

sure did embody a fair and equitable principle?

Mr. DRAPER: Certainly not.

Mr. Taylor: The hon. member had conveyed that idea.

Mr. DRAPER: If so he regretted it and was pleased to have the opportunity of disabusing the minds of members of the idea. When stating that he would support the second reading he made the statement subject to two conditions, and he had gone on to indicate what to his mind would be fair and reasonable taxation. One condition he had distinctly pointed out was that there should be no discrimination between the owners of town and country lands. What had affected the electors at the West Perth election as much as anything else was that the tax proposed by the Government was to be borne more by the city than the country owner. When speaking on Tuesday he was not aware, and he had not known it until to-night, that the new Bill was practically the same measure as the old one. The remarks he had made and the conditions he had annexed to his support of the second reading were clear, and if the Government did not bring down a measure for which he could vote conscientiously, honestly, and in accordance with the pledges he had made his constituents, he would not vote for the second reading of the Bill.

Mr. Bath: Was the hon. member still an opponent of the land tax?

Mr. DRAPER: If the new measure was the same as the old one he would oppose it as strongly as ever.

Mr. Collier: Was the member opposed to the principle generally?

Mr. DRAPER had said in this House that he was opposed to the principle of land taxation. It would have been better if members of the Opposition had at any rate given him credit for some honesty and conscientiousness, and, before attacking him, had suggested to him that he had violated his pledges. Instead of doing that they had made an unjustifiable attack on him and he had been subjected finally to a humorous quotation from Dryden which was brought up by the Leader of the Opposition. Mr. Bath had quoted two lines, but he

(Mr. Draper) would be more generous and would only refer the hon. member to a mere play of Shakespeare's, and suggest to him that in future he should be careful of his facts before he spoke, for then he would find it was futile to make "Much Ado About Nothing."

Main question put and passed, the Address adopted.

ADJOURNMENT.

The House adjourned at 2.20 o'clock a.m. (Friday), until the next Tuesday.

Legislative Assembly,

Tuesday, 15th October, 1907.

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

Prayers.

PRIVILEGE—MR. HOLMAN'S SUSPENSION.

A Claim to speak in Explanation.

Mr. HOLMAN: On a question of privilege, I desire to move in accordance with Standing Order 137. I desire first to make an explanation to the House, and then to move on a question of privilege.

Mr. SPEAKER: Will the hon. member state the matter first, and I shall be able to decide.

Mr. HOLMAN: The matter is the imputation cast on me by the Attorney General last Thursday, in regard to an

action of mine when I was in office (as Minister for Labour). I desire to bring that matter before the House.

Mr. SPEAKER: I must rule at this stage that the hon. member cannot do so on a question of privilege. A question of privilege, to be entitled to precedence, must refer to a matter which has recently arisen involving the privilege of the House. The matter referred to by the hon. member does not come under that heading. No question of privilege has arisen; therefore I must rule the hon. member out of order on that point.

Mr. HOLMAN: The question of privilege I wish to refer to—

Mr. SPEAKER: I have already ruled that the hon. member cannot do so now.

Mr. BATH: Cannot the hon. member make some explanation in regard to Thursday night's proceedings, on a question of privilege?

Mr. SPEAKER: The hon. member cannot do so now. I want to say this in justice to the hon. member, that I am of opinion no good purpose can be served, and the dignity of the House will be better upheld by no reference being made to that matter; but if the hon. member desires to do so—that entirely is a question which must rest with himself—if the hon. member is desirous of tendering an apology, I shall enable him to do so. On the other hand, my main object and sole purpose is to uphold the dignity of this Chamber, and in ruling in the manner I do, I hope it will have that effect. I am not at liberty to allow the member to move under the heading of "privilege." If he is desirous of making a personal explanation, I certainly will permit him to do so. But beforehand, I would suggest to him, if he is desirous of making a personal explanation, that he can do so only on certain terms. My reason for quoting this is to avoid any friction or anything that may cause debate. Possibly the hon. member would make an explanation in the ordinary way, as we know an explanation in this House, and the probability is that the Attorney General would be desirous of doing likewise. Therefore, I think if the hon. member is desirous of making a personal explana-

tion, it may be more in keeping with the dignity of the House if he will confine himself strictly to an explanation. In other words, for his guidance I may say—and I am quoting from a recognised authority—that by the indulgence of the House a member may make a personal explanation, although there is no question before the House. In this case no debateable matter can be brought forward and no debate can arise. The hon. member will understand that if he is desirous of making an explanation, he must not mention any matter which will cause debate.

Mr. HORAN: On a point of order, I desire to draw attention to this fact. I think the member for Murchison was quite justified in his attempt to raise the question on a matter of privilege; but I understand your ruling is that it can only be done immediately after the question has arisen. That I take it is perfectly correct. But the hon. member was expelled from the House at the last sitting; therefore it was not competent for him to raise a question of privilege immediately, and only till such time as the result of the decision had taken place and until he was enabled to come into the House. Therefore it is a question of privilege which should be allowed to arise now. I remember a case which took place in the New South Wales Parliament, when a similar question arose, and the then Speaker, Sir Joseph Palmer Abbott, gave a ruling. A member had been introduced into the House and desired to make an explanation. I remember it was objected to by the then Speaker. It was contended that the member was entitled to do so because the question had suddenly arisen. As a matter of fact, the member was not a member at the time, as he was not sworn in; but the subject he desired to speak about, the question as to his allegiance to the Queen at that time, was consistent with his taking the oath. Immediately he explained his position, the Speaker ruled that inasmuch as the question had suddenly arisen, the member was entitled to speak. There were several hours' debate, in which some of the most prominent lawyers on constitutional law in the New South Wales

Parliament took part. In consonance with that ruling, I think the hon. member should be entitled, if you will give the matter a second consideration, to be heard.

Mr. SPEAKER : I have no doubt whatever on the matter. I have carefully looked up the authorities on the question, and the hon. member is not in order in attempting to move under the privilege of the House. In other words, there is no privilege in the case at all. I have offered the member the right to make a personal explanation, but he must confine himself within the strict letter to a personal explanation. I hope I shall at all times enable members to make a personal explanation, and I hope the House will not prevent a member from doing so. The explanation must be confined to an explanation, so that the Attorney General and others may not have occasion to debate the matter.

Mr. HOLMAN : Mr. Speaker, I have to bow to your ruling on this matter, but must say it is too important to permit of my speaking by way of personal explanation and not allowing the Attorney General the right to reply. Therefore I shall willingly leave the matter over, waive all question of privilege or of personal explanation, and shall at the earliest possible moment move such a motion as will allow the matter to be threshed out. As the matter in question was brought up suddenly, and practically before I was ready, and as it involves either my honour or the Attorney General's, I will ask the Premier to give me an early opportunity of having it ventilated. After my treatment last Thursday night I have no desire to sit in this House until the matter is thoroughly decided ; and the only reason why I sit here now to take part in the business is that I may at the earliest possible moment move to have the subject thoroughly cleared up.

URGENCY MOTION—ASYLUM ELECTRIC LIGHTING CONTRACTS.

First as to Procedure.

Mr. H. Brown (Perth) : I wish, on a matter of urgency, to move the adjourn-

ment of the House, owing to a statement made here by the Minister for Works (Hon. J. Price) that the proposed installation of electric light and fittings at the Claremont Lunatic Asylum is estimated to cost £14,500 ; and in view of the fact that no money has been expended on the scheme, I claim in the interests of economy and of the State finances that this large expenditure is unwarranted.

Mr. Speaker : Before putting this question to the House I may say I am informed through the Minister for Works that this work is now in hand, and that money has already been expended.

The Minister for Works (Hon. J. Price) : May I say, Mr. Speaker, that I did not approach you in this matter. I was asked by the Clerk of the House whether any contracts had been let for this work, and I answered "Yes." I have no desire to shirk an inquiry.

Mr. Speaker : That is exactly what I wished to make clear; and therefore I asked the Clerk to be good enough to obtain the information. As the contract has been entered into, the matter cannot be considered one of urgency, in respect of which the adjournment of the House may be moved. If the hon. member (Mr. Brown) presses the matter, I shall of course have no objection to put the usual motion; but as the contract has been let, no purpose can be served except what can be effected in the ordinary way, when the Estimates are under consideration.

The Minister for Works : May I say that for some items contracts have not yet been let.

Mr. Foulkes : That is what I wished to call attention to. I understood from the Minister for Works that some contracts, but not all the contracts, had been let. I take it the member for Perth wishes to move the adjournment in order to discuss those contracts that have not been let.

Mr. Speaker : If that is so, he is quite in order.

Mr. Walker : I submit he is in order whether that is so or not. The decision rests with the House. He may move the adjournment if he is supported by the requisite number of members.

Mr. Speaker : Pardon me. I will quote the authority on the subject.

The Premier: I should like to say the Government had no desire to burk inquiry or discussion on this matter; and if you, Mr. Speaker, in your discretion, consider the motion in order, we are perfectly willing that the subject shall be debated.

Mr. Speaker: As the member for Kanowna (Mr. Walker) has raised the question, I will read the reason for my ruling. At the same time, I have already pointed out that if the hon. member (Mr. Brown) desires, he is welcome to make his motion. I was informing the House that a contract had been let; hence my reason for expressing the opinion which I based upon the following authority:—

“The questions of urgency and of importance are in ordinary cases for the House to decide by giving or withholding its support. But the Speaker does not allow the motion to be made if in his opinion it is not definite, or the matter is obviously not important or not urgent.”

I rely on the last words, “not important or not urgent.” If the contract had been let there could be no importance or urgency in the question; and as Speaker I decided upon that point alone. The information as to the work in question seems now to be somewhat varied; and if the hon. member wishes his motion to be put, I shall have much pleasure in putting it. If the member for Kanowna is desirous of speaking, I shall be glad to hear him.

Mr. Walker: I have only to say we are guided in this matter by our own Standing Orders, which provide that an urgency motion may be moved if seven members rise in support of the member desirous of moving. Every House has its own Standing Orders; and the quotation showing what is the rule in other Houses does not guide us here. We are absolutely bound by our own Standing Orders; and I submit it is for the mover and those who stand up with him to decide whether this is a question of urgency, a question of importance, or a question which should be discussed immediately. That is why seven members have to rise in their places in order that the motion for adjournment may be moved. It is for them to decide

whether the question is sufficiently important. If the hon. member can induce seven members of this House to rise with him, their rising makes it compulsory that the motion shall be put. I know of other Parliaments in which only four are necessary for the same purpose. The rising of the necessary number of members overrules any precedent which leaves it entirely to the discretion of one member, as in the case you, Mr. Speaker, have cited. In a House governed by the authority you have read, one member could at any time—in the middle of the sitting, or at the beginning, or at the end of it—rise in his place and move an adjournment; but whether the question was sufficiently important to justify his so doing was for the Speaker to decide. With us that question is left to the decision of the House. You will see the danger of leaving a Speaker who may not understand the trend, drift, or purpose of the motion to exercise a discretion when we have the matter regulated by our own Standing Order. Whether the contract has been let in whole or in part, the matter may be urgent. We may have to rescind the contract, may have to go back on it. I am only pointing that out as a proof that the matter may be urgent, even though every penny of the contract price has been paid. The matter may be so urgent that the country may deem it necessary to dismiss the Government who acted indiscreetly or dishonourably in the transaction; therefore I submit the motion is perfectly in order, whatever may be its nature. If seven members will rise to support the mover. Their rising decides that the matter is important, and the motion should be put.

Mr. Speaker: Notwithstanding the point raised by the member for Kanowna I do not see any reason to alter my opinion. I did not come before the House to-day unprepared on these points. The authority I have already quoted is that of the House of Commons, which is our guide. I shall now quote our own Standing Order to show that I am right in my contention; and I may remark that the member for Kanowna was one of the committee who framed these regulations.

Mr. Walker: That is why I understand the point.

Mr. Speaker: Our Standing Order is as follows:—

“A member wishing to move ‘That the House do now adjourn,’ under No. 47, shall first submit a written statement of the subject proposed to be discussed, to the Speaker, who, if he thinks it in order, shall read it to the House; whereupon if seven members rise in their places to support it, the motion shall be proceeded with.”

