

WESTERN AUSTRALIA.

PARLIAMENTARY DEBATES.

Legislative Council—Session of 1887-8.

Opened on Thursday, 15th December, 1887.

LEGISLATIVE COUNCIL,

Thursday, 15th December, 1887.

Opening of Council—New Member—Governor's Speech—
—Privilege Bill (Further Re-appropriation Bill, 1887): first reading—Centenary Banquet at Sydney—
—Address in reply to Governor's Speech—Adjournment.

OPENING OF COUNCIL.

The House was prorogued by His Excellency the Governor on August 20th, 1887, until the 15th day of December, 1887, on which day it met for the despatch of business, at noon.

NEW MEMBER.

Mr. James Morrison, appointed nominee member, *vice* Mr. W. T. Loton (resigned), took and subscribed the usual oath of allegiance.

THE GOVERNOR'S SPEECH.

HIS EXCELLENCY THE GOVERNOR entered the Council Chamber shortly after 12 o'clock, noon, and, having taken the Chair, delivered the following Speech:

"MR. SPEAKER AND GENTLEMEN OF
"THE LEGISLATIVE COUNCIL,—

"It gives me much satisfaction to meet
"you for the despatch of the important
"business which has been deferred to
"this Special Session.

"2. In reply to the Address by which
"Your Honorable House congratulated
"Her Majesty the Queen on the com-

"pletion of the 50th year of Her Reign, I
"have been commanded to convey to you
"Her Majesty's thanks for your kind
"expressions of loyalty and attachment
"to Her Throne and Person. The
"Secretary of State has also informed
"me of the pleasure afforded to Her
"Majesty by the indications of the
"loyalty of this Colony contained in the
"accounts of the celebration of the
"Jubilee in Western Australia.

"3. Correspondence on the important
"question of Responsible Government
"will be laid before you. You will learn
"that Her Majesty's Government is pre-
"pared to accept in principle, with
"reservation as to details, the Resolutions
"passed last July, and which received my
"full support. Legislation in the matter
"this Session is considered premature,
"and a trust is expressed that the pass-
"ing of further Resolutions may be
"deferred until the views of Her Ma-
"jesty's Government, which will be
"forwarded as soon as possible, have
"been received. I hope you may con-
"sider that the settlement of this grave
"question will be assisted by acting upon
"the suggestion of the Secretary of
"State.

"4. Despatches on the subject of a
"further Public Works Loan will also be
"presented to you. In reply to my obser-
"vations respecting the possibility of our
"finances at the close of this year justify-
"ing a Loan for £500,000, the Secretary
"of State is of opinion that 'having
"regard to the constitutional change now

“ under consideration, and to the uncertain prospects of the Colonial Revenue, “ it would be undesirable for the Colony “ to attempt, at this moment, to borrow “ that amount;” and Sir Henry Holland “ does not therefore ‘feel able to give at “ present even a qualified approval of “ the introduction of a new Loan.’”

“ 5. The consideration of the question “ of constructing a railway from Bays- “ water towards Busselton was postponed “ by Your Honorable House last Session. “ I addressed the Secretary of State upon “ the matter, and the correspondence will “ be laid before you. It will be seen “ that it is not thought that the present “ time is opportune for assuming the “ liabilities involved in this undertaking.

“ 6. The conclusions of Her Majesty’s “ Government on these important ques- “ tions of further borrowing and of rail- “ way construction are, I cannot but “ think, very much strengthened and “ supported by a careful consideration of “ the financial condition of the Colony at “ the close of the present year, and of the “ arrangements necessary for next year.

“ 7. It will be your first duty to “ examine the Estimates of Revenue and “ Expenditure for 1888, which have been “ prepared, and will at once be laid “ before you.

“ 8. The revenue of 1886 amounted “ to £388,564. The receipts for 1887 “ are now estimated at not more than “ £371,000. The original estimate for “ this year was £401,990, and the actual “ revenue will therefore fall short of the “ estimate by about £31,000, the yield of “ land revenue alone being about £28,000 “ below the estimated amount.

“ 9. The expenditure of 1886 was “ £394,675. That of the present year “ is now estimated at about £440,000, “ or about £69,000 more than the re- “ cepts of the year. As, however, there “ was £83,418 in the chest on the 1st “ January last, a credit balance of about “ £14,000 will probably remain on the 1st “ January, 1888.

“ 10. During the last twelve months “ the revenue of the Colony has, there- “ fore, been slightly on the descending “ scale, while the expenditure has been “ very much on the ascending scale. “ But the savings of a former period will “ enable the accounts to be balanced,

“ with a certain amount still to credit, “ at the close of this year.

“ 11. The current expenses of adminis- “ tering this immense territory, and of “ working the many new, and as yet “ unproductive, lines of railway and tele- “ graph—which have been constructed in “ response to local demands, and with the “ view of making a strong effort to “ develop and advance the Colony—are “ exceedingly heavy, and cannot be met “ from the current revenue, as it at “ present stands.

