriving last year was 797. I do not think the Government have treated this matter in a fair light. They have not considered this is the oldest work at present that has been authorised by Parliament. They have not considered that the money which has been raised for the work has been reappropriated. They have not considered it was necessary to see that in all probability some years must elapse before another authorisation would be made, and that the £100,000 would not carry on the construction of the dock for any length of time. If the Government intend to spend £10,000 next year for inquiry into the construction and to get farther expert opinions, and in putting down certain bores, I think £50,000 will

almost be swallowed up by the time the plans are prepared, and is the work for the next two or three years to be carried on by the expenditure of £50,000? As I said just now, if more time were at the disposal of the Government, and inquiries were farther made, this amount might be increased. The question should receive greater consideration, and I think the Government ought to have given greater consideration to it, and increased the amount by at least £200,000, I wish to say that a distinct promise was made by the representatives of the Government that a Bill would be brought in this session for the construction of the dock. I made that statement here the other night, but had to withdraw it at the request of the Speaker, as it was pointed out that what I quoted from the Press on that occasion as to the statement of the Minister was wrongly reported. If I had taken the report from the other Press, it would have been different. Since that time I have compared the report which I read with the *West Australian* report, and I find that both reports are word for word as I quoted in the House the other evening. Seeing that is so, I honestly believe the Minister who made this statement and allowed the people of Fremantle to believe that a Bill would be brought in this session for the construction of the dock, if he had the power to carry out his wishes, a larger amount would have been placed on the Estimates for the construction of the dock than we find in the Bill before us. I believe the Minister was given to understand by his colleagues that a Bill would be brought in for the construction of the dock. I believe also his colleagues have not stuck to him in the manner they should have done. I do not wish to take up more time, but I wish to say I am pleased the Government have at least realised that a public works policy is required in this State. I believe the people of the State require a public works policy, and by the Government bringing forward their Loan Bill to-night, they are merely carrying out the wishes of the people.

THE MINISTER FOR WORKS (Hon. J. Price): There have been a good many criticisms to-night, not altogether of a friendly nature on the Loan Bill. As

explained by the Treasurer, by the time all this money is borrowed the loan charge on the people of the State will only amount to £66 per head; therefore we need not look with fear to the future. I fancy we shall find that by the development which the expenditure of this money will cause, the State will be amply compensated, and that new sources of revenue will be opened up thereby. Some criticism was made on the ground of the inclusion of certain works in the Bill, which are stated to be not of a reproductive nature. If there is one thing I admire, it is consistency, and on looking up the Municipal Corporations Bill which has been passed by this House this session I notice that provision was made to enable corporations to borrow money for works certainly of a far less reproductive nature than any of those works contained in the Loan Bill, but this provision raised no comment from the Opposition.

MR. BOLTON: We will deal with it when it comes to us again.

THE MINISTER FOR WORKS: I venture to say the hon. member will not be game to interfere to prohibit a municipality from borrowing money for the works set out in the Municipal Corporations Bill.

MR. BOLTON: I am game for anything.

THE MINISTER FOR WORKS: Yes; we have had an instance of what the hon. member is game to do within the last three or four months. The hon. member would not be game to interfere to prevent municipalities borrowing money for a period not exceeding 30 years for the construction of roads, the making of bridges, the building of town halls, municipal offices, theatres, and other works. When members opposite are prepared to support a Bill which enables municipalities to borrow money for works of this nature, I see no reason why the State, if necessity pressed, should not be permitted to borrow for all the works included in the Loan Bill.

MR. SCADDAN: We do not borrow money for municipalities; we only give them the power.