I am sure no member will ever charge me with trying to burk any discussion of this nature. My remarks were made solely because I was informed that the contract had been let; and therefore the matter could not have been important or urgent. As additional information is now before us, and seeing the feeling of the House, I shall put the question—

That permission be given to the hon. member to move his motion.

Sufficient members having risen in their places on both sides of the House (including Ministers), the matter proceeded as one of urgency.

Charges as to Extravagance, etc.

Mr. H. BROWN (Perth): I thank members for supporting me in moving this motion. Possibly had the Minister for Works been more explicit in his reply to my questions on Thursday this motion would not have been necessary. I asked him what was the estimated cost of the electric light installation at the Claremont asylum, and he replied that it was £14,242, and that this not only covered the cost of the electric light installation but also the generation of current for power purposes. The second question I asked was, what was the cost to date, and the reply was, “No expenditure to date.” Yet we are now told today that considerable sums have been incurred on account of this particular work. The third question I asked was what the cost would be when the work was completed, and the reply was that it would cost £14,500. Most members know the history of the lighting of this Claremont Asylum. During the time the present Treasurer (Hon. Frank Wilson) held the

portfolio of Minister for Works the Government Electrician was absent from the State, and Mr. Jolly, who unfortunately is a relation of the gentleman who was Minister of Works at that time, was given the work of preparing the plans and specifications at 2½ per cent. Naturally if any work was to be given it would not be expected that it would be given to any other person's relations. After the specifications had progressed the present Minister for Works (Hon. J. Price), thinking it was so good that the compiler of the plans and specifications should also be supervisor, appointed that gentleman as supervisor at an increase of another 2½ per cent. Why I complain of the extravagance of this is that for the past seven or eight months we have had the Government Electrician in this State drawing anything from £500 to £600 a year, and surely that 2½ per cent. for supervision by Mr. Jolly could easily have been saved by the employment of the Government Electrician. But I might add that another employee of the firm of Messrs. Noyes Bros. was taken from the Claremont corporation and given a salary of £250 a year to supervise this particular work. It seems strange to me that Messrs. Noyes Bros. should have such great interest in this particular work, and I would like the Minister for Works to state that neither Mr. Jolly nor Messrs. Noyes Bros. have one penny interest in any of the contracts let for the installation of this particular work.

The Treasurer: Do you state that they have?

Mr. H. BROWN: I ask you to deny that they have. It is a fair question to the Minister. Will he deny that Messrs. Noyes Bros. or Mr. Jolly will in any shape or form benefit one penny, directly or indirectly, for any portion of the installation or generative power in the Claremont asylum? It seems preposterous also that £14,500, practically one-fifth of the cost of the whole building, should be expended in the lighting of that establishment. We were told by the late Minister for Works (Hon. Frank Wilson) that this installation was to cost £6,000; then I believe the department said that

it would cost £9,000; now I believe the cost has gone up to £14,500; and goodness only knows where it is going to stop. It is on all-fours with the statement the Minister for Works made a couple of sessions ago that they found the asylum completed and not a single provision was made for a drain. We had then the assurance of the late Minister for Works that he had been endeavouring to place his finger on the person who was responsible for carrying out the work in such a slovenly manner, but up to that time he had not been able to do it. Here we have a similar state of things. The building has been completed and it is to be knocked about again for the installation of light. What would be the opinion held of any person who constructed a building of the size of that asylum and then found on the completion of the building that no provision was made for lighting? Because we have been assured by the Minister in an interview with the *Morning Herald* that the greater portion of this work was to be the wiring of the premises. Again we find that the Claremont municipality offered to supply current at 4d. per unit. We have heard the Minister for Works complain of the higher voltage they would require at the asylum, but surely any intelligent electrician knowing the voltage required could have arranged his plans to fit in the Claremont plant with the requirements of the asylum. Why I complain about this matter is because we are faced with taxation. We have the double tax as shown by the Minister for Works, with his "beg, borrow, or steal" policy, as enunciated by him at York. He said he must get money, even if it is stolen, to carry on the public works of the State; but is it not absolute extravagance when we find a plant costing over £30,000 lying idle at the Perth railway station and going to waste, because the Government have discovered that they can obtain current much cheaper from the corporation here and at Fremantle than they can supply it themselves? Surely if there is any need to economise, and if the Government wish to economise, they could have utilised some portion of that plant lying idle at the Perth station yard. It is a gross

waste of thousands of pounds worth of machinery not to have taken some trouble to utilise it in other departments of the public service. We have heard of retrenchment. I know one gentleman, a well known electrician, who was recently retrenched from Midland Junction. I believe his name is Mr. Booth. The Government retrench him on the one hand, and on the other augment the public service by the appointment of Mr. Wilkinson as supervisor at Claremont, either below or above the other supervisor, Mr. Jolly. I see no retrenchment in that connection. To me it would have been far better to have allowed Mr. Wilkinson to remain in the service and not to employ Messrs. Noyes Brothers.

Mr. Foulkes: Had they a man at Midland Junction who could have done the work?

Mr. H. BROWN: If Mr. Booth did the installation of the whole of the railway service of this State he must have had some qualifications to carry out this small, or expensive, installation at the Claremont asylum. By their own admission the Government cannot supply current at as cheap a rate as the corporations can, and it is nothing but madness to go in for an extravagant plant of this kind, costing £14,500. Even if it is only £10,000 for the generating power, the interest on that, added to the cost of fuel and the engineers required, will be practically £1,000 a year. Surely it would be possible to economise and supply that institution at Claremont with light at a considerably less sum than at all events £1,000 a year. It is about time the extravagance practised at that institution was stopped. No one more than myself but desires to make the surroundings of those unfortunates at the asylum as comfortable as possible; but when we find, as I believe, that they have a theatre down there almost on a par with the Government House ballroom, and a drop scene costing anything up to £100, it is time the Government talked of economy instead of extra taxation. That is one of my reasons for bringing forward this matter of this extravagant installation; it is to call the attention of the people of the country to the fact that economies

can and should be effected. We all know that in Perth we have been trying for years to get decent quarters for the nurses at the hospital. They are herded together like sheep, and yet no attempt has been made for years past to house them properly. Surely these nurses should be better looked after than they have been. In conclusion, I say it will be far better if the Government would appoint a select committee in order to inquire into the excesses that have been undertaken since the institution was started until now. I beg to move—

That the House do now adjourn.

The TREASURER (Hon. Frank Wilson) : I have claimed the right and privilege of replying before my colleague the Minister for Works, because the member for Perth has dragged my name into this transaction. Not only has he done so on this occasion, very briefly I admit, and harmlessly, but also on other occasions when speaking he has insinuated dishonourable practices and connection between myself as Minister for Works, and my son-in-law, Mr. Jolly, who is the manager and electrical engineer in Perth for Messrs. Noyes Brothers, engineers.

Mr. H. Brown : That is untrue.

Mr. Speaker : The hon. member must not say that.

Mr. H. Brown : I withdraw it.

The TREASURER : No member who heard the member for Perth speaking the other night—true he was not very coherent and clear in his language, or explicit in his terms—or who read a letter which he published in the *West Australian* last Saturday morning, could come to any other conclusion than that he intended an attack upon my honour and integrity. After stating that he wished to let a certain matter as to an ex-Treasurer drop—a peculiar action to take, for when a member makes charges in this House he should be prepared to go on with them and not let them drop—he said he would take the opportunity of informing Mr. Wilson that—

“It is my intention to move the adjournment of the House on Tuesday

next, to show the electors of this State his connection with reference to the proposed unwarranted extravagance in installing an electric light plant and fittings at the Claremont asylum at a cost of £14,500, when we have already had to shut down the plants at Perth and Fremantle railway stations, finding it cheaper—[*Mr. H. Brown* : You are responsible for it]—to purchase current from the local companies. It would be well for him, and his Government, to note that up to the present the total amount expended by the Subiaco Council has not yet reached £10,000, while we have a proposed expenditure of £14,500 for one building.”

Now this, in conjunction with interviews in the Press and with publications, not only in the daily papers but also in the *Sunday Times*, and in conjunction with remarks which have fallen from the hon. member in this House, can bear no other meaning than that he is prepared to prove that my connection with the expenditure he has referred to at the asylum is a dishonourable one. If it were not so what need for him to have moved the adjournment of the House, and to draw attention to it? What need to challenge me or to threaten me with the fact that he will show the electors of Western Australia what this connection is? [*Mr. H. Brown* : You were the initiator.] If it is an honourable action, as I will show before I sit down, there is no need for the member to hold out threats; if a dishonourable action, I should be exposed and expelled from this House as being unworthy of being a member of it.

Mr. H. Brown : On a point of order, I never said “dishonourable.” I said before and I say again that he was the initiator of this extravagant scheme at the time he was Minister for Works.

Mr. Monger : Is that all you infer?

Mr. H. Brown : That is all I infer.

The TREASURER : The hon. member was going to move the adjournment in order to show my connection with this unwarrantable extravagance as to the asylum. When we come to the motion for adjournment, we find that he drops my connection with the scheme altogether. Evidently he does not want to ventilate

the subject. [Mr. Taylor: It might be too bad.] It is too good; that is the reason. He finds he has no case. I want once and for all, to have this disgraceful practice of mud-slinging put a stop to. I am tired, and members must be tired also, of the insinuations which go about this Chamber. [Mr. Johnson: We all get tired when some of it sticks.] No doubt something sticks to the hon. member. If he will allow me to make an explanation I will do so, for I want to point out that it is a serious matter so far as I am concerned. It is not so much what I think about it, for I care not individually what the hon. member may say about me; but I do care for those that belong to me; I do care for the members of my family, my children, and my children's children hereafter. I do care that they may not for a moment have a doubt as to the honour of myself as head of the family. May I give a short *resumé* of my connection with this work. Shortly after I took charge of the Works Department at the end of 1905, members will remember that we had a very hard time; we had two elections and then a short session lasting four or five weeks up to Christmas Eve. Immediately I got rid of my parliamentary duties, at the request of the Inspector General of Insane (Dr. Montgomery), at his urgent request I may say, I paid a visit to the asylum. The member for Guildford knows the work very well. On that occasion I was accompanied by the Principal Architect and the Under Secretary for Works and I believe the supervisor in connection with the Architectural Department. I walked through the magnificent building for the first time, and listened to the complaints of the Inspector General of Insane. He pointed out the defects in the huge buildings which had been erected. Those buildings, I could see, had been built at enormous cost. There was a big administrative block, and there was the hall which has been referred to by the member for Perth as being almost equal to the Government House ballroom. He pointed out to me that no locks had been provided on the doors, and that there was no provision for lighting. Indeed I asked him the

question as to whether provision for lighting had been made, and the architect replied that they intended to light the asylum and the whole of the building with electric light; but I saw that the walls had been completed and had not even been pierced for the electric wires; so that the result would be that the walls would be partly destroyed before the wires could be put into the building. No provision was made for tubes to be let into the walls to carry the wires in. I walked into the kitchen, which is a most palatial building, and I found that there was no cooking range on order, and that no cooking utensils had arrived. No laundry machinery had been indented, and even the boilers for the hot water supply had been overlooked. They either had been overlooked, or the question of ordering them had been held in abeyance. The Inspector General of the Insane was at his wits' end to know what to do on account of the unfortunate position of the inmates of the asylum at Fremantle. He was so disheartened, so disgusted, after his five or six years' residence in this country as head of that department, and was so annoyed that he could not get the new establishment into going order, and thus relieve the congested state of the asylum at Fremantle, that he stated he felt inclined to throw up his job and leave the State. He had the buildings, and good ones, but he could not utilise them or make them suitable for the proper housing of the patients. I asked the Principal Architect why these delays had occurred, and was informed that the bulk of the work was a matter of engineering, and belonged to the engineers of the department. I said, "Who is the engineer?" and the reply was, "Mr. Hancock, the Government Electrician." "Where is he?" I asked, and the reply was, "He is in the old country on leave." I said, "That is unfortunate, and is there no one else?" and the reply was that they did not know of anyone else unless the railways had a man. The name of Mr. Dowson was mentioned, and it was said he was supposed to be available. On inquiry it was found that his hands were full, and it was very doubtful whether he could undertake a work of this magni-

tude; in fact it was thought he could not. I said that the work must be done, and asked what the officials proposed. The Inspector General of the Insane (Dr. Montgomery) and the Principal Architect (Mr. Beasley) sat in conference, and recommended that Messrs. Noyes Brothers, who were just finishing the installation of the Fremantle Tramways, should be asked to act as sole engineers and carry out the work. I immediately said how unfortunate it was that my son-in-law (Mr. Jolly) happened to be the resident engineer and manager here, and that I was therefore diffident about making the appointment unless there were no other way out of the difficulty. I instructed them to make a recommendation. In due course, and on the distinct understanding from the Inspector General of the Insane, that no farther time could possibly be lost or he would not answer for the consequences, the Principal Architect and he concurred in recommending that Messrs. Noyes Brother should be permitted to carry out the work. This was to be done on a commission basis, similar to one under which the firm worked on much larger undertakings in New Zealand and the other States. [Mr. Angwin : Why was not the appointment thrown open for application ?] You cannot call applications for a thing of that sort. Would you throw open for application the appointment of an architect, a doctor, or a lawyer? The recommendation submitted was covered by the following reasons:—

“(a) That the firm is constantly engaged on work of this magnitude; this can hardly be said of our officers. (b) Our advising expert, the Government Electrical Engineer, is not in the State, and will probably not be here for another two months, and it is doubtful whether he will be able to take the matter up at once on his return. (c) This matter is now urgent, and Dr. Montgomery positively refuses to take possession of the building now rapidly approaching completion until the electric light is installed.”