“ 12. This will strongly appear from “ the Estimates of 1888. In those Esti- “ mates, as drafted, the revenue of 1888 “ is set down at £436,323, and the “ expenditure at £435,219; but this ad- “ justment has had to be effected by “ proposing to return to revenue from the “ balance of the 1884 Loan the sum of “ £52,628, representing capital expendi- “ ture which has been met from revenue “ for Railway construction, and for works “ in the Kimberley district. This seems “ a justifiable refund, for which there is a “ precedent; but the fact remains that “ the estimated ordinary current revenue “ of 1888 would, without that exceptional “ and extraordinary item of £52,628, “ which cannot again occur, be £51,524 “ below the estimated ordinary current “ expenditure of the Colony during the “ year. A loan re-appropriation Bill for “ effecting the transfer of funds just “ mentioned has been prepared for your “ consideration.

“ 13. The cost of working the Railways “ of the Colony during 1883 is estimated “ at about £65,000, against receipts “ amounting only to £50,000. The Postal “ and Telegraph Department is estimated “ to cost £40,465, against receipts amount- “ ing only to £25,500. The Harbor and “ Light Department is estimated to cost “ £7,118, against receipts amounting only “ to £4,000. Figures such as these “ explain why the current expenditure is “ not at present covered by the current “ revenue.

“ 14. It is manifest that, if the Colony “ and its revenue do not progress sub- “ stantially during 1888, large reductions “ and economies will have to be effected “ in the chief branches of the adminis- “ tration. These would involve many “ measures and alterations of a radical “ and even retrograde character, and as

“it has been found possible, without unduly disturbing the departments, to prepare by careful economy estimates which (including a surplus of £13,671 carried forward from this year) show a credit balance of £14,774 on the 31st December, 1888, I have thought it best, before advising great changes, to ask you to consider whether we shall not wait for another session, until it can be seen whether the development of the Goldfields, and other sources and causes of progress, are likely, as I think there is a good prospect of their doing, to come to our assistance. If, in the exercise of your constitutional right, you should make further reductions in the draft estimates, a larger apparent surplus might be shown. But I may remark that, while providing for some necessary new officers, and for the working of a much increased length of railways and telegraphs, the draft estimate of 1888 expenditure is still £47,529 below the amounts appropriated for the present year.

“15. Under the circumstances stated, and even leaving out of account the impending constitutional change, it appears unwise that the Colony should at the present time assume additional burdens of any description for the construction of further Public Works.

“16. This small and scattered community of 40,000 souls has expended more than half a million of borrowed money in public works during the past three years, and it seems necessary that population and production should rise to the level of what has been achieved, before more be attempted. The Colony must not be overweighted with debt. Loans cannot be looked to as a remedy for depression, and as a substitute for real progress and development. Considering our numerical and financial strength, we have an astonishing length of railways and telegraphs open and constructing. They must be allowed time to do something for the Colony, and I believe they will do much.

“17. The settlement and cultivation of the land—the main factor of prosperity—advances slowly. Until the railways now existing or constructing become at any rate so far reproductive as to pay their working expenses, it seems imprudent to embark in fresh

“schemes, and it is in fact impossible to do so at present.

“18. Neither is it as yet within our means, I think, to construct further lines of telegraph, which not only are costly in the first instance, but become, the moment they are completed, a cause of large expenditure. It is recommended, though with reluctance, that the line from Derby to the Goldfields and Wyndham be not at present proceeded with. It must be borne in mind that, in a few months, the telegraph, having been extended from Roebourne at an outlay of about £35,000, will reach Derby, where a jetty and tramway costing over £18,000 have also been constructed. It is proposed to re-appropriate about £3,500 of the 1884 Loan to further Kimberley Works, including a Wharf at Wyndham. A good deal has therefore already been done for the Kimberley District, which has as yet but a scanty population.

“19. The scheme of Harbor Works at Fremantle cannot, as I believe you will agree with me, be undertaken until the expansion of the Revenue justifies a further Loan. I have, however, communicated with Sir John Coode, as requested by you last Session. A reply has not yet been received.

“20. Western Australia, during the last few years, has made rapid progress, and it does not appear to me that there is anything uncommon, and still less anything disheartening, in having to arrest, for a time, further expenditure on costly and not immediately reproductive Public Works of magnitude. It would rather have been extraordinary had a Government, backed by no larger means and numbers, and by no more certain and developed resources, than those yet possessed by this Colony, been able to continue longer the great expenditure of the past three years. Any idea such as that of maintaining and enriching the population of the towns, or of particular districts, by expenditure on a succession of costly works executed from borrowed money, can form no part of the policy of a prudent Government. It must be admitted that we have, for the present, spent as much as we should dare to spend, and that we must wait for some substantial results of the expenditure,