THE MINISTER FOR WORKS: According to the member opposite, it means this: if he believes this is not a fair method of financing, that it gives power to municipalities to do what he believes is wrong, the principle is the same,

because the function of Government, as far as the State is concerned, in outback districts where settlement is so scattered and where people have no local authority of their own, is the same as a municipality in a municipal area, and the Government should have the right to carry out these works. Take, for instance, the Claremont Lunatic Asylum. I honestly think if possible it would be better to build that institution out of revenue. We have to choose between borrowing this money and the present state of affairs. Personally I think in times of financial difficulty, this State is honestly justified in borrowing money to alleviate the sufferings of the people who occupy this retreat. I do not think the member will controvert that statement. I do not believe any one would desire to see the hospital unbuilt because at present we cannot build it out of revenue. It has always been a sort of conundrum to me that it is a legitimate thing to borrow money for agricultural railways and when we come to a road which serves practically the same purpose, though perhaps not to the same extent, in the opinion of some people, the State should be debarred from borrowing for that road.

MR. BOLTON: You get no revenue.

THE MINISTER FOR WORKS: We get no revenue, but the position with the railways is this: every train that runs costs a considerable amount. I do not want to detain the House longer at present, but there are one or two matters I desire to refer to. The member for North Fremantle in a speech he made a few hours ago, referred to the sewerage scheme and the provision made for the town I have the honour to represent and the district he represents, and he asserted, and would like the House and the people of his electorate to believe, that practically no provision was made for that part of the State. This statement is extremely unfair and unjust. The members for North Fremantle and East Fremantle said that the amount was to cover a period of 12 months, whereas it is only to cover a period of seven months. As far as the member for North Fremantle is concerned, when this was pointed out to him, he did not appreciate the difference between seven months and 12 months. It is a considerable differ-

ence. If the period is seven months, then it is misleading to state that 12 months is contemplated.

MR. BOLTON: At the end of seven months could you spend more money than is provided in the Bill for the dock?

THE MINISTER FOR WORKS: I am talking about the sewerage scheme at present, and the member said, "this was the provision made," and he read out the items in the schedule, "for the next 12 months." I assert it is for the next seven months, and so far as this scheme is concerned this work was explained to the local authority, and they were satisfied with what the Government propose to do in that connection; at any rate, they do not question the Government's plans. I go farther and point out to the member that the first active steps in connection with the work were undertaken by my predecessor, who at the end of his term committed the Government to liabilities to the extent of about £70,000.

MR. ANGWIN: The survey was complete before that.

THE MINISTER FOR WORKS: The field books were completed for the district of Fremantle when I went into the office, but the detail plans were not made. Very few people seem to appreciate the magnitude of the plans required for this particular work, and the actual progress that will take place as far as this work is concerned in connection with Fremantle and district. The amount to be proposed for the building of treatment works before June 30th, and for which the State will by that date have contracted a liability, amounts to £12,000, and a pipe contract has been let, and pipes to the value of £5,000 purchased under this contract will be used in this work for Fremantle. A contract for pipes has been let for the city of Perth and surrounding area. This is a work that takes some time. I would point out to the people of the metropolitan area and Fremantle that the first active steps to bring this great project to fruition were taken by the Treasurer, and the Government since he initiated these steps have done everything possible to push on with the work, and they have no intention whatever of dropping any portion of the metropolitan area. The amount set down on the Loan Bill is

sufficient for the proper reticulation of the metropolitan area, including Fremantle and several of the suburbs. The member for East Fremantle has dealt most unfairly and unjustly in connection with the dock. He knows as well as I do that the offices in my department contain a mass of evidence with recommendations for sites in practically all directions, and it is absolutely necessary this matter should be settled once and for all. We know the settlement of the site will very largely indicate the amount of money that is to be spent on the dock. There are places on the river in the vicinity of Fremantle where the expenditure of twice the sum of money will be necessary as on other sites. This being so, I think the Government are fairly entitled to take this matter fully into consideration, which it is intended shall be done, and a site definitely fixed during the recess. When I say the recess I was not supposing that Parliament would meet again in February.

MR. ANGWIN: Between this and July?