Mr. Horan : What would happen if he would not take possession?

The TREASURER : I could imagine what would happen, if the inmates were like the hon. member and there was no lighting scheme.

Mr. Taylor : It would be an improvement if there were some lighting scheme here.

The TREASURER : The recommendation continues:—

“(d) Messrs. Noyes Brothers' reputation, both for their work and as a firm, is of the highest, and I feel the interests of the Government in this matter should be safe with such a firm with the single responsibility. (e) The nature of the work is not suitable for public tendering, nor have I confidence in the possibility of getting a satisfactory job done by an inexperienced and inferior firm such as would probably secure the work by submitting a low tender in ignorance of the work required. (f) If the work were done departmentally, it would certainly take longer to execute, and I doubt if it would be done more cheaply than by the method suggested by Noyes Bros.”

Mr. H. Brown : What date is that?

The TREASURER : I have not the date; but it was early in 1906, I think in February. These were the recommendations of the Chief Architect on the proposal that this firm should carry out the work on a commission basis of 10 per cent. on the actual cost, the same as they had carried out work in connection with the Fremantle Tramways and other large schemes. I was not satisfied, and I sent the proposal on to the Engineer-in-Chief for his opinion; and he pointed out in reply that it would be a departure from the departmental practice, and suggested that Mr. Dowson of the Railways should be asked to prepare plans and specifications. I was advised by the Railway Department that Mr. Dowson had not the time to undertake the work; the Railway Department could not grant the facilities for his labours to be utilised.

Mr. Johnson : Is that statement on the file?

The TREASURER : It was a verbal statement.

Mr. Johnson: It is very unwise to take a verbal reply in a matter of that kind.

The TREASURER: Not at all.

Mr. Foulkes: Who reported that Mr. Dowson was not available?

The TREASURER: Mr. Dowson writes as follows:—

"While Mr. Hancock was away the Engineer-in-Chief asked me per 'phone if I could look after the electric installation at the Claremont Lunatic Asylum. I replied that I did not consider my Railway duties would allow me to do justice to same, and that he had better get someone else to do it. He then asked me if I considered Mr. Jolly, manager of Messrs. Noyes Bros., in Perth, would be suitable to carry out the work. I replied most certainly that I knew both the firm of Messrs. Noyes Bros. and their manager, Mr. Jolly, very well, and that I did not consider they could get anyone in Western Australia more competent to carry out the work. When the Claremont council were considering the installation of a storage battery at their power house, they applied to the Commissioner to allow me to report on same and also upon supplying current to the Claremont Lunatic Asylum. The Commissioner agreed, and accordingly I drafted a scheme for supplying current from the Claremont council's power house to the asylum. It was a very expensive scheme, necessitating a good deal of extra machinery. I do not know how far the council went with that matter, as I refused to have anything to do with the financial part as regards making up the price for them to tender at per unit for the supply of current to the asylum, but doubtless if they made an offer it would be on record."

That is the communication made to Mr. Short in the report, the date of which I do not know; but it was after the 15th October. It was in response, I understand, to a request by the Minister for Works as to what passed between Mr. Dowson and the Engineer-in-Chief on this. I had no knowledge of the report until it was handed to me a moment ago.

Mr. Dowson did report to the Engineer-in-Chief at the time that he could not undertake this work. But let me get on to my connection with the matter. A good deal of course must go by memory; I cannot have everything on record as to what I did.

Mr. Johnson: Every item should be on the file.

The TREASURER: Every action of the hon. member's is not on record in connection with this matter.

Mr. Johnson: It is; every action. I challenge the Government to hold an inquiry into this matter.

The TREASURER: I am quite willing to have an inquiry; and it will show where the extravagance took place in connection with the asylum. And it will be found that the extravagance was not in regard to the proposal for this work, but on the expenditure which has taken place during the past four or five years. In March these negotiations were going on. The Chief Architect, the Engineer-in-Chief, and Mr. Jolly, representing Noyes Brothers, met together and discussed on what terms the work should be carried out, and what was the best thing to do in the circumstances. I had no communication with the authorities at this time. The result was the Chief Architect recommended, and the Engineer-in-Chief endorsed the recommendation, that Noyes Brothers be appointed consulting engineers to draw up plans and specifications with a farther proviso that the Government should have the option of calling upon them to supervise the carrying out of the work for 2½ per cent.

Mr. Scaddan: You placed no limit on the expenditure?

The TREASURER: The Government officer over it had to check the expenditure, and the Government were there to check the expenditure.

Mr. Foulkes: Look at the Fremantle Railway Station: they do not check the expenditure.

The TREASURER: I myself approved of that appointment, and I take the responsibility of having approved of it. At the same time negotiations were entered into with the Claremont Municipal Council for the supply of current. They

came to me, that is the mayor and town clerk—and I asked them to put a proposal in writing to the Chief Architect. The particulars of lights to be supplied, and power necessary for driving the machinery in connection with the huge undertaking were supplied to the council in April, 1906. The Claremont Council put in a proposal at some later date that they would supply current for $3\frac{1}{2}$ d. per unit with a minimum consumption of 6,000 units per month. After consultation with the Inspector General of the Insane, backed up by the strong opinion of the hospital authorities that they would control the entire plant, and the statement from the Claremont Council that they were not prepared to give any guarantee as to a continuous current—stoppages due to breakages and other things—the consulting engineers, Noyes Brothers, were instructed to go on with the plans and specifications. (Interjection.) At the present time Mr. Jolly has the honour of being the consulting engineer to the Claremont Council; but at that time he had nothing to do with them. The hon. member tried to make a great point, not only on Thursday night but this afternoon, of the current being taken from the municipal council costing many hundreds of pounds less than the cost now. He estimates that with interest and sinking fund on the cost of the plant the Government were about to instal, with fuel and working expenses added, it would be fully £1,000 per annum—that is the cost of power to be generated. If members will work it out for themselves on a minimum of 6,000 units per month at $3\frac{1}{2}$ d. per unit, they will find we should have had to pay the municipal council £1,050 per annum and still keep an engineer in charge of other works, the pumps at the asylum. The cost would have been £1,050, and not £200 as the member for Perth has stated. The council required a minimum of 6,000 a month, at the price of $3\frac{1}{2}$ d. per unit. I do not want to intrude on the province of my colleague who succeeded me; but as I left the Works Department and my friend came in, both had to do with the matter at this point. Up to this point I was responsible.

Mr. Taylor: The trouble rests at that point.

The TREASURER: I appointed these engineers to draw up plans and specifications at a remuneration of $2\frac{1}{2}$ per cent., a dirt-cheap arrangement, which I am sure members will admit. The plant to be installed there is calculated to provide current at $2\frac{1}{2}$ d. per unit, after paying working expenses and interest.

Mr. Holman: Has that plant been purchased by contract?

The TREASURER: It was purchased on the direct recommendation of the engineers coupled with the recommendation of Mr. Julius of the Midland Junction shops, a capable engineer, who was called in to consult with Mr. Jolly and advise the Minister as to the installation of a producer gas plant in place of a steam plant as originally intended. Up to this point Noyes Brothers were only consulting engineers to draw up plans and specifications; and we need not have gone farther. All subsequent work was carried out on the approval of my colleague; and I attribute the attack which was made on him and on myself personally to the jealousy of some outsiders who thought they ought to have had a chance of getting the work instead of the firm appointed. Let me again emphasise the position. You appoint consulting engineers for their skill, for their experience of the class of work that is to be carried out; you do not appoint them in competition. No one appoints an architect in competition, unless you call for competitive designs, which you cannot do in this kind of thing. No one calls in a doctor in competition; he is called in in consequence of his skill in certain diseases. No one calls in a solicitor in competition; he is called in because he understands the class of business you want carried on. The special character of the work has been entirely overlooked by those who have prompted members to criticise the experts in connection with a work of this description. I cannot for a moment compare the lighting installation of a town like Claremont or Subiaco, or an electrical tramway installation at Leonora with a work of this description. I would like briefly to explain, not that I had

anything to do with drawing up the contracts, but I know a little about it, I have taken a little interest in what was going on. that the lamps for a lunatic asylum cannot be the same as we should put into our private houses; we should soon have them smashed. Wherever we have inmates who are inclined to get beyond control, electric lamps must be of the oyster design; that is, recessed in the walls, and shielded with strong plate glass. These lamps are specially designed for this class of work, so that they cannot be broken by such a person as a lunatic, who may wish to see a huge smash. These lamps cost at least four times as much as the ordinary lamps. The switches for turning the light on and off cannot be of the ordinary pattern such as we use around this Chamber. They also have to be sunk into the walls and operated by a master key, so that they may not be tampered with. These switches are also at least four times as costly as the ordinary switches in a dwelling house. The wiring has to be duplicated, triplicated, and in some instances quadrupled, in order that warders entering a ward-room or going down a long corridor may be able to turn on the light here and turn it off at the far end, or to perform the same operation at intermediate wards. A warder cannot be left in darkness at any time. He must not have to traverse any portion of his rounds without having light available, otherwise he runs a serious risk, such as was run by Dr. Montgomery himself a short time ago, when he was attacked by a lunatic in the courtyard, and struck to the earth with a large stone. The wiring, therefore, is very much more expensive than ordinary wiring, and the cables have to be what are known as armoured cables, laid underground, and not the ordinary braided cables which can be carried overhead anyway and every way. The cables are some 30 or 33 per cent. more costly than the ordinary type used in street lighting. The telephone installation is a masterpiece of ingenuity, arranged so that every ward in the huge building is connected with the Inspector General's office at his dwelling some half a mile away, in order that he may at a moment's notice, by a special apparatus which he

can draw down, speak to the whole of the warders at once, if it is necessary to give an alarm, or by a similar facility any of the warders can speak to him, or he can speak to a single warder or to a member of the public. The apparatus is automatic, so that the Inspector General cannot forget to put back the switches in their proper position. When he puts down his telephone it flies back into the right place. The tell-tale clocks to show where the warders have been make records on revolving drums in the Inspector General's office. When he comes down in the morning he can see by these charts exactly where his warders have been at any time during the night, and practically what they have been doing. All these appliances are operated by sunk and shielded connections throughout the asylum, and are protected by locks with master keys. The fire alarms and ward alarms are all on the same principle, so that in case of fire the whole establishment may be roused by one simple operation. If there is an outcry, as sometimes occurs, help may be summoned immediately from all quarters to quell the outbreak. The house-bells, indicators, and batteries for same, and the lighting of the grounds, have all to be carried out with similar skill in order that life may be protected, and the inmates properly looked after.