"in the shape of additional revenue and
 "population, before we can venture on a
 "fresh Loan. It is quite possible that
 "these results may be near at hand, but
 "it appears to me that they must be
 "waited for. The completion of the
 "Beverley-Albany Railway will, I believe,
 "be the beginning of many new things in
 "Western Australia, and the success of
 "the recent gold discovery in the Eastern
 "Districts would of itself assure the
 "future of this part of the Colony.
 "There is also prospect that the con-
 "struction of the Midland Land Grant
 "Railway may be soon resumed. On
 "the other hand, it is not impossible
 "that time may yet elapse before capital
 "and population increase the strength of
 "the community to a higher borrowing
 "power; and it would be in the greatest
 "degree unwise for the present, or for
 "any future Government to plunge the
 "Colony into further debt until it is
 "clearly seen that the Revenue is again
 "expanding, and that the Public Works
 "already constructed are at least paying
 "their way. I very earnestly commend
 "these observations to your serious con-
 "sideration. I believe in the future of
 "Western Australia. But I also believe
 "it is a future which cannot be unduly
 "forced, which can only come step by
 "step, on sure foundations, and which
 "a mere policy of loan upon loan may
 "easily convert into failure. As to the
 "effect of such a policy, we have now
 "before us the example of other, and of
 "far stronger and wealthier colonies.
 "What has brought about serious em-
 "barrassment in their case would, I
 "believe, entail, and in no long period,
 "absolute ruin to a comparatively poor
 "and weak community such as this. Let
 "us then, I would say, be prudent, and
 "have patience to observe the results of
 "the large expenditure of the last three
 "years, and especially of the construction
 "of the great line of railway to Albany,
 "which happily, private capital is build-
 "ing for us, and which will soon open the
 "gates of Western Australia to the pass-
 "ing world, by connecting the seat of
 "Government and centres of settlement
 "with the earliest port of call of steam
 "fleets trading between Europe and Asia
 "and this continent.

"21. You will be asked to join with
 "the Legislatures of other Colonies in

"confirming an agreement with Her
 "Majesty's Government for the employ-
 "ment of an additional Imperial Naval
 "Force for the protection of the floating
 "trade in Australasian waters. The cost
 "to this Colony cannot exceed about
 "£1,300 *per annum*. A law will be
 "required to give proper force to this
 "agreement.

"22. The Report of the Commission
 "which has been inquiring into the
 "Customs Tariff will be laid before you,
 "and a Bill will be introduced for the
 "purpose of carrying out the recommen-
 "dations of the Commission. It is
 "hoped that the suggested alterations of
 "Customs Duties may tend to promote
 "settlement and production, without
 "lowering the revenue to any serious
 "extent.

"23. A preliminary report of the
 "Agricultural Commission, which has
 "been pursuing its labors with zeal and
 "thoroughness, will be presented to you.

"24. A Bill for the establishment
 "and regulation of the Victoria Public
 "Library in Perth, will be brought before
 "you.

"25. It is thought that some amend-
 "ments, with the object of attracting
 "capitalists to our Goldfields, may use-
 "fully be made in the present Goldfields
 "Act and in the Regulations there-
 "under. The necessary measure will be
 "brought forward.

"26. The reports of the proceedings
 "of the late Colonial Conference in
 "London will be laid before you. Being
 "strongly pressed by our delegates, I
 "reluctantly consented, but subject to
 "your further consideration and approval,
 "to an increased contribution from this
 "Colony towards defences for King
 "George's Sound. No agreement was,
 "however, arrived at in the matter with
 "Her Majesty's Government, and I con-
 "fess I do not see why the principle of
 "payment on basis of population, where
 "the object is intercolonial, should, in
 "this instance, be departed from. King
 "George's Sound must in any case be
 "secured by the Imperial Navy in time
 "of war, and its fortification, however
 "desirable in itself and important to the
 "general defence of the continent and
 "its ocean trade, is of less real moment
 "to this Colony than the protection of
 "Fremantle, which has not yet been found

"within our means, but towards which I should mention that two field guns and equipments have lately been presented by Her Majesty's Government.

"27. Among the public documents to be laid before you, are some further printed despatches and papers respecting the Treatment of the Aboriginal Natives.

"28. It is only intended to bring forward pressing business during the present Session, but I shall be ready as heretofore to afford Your Honorable House information respecting any matter of public interest which may engage your attention, and as to which you may see fit to communicate with me.

"29. I have been invited to be the guest of the Colony of New South Wales on the interesting occasion of the Centenary of the first settlement of Australia. A similar invitation has been addressed to you, and I should be glad if the state of public business towards the end of next month permitted some members of Your Honorable House to accompany me to Sydney.

"30. Trusting that your deliberations may be guided by Divine Providence, and may tend to the welfare of the people whose interests are so largely in your hands, I now declare this Session open."

HIS EXCELLENCY, having handed a copy of the Speech to the Speaker, withdrew from the Council Chamber.

FURTHER RE-APPEOPRIATION BILL, - 1887.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser), with leave, without notice, moved the first reading of a bill to re-appropriate certain unexpended balances of the Loan of 1884.

Motion agreed to.

Bill read a first time.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) moved that the second reading of the bill be taken at the next sitting of the House.

MR. SHOLL: We haven't seen the bill yet. I am opposed *in toto* to the work of this session being hurried through in this way. I propose, as an amendment, that the second reading shall not take place until this day week.

MR. HENSMAN: I have much pleasure in seconding the amendment. This is a very important measure, and, so far as we have heard, a very unprecedented measure; and the least we can expect is that the House may have time to consider it.

MR. MARMION: I shall support the amendment, and I hope there will be no objection on the part of the Government to postpone the second reading of the bill. It has always been customary for the representatives of the Government to meet the wishes of the House in these matters; and, it seems to me, if ever there was a bill brought forward in this House requiring our serious and most careful consideration, this is one of them; and, so far as I am individually concerned, as a member of the House, it is my intention to require that the bill shall have the fullest consideration at my hands. His Excellency's speech is a very important one, and there is a great deal in it that will require time to consider, and careful attention; and I think it would be well that all business of an important character should be postponed until we have had an opportunity of fully considering that Speech.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) said he was quite agreeable to meet the wishes of hon. members in the matter. Perhaps if he fixed Wednesday, the 21st, as the day for the second reading it would meet with the approval of the House.