THE MINISTER FOR WORKS: Between this and July it is the intention of the Government to definitely fix the site of the dock. If the site is fixed the Government will know the amount of money required to build the dock. The Government are prepared to make a start with the work and as soon as necessary to get the requisite financial authority for what additional funds may be required. The hon. member said my colleagues in this matter had treated me unfairly. I desire to say in fairness to them that I have received most generous treatment in regard to this particular matter. [Interjection by MR. ANGWIN.] I would sooner take the promise of any one of my colleagues than the promise of the hon. member. I would not object to his promise. I say I have not been treated fairly and squarely in this matter, and it is right up to my colleagues in the representation of the district to tell the people of the district generally that the Government in this matter will deal fairly with this question. I have given cogent reasons why at the present moment it is not necessary to provide a big sum, or a bigger sum than has been provided; for the simple reason that the site of the dock absolutely and completely indicates what the cost will be. As I say, the cost

in one particular locality would be at least twice as great as it would in another. An additional reason is that the ideas in connection with graving docks have been constantly and persistently changing. The hon. member knows that so far as its construction is concerned there is every reason for a full and proper inquiry at the present time. If this question as to site is settled before the middle of next year the atmosphere will be cleared, and it will be plain sailing thereafter. Certain remarks have been made by the member for East Fremantle. I think it was up to him to be rather more candid with this House than he was. It is very evident that he has carefully read my speeches and taken notice of what I said. I noticed that in regard to a speech I made one day at Fremantle I was made to say in the newspaper reports that a Bill to construct a dock at Fremantle would be brought in. That in my opinion was a misquotation. I made several other speeches, wherein I stated, as the published reports show, that the Government were pledged to bring in a Bill giving the Harbour Trust power to build a dock. To damage me the hon. member takes a solitary statement, and is not man enough to take two other statements which are printed *in extenso*.

MR. ANGIN: I read the exact words and you blocked me.

THE MINISTER FOR WORKS: There are many men on the other side whom I know to be fair and reasonable, and I appeal to them whether it was a fair thing that one statement, which does not accurately represent the position, should be used—a statement that the Government would bring in a Bill to build a dock—whilst in several reports the statement could be found taken from my lips at elections, that the Government were pledged to bring in a Bill to extend the power of the Fremantle Harbour Trust so that a dock could be built at Fremantle.

MR. ANGIN: In regard to site only, it says.

THE MINISTER: The hon. member quotes one extract and is ungenerous enough not to quote other extracts from other speeches such as I have mentioned, which stated that it was proposed to extend the powers of the Harbour Trust.

I think the hon. member has scarcely treated me in a fair, reasonable and courteous manner. The Government, recognising it is the desire of all parties in this House that the dock should be built by the Government, have determined to abandon that portion of the Bill, and to substitute for it an item on the Loan Estimates which will enable the Government to start that work. (Interjection.) The sum of £50,000 has been referred to, but we do not hear of the £59,000 which remains available for this work, making a total of £109,000. At all events in so far as this matter is concerned I think that every attempt has been made to misrepresent my position. I ask gentlemen opposite in common fairness to me to give the whole of the extracts from my speeches at that election, and then my intent will be made clear. [MR. COLLIER: The next person who refers to the dock ought to get six months.] [Interjection by Mr. SCADDAN.] I ask the hon. member not to accuse me of making reckless statements, but simply to get up in his place and substantiate what he says. I am referring to the member for Ivanhoe. There is more than one pebble on the beach on the other side. That is a very favourite dodge opposite, to make a general statement, and by vigorous exertion think the matter is proved on authority.

MR. SCADDAN: What general statement did I make?

THE MINISTER FOR WORKS: The hon. member charged me with making reckless statements.

MR. SCADDAN: I did not say anything of the kind; I deny that.

THE MINISTER: As a matter of fact the action of the Government in this matter has been quite reasonable and logical. I venture to say that at the present moment the town and district with which I am connected is considerably nearer to the dock it desires than it has been for a great number of years, or than it ever has been before. I trust that the Loan Estimates will pass, and I believe that if the House adopts them as they stand they will initiate a new era of prosperity in this country. With reference to the information which the Premier desires should be circulated amongst members in connection with the railways, I wish to say that

all the figures which are found therein are on the side of moderation, and I feel certain that in such matters as population, possible returns, areas under cultivation, and so on, they have been if anything under-estimated. I want to show the House that I have endeavoured to prevent these figures from erring on the side of exaggeration. I have tried rather to keep under the mark than over it so that the figures can be accepted as a straightforward statement of the position of affairs as regards the localities with which they deal.