Mr. H. Brown : Will not the place be pulled to pieces by the time all these things are in?

The TREASURER : The present provision is for 700 inmates and 120 officials; and there is provision for expansion to serve 1,000 inmates. Let us imagine for a moment. Here is an establishment within its own grounds, which have, I believe, an area of some 500 acres. The buildings are spread over any distance from half a mile to three-quarters; and the electric installation is so arranged that it can be controlled as the commander of a man of war controls his ship from the conning tower, so that the whole of this establishment may be controlled from the Inspector General's office in his own house some half a mile away. Let members imagine that, and they will understand at once the extra

expense of such an installation. The plant provides not only the lighting power but power for the laundry, which is no small item, as it contains machinery for turning out some 12,000 pieces per week—a plant of considerable size in itself. There are pumps for raising water to tanks on top of the tower, in order to irrigate the grounds, and for fire and other purposes. Comparison with the municipality of Claremont, with all due respect to the member for that district (Mr. Foulkes), is impossible; but I may say the Claremont installation with no engine-house worth speaking of has cost so far £11,000, and supplies 300 consumers. Now when I come to the part of this indictment which I must say I feel keenly and resent strongly—my connection through my son-in-law with Messrs. Noyes Bros., and the insinuation that there may be some corrupt practice attached to their appointment—let me say at once that the enormous commission of five per cent. which Messrs. Noyes Bros. are to receive will amount to some £700, and that when the job is completed I think they will have been some three years at the work. Thus members can see for themselves the huge amount the firm are gaining out of the transaction, and how much they have left for bribing or corrupting other persons.

Mr. Angwin: What commission will they get for supplying articles for which they are the sole agents?

The TREASURER: They do not supply one item in respect of which they get one penny. And let me say that I hope the reputation of Messrs. Noyes Brothers, and of their manager, Mr. Jolly, is sufficiently well-known throughout Australasia to preclude in the future any such interjection as that of the hon. member. These gentlemen do not indulge in such practices; their reputation is above reproach; and when they undertake work as consulting engineers they invariably stipulate that they shall not receive one penny of the commission which in ordinary circumstances might accrue to them in respect of such work. In addition to that, tenders have been called by the Works Department for all supplies up to the present, and the contracts have been

distributed over five or six firms throughout Perth. How can it be imagined for a moment that if something indirect were attempted, four or five or six firms would enter into collusion with Mr. Jolly, with me or my colleague the present Minister for Works, to say nothing of the Engineer-in-Chief, the Principal Architect, the Inspector General of the Insane, and others who would have to be parties to the collusion? Why, it seems to me that the hon. member's charge of extravagance is absolutely unfounded; that the base insinuations which he has undoubtedly conveyed through the letters and interviews that he has published in the Press and by his statement in this House are—well, shall I say reprehensible in the extreme, and have not a scintilla of foundation or warranty in them? The actual fact is that the gentleman who I am proud to say has special intelligence and experience of this kind of work is consulting engineer for the municipality of Claremont, which has thought well to secure his services only the other day; that a municipality like Leonora, which has been mentioned in this connection, has appointed him as consulting engineer, to design its electric tramway and lighting plant and to carry out the work; the fact that Kalgoorlie did the same with a very large installation—surely all go to prove that the reputation which I claim for the firm, for my son-in-law, and for myself, is above suspicion. Now what motive could there be? What motive could I have? As members see, there is no profit to be obtained; and at the most, I might perhaps be charged with having a desire to advance the interests of my relative.

Mr. A. J. Wilson: What is the member for Perth's desire?

The TREASURER: To malign me and belittle me in the eyes of the public. Would the responsible officers of the department assist me in advancing the interests of any member of my family? What motive could they have for doing so? Surely their only motive was to secure the best skill available, in order that they might evolve some decent order out of chaos, and that the work might be pushed ahead which has been so sadly neglected in the past. Members will

recollect my reading the chief architect's minute, which is absolute proof of his anxiety to get the work done, and of his undoubting confidence in the men he so recommended. It may be unfortunate for me that I have within my family circle those who are supposed to be possessed of brain power and skill perhaps greater than some of their competitors can boast ; but is not that something for me to be proud of ? And it seems to me that, instead of being called upon to answer insinuations and to endeavour to show that there is no improper motive, I ought rather to be looking to the member for Perth to find out what is his motive in making these insinuations and casting about these innuendos. I do hope that he will not be like the jackal after its quarry, snarling and snapping up everyone who happens to come between him and his prey ; and that, if we do happen to disagree with him in his expressed opinions, not only on this matter but on others which have occupied the attention of members, he will refrain from trying to rope every one of us into the net where we are exposed to charges of corruption. I for one resent his attack. I resent his attempt, as published the other day in a newspaper, to charge me with covering up the slimy tracks of of some other person. I resent the information which has been given to that newspaper in respect of a member of this House, the member for Subiaco (Mr. Daglish), in connection with a loan from the Savings Bank. To endeavour to drag us into his general insinuations and charges is unmanly in the extreme, and ought to be regretted by every member of this House. If it were not regretted, then public life would be unbearable ; and so much do I value my honour and integrity that I would sooner send in my resignation at once, and never again take part in the public affairs of this State, than allow such a stigma to rest upon me for one hour.

Mr. H. BROWN : I would like to ask the Treasurer whether he insinuated or stated that I gave information to the Press in regard to the member for Subiaco ?

Mr. Taylor : The Treasurer said so.

Mr. H. BROWN : Then I should like the Treasurer to be asked to withdraw the statement. I say it is absolutely untrue, and I defy him or any member in this House to prove that I did.

Mr. SPEAKER : The Treasurer may answer the question or not, as he chooses ; but the member for Perth must not use the word "untrue." It is unparliamentary.

Mr. H. Brown : Then I say it is absolutely incorrect.

Mr. J. C. G. FOULKES (Claremont) : I have listened with great care to the Treasurer's address ; and though he has explained satisfactorily several points which needed explanation, yet I am exceedingly grateful that the member for Perth has brought up this question. The reason for my gratitude is that there are Ministers and members of Parliament who do not seem to realise that this State cannot spend the same amount of money on public works as we used to do several years ago. The Treasurer said, in answer to an interjection, that there was no fear on the part of Messrs. Noyes Brothers, of whom I wish to speak with the greatest respect, that they would incur undue expenditure, owing to the fact that their estimate would be checked by the Minister himself and also by public officials. I was astounded to hear a statement of that kind coming from the Minister, because we have had repeated instances of gross extravagance on the part of Ministers themselves and also on the part of Government officials.

The TREASURER (in explanation) : The duty of a consulting engineer is first to ascertain what his client requires, and then to recommend the plant to meet those requirements. It is for the client to say whether the plant is too costly and to ask the consulting engineer to cut it down. As a matter of fact, these plans have been treated that way several times.

Mr. FOULKES : We do not differ on that point ; but what I was calling attention to was the fact that the Treasurer said there was no fear that the Min-

ister or public officials would not do their duty in checking any undue expenditure on the part of Messrs. Noyes Brothers. That is, with all respect to the Treasurer, a most rubbishy statement to make. We have repeated instances of public officials allowing most scandalous expenditure to go on. I need only mention one instance, that of the Fremantle railway station. After that, what can we expect? [*The Treasurer*: We cut it down £30,000.] One Minister says "I cut it down by £30,000;" another Minister says "I cut it down by £50,000;" and so on. Then what was the original estimate? We have heard the Minister for Railways sticking out his chest with the greatest pride and saying "I cut down the roof by one-half," as if it was a most wonderful achievement. I dare say it was; but what I rose to point out was that it is not the time for Ministers to enter light-heartedly into a huge expenditure of this kind. With all due respect to the explanation we have had, I maintain this State cannot afford to expend £14,500 on electric light fittings in that asylum. [*The Minister for Works*: It is not lighting only.] I understand that; it is for other appliances also. There are several matters in connection with this contract which impressed me. One for instance is this: I can understand that the Minister for Works felt himself in an awkward position with regard to the appointment of Messrs. Noyes Brothers as consulting engineers. I am not an engineer and I do not know the qualifications of these gentlemen; I have never met them, I have never come into contact with them; but there is one matter I cannot understand, and perhaps some member may explain it. Why was not Mr. Dowson compelled to undertake work of this kind? From what I can understand from the Treasurer the hon. gentleman says that a verbal communication was made by Mr. Dowson to say that he was so busy he really could not attend to the matter. What strikes me is that Mr. Dowson is a public servant. We are told that the Railway Department could not spare him. All these statements are made verbally. I want to know what the Minister was doing, why he did not insist and call upon the Rail-

way Department to give adequate written reasons why this public servant was not made to do this work?

The Premier: The reason was written. Mr Dowson said, "I replied that I did not consider my railway duties would enable me to do justice to the same."

Mr. FOULKES: That is Mr. Dowson himself. We find a great number of people who say that they find their duties will not permit them to do this or that; but when a servant is paid by the public, we need more adequate reasons given by him, and also by the head of the department.

The Premier: You want also to be satisfied that the man is capable of doing the work.

Mr. FOULKES: I understand that the Treasurer was satisfied that Mr. Dowson was able to attend to these duties; because when Mr. Dowson was reported to the Treasurer as being a fit and proper person to carry out these plans, the Treasurer did not say at that time, "Oh, that man is not competent to do it." I understand that the reason Mr. Dowson did not undertake this work was that he himself said that unfortunately he had not the time to attend to it. That does not satisfy me. I would not have been satisfied.

Mr. Monger: The Chairmanship of Committees would have satisfied the hon. member.

Mr. FOULKES: That is one of those vulgar innuendos the Treasurer was complaining of a short time ago, and I am sorry the Treasurer is not here to call the hon. member for York to order. I was going to say when I was so rudely interrupted by the hon. member that I would not have been satisfied even if the Commissioner of Railways said that Mr. Dowson had not time to attend to the work; because I consider that where we have a public servant it is his duty to do it. I believe the majority of public servants are only too pleased to offer their services to the public. As to Messrs. Noyes Brothers I believe there is no doubt about their qualifications to carry

on a work of this kind. The Treasurer has informed us that they were employed as consulting engineers. Subject to correction, I believe the duty of a consulting engineer is not, as a rule, to prepare plans for a work. What happens is this. Plans are drawn by a professional man who is in charge of the work, and they are submitted to a consulting engineer. But in this case Messrs. Noyes Brothers were employed to act not only as consulting engineers but also as engineers to prepare these plans. I regret extremely that greater trouble was not taken by the Minister at the head of the department to find out whether there was not some other person in the Government service who could have prepared these plans. If such a person could have been found—and I am quite satisfied many men could have been found in the Government service who could have prepared these plans—the plans so prepared could have been submitted to Messrs. Noyes Brothers, and Messrs. Noyes Brothers would have been paid for their opinion, and the full transaction would have come to a close. [*Mr. Johnson*: The same was done with the sewerage plans.] It is continually done. I know that many architects prepare plans which are afterwards submitted to a consulting architect who charges certain fees for his advice. Mr. Hancock, the Government Electrician, came back to the State at a certain time; at any rate before these works were finished.

Member: Before they were started.

Mr. FOULKES: Then why could not this work have been handed over to Mr. Hancock?

Mr. Monger: I suppose Mr. Hancock is a friend of yours, is he not?

Mr. Speaker: Order!

Mr. FOULKES: It is just as well to let the member for York know that I do not propose to take any notice of his insinuations. Mr. Hancock has been Government Electrician for something like seven or eight years, and there is no reason why he should not have been employed to check this work and see that it was carried out in conformity with the plans submitted by Messrs. Noyes Brothers. Judging from what the Treasurer said, Messrs. Noyes Brothers were the

best men that could have been appointed to prepare these plans, and if these plans had been properly prepared—and I have no doubt that they would have been—there would not have been the slightest difficulty on the part of Mr. Hancock in seeing whether the work was carried out in accordance with them. Had that been done there would have been a considerable saving. I sympathise with the Treasurer with regard to the position he was in, but I do not think that he went about this work in the right way. One thing that amused me considerably was this. The Treasurer said, "Why, I consulted the Government Architect on this matter!" Imagine him consulting an architect about the qualifications of an electrician. The man he should have consulted was the Engineer-in-Chief.