MR. SHOLL said that would suit him, and he would therefore not press his amendment.

The second reading of the bill was accordingly made an order of the day for Wednesday, 21st December.

CENTENARY BANQUET AT SYDNEY.

THE SPEAKER said he had received a telegram from Sir John Hay, the President of the Legislative Council of New South Wales, stating that invitations to the State Banquet to be given at Sydney, in January next, in celebration of the Centenary of Australian settlement, would be sent to each member of the Legislature in this colony, at the earliest possible date.

THE ADDRESS IN REPLY.

Mr. RICHARDSON said: In rising to move that an humble address be presented to His Excellency the Governor, in reply to the speech which His Excellency has just delivered, I desire shortly to review that speech. I think all hon. members will agree that it is an exceedingly able and statesmanlike speech, and that it takes a most practical, and I may say a very common-sense view of the position of the colony, on the whole. There may be portions of the speech which on first appearance hon. members may consider of a depressing nature, and which may give rise to disappointment; but I hope it will be found that when we come to look more closely into the matter we shall discern that there is no serious cause for apprehension as to the state of our finances, or as to the prospects of the colony. I trust it may be found, when we come to examine the causes of the present position of affairs, that we shall be able to discern that there is a silver lining to this cloud that has gathered about us at the opening of the session. I desire in the first place to refer to the 3rd paragraph in His Excellency's speech, which deals with the important question of Responsible Government. His Excellency expresses a hope that we may consider that the settlement of this grave question will be assisted, rather than retarded, by acting upon the suggestion of the Secretary of State that the further consideration of it should be deferred until we are in possession of the views of Her Majesty's Government on the subject. Probably it will be a disappointment to many hon. members to find that in the opinion of His Excellency this question cannot be seriously dealt with this session, and that we should wait for the receipt of those despatches which will furnish us with fuller information and data to work upon. No doubt, I say, this will be a disappointment to some hon. members; still, I really cannot see that there is anything else for it but to bow to the wisdom of this suggestion; because, if we proceed with hasty or ill-considered legislation, without the necessary data to guide us, we may find when those despatches arrive that the net result of our deliberations may be so much waste of time, and that the question would have to be dealt with from

another point of view altogether. I fail to see that any serious disaster or any serious harm can arise out of a postponement of the question for a few months. It is even possible that these despatches may arrive before the close of the present session, and we may be able to deal with the question more thoroughly than we can do so now. So long as we are assured that the principle of the measure has been assented to by the Home Government, I think that we need have no apprehension as to the eventual outcome. Coming next to the 4th paragraph of the Speech, dealing with the question of a further loan, I think all must agree that this is a very serious question indeed, and one that will require at our hands the most careful consideration. It will no doubt be very thoroughly debated, whether it is advisable to contract a further loan at the present moment or not; and I can only hope that the discussion will enable the House to arrive at a just and wise conclusion on the subject. I propose to revert to this question, in dealing with the paragraph relating to our revenue, and to the financial prospects of the colony. It would appear from the 5th paragraph of the Speech that it is not likely that the question of constructing a railway from Bayswater to Busselton will come under consideration this session. In the face of Mr. Dobson's last reply, the scheme, so far as he is concerned, may be said to require no further consideration; nor is it likely to come before the House again, at any rate in its present form. Notwithstanding that, I still consider that if the House in its wisdom should decide to go in for a further loan of half-a-million or so, the Southern districts of the colony, which have hitherto not shared in the benefits of railway extension, are certainly entitled to have at least one if not two sections of the line constructed, as their just and fair proportion of the loaves and fishes accruing from that loan. With regard to the paragraphs of the Speech dealing with the revenue of the colony, which we are told has been on the descending rather than on the ascending scale during the last twelve months, no doubt hon. members will be generous enough to sympathise with His Excellency in the painful position he was placed in when he found himself com-

pelled to make this unwelcome announcement. It is a very severe test for even the most able administrator to have to deal with a declining revenue. Almost any Governor, no matter how poor a politician or statesman he may be, may succeed in carrying on the Government so long as the revenue is flourishing; but when one has to deal with a deficient revenue and with crippled finances, the opportunity arises for showing the sterling and statesmanlike qualities of an administrator. No doubt the figures referred to by His Excellency present at first sight a somewhat alarming appearance, and they may possibly have the effect of leading members to perform that intellectual feat of looking straight down their nose. But I think there is a silver lining to this cloud also. In fact, I am inclined to believe that the whole cloud is one that may be dispelled. We are told that out of the £31,000 which it is expected will be the deficiency between the actual and the estimated revenue, no less than £28,000 is due to the fact of the land revenue not coming up to the expectation of the Government. I held, and others held, six months ago, that this falling off in the land revenue was to be expected, and that in fact there was nothing else that we could expect. The reason for this falling off in the revenue from our land is not far to seek. Our new Land Regulations are a great deal to blame in the matter. This House decided in its wisdom to lock up the lands of the colony, so far as any access to them by capitalists went. It placed such severe restrictions, as regards residence and other conditions, that could have no other result than to operate as a bar to any extensive dealings in land; and it was not difficult to foresee that the result must be a falling off in the revenue derived from that source. Whether this House acted wisely in imposing these restrictions or not, time alone will tell; but, so far as present indications go, there is every reason to fear that the step was not a wise one. My own doctrine or theory concerning our lands is this: we have a very large territory, presenting an immense area of waste lands, scattered amongst which are patches of good and fertile land, which however require a considerable outlay before they can be brought into profitable occupation. In this respect the