MR. SCADDAN: Would you like me to quote some of your speeches?

THE TREASURER (in reply on the debate): I suppose I cannot complain very much of the reception by the House of this Loan measure. Indeed I am prepared to admit at once that I have no cause of complaint, and I cannot see that any cause of complaint should exist. The matter being so extensive, so comprehensive, and touching every important industry of the State, it must of necessity receive the support of the majority of members of the House. I wish to point out that the Bill is only an authority to borrow. It does not give an authority to the Government to expend the money after it is borrowed. That must of course be provided in the Loan Estimates and in the measures which will be brought down for the construction of the works, notably the railways. In this Loan Bill there is one matter I wish to briefly refer to in my closing remarks, and that is in connection with the query put to me by the member for Perth, and the suggestion that the measures included in the schedule of this Loan Bill would when completed probably cost the country at least half as much again as the amount placed herein. I want the House to understand at once that in nearly every instance the Government has provided sufficient money to complete the works as set down here. I think I am safe in hazarding the statement that the only exception is that of the Fremantle dry dock, and a full explanation has been given in connection with that matter by myself in introducing the measure, and by the Minister for Works, my colleague. In every other instance sufficient money has been pro-

vided to complete the works in this Loan Bill.

MR. BOLTON: A most unfortunate isolated case; that is all I can say.

THE TREASURER: We had the usual eloquent and academic exposition from my friend the Leader of the Opposition, and of course it does him credit and gives evidence of careful training in his early days. In addition to that we had the usual violent outburst of eloquence from my friend the member for Kanowna. Both of these members appear to have become completely exhausted by their great efforts, and have departed. We have only empty benches now to congratulate.

MR. T. L. BROWN: Where are your members?

THE TREASURER: With regard to the Leader of the Opposition, he trotted out Queensland as being a bright and glorious example for Western Australia to follow. He said that its period of prosperity occurred on the cessation of borrowing. I want to point out that I had the honour of living in that country for a number of years, and that Queensland prior to the cessation had borrowed to a very much larger extent than Western Australia, and I hazard the statement that not only did she derive immense benefits from her borrowings, not only did she develop her latent wealth and her numerous industries by the money she raised from the British money-lender, but during her period of cessation of borrowing she was practically receiving the benefits of the work which had been completed and carried out in the previous period with the expenditure of borrowed money. I should like also the House to understand that notwithstanding the fact that Queensland has refrained to some extent from borrowing during the past few years, she has not had to stop her public works policy, inasmuch as she is carrying out her railway scheme now under the guarantee system. That is, that most of her large railway undertakings are being constructed by private enterprise, subject to a guarantee from the Government of that State with regard to the interest. What we have to decide to-night, and what I think is already decided, is whether we can afford to stand still in Western Australia, which must mean retrogression, or whether we

have determined to take up this policy which we have put before the country and Parliament, and advance the interests of Western Australia, as undoubtedly in my opinion the adoption of our policy would advance them. I think there can be no two questions about it, that if we are going to be afraid of our position—although there is no just cause—and fasten up our purse-strings and refuse to borrow the necessary means to develop our industries, this country cannot even stand still. It must drift backwards, and there will be a loss of population. The Government believe in a progressive policy, and we have put that policy before the House. I venture to think that the policy will receive the indorsement of the House notwithstanding the urgent appeal of the member for Kanowna, who with flourishing mien and eloquent tongue put forth a scheme of State banks and paper currency as the great panacea for our financial troubles. His language carried him away and so carried me away that I could see the atmosphere of this Chamber crowded with greenbacks floating around; untold wealth. I thought I could see the 18 million pounds of our national debt floating into these greenback promises to pay at some future date, and I pitied the poor miserable Treasurer who had to face the music without the gold reserve with which to redeem them when they were presented for payment. I think we may in a very few words dismiss the scheme of the member for Kanowna, when we consider that the total note circulation of all the banks in this State to-day amounts to the sum of only £332,000. Whence, then, can come the enormous relief which he predicts will follow the issue of a paper currency? If with an unlimited issue the people of Western Australia can now absorb only £332,000 worth of bank notes, where are we to get the millions required to carry on the works policy of this country for the next two years? I do not wish nor do I think it necessary to labour the question farther to-night, nor to answer fully all the statements of previous speakers. I prophesied truly an increase of population, and notwithstanding the criticism of the prophecy by the Leader of the Opposition, I am justified in prophesying that our population will increase during the next two years, and will