The Premier: Did he not consult the Engineer-in-Chief?

Mr. FOULKES: Yes, but the Treasurer relied so strongly upon the point that he had consulted the Government Architect. Afterwards he seems to have thought that the advice of the architect was not sufficient and he consulted the Engineer-in-Chief, and the Engineer-in-Chief said rightly, "Noyes Brothers are splendid people for doing this work;" and Messrs. Noyes Brothers were employed. Any private individual would have gone about this work in a different way. He would have got some engineers to prepare plans, and on such a large work, if it were justifiable, he would have obtained an opinion from Messrs. Noyes Brothers as to whether the plans were suitable. I believe that if Messrs. Noyes Brothers had been paid 100 guineas it would have been sufficient for them. I do not suppose they would charge any more for giving advice on this matter. But I am satisfied there was no reason whatever for dispensing with the services of Mr. Hancock. He should have finished the work, and having had the advantage of Messrs. Noyes Bros.' plans could have seen whether the work was carried out properly afterwards. I am very glad that the member for Perth has brought up this question, and I hope it will be a lesson to other members besides Min-

isters, and will show them that we cannot afford to embark upon a large expenditure of this kind.

The MINISTER FOR WORKS (Hon. J. Price) : Perhaps I may be permitted to deal with one or two matters, introduced into this debate by the members for Perth and Claremont, before I go on with a general description of this electrical installation. The member for Perth appeared to me to be absolutely at sea. Last Thursday night, when speaking on this question, he stood up and said that if the current for the asylum had been purchased from the Claremont municipal plant it could have been obtained for about £200 a year. I want to point out, as my colleague the Treasurer clearly showed, that the Claremont municipality required the Government to take 6,000 units per month, at 3½d. per unit, which would have been £1,050 per annum, as the minimum amount to be paid to them. The member for Claremont has made certain reflections as to why Mr. Dowson was not asked to look after this work, and at the same time he insinuated that when Messrs. Noyes Bros.' name was submitted to the Engineer-in-Chief, that officer, in quite a perfunctory way, had said, "That is all right, they are very good people, employ them." As a matter of fact, having heard that there had been a communication with Mr. Dowson in this connection, I had inquiries made from that officer as to what has happened. The Engineer-in-Chief was so interested in this matter that he himself approached Mr. Dowson and asked him if he could do this work. He took a very active part in the proceedings and cordially and thoroughly endorsed Mr. Beasley's recommendation that Messrs. Noyes Brothers should be employed for the work. If I may be allowed to take things somewhat out of their order, I would explain the reason why I determined, and it was my decision alone, to ask Messrs. Noyes Brothers to supervise the erection of the plant. I had been aware for some time that whispers had been going around the town in connection with the relationship between the Treasurer and Mr. Jolly, the

manager for Noyes Brothers, and I felt that if Messrs. Noyes Brothers were stopped short in the preparation of the plans and were permitted to tender—and that would have only been a reasonable thing, seeing they would only get 2½ per cent. on the cost for the preparation of the plans—other manufacturers' agents in Perth dealing in those appliances which would be required for the asylum would undoubtedly be likely to make some complaint. In order that there should be no doubt whatever that Noyes Brothers did not in any way earmark any of the requirements of the installation, I specially instructed Mr. Simpson, the stores manager, to go over all the specifications carefully and see that there was no earmarking. I farther spoke to the Engineer-in-Chief with regard to the matter, and asked him to go carefully through the specifications and see that there was no earmarking. I am able to say this, that in contracts let up to the present moment Messrs. Noyes Brothers, as manufacturers' agents, have not got one half-penny worth of interest. The whole matter is absolutely clean and straightforward. [Mr. Angwin : Have their principals got any interest ?] There is no article bought, and no contract has been entered into for an article, for which they are the sole agents. The general specifications were specially gone over by the stores manager and by the Engineer-in-Chief, the latter of whom I believe submitted them also to Mr. Hancock informally, to see that there was nothing in the nature of earmarking. That should satisfy the House that I took every precaution to see that Messrs. Noyes Brothers had no unfair preference shown to them. I did this merely because of the remarks which had been made, for otherwise I would not have done so, as I knew the firm to be reputable and respectable. I heard most scandalous remarks made, to the effect that, "Oh, Wilson is making a nice thing out of this ; Jolly is his son-in-law." I determined therefore to confine the amount which Messrs. Noyes Brothers would receive from the installation to the commission on the preparation of the plans and the supervision of the work. There was another matter which

decided me to entrust them with the supervision. During my short Ministerial experience I have had instances of the differences that occur between professional men, and realised that if at the end of this installation, when the work was completed, anything had gone wrong and Mr. Hancock had carried out the supervision I would naturally have heard from him that it was the fault of Messrs. Noyes Brothers' specifications and plans ; or perhaps otherwise Messrs. Noyes Brothers would have said it was the fault of Mr. Hancock's carrying out of the work. [Mr. Johnson : That could not be possible.] For that reason, in addition to the other one I have mentioned, I determined that it was better that there should be no divided responsibility at all. [Mr. H. Brown : What is Williamson doing?] I presume the hon. member refers to Mr. Wilkinson. He is the man employed to supervise the wiring which is about to start ; this, by the way, is not done by contract. Let me point out to the hon. member that he appears to think that the Government were responsible for the fact that some of the walls had not been pierced for wiring and made ready for that portion of the work. [Mr. H. Brown : Why, the Treasurer admitted that just now.] The Treasurer was referring simply to the administrative block, to the male and female attendants' quarters, and, I believe, to the kitchen and one or two outhouses. These buildings were not erected in our time, but in that of the member for Guildford. In so far as the main portion of the building is concerned, that is as to the wards, they are only now being erected ; four of them are being put up, and the roofing is not done, nor has any plastering work been done. Tenders are now called for three more of these wards. In the case of this portion of the buildings, the plastering will not be done until the arrangements for wiring are completed ; it is altogether a mistake to suppose that the whole of the asylum walls must be pulled down in order to enable the electric wires to be put in. The omission has occurred in a portion of the building, but I am not responsible for that, and probably my friend the member for Guildford will be able

to give the reasons why that sort of thing was allowed to happen.

Mr. Johnson : Do you look through all plans and specifications to see that everything is complete?

The MINISTER FOR WORKS: No ; it would be unfair to hold the Minister responsible for an error of that description. It is the officers of the department who are responsible, and a Minister cannot be expected to go into details of that kind. [Mr. Johnson : The last Ministry were censured by the House in connection with such a thing.] I would censure the officer, for it was a state of things that should never have been allowed to occur. I fancy that but few people realise the size of the asylum ; it will consist of 629 rooms, the largest of them being 28ft. by 24ft. ; there are to be 50 wards up to 76ft. by 37ft., and 19 buildings, such as the hall, kitchen, workshops, etcetera, ranging from 44ft. by 22ft. to 92ft. by 50ft. There are over 2,000 yards of covered ways, corridors and verandahs, 28 yards for recreation, and 20 shelter sheds. When the whole scheme is completed there will be accommodation for about 1,000 patients, and it is for this huge mass of buildings that an electrical installation has had to be provided. The arrangements in connection with this asylum may, at first sight, appear to be rather extravagant, but I would ask members who have that idea to go to Fremantle and see the conditions under which these unfortunate individuals now live. The new buildings will enable a proper classification of patients, every mechanical contrivance is taken advantage of, and thus the asylum will be run at a minimum of cost. I am told by the Colonial Secretary that, as soon as he can get the whole of the insane in the State there, he will be able to reduce the cost of running the asylum by £2,000 or £3,000 a year. It is a reasonable contention that by having the whole of the inmates concentrated in one spot the work can be carried out very much cheaper than when you have the patients in three different places. In addition, the trouble and cost of properly watching patients will be much less, as the different classes of insane people will be properly

classified and segregated. From the time I have had anything to do with this asylum there have been constant consultations between the Colonial Secretary, the acting Chief Architect, the Inspector-General of Insane, Mr. Jolly, and myself. When the cost of the electric light installation was first brought before me I thought it excessive, and in order that the matter might be thoroughly investigated I secured the services of Mr. Julius, of the Railway Department, and he and Mr. Jolly thoroughly went into the whole matter. They had under consideration a steam power plant for generation purposes, a Diesel engine for generation purposes, and a gas producer with a gas engine, and as a result of their deliberations and investigations they advised me to adopt the gas producer plant and engines. That was done. May I point out that the generation plant referred to will cost us nearly one-half the amount of the whole installation. The estimated cost of the internal wires and fittings is £6,795; but that makes provision of £700 for the electric light wiring and installation of three wards which it is not at the present time contemplated to build, and which probably will not be erected for three or four years. The sum I have quoted will be the cost of the installation for the asylum complete. The estimate given for the £14,500 includes generating plant (namely producers, engines, dynamos in duplicate), £4,900; battery, booster and switch board, £985; electrically-driven power pumps in duplicate, £529; four-ton hand crane and davit crane for handling fuel, £254; whole of motors to drive machinery, £249; motors for tar extractors and pressure blowers for producer plant, £288; erection of the various items mentioned (including the davit crane to cost £135), £500; total, £7,705. The balance of the £14,500, namely £6,795, is the estimated cost of the armoured cable and all aerial cable, internal wiring and fittings, etcetera; also supplementary services referred to later, for the following blocks of buildings: 10 wards, one administration building, one store, one kitchen, male attendants' quarters, female attendants' quarters, overhead cable to laundry, isolation ward,

workshops, mortuary, doctor's residence, assistant doctor's residence, farm buildings, lodge, and a number of lights about grounds, and all internal wiring and fittings. There are to be 2,500 lights.

At 6.15, *the Speaker* left the Chair.

At 7.30, Chair resumed.

The MINISTER FOR WORKS (continuing): I had just finished giving a list of the various rooms, and so on, which had to be lighted by this plant. My colleague (the Treasurer) indicated to the House that the nature of the fittings were of a considerably more expensive character than were to be found in ordinary private installations. For instance, if you go into a room and turn the light on, when you leave the room you have to turn it off at the same place. In the case of an asylum of this description, where there are patients of a dangerous character, it is not wise for attendants to be in the dark, and the place has to be so wired that you can turn the light on when going into a corridor, walk to the end of that corridor and turn it off as you go out. This means double wiring instead of single wiring. Some fittings are considerably more expensive than others. The double wiring has also this effect, that there is an additional assurance against any possibility of a breakdown. I want members in this connection to remember that where we have 700 or 800 irresponsible beings congregated in one building, the arrangement to have a proper lighting supply is of considerably more importance than if we had to deal with people sane and in their right mind. I do not think the number of lamps, 2,500, can be considered excessive when we recollect that there are 349 rooms, 10 wards, and 15 accessory buildings to be lit. In an ordinary electric lighting, generally one 16-candle power lamp is used for every 100 feet of floor area. In this case, the lights in the wards are close to the ceiling in fairly lofty rooms, and the size of the rooms would astonish some members. For instance, the main day room of the chronic ward, used for reading and recreation purposes, is 64 feet by 20 feet, con-

taining 1,280 square feet. There are 12 lights of 16-candle power ; under the ordinary arrangement of 16-candle power lamps 13 would be the usual number. In the dormitory of the recent and acute block, which is 95 feet by 30 feet (2,880 square feet), here there are seven 16-candle power lamps provided ; 29 would have been the number if the ordinary practice had been followed. In the recent and acute ward main day room, which is 94 feet by 30 feet (2,820 square feet of floor space), there are twelve 16-candle power lamps to be installed as against 28 reckoning at the usual rate. In the quiet and chronic dormitory, which is 64 feet by 20 feet (1,280 square feet of floor space), there are four 16-candle power lamps, whereas the ordinary number would have been 13. In the sick and infirm ward main day room, 70 feet by 30 feet (2,100 square feet of floor space), twelve 16-candle power lamps will be provided as against 21 if the ordinary practice were followed. In the sick and infirm ward in the dormitory, which is 76 feet by 37 feet 6 inches (2,850 square feet) ; six 16-candle power lamps will be provided as against 28 if the usual practice were followed. So it will be seen in connection with the number of lamps that every care has been taken that the light is not excessive. I think on three occasions the whole of the lighting plans have been revised with a view to cutting down the number of lamps to the lowest possible limit that could be installed to secure efficiency. The estimate provided is for lighting the 10 wards and other buildings to accommodate patients and the staff to the number of one thousand. The present provision is for seven wards accommodating patients and a staff to the number of 800. That this is not excessive is shown by the fact that at the present time the patients and staff distributed between the three asylums at Fremantle, Whitby Falls, and Claremont number 750, and it is quite probable, more than probable, that within twelve months time an extra 50 patients will have gone into the institution and will have to be catered for. The supplementary services provide for telephones, inter-communicating system with 26 stations, watchmen's

tell-tale clocks and wires from 26 points to the superintendent's office. It will be recognised that this is absolutely necessary in case of trouble of any description whereby if the Inspector General or the superintendent could communicate with the whole of the wards, he could do so at once. Then we have fire alarms, ward alarm system, the tell-tale clocks, the batteries, house-bells, and indicators, and the estimated cost of these supplementary services out of the estimated £14,500 all of which will go to assist to reduce the number of attendants necessary to look after a given number of patients will be £675.