lands of this colony do not offer the same attractions in themselves to capitalists as do the lands in the Eastern Colonies. A proof of this is found in the fact that during the last 57 years—ever since the foundation of the colony—not more than 1,854,742 acres of land have been alienated from the Crown, including the immense areas that were given away as free grants to pioneers in the early days of settlement. I think the sooner the better we begin to realise the fact that we would do wise to offer our lands on liberal terms, and in large blocks, to those who have the necessary capital and means to utilise them to advantage. Unless we do so, we shall find these men giving us a wide berth, and the colony must suffer accordingly, and its land revenue continue to show a decline. As to the falling off in the receipts from this source this year as compared with the previous year, it must be borne in mind that 1886 was an exceptionally good year, so far as land speculation was concerned. On looking at the Blue Book for that year I find there were 408 acres of town and suburban lands sold, yielding no less than £22,120; and 38,537 acres of country or rural lands, returning £11,319 10s. 9d., making a total revenue from sales of land alone of no less than £34,440 6s. 5d.—exclusive of payments under Clause 62 of the Land Regulations of 1878, and exclusive of all revenue from Crown leases. The annual rents derived from these leases during the same year amounted to £73,863 9s. 9d., giving us a total revenue from the land of no less than £108,137 10s. 8d., being more than one fourth of the whole of the colonial revenue. Not having the returns before me, I am not prepared to say what the falling off has been in the receipts from leases; but the returns from sales of land must, as was to have been expected, have fallen off very considerably. It must be borne in mind that out of the £22,000 realised last year from the sale of town and suburban lands no less than £16,000 was the result of the sale of town lots in the new townships of Derby, Wyndham, and Broome, in the Kimberley district. We could not expect this windfall every year; and it was easy to have foreseen that there would be a falling off in the land revenue this year as compared with

the previous year. There is one aspect of this land question which it would be ungenerous on our part to overlook. I refer to the large quantity of land locked up in the concessions granted to the railway syndicates, which must have an appreciable effect upon our land revenue. There is an old proverb and a true one, which tells us that we cannot have our cake and eat it. When we bear in mind that these syndicates are building for us 600 miles of railway, thereby saving us an expenditure of about £2,000,000 of money, it would be ungenerous for us to grumble at the fact that the concessions we have made to these syndicates have had the effect of temporarily diminishing our revenue from the land. No doubt as soon as these lands now locked up are thrown open again, there will be a great revival in our land revenue, and, what is of more importance, a great revival in land settlement. This is a view of the subject which must not be lost sight of. It should tend to remove any feeling of distrust or apprehension as to the prospects of our territorial revenue. While on this subject, I should like to point out what appears to me to be an entirely wrong principle in dealing with our land revenue. I am referring now to the revenue derived from the absolute sale of land, and not from rents. We have been accustomed to treat the money received from the sale and alienation of Crown lands as a portion of the current revenue, to be absorbed and expended in ordinary current expenditure. I consider this an erratic and unbusiness method of dealing with this source of revenue. I maintain that the sums realised from the sale of public land should be placed to capital account, and expended on reproductive works. Instead of that we have been depending upon the revenue from this source, and depending upon it largely of late, as an integral part of the current revenue, with the result that when the receipts from the sale of the public estate fail us, even through temporarily, as they have done this year, we find ourselves placed in a position of some embarrassment. We find the shoe beginning to pinch, when the ordinary revenue is not sufficient to meet ordinary expenditure. Any practical man must foresee that the result of selling the public estate and disposing of the pro-

ceeds in meeting current expenditure will be disastrous in the end. The same principle adopted in the case of the owner of a private estate would soon bring that man into pecuniary difficulties, if, year after year, he had to sell a portion of his estate to meet his current liabilities. Apart from the falling off in our land revenue, it appears that the only other deficiency between the estimated and the actual revenue for the current year is not likely to be more than about £3,000, and certainly that does not appear to me to afford cause for any serious apprehension; and, although I would be one of the first to deprecate the propping up of any rotten system of tiding over a period of depression by lavish borrowing, I think we have good reason for following the advice more than once given to us by our hon. friend the member for Fremantle (Mr. Marmion), of "looking the future boldly in the face." I would be very averse to anything in the shape of injudicious borrowing and injudicious expenditure; at the same time, if we can clearly see the elements of progress in the colony, requiring only capital to galvanise them into activity, I think we might fairly venture upon another loan of moderate dimensions. I don't think it would be a very disastrous policy, though at present I have no wish to commit myself to it, until the subject is discussed in all its bearings. It appears from the 9th paragraph of His Excellency's speech that the expenditure for the present year is now estimated at about £440,000, or about £50,000 in excess of the expenditure for the previous year. This does not point so much to a declining revenue as to an increasing expenditure, and that is the question which it appears to me we shall have to grapple with. It is this ever-increasing expenditure, rather than a decreasing revenue, that causes the shoe to pinch, at the present moment, and it is to be hoped that when we get the Estimates of expenditure before us we may see our way clear to cut down some of this expenditure. I hope we may be able to do so wisely and judiciously, without injury to the public service, or inflicting greater hardship than is absolutely necessary upon any particular individual. The 13th clause of the Speech, in which His Excellency points out that the cost of