increase at the same rate as it has increased during the past two years. I see nothing to prevent an increase of population in this State. If I did, I should begin to have some doubts about our borrowing policy. But I say without fear of contradiction that as in the past we have continued to increase our population, as our industries have developed, as our lands have been thrown open for settlement, so attracting population from other parts of Australia and of the civilised globe; we may hope that with the additional opening up of our country, with additional transit facilities for those who go into the bush to settle on the land as producers, we must of necessity in the next two years, as in the past, attract population to our shores, attract capital for investment in our industries; and by that means I maintain our loan policy is a safe one, and one that the House may with all confidence indorse. I hope we shall not only pursue the loan policy proposed in this Bill, but that the measures which we must introduce to carry out the different works enumerated in the schedule will, after a careful examination at the hands of members, receive that bold support which will enable the Government to go to the market to raise the money with the full knowledge that the House and the people are behind them in carrying out the works which, I maintain, we have projected in the best interests of the country.

Question put and passed

Bill read a second time.

IN COMMITTEE.

MR. ILLINGWORTH in the Chair; the TREASURER in charge of the Bill.

Clauses 1 to end—agreed to without remark.

Schedule 1—Works:

MR. BATH asked that progress be reported before dealing with the schedules. Members should have an opportunity of ascertaining how far the passage of the Loan Bill committed them to the works proposed.

THE TREASURER: If the passing of the Bill in any way committed members to spending money on the works scheduled, progress would be re-

ported immediately. In the hon. member's absence, he had explained that the Bill gave power to raise money for these objects, not power to spend the money. He believed in the early days schedules were not attached to Loan Bills, though it was now considered necessary in issuing a loan prospectus to append a list of the works to which the money would be applied. The Loan Estimates contained full particulars, and the proper time for striking out or amending the items was in Committee on those Estimates. As to the railway projects, they could be discussed when the railway Bills were before us. Let us pass this Bill to save time, and to give power to raise the £2,467,000.

MR. DAGLISH: There could be no objection to the passing of the schedules. The Treasurer's views were quite correct. The Loan Bill was an authority to borrow money, and the Loan Estimates an authority to expend the money when borrowed. By passing the second reading members had already expressed an opinion that the Government should borrow this sum. Its allocation in a Loan Bill was unimportant, as the items could be altered by reappropriations, and the expenditure must be governed by the Loan Estimates submitted from time to time.

Item (new lines) — Busselton-Lower Blackwood Railway, £13,700:

MR. BATH: The Treasurer had not mentioned any proposal for the immediate or even contemplated construction of this line; yet now a large sum was provided.

THE TREASURER: 'This was a railway sadly needed, which ought to have been constructed years ago. The timber Combine had a railway running from Wonnerup to Jarrahwood, some 22 miles long, towards the Lower Blackwood. The present Government and the Daglish Government had tried to force the Combine to abandon the line, to sell it to the Government at a reasonable price, or to open it for traffic. The question was somewhat complicated, because a former Premier had made a supplementary agreement which to some extent hampered the efforts of both the Governments mentioned. The present Premier promised, in his speech on the Estimates, that if the Government could buy out the Combine

at a reasonable figure, a bargain would be struck and provision be made for continuing the line to the Lower Blackwood. Negotiations had been proceeding for several months, and the parties had now got so close to an arrangement that an offer by the Government of £14,000 was being considered by the directors of the company.