Mr. Taylor: The installation?

The MINISTER FOR WORKS: The cost of this portion of the installation is £675. As far as these supplementary services are concerned, the lights, the wiring, the telephones, fire bells, alarms tell-tale clocks, etcetera, for the three wards not yet built, £700 of that £14,500 will be required. This amount, there is every reason to believe, will not be required for some two or three years to come. The cost of the internal fittings the wiring and the supplementary services amount to £6,795. I want members to bear in mind that this portion of the cost of the installation in an ordinary town service is borne by the consumer—that is why it is when we see in a news paper that the cost of lighting the Claremont asylum is going to be £14,500, it seems at the first blush a most extraordinary figure to pay for such a service. When we remember it is practically the lighting of a small town, and that the provision is not only for the generating block, but all the internal arrangement for distribution, which in ordinary circumstances is borne by the consumer while this plant supplies the current for the working of a considerable number of machines, I do not think the cost can be thought to be excessive.

Mr. Angwin: Would not machinework you have in Perth have done for the work?

The MINISTER FOR WORKS: I am coming to that in a moment. I want to compare, but it is difficult to make comparisons, the cost of the Claremont asy-

lum plant with the Claremont municipal plant. The municipal plant comprises two kilowatt sets, one being a stand-by, and up to the switchboard I understand the cost is approximately £8,000 for generating plant pure and simple without cabling in the streets. If we compare that with the generating plant of the Claremont asylum we find that we have two 68 kilowatt sets (one a stand-by), which it will be seen is a more powerful plant than the municipal plant, and the cost up to the switchboard has been £6,643, or £1,300 to £1,400 less than the cost of the Claremont municipal generating plant. That at once does away with the charge of extravagance. I challenge anyone to deny the comparison of the two figures. When a member gets up in the House and compares an electric light installation of a town with an electric light installation for an asylum, he shows clearly and plainly that he does not know exactly what he is talking about. Here we have two generating plants, one of two 50 kilowatt sets, and the Claremont asylum plant of 136 kilowatt sets, which in all costs £6,643.

Mr. Angwin : The Claremont cost includes the buildings.

The MINISTER FOR WORKS : Allowance has been made for the buildings in this estimate, yet it has been deducted. Now we come to the pumps and motors which are not in the Claremont municipal plant, but which are used in the Claremont asylum for other purposes than generating power. These come to about £1,062 ; that is an expense which the Claremont people have not to provide but which we have to provide—I will explain why in a moment. Claremont, however, has had to provide cabling and street lighting, which run to £3,000, while we have cabling amounting to £750 ; I am speaking from memory in this regard. The pumps and a portion of the power maintain the entire water service for the whole of the institution ; not only the water supply required for the various wards, and in the laundry and in the baths, and so on, but also provides an irrigation service—it would be well that members should visit the institution and see what is being done—for practi-

cally 150 acres of the farm. And at the present moment they have 50 acres of fruit trees planted, and some five acres of lucerne, which it will be possible to irrigate with this plant. The lucerne is now, I believe, some eighteen inches or two feet high, and the fruit trees will be in bearing next year.

Mr. Scaddan : Is it an "experimental farm" ?

The MINISTER : A considerable number of patients are able, during a considerable portion of their stay in the asylum, to undertake light work, and it is very desirable, because it conduces to recovery in the less acute cases, to have certain employment on the land for these patients, whose labour can be utilised for the benefit of the other inmates ; and this water supply will largely assist in that direction, and increase the productiveness of the land under cultivation. Here we come to a still more significant fact, that if we take the cost per kilowatt of the generating plant alone of the Claremont municipality we find it is £80 ; if we take the cost per kilowatt of the generating plant installed at the Claremont asylum, we find it is £66 8s. 7d.—here again a favourable comparison to the asylum plant. Other instances have been mentioned, but I am giving these comparisons with the Claremont municipal installation because reliable figures were more readily available to me.

Mr. Angwin : The same consulting engineer was retained in each case.

The MINISTER : This institution was mentioned, and I was able to secure these figures more readily than others, and my time for obtaining this information has been limited. But the Subiaco plant, which has a 200-kilowatt generating power, and cables for street lighting, cost £14,000. The asylum plant, with its 136-kilowatt generating power, cost £6,643 ; the Midland Junction plant, a 125-kilowatt—a still smaller one—generating plant, street lighting, and cables, cost £9,500. Thus, when we dissect the figures, we see there is not so much to complain of ; in fact, the asylum plant compares very favourably with those other installations. I drew attention to the fact that the apparently increased cost of the

other installations arises from their having street lighting and the cables, which we have not to account for in connection with the asylum plant. Now we come to the negotiations entered into with the Claremont Municipal Council for the supply of electric current to the asylum. The municipality required the asylum authorities to enter into a contract guaranteeing to take a minimum of 6,000 units per month at 3½d. per unit.

Mr. Scaddan : What would have been the current they were capable of supplying ?

The MINISTER : The maximum amount which the asylum will require is about 18,000 units per month, and that can be comfortably supplied by the asylum plant.

Mr. Scaddan : But I want to know what the plant will generate.

The MINISTER FOR WORKS : I will assume that the requirements of the asylum will be 12,000 units per month. My friend is always impatient. All these matters will be made quite clear before I finish. I do not propose to omit from the discussion an important factor like that. The Claremont municipality required the asylum authorities, as a condition, to give a guarantee which meant a payment by the asylum of £1,050 per annum for electric current ; and bear in mind that this current would have been brought only to the boundary of the institution. The Government would have had to do the whole of the wiring and a considerable amount of very heavy cabling up to the asylum itself.

Mr. Angwin : You could have negotiated a better bargain.

The MINISTER : The proposal I have just mentioned was the result of considerable negotiations. We did not simply ask for a price and then break off the negotiation ; but the Inspector General of the Insane interviewed the engineer of the Claremont municipality—and this is one thing that made the Inspector General very emphatic as to the necessity of having our own generating plant—the municipal engineer said he could not guarantee the asylum against the possibility of breakdowns. Now I think it will be recognised that the In-

spector General would have been wanting in his duty if he had not insisted on every guarantee that electric light should be continually available at the asylum.

Mr. Scaddan : That is impossible.

The MINISTER : It is not.

Mr. Taylor : What storage have you ?

The MINISTER : I wish members to understand that the Claremont asylum plant, like the Claremont municipal plant

Mr. Scaddan : Is subject to be struck by lightning at any time.

The MINISTER : The hon. member if he continues in his present style, will find his own utility seriously diminished and he will probably come face to face with the Inspector General of the Insane. The estimated consumption at the asylum including motive power and light, is some 12,000 units per month, for which, at 3½d. per unit, we should have had to pay the Claremont municipality for electric light a sum of £2,100 per annum. Twelve thousand units per month constitute our estimated requirements at the present moment. Assuming that the power had been brought to the asylum boundary, the capital cost of this installation would have been reduced by £6,500. The makers of the gas-producer engines and dynamos are under a very strict guarantee to the Government whereby, for every 1½lbs. of Colliery coal consumed at full load, one break horse power must be developed. If they cannot come up to that standard, if the plant installed does not stand that test the Government can throw out or reject it and the makers are under a bond to provide a temporary steam plant while we are seeking other motive power. I wish members to understand that even if we took the current from the Claremont municipality, in any case we should have had to pay expert assistants to do the work in connection with the water supply, the laundry machinery, the boiler maintaining the electric fittings, and the wiring within the asylum. So that putting down our own generating plant means only that we have to provide a certain amount of coal to produce the gas, and the unskilled labour required can easily be obtained from the asylum.

patients. Consequently, under the guaranteed coal consumption, the cost of 12,000 units per month would be—13.5 tons at 17s. 6d., £11 16s. 2d. a month; interest, sinking fund and depreciation at 11 per cent. per annum on the £6,500—which would be the reduction in capital cost if the current were taken from the Claremont municipality—£59 13s. 4d. per month; maintenance at 2½ per cent. per annum on £6,500, the cost of the generating plant which is to be installed, £13 10s. 10d. per month; oil, waste, etcetera, £2 per month; total cost per month, £87 0s. 4d., or £1,044 per annum for 144,000 units, as against £2,100 if taken from the municipal plant. That is making no charge for unskilled labour, which, of course, we can procure from among the patients.

Mr. Scaddan : What about the skilled labour ?

The MINISTER FOR WORKS: As I have just explained, we should have needed it in any case. We have our laundry machinery, our pumping plant, our electric installation all over the place, telephones, etcetera; and some skilled labour will necessarily be constantly employed. This installation is as big as that of a small town, and we could not let it run by itself. Some skilled mechanic would have had to be on the spot. Consequently, we find that the actual out-of-pocket cost, in view of the favourable circumstances in which the authorities are placed, will be a sum of £1,044 per annum for 12,000 units per month. The cost of the current from Claremont at 3½d. would have been £2,100 per annum; so, by the expenditure of this extra £6,500 on our own generating plant, we estimate we shall be able to save £1,056 per annum. I think these figures speak for themselves.

Mr. Scaddan : At how much per unit are you supplying yourselves with electricity? About 1½d.?

The MINISTER: In this connection everything depends on the current used. If we use 18,000 units per month, which is the maximum we expect to use, then the cost will fall below 1½d. per unit; but if we use 12,000 units, which Mr. Julius, Mr. Jolly, and all the

other experts who have studied the question consider a reasonable quantity, then the cost, under the favourable conditions at Claremont, seeing we have not to pay for unskilled labour, will be 1.7d. per unit. The member for Perth (Mr. H. Brown) drew attention to the fact that an electric lighting plant was thrown out from the Perth railway station, while we at the asylum were putting in a new plant. I wish to point out that when the supply of electric current to the Claremont asylum was under consideration, the Perth plant was running, and so far as the Works Department knew, was likely to run for a considerable time; for it was only on the 22nd July of this year, when our generating plant had been ordered for several months, that the Railway Department determined to accept the Perth Gas Company's offer.

Mr. Johnson : But the offer was under consideration for months before that.

The MINISTER: Well, that was the first I ever heard of it.

Mr. Johnson : The fact was well known.