working our railways is considerably in excess of the receipts derived from them, does not point to a very flourishing state of affairs, so far as our railways are concerned. But we must not forget the short time during which these lines have been in existence. They have not yet had a fair opportunity of bringing about that extension of settlement and increased cultivation which railways are expected to bring about, and which I believe the railways here will in due time bring about. Every practical man must know that the clearing of fresh land to admit of more extended cultivation is a work that cannot be done in five minutes; it cannot be done in a year or two. It is the work of years; and we must give time for the development of agricultural settlement, before we can expect our railways to yield us any profit. It must not be forgotten that many of the cultivators of the soil in this colony have serious difficulties to contend with, and, being without much capital, they can only proceed by degrees. I may here be allowed to mention that one of the results which the members of the Agricultural Commission recently appointed have gained is that there is a much greater amount of development in this respect than many people have any idea, and we have been particularly able to note that this development has been most marked in localities that were served by a railway. As soon as we got out of the districts possessing the advantages of railway communication, we found at once that there was no effort made to develop the resources of the land, or to bring fresh areas under cultivation. We were able to observe that, not only from the information which we gathered from the witnesses examined, but also from the evidence of our own eyes as we passed along. Therefore we must have a little patience, and give these railways time to accomplish the objects for which they were made. After all, our object in building our railways was not so much as a source of revenue as it was of stimulating settlement and of developing the resources of the country; and, so long as we find indications of increasing settlement and cultivation following in the wake of our railways we may be content, I think, that they are fulfilling the main object of their construction, and justify-

ing the expenditure incurred in making them. With regard to the paragraph dealing with the proposed abandonment of the telegraph line to connect Derby with the goldfields and Wyndham, no doubt the urgent necessity for proceeding with this work will be fully discussed. At present, I think, on a cursory view of the subject, we ought not to consent to give up the work, without any serious reasons indeed, affecting the future prospects of the goldfields. If we expect to attract capital from the other colonies for the development of these fields—and it will only be by the introduction of capital from the other colonies that they are likely to be developed—we must endeavor to place these goldfields in telegraphic communication with this and the other colonies. I think the question of abandoning this project is one that should receive the most serious consideration of this House. With reference to the brief allusion in the 23rd paragraph of the speech to the labors of the Agricultural Commission, of which I have the honor to be a member, I may say that the general result of our inquiries, so far, has been to show that where there has been prudence and thrift, where men have had their heads screwed on properly, and where they have been fortunate enough to secure a block of fairly good land, of moderate area, they have generally succeeded in making a good and comfortable living, and have no cause for complaint. I do not lose sight of the fact that the men we have had before us have for the most part been successful men; still, there was the fact that, given a fair block of land—of which there is a very considerable area in the districts in which we have prosecuted our labors so far—our farmers generally have been able to make a good and honest living, able to keep out of debt, and fairly well satisfied with their prospects. His Excellency informs us that some amendments are proposed in the present goldfields regulations, with the object of attracting capitalists. I sincerely hope that this subject will receive our earnest consideration. My present opinion is that we must make these regulations as liberal and attractive as we can, if we wish to have our goldfields developed. The present regulations, however suitable they may be to

the circumstances of the other colonies, are not so here, regard being had to the isolated position of our goldfields, the difficulties in the way of gaining access to them, and the hardships which have to be contended; and I think we ought to do all we can to render them more liberal and attractive. I hope the House will recognise and appreciate the compliment extended to us by New South Wales in connection with the approaching Centenary celebrations, and I hope that the business engagements of some hon. members will admit of their availing themselves of this opportunity of joining with the other colonies in the proposed demonstrations. I consider that much good may result from such a visit, in cementing intercolonial relations. In conclusion, I cannot but reiterate my appreciation of the very lucid and statesmanlike speech with which His Excellency has opened the session—a speech in which he appears to me to have taken a most practical and common-sense view of the position of the colony, concealing nothing, and making no attempt to gloze it over with any false coloring. There may be clauses in it which perhaps are unnecessarily depressing, but no doubt His Excellency conceived it to be his duty, at the present important juncture, to lay before us the whole facts of the case, feeling sufficient confidence in our powers of discernment to appreciate what there is in the circumstances of the colony really demanding prudence and caution, and what there is that may fairly give rise to hope and good expectations in the future.