MR. DAGLISH: What about the rails given to the company?

THE TREASURER: There were 22 miles of railway in good working order, and in this length were eight miles of rails now belonging to the Government. Considering that the Combine asked the sum of £22,000 to start with, hon. members would no doubt be satisfied if the Government closed the bargain at the figure of £14,000. Failing a bargain with the Combine, it was the intention of the Government to carry out the promise of the Premier and construct a line direct to Busselton and the Lower Blackwood river, so opening up a large tract of fertile country and some splendid jarrah country. This district had been settled thirty years back, but its progress had been retarded owing to its great distance from railway communication, and farther, owing to the fact that during the past three or four years Millars' Company had closed down their Wonnerup mills and ceased running traffic to Wonnerup. Many representations had been made on the matter; and notwithstanding the jocularity with which any reference to Sussex was received in this House, he believed that any member who had travelled through that splendid country and observed its vast agricultural and timber wealth would support the item.

[MR. DAGLISH took the Chair.]

Item—New line, Hopetoun-Ravens-thorpe, £28,000:

MR. HOLMAN: In view of what the Treasurer had stated, that the passing of the schedule did not in any way commit us to the construction of the works enumerated in it, there was no necessity to move amendments; the proper place for that account being on the Loan Estimates.

THE TREASURER: Yes; on the Loan Estimates.

MR. HOLMAN: He would like the Premier to carry out the promise which

he had made over a week ago, and the performance of which had no doubt been delayed by the hon. gentleman's accident, to have the correspondence bearing on this matter laid on the table.

THE PREMIER said he had the correspondence ready now.

Item—New Lines, Agricultural Railways generally, £100,000 :

MR. HOLMAN intended to move an amendment that after "agricultural" the word "mineral" be inserted, thus lending the item a broader meaning.

THE PREMIER: To strike out "agricultural" would be sufficient.

MR. HOLMAN moved an amendment:—

That the word "agricultural" be struck out.

THE TREASURER: This measure referred merely to the raising of money.

MR. HOLMAN: But the striking out of "agricultural" would be an indication of the feeling here.

THE PREMIER had no objection to the amendment. There might be occasions when the Government would find it advantageous to put in a short firewood line, or something like that. In the circumstances, perhaps it would be as well if the item were broadened to some extent.

MR. WALKER: To amend these items was foolish unless amendments had some binding effect. We were not approving the schedule by passing it, or disapproving it by moving amendments. Was not the whole thing only child's play? There was no legislative force in an amendment at this stage.

MR. BATH: But, in the absence of the amendment, it might be contended that the general authority of the Loan Bill covered only agricultural railways.

MR. WALKER: This Bill was not the whole thing, and by this Bill we were not bound to have these items at all, or to have these items only.

THE TREASURER: The money would be spent as Parliament might appropriate it.

MR. WALKER: Yes; some of these items might be knocked out. The schedule was merely an indication of what the Government at the present moment intended to do if the money were raised.

THE CHAIRMAN (Mr. Daglish): Before putting the amendment, he desired to state that it was not absolutely clear to him that the amendment was in order. At the same time, being in doubt, he would put it to the Committee. He also wished to point out to hon. members before doing so, that the amendment, if carried, could have virtually no effect inasmuch as no railway could be constructed without an appropriation of this Committee for that specific purpose.

Amendment passed, the item amended accordingly.

Item—Fremantle dock and slip, £50,000 :

MR. ANGWIN greatly regretted, and felt bound to enter another protest against the action of the Government in not setting down a fair sum for the construction of this work, which had been promised for over 10 years. The amount was too small altogether to effect anything.

Schedule as amended put and passed.

Second Schedule, Third Schedule, Preliminary, Title—agreed to.

Bill reported with an amendment; the report adopted.

ADJOURNMENT.

The House adjourned at 10:58 o'clock, until the next day.