The MINISTER: The hon. member, who was Minister for Railways in his time, may possibly have known that something of that sort was contemplated; but the first I heard of it was on the 22nd July, 1907. I want to point out that it was early in the previous year when the gas producer plant was decided on by the Government. I am not altogether sure, in fact I do not think, that if we had known of the Perth plant it would have paid us to put that into the Claremont asylum. On the 5th April, 1906, my colleague (Hon. F. Wilson), who was then Minister for Works, some fifteen months before the Railways determined to get rid of the Perth electrical installation and purchase current from the Perth Gas Company, gave instructions on the 5th April, 1906, that a generating plant was to be installed at Claremont and he agreed to the employment of Noyes Bros. for that purpose. Now, we shall see what sort of a plant was to be thrown out from the Perth railway station. Certain yarns go all over the city, and I heard that this

was to be one point on which we were to be criticised—that we did not use the railway station plant. I therefore took the precaution to send to the Perth station for the file relating to this plant, and I find that on the 15th May, 1907, Mr. Dartnall writes concerning it :—

“The lowest figure we can generate at is 2.83d. per unit. This includes freight—

I presume that is upon coal, etcetera, to Perth—

but excludes electrical office expenses and interest on depreciation.”

In another minute I find the actual cost of generation of current for the six months ending December, 1906. Mr. Dartnall on the 8th of February of this year sets it out as follows :—“The cost per unit on wages and material net. 3.39d. ; the cost of salaries, .19d. ; the cost of interest, .38d. ; or a total cost per unit of 3.96d.,” or say 4d. per unit. Let me point out that the best price we could obtain from the Claremont municipality for the supply of current at the asylum was 3½d. per unit. I believe it is an open secret that the current supplied to the Railway Department costs 2½d. per unit with 10 per cent. discount. It might have been worth while to purchase current wholesale for the asylum at 2½ per cent, with 10 per cent. discount, and had it been possible to do so we might have seriously considered it. but when the best price we could get was 3½d., it became a different proposition altogether. The member for Perth referred in somewhat scathing terms to the employment of Mr. Wilkinson of Messrs. Noves Bros. as another supervisor; but here we have an installation running into thousands of pounds to be put into these buildings, the work being carried out departmentally. The Government are doing the work themselves because it may be possible that during the course of the installation we may see our way clear, by certain alterations, to bring about a reduction, which is difficult if a contract is let: for you cannot be so explicit in detail where there are 2,500 lighting points involved as you can in making out plans for a building. For this reason the Government deter-

mined to put in this installation departmentally.

Mr. Johnson: Where does Mr. Wilkinson come in?

The MINISTER: He is supervising for the department.

Mr. Bolton: You dismissed Mr. Booth.

The MINISTER: I did not.

Mr. Bolton: I am talking about the Government, not about you.

The MINISTER: I know nothing about the dismissal of Mr. Booth. The hon. member should know that the Government service is a big concern, and that every department is not conscious of every administrative act of every other department.

Mr. Bath: You should work in together as far as possible.

The MINISTER: That is simply evading the point. We engaged Mr. Wilkinson to supervise this electrical installation, and I believe he will do the work very well. The member for Perth stated that the Treasurer had made an estimate that the cost of this installation was to be £6,000, and that the hon. gentleman had then made another estimate that it would cost £9,000; but I have been carefully through all the files, and I can find neither of these estimates. They may exist, but if so they are certainly not on the Government files. I think I have clearly shown that this institution is a considerably bigger concern than most people imagine, that the plant we are putting down has been most carefully considered, and that it will produce at an economical rate. If it does not produce at an economical rate, we are in that happy position that we can kick the plant out of doors without one cent cost to the Government

[*Mr. Johnson* interjected.]

The MINISTER: It is a fact. The contract binds the contractor down with the utmost stringency.

Mr. Scaddan: The same as the Commonwealth contract bound down that mail syndicate.

The MINISTER FOR WORKS: The contract has been submitted to the Crown Law Department and has been carefully gone into, and if the plant does not come

up to the standard, it can be thrown out of the building without one penny cost to the Government. Every precaution has been taken. I think that members will now recognise that this institution is considerably bigger than they had any idea of. It is unfortunate that these insane people have to be provided for, but they are entitled to decent accommodation, and it is only by taking advantage of every possible mechanical and electrical contrivance that we can run the institution economically. I have no doubt members will affirm that the Public Works Department have taken every reasonable precaution. In matters of this description one must set the greatest weight on the views of a gentleman like Dr. Montgomery, Inspector General of the Insane. I do not profess to know what is the proper practice for these unfortunate people, but I know that the actual cost of this building when completed will compare favourably, when taken per bed, with the cost of modern asylums in Great Britain, and that it will be lower than the cost of two asylums in New South Wales both of which I believe are bigger than this institution. I think that if the member for Perth had troubled, before making all these gross misstatements in connection with this institution and the electric lighting thereof, to make certain inquiries he could have satisfied himself that every reasonable precaution has been taken by the department I represent.

Mr. W. D. JOHNSON (Guildford) : I do not desire to say a great deal on this subject, because at the outset I was of opinion that it would be wiser to have a committee of inquiry into this question. We have had a good deal told us to-night, but I do not think that many members are much wiser by all this discussion. However, I wish to make clear one or two points. It must be realised that this asylum is a huge concern and that the asylum is controlled by a very competent officer, a man enthusiastic in his work and one who is doing a work that deserves every encouragement from every member of this House. It is perhaps as well to place on record the fact

that the plans for this asylum were not prepared by the Daglish Government. They were prepared previous to the advent of that Government. When I became Minister for Works I believe tenders were then being advertised for the construction of the complete asylum, at an estimated cost of £130,000. [*The Treasurer* : For only a portion of the buildings.] I remember my first act was to cancel the calling of these tenders—there were several other works cancelled at the same time—because I considered it my duty to consider them before any progress was made. Afterwards it was decided to curtail the expenditure on the asylum, but the plans were not altered. I believe they reflect credit on those who prepared them. It was decided to go on with a portion of the building, and I believe that the first estimates I produced provided a sum of something like £30,000 to commence the construction of this work departmentally. Reference has been made to the fact that no provision was made in the plans for the electric light installation, and I am surprised to hear it. Possibly some members may think it casts a reflection on me as Minister ; but I do not think that any member can expect a Minister of the Crown to go into details of this description in connection with any plans. It causes me most surprise because we had a discussion on this question previously in this Assembly ; and if officers controlling the architectural division of the Public Works Department do not follow the debates in this House when practically a vote of censure was passed on the department for omitting the electric light installation in the Supreme Court building, those officers are worthy of every censure: because we had a big discussion on the fact that in a building like the Supreme Court no provision was made for electric light fittings. I believe it was I who drew attention to that fact. [*The Minister for Mines* : It was a different officer who was responsible for that building.] We had Mr. Grainger, who was Chief Architect then, but the officers of the department are practically the same now. Mr. Grainger only has been removed. Naturally I

as Minister, would come to the conclusion that, after so much discussion in this House, after attention has been publicly drawn to the fact that the installation of electric light was missed in one important building, which fact was condemned by this House, provision would be made in future plans ; and I am surprised that no provision was made in these plans. I think the action of the department in omitting this provision is worthy of censure.

The Minister for Works : Provision was made in the contracts since this Government came into power.

Mr. JOHNSON : Yes ; you have profited by the discussion in Parliament. When the Labour Government were in power there was little more than the walls in progress. A Minister cannot go through the building in such a stage and tell whether provision had been made for the electric light installation. I believe that provision was made in other portions of the buildings. However, I do not want to go into that matter. The discussion so far to-night has been to justify the expenditure of £14,500, but this House is not in a position to go into the details of that expenditure. I always take a broad view of these questions. When work is to be done I want it to be done thoroughly and completely, and I am not here to-night to condemn this expenditure as extravagant. I am pleased to note from the Minister's assurance that the department have gone carefully into the estimate : and we must all realise that an electric light installation in an institution of this description needs special appliances, so that it is possible that we will need to go into huge expenditure ; but by a large expenditure we may be saving a large amount in administrative costs. For instance, by the installation of machinery driven by electricity we may save administrative costs. However this is not a question the House can go into, and I am surprised that the member for Perth did not ask for a select committee to deal with the question as to whether the Government had given this matter full consideration, and to see that we are getting a proper installation

that will not need to be patched afterwards or added to, and one that will reduce considerably the cost of administration in our asylum when it is completed. But my main point is that the Government had no right to go outside the department to make provision for this installation. I believe that we have competent officers in the department. If we have not, it is time that we had, and it is time the people of the State knew they were paying an officer who was not competent to carry out a big work, and time that we removed him and got somebody who is competent. In judging this officer I am of opinion that he is competent ; because I know that recently—I am speaking of Mr Hancock—he went home to the old country, and I venture to assert that he took the occasion to study the most up-to-date methods of electrical engineering. We know that on his return he successfully set up the electric cranes at the Fremantle wharf. I believe that we had in the department an officer competent to carry out this work. It has been said that the building was completed, and that during the term the Treasurer was Minister for Works he visited the asylum, but to that time no provision had been made for or any consideration given to the preparation of plans for the electric light installation. This is another reflection on the Architectural Branch of the Works Department, because provision should have been made and the plans should have been prepared before the completion of the building. Why was it not done ? Why was not Mr. Hancock approached and also instructed to prepare the plans before he went home ? This is again a reflection on the Public Works Department. It should not have been left until the eleventh hour, until we were forced into the position to have to go to outside firms, to get the plans and specifications prepared because we had allowed our own officer to go on leave without preparing them. I do not want to go into the question as to how the selection of a firm for the preparation of these plans was made, but I want to say that the Treasurer must have known that it was a departure from the

usual methods and, being a departure, it was necessary for him to exercise the greatest care. I am sorry to hear he did not exercise that care, and apart from that fact he knew he was associated to some extent with the firm who were requested to prepare the plans and it should have been his duty to get everything on the file. He should not have allowed any dealings in connection with the matter to be arranged verbally, but members should have been enabled to get the file and so obtain all information without calling for any explanation from the Minister. [*The Treasurer* : You were in office ; why did you not see that those plans were prepared?] The building was only in course of construction during my time. I do not altogether blame Ministers, for they cannot go into these details; but the whole thing reflects the greatest discredit on the Architectural Division of the Public Works Department. There can be no doubt on that question. Then we find that while the Public Works Department neglected this, the officer who is responsible for the neglect is called upon to make a recommendation, and naturally he recommends that they should go outside the department for the work. If it were possible to do the work inside the department he should have done it previously and, in order to cover up himself, he advises going outside the department. After getting that advice the Treasurer submits the recommendation to another officer, the Engineer-in-Chief, and asks him to criticise it. That is an absolutely unfair position to put the Engineer-in-Chief in. He had nothing to do with the Architectural Division.

The Treasurer : He is the head of the department.

Mr. JOHNSON : He is not.

The Treasurer : He was in your time.

Mr. JOHNSON : He was; but unfortunately that policy of mine was reversed. The alterations were almost completed, when I left office, whereby the administration of the department should be placed in the hands of the Engineer-in-Chief. If that policy had been carried out we should have had no difficulties.

The Treasurer : At that time he was the head.

Mr. JOHNSON : I am pleased to know that, for I was under the impression that the Architectural Division had no connection whatever then with the Engineering Division. If I am wrong I stand corrected, and I am pleased to hear that the Engineer-in-Chief is the administrative head of the Architectural Division.

The Treasurer : He was at that time, but is not now.

Mr. JOHNSON : If you have reversed that policy you deserve condemnation because you will always have these difficulties cropping up. The Engineer-in-Chief should be the administrative head of that department. I intended to bring the alteration about and I did not know that I had completed it. I am sorry that the policy has been reversed. You called upon the Engineer-in-Chief to criticise the action of another officer. If he were the administrative head of course it discounts my argument to a considerable extent, but I want to say that if he had not been the administrative head it would have been unfair to ask him to criticise the position or to expect that he should do so. So much for the plans. Then the question of supervision crops up, and this is where I believe the Government again made a huge blunder. They combat the arguments which have been used with regard to the preparation of the plans. I think they did wrong in going outside the department to get them. That was wrong, but what was ten times more harmful was to place the supervision in the hands of those who prepared the plans. If the Government officer had the supervision of the work we would have had a check on Noyes Brothers, who prepared the plans, but to-day we have no check whatever.

The Premier : Does not the architect who prepares plans supervise the work as well in connection with ordinary buildings? What is the difference?