MR. MORRISON, in seconding the address, said as he was a novice at that sort of work he should not detain the House very long. He had listened very attentively to the speech of the Governor, and it certainly was what he would call a very plucky speech. There was nothing like meeting difficulties in the face; and the Governor, believing there were certain difficulties ahead which it would be prudent for us to take a note of, had felt it his duty to call attention to them; and though His Excellency had perhaps drawn a rather more gloomy picture than some of them thought our circumstances really warranted, still he thought the thanks of the colony were due to His

Excellency for painting the position of affairs in what he conceived to be their true colors, rather than misleading people who had their eyes upon the colony at the present moment. Without seeing the correspondence alluded to in the 3rd paragraph of the Speech relating to Responsible Government, he thought it was very difficult to say much upon the subject. They knew that the Home Government was prepared to accept in principle the proposal that this colony should become self-governing, with certain reservations as to details; and he thought that to try to force the matter just now, without very good reason for doing so, and without an opportunity of perusing the despatches of the Secretary of State on the subject, would serve no good purpose. Possibly, in doing so, we might be undoing some of the groundwork that had already been laid. He was quite in favor of seeing the proposed change carried out as soon as possible; and, when they received these despatches, he did not see why they should not at once try to set to work in framing a Constitution that would serve the requirements and circumstances of the colony. We had the experience of our neighbors to guide us, and there was nothing to prevent us benefiting by their experience, and adopting all that was good in the Constitutions which they were working under. He thought that with these examples before us we ought to be able to frame a very good Constitution, if we went carefully about it, one that would tend to advance the best interests of the colony. A few months' delay in dealing with a question of this vital importance could not make much difference. With regard to the question of another public works loan, it was rather difficult to express an opinion upon the subject at a moment's consideration, but he would say this—he was not at all frightened of loans, provided they were judiciously expended. But he thought any country before it went in for borrowing should first see that it had the necessary means to provide for the payment of the interest. He did not care a jot about the principal, so long as we made provision for the due payment of the interest. He thought we might well leave the repayment of the principal to our posterity, who probably would be

in a better position for doing so than we were at present, with our scanty population. The British public were lending to countries that were financially far worse off than Western Australia was, and, so long as it could be shown that we were in a position to pay the interest on the sums borrowed, he for one had no dread of loans, provided the money be expended on works of national utility. He did not believe in borrowing, merely for the purpose of a temporary relief. He also thought there was a good deal in what the Secretary of State said as to the desirability of the colony at the present moment entering the money market, for the reason mentioned in the 4th paragraph of His Excellency's speech. He thought an appeal to the London market just now might do us a great deal of harm, in the face of the opinion expressed by the Secretary of State. He noticed in one of the last clauses of His Excellency's speech, where he referred to the proceedings of the Colonial Conference, that His Excellency saw no reason why this colony should contribute towards the fortification of King George's Sound on any other basis than that of population. But it appeared that there was a desire that the colony should contribute rather in proportion to its area than to its population. When it was a question of levying a contribution they wanted it upon the basis of our large area, but when it came to a question of borrowing, they pointed out the smallness of our population. He thought the same basis should be taken in apportioning the amount of our contribution, and that the population was a very fair basis. As to the financial position of the colony and the state of the revenue, he could only say that he quite agreed with the hon. member who had moved the address in what he had said with regard to the land revenue. No doubt it had been a fluctuating one, and it was just possible we may have within the next twelve months as large a revenue as before; and there was no reason why we should be cast down by this temporary depreciation in the revenue. Through good management and economy we had been able to commence the financial year with a surplus of £83,000; and, though this amount had been reduced to a comparatively small surplus, he should like to know where there were

many other countries who, in the face of the recent depression of trade, felt in every part of the globe except perhaps America, could show such a satisfactory balance sheet as this colony, and start as we were likely to start on the coming year with a surplus balance. Of course the cost of working a territory like ours came very heavy, at first, upon a small handful of people; but, as the colony advanced and population increased, the burden would not be so much felt. It was the same with every new enterprise; the first expenditure was generally very heavy, until the returns began to come in. That was our present position. The time would come when the country would derive the benefit of the expenditure now incurred in developing it. So long as a country was managed on the same principle as people managed their own private concerns, it couldn't go very far wrong. It appeared from one paragraph in the speech that our railways were being worked at a loss of something like £15,000 a year; but he thought, when they came to consider the large extent of railway communication established for the convenience of such a comparatively small population, the wonder was that our railways paid so well as they did. Years ago, when we commenced to build our railways, people said they would not pay interest on the money spent in building them, that there would be no traffic, that there would be nobody to travel by them. They all knew how mistaken that view was, and he thought it was a matter for congratulation that they were paying so well as they did, bearing in mind the indirect benefits which the colony was receiving from its railways, both as regards enhancing the value of the land through which the lines passed, and as regards the facilities which they afforded to the settlers to send their produce to market. It was hardly fair to expect that these railways, which were yet in their infancy, should yield a handsome profit. As time went on, as the traffic increased, and population increased, they might perhaps hope to see their railways do something more than pay the interest on the cost of building them, and their working expenses; but, looking at the present circumstances of the colony, he was rather surprised to find that the receipts from our railways for

next year were estimated at £50,000. The postal and telegraph department was another department which he thought could hardly be expected to pay, in a colony like this, where the telegraph lines extended over such long distances. We probably had a greater length of telegraph per head of the population than any other country in the world, extending from one end of the colony to the other, and he thought we could hardly expect these lines to pay better than they were doing, with our present population. He thought it was unreasonable to expect that directly any public work was started it should begin to pay interest and working expenses, the very next morning. While on the subject of telegraph lines, he thought it was very desirable that the line from Derby to the goldfields should be proceeded with. His Excellency, referring to proposed measures of economy, said: "I have thought it best, before advising great changes, to ask you to consider whether we shall not wait for another session, until it can be seen whether the development of the goldfields and other sources and causes of progress, are likely, as I think there is a good prospect of their doing, to come to our assistance." He was not at all afraid that they would not come to our assistance. He thought they ought to be very careful in dealing with the finances of the colony, but he thought at the same time they ought not to be too timid or too frightened by the prospects ahead. He should be sorry to see the colony rushing headlong into debt, but at the same time he hoped there was no necessity for standing still, and much less for taking any retrograde step. The settlement and cultivation of the land might be advancing very slowly, compared with other colonies; but it must be remembered that there were very few men in this colony who had brought much capital here and expended it in improving their property. There were a few who had done so, but the majority of our settlers had to rely upon their own resources; and, until a larger amount of capital was available for effecting improvements, it was useless to expect any grand results. As to the telegraph from Derby to the goldfields, His Excellency recommended that this work should not be proceeded with at present, in view of the

somewhat straitened position of our finances. He should be sorry himself to see this work abandoned. If these goldfields were ever going to come to our assistance, we must make it a point to go to their assistance; and he should certainly like to see this line taken from Derby to a settled portion of the goldfields, to begin with. He thought it would be a great pity, and very detrimental to the colony, and to the development of these goldfields, if they were to continue to be shut out from telegraphic communication with the rest of the colony. As to the question of harbor works at Fremantle, very little could be said at present. First of all there appeared to be no money for these works, and, in the next place, there had been no further communication received from Sir John Coode on the subject. The Governor told them that they would be "asked to join with the Legislatures of the other colonies in confirming an agreement with Her Majesty's Government for the employment of an additional Imperial naval force for the protection of the floating trade in Australian waters." He thought if our contribution towards this naval force did not exceed £1,300 a year, and we obtained our share of the protection which would be afforded to the floating trade of the colonies, we would make a very good bargain, and ought to regard ourselves as very well treated. As to the report of the Commission on the Tariff, he hoped the members of the Commission had not been afraid to increase the revenue by the imposition of what some people might call protective duties. He would not go so far as to say that he was a very strong protectionist, but he would say this: he was afraid that free trade would not help us as much as protection would. It was all very well to talk about taxing the poor man's loaf, but, so far as our farmers were concerned, it was just a question of whether they had a taxed loaf or no loaf at all. He therefore hoped the Commission had not been afraid to deal with this question of taxation, so as to help the revenue. He hoped at any rate they had not made any proposals that would have the result of diminishing the revenue. With regard to the Agricultural Commission, whose preliminary report they were promised, from what he could hear on all hands

the members of the Commission had pursued their labors with great zeal, and he believed their efforts would be productive of a large amount of good. He was glad to hear that it was proposed to amend the goldfields regulations. He hoped the time before granting leases would be reduced, and that the regulations would be considerably liberalised in other respects. He felt gratified with the invitation which they had received from New South Wales to join the mother colony in the Centenary celebrations, and he hoped some of them might be able to avail themselves of the invitation. With these few remarks, he begged to second the address in reply.

MR. PARKER: As the Governor's speech deals with various subjects of the greatest importance and interest to the community at large, and as our policy with regard to these subjects may be somewhat influenced by the result of this debate, I think it would be unwise to arrive at any hasty conclusion, even as to the terms of the address in reply. I therefore move that the debate be adjourned until Monday evening.

Agreed to.

Debate adjourned.

The House adjourned at half-past one o'clock, p.m.

LEGISLATIVE COUNCIL,

Monday, 19th December, 1887.

Return of Officers employed in the Works and Railways Department—Address in Reply: Adjourned Debate—Adjournment.

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

PRAYERS.

RETURN OF OFFICERS EMPLOYED IN THE WORKS AND RAILWAYS DEPARTMENT.

MR. SHENTON, in accordance with notice, moved for the following returns:

- a. The names of all Officers employed in the Works and Railways Department.
- b. Their duties.
- c. Their salaries.
- d. Date of appointment.
- e. Whether on the Permanent Staff or temporarily appointed.

N.B.—Return (c) to show whether the salaries are charged to General Revenue or Loan Account.

THE COMMISSIONER OF RAILWAYS (Hon. J. A. Wright) said it would take some time to prepare the returns asked for, but as soon as they were ready they would be laid on the table.

MR. SHENTON said, so long as he got them before the Estimates came on, that would do.

ADDRESS IN REPLY: ADJOURNED DEBATE.

MR. PARKER, in resuming the debate upon the address in reply, said the first subject mentioned by His Excellency of great importance was that which referred to the question of a change in the Constitution. That was a question not only of great importance, but also of great interest to the country at large, and one which all of them must feel that it was desirable it should be settled at as early a date as possible. They found that the Secretary of State, in communicating on the subject with the Governor, had virtually informed His Excellency that the Imperial Government would not entertain any idea of a further loan for this colony until this constitutional question had been settled. Therefore, he thought it behoved them to have the matter finally determined at as early a stage as possible. He was sure that all of those who were particularly interested in forwarding this question of a change of constitution must feel that in the despatch which His Excellency addressed to the Secretary of State on the 12th July last, the Governor had placed the matter most fairly before the Home Authorities, and that he did all in his power, occupying the position which he did as Governor of the colony, to further the interests of the Responsible