Mr. JOHNSON : The architect who supervises the construction of a building is paid for doing so and he has to look

after the completion of the whole building. This, however, is a departure from the usual course in installing the electric light in a Government building. The Government should have appointed their own supervisor to check the work and see that it was done properly. Supposing that this argument is open for criticism, is it not questionable whether the Government are not paying Messrs. Noyes Brothers too much for supervising the work? What is Mr. Hancock doing? He is being paid his wages and getting his salary. He is employed to do the work. In addition to Mr. Hancock, who is competent to supervise, we bring in Noyes Brothers, and give them $2\frac{1}{2}$ per cent. to do the work which should be done by Mr. Hancock, who draws his salary even if he does not do the work. No argument can be found in favour of the Government putting the construction in the hands of Messrs. Noyes Brothers. I believe that the Government erred in judgment in getting the plans prepared in the way they did, they erred again in going to the unnecessary expenditure of putting the supervision in the hands of someone outside the department. In the interests of economy greater care should have been shown by the Government and it could have been effected by having the whole of the work done departmentally. I do not desire to go into the question of the price as I am not competent to do so. I always take up the position that it is better to have a good job than a patchy job, the latter being the result of cutting down the expenditure either by votes or by motions in this House. Often on the Estimates we have propositions submitted for certain works, but the amounts are reduced by Parliament. The work is not completed and in the following year we have to spend a considerable amount more than was first proposed because Parliament had reduced that original vote. I have never approved of that policy, for we have to place confidence in the Ministers to see that the money is wisely spent. Apart from the first cost of £14,500 in connection with this work, greater economy should have been shown in administration by the Minister for Works.

Mr. H. BROWN (in reply as mover): I have to thank the Treasurer for the half-hour's abuse I received from him. What he was trying to prove as a virtue in himself with reference to the employment of relations in Government work, he desired to look on as a vice if done by others. That was the tone of the whole of his speech. He talks about his honour; but mine was impugned by him as to the statements above my name which appeared in the paper, and which I am prepared to prove. During the whole course of this debate not a word has been said as to any attempt having been made by the Works Department to utilise any portion of the £30,000 worth of plant now lying idle at the Perth Railway Station, and a similar though smaller plant at Fremantle. There are thousands of pounds' worth of electrical machinery at present owned by the Railway Department, and no attempt has been made by Ministers to utilise it in connection with the installation of an electrical plant at Claremont. I had good grounds for bringing this matter before the public. If I had received the information I asked for the other evening, possibly this debate would have been unnecessary. We find now that the reply I received to the effect that no expense had been incurred is incorrect and that thousands of pounds of expenses have already been incurred. [*The Premier: Liability, not expense.*] If there had been no attempt to mislead, a plainer answer would have been given. The Minister for Works says that Messrs. Noyes Brothers will receive 5 per cent. of the £14,500, and he has not denied that Mr. Wilkinson is also receiving a salary of £250 and that he also is supervising the work.

The Minister for Works: He is in charge of the men making the instalment, like any other foreman.

Mr. H. BROWN: You are paying Messrs. Noyes Brothers $2\frac{1}{2}$ per cent. for the plans and $2\frac{1}{2}$ per cent. for supervision. In the case of an ordinary architect he gets 5 per cent for plans and supervision. If he has not time to supervise the work himself he appoints a man and pays him out of his own pocket, to take the position of clerk of works. A

fair argument which I used was this, that while you were retrenching in the Railway Department and while you were discharging from the Electrical branch of the department a gentleman who had been for over 20 years engaged in the work and who was a competent man—I refer to Mr. Booth—you were at the same time increasing this branch in the Works Department. Surely you should have made an attempt to transfer the officer. I regret indeed that the Treasurer should have fallen so low as to attempt to make me responsible for the introduction of Mr. Daglish's name in a recent issue of a newspaper. If I were allowed to do so I would say that this is a low and dirty insinuation.

Mr. SPEAKER: The hon. member must not use that term.

Mr. H. BROWN: I said "If I were allowed." The insinuations that the Treasurer complains of as coming from members here come out hourly through the voice of the Government Whip, and I take it that anything coming from the Whip is authorised and admitted by the Government. It is a very neat way indeed to retort, to allow the Government Whip to make these insinuations and thus connive at them. That has been done in the debate this evening.

Imputation and Abuse.

Mr. Gordon: You never asked me about the Chairmanship of Committees.

Mr. H. BROWN: It is an absolute and deliberate lie, to say that I ever mentioned to anyone in the House anything about the appointment of Chairman of Committees.

Mr. SPEAKER: You must withdraw that word "lie." It is not permissible.

Mr. H. BROWN: Is a member to stand here and receive insults which he knows to be absolutely untrue?

Mr. SPEAKER: You know you must not use the word.

Mr. Gordon: I do not ask him to withdraw.

Mr. SPEAKER: The member must not use that language, and he knows that full well.

Mr. Gordon: I do not ask for a withdrawal, as I take no notice of him.

Mr. H. BROWN: The accusation has been made, and I challenge him or any member of the Ministry, or any member of the House, as to whether I ever mentioned the words "Chairman of Committees" to them.

Mr. Angwin: When *Hansard* is printed these statements are left out.

Mr. Collier: And a good thing for the purity of it.

Mr. H. BROWN: This kind of gentleman is employed to hurl these insinuations at members. Abuse is no argument, but the speech of the Treasurer was one mass of abuse from start to finish. As I have said before, all he was trying to do was to impress on the House that the employment of a relation—I have not mentioned any ulterior motive in regard to receiving any monetary benefit—that the whole tone of his argument was that to employ a relation in his department was a virtue, but if the same thing was done by any other Minister it was a vice. I may remind the Treasurer that every member has his honour to protect equally with a Minister. The debate to-night put me in mind of the quotation, "He doth protest too much." With the leave of the House, I beg to withdraw the motion.

Motion by leave withdrawn.

QUESTION—RAILWAY PASSES TO PUBLIC SERVANTS.

Mr SCADDAN (without notice) asked the Premier: Will he lay on the table the return called for during the last session, in connection with all-lines passes granted to public servants?

The PREMIER replied: Yes.

PAPERS PRESENTED.

By the Treasurer: Papers in connection with the Loan of £5,300 from the Post Office Savings Bank Trust Funds to Mr. John Elliott (relating to Mr. H. Brown's charge [*Hansard*, p. 113] against an ex-member).

By the Premier: Second Annual Report of the Public Service Commissioner for the year ending June, 1907.

QUESTION — HOPETOUN JETTY AND RAVENSTHORPE RAILWAY.

Mr. TROY asked the Minister for Works : (1.) Has his attention been drawn to the statements in the Press that the expenditure now being incurred on the construction of the Hopetoun Jetty and the Ravensthorpe Railway is unwarranted owing to the disappointing and unsatisfactory development of the Ravensthorpe field ? (2.) Will he, in view of such statements, have a thorough inquiry made regarding the accuracy of same ?

The MINISTER FOR WORKS replied : (1.) Yes. (2.) The report from the warden published in this morning's papers shows that there was no justification for the alarmist statements made regarding the district.

QUESTION—SAVINGS BANK LOAN OF TRUST FUNDS ON PROPERTY.

Mr. H. DAGLISH asked the Colonial Treasurer (without notice) : 1, Has his attention been drawn to an article in the *Sunday Times* of the 13th inst., referring to a loan on mortgage from the Savings Bank in which he (Mr. Daglish) is interested, and which was granted in 1902 ? 2, Has it been usual at all times when surplus cash was available, to lend it out on mortgage to any applicant whose security was held to be sufficient ? 3, Was the loan in question made after valuation ? 4, If so, by whom was the valuation made, and why was that valuer selected ? 5, Was the application for a loan supported by the valuer's report ? 6, Was the approval of the loan a formal act, following in the ordinary course, or was some consideration given to the personality of the applicant ? 7, Under similar circumstances, are applications invariably approved ? 8, Will the Government have this transaction investigated by a Supreme Court Judge, so that its merits or demerits may be conclusively demonstrated ?

The COLONIAL TREASURER replied : 1, Yes. 2, Yes. 3, Yes. 4, Mr. W. E. Victor, because he is the Government valuer. 5, Yes. It showed that the amount of the loan was not quite

one-half the value of the property. 6, Absolutely formal. No consideration was given to the personality of the applicant as far as I know. 7, Yes. 8, I am of opinion that no investigation is necessary. The transaction was a proper one, as can be seen from the papers which will be laid on the table of the House. [Papers then on table.]

BILL—FREMANTLE DOCK.

The PREMIER moved for leave to introduce a Bill for an Act to authorise the construction of a graving dock at Fremantle.

Mr. T. H. BATH (Brown Hill) : I do not know if I am in order in making a few remarks, as the motion is set down as formal ; but I desire to point out in justification to myself, that some remarks were made in a criticism of my action on the Land Tax Bill of 1906. On Thursday afternoon this notice of motion was postponed in a similar way as it was proposed should be done by a motion in connection with the Land Tax Bill of 1906. On that occasion, a motion was made that the order be postponed and the Attorney General then said it was tantamount to wiping the notice off the paper and defeating the measure. We find in regard to this Bill the same procedure is taken. A motion to postpone the previous Bill was carried, and in the ordinary course it again appeared on the Notice Paper in the ordinary way.

The Premier : As a formal motion.

Question put and passed ; leave given. Bill introduced and read a first time.

MOTION — MANUFACTURING INDUSTRIES OF W.A., TO INQUIRE.

Mr. H. DAGLISH (Subiaco) moved—

That a Select Committee be appointed to inquire into the condition of Western Australian Manufacturing Industries with a view to ascertain—(1.) The condition of existing industries and the possibility of assisting their expansion. (2.) The possibility of establishing new industries. (3.) The methods by which the foregoing objects can be achieved. (4.) The caus-

of any recent decline which may have occurred in existing industries. (5.) The reason why the number and importance of our industrial establishments have not grown proportionately with the increase of our population.

He said : In moving the motion standing in my name, I would like, if it were possible, to have included in the motion the names of the members who were on the select committee during last session, as the work to be done is a continuation of that already started. I would like to be able, with permission, to add the names to the motion.

Mr. SPEAKER : If it is the pleasure of the House, the hon. member may amend his motion.

Leave given, and motion amended.

Mr. DAGLISH added to the motion the words—

That the select committee consist of Mr. Angwin, Mr. Underwood, Mr. Ewing, Mr. Male, together with the mover.

Question as amended agreed to.

Mr. DAGLISH farther moved—

That the committee be given authority to utilise the evidence taken before the select committee appointed on the same subject last session, and in all respects as if such evidence had been taken before the committee now appointed.

Question passed.

On farther motions by Mr. Daglish, power was given to call for persons and papers, to sit on days over which the House stands adjourned, and to move from place to place.

ANNUAL ESTIMATES.

Message from the Governor received and read, transmitting the annual Estimates of Revenue and Expenditure for the financial year 1907-8, and recommending appropriations.

FINANCIAL STATEMENT FOR 1907-8.

In Committee of Supply.

The House having resolved into Committee of Supply (at 8.45 o'clock) for

receiving the Annual Financial Statement, Mr. Daglish in the Chair—

The TREASURER (Hon. Frank Wilson) said : Mr. Daglish, when last year I had the honour of introducing the seventeenth Budget since Responsible Government in the State of Western Australia, I indulged in a brief retrospect of the progress that the State had made during that period. I attempted to show the immense strides that had taken place, and the immense wealth which had been the result of that progress. I dwelt briefly upon the actions of public-spirited men who had taken part in the development of the country, and referred to the old explorers who had gone out back to examine what was then a practically unknown land. I pointed out the efforts of the pioneer settlers who had left homes of comfort and affluence in the old country and had settled in our State ; and I also referred to the prospectors who had flooded our shores during our gold-boom days, and had done so much to open up the latent wealth which had existed unknown for centuries. I paid a tribute also to the vast army of toilers of all grades and all classes, and the combined efforts of these various people by which such magnificent results had been obtained in so short a time. To-night I do not propose to take up the time of the Committee in going over that history which was touched upon last year ; but I would ask permission to review shortly the past eighteen months, to see how far the aims and ambitions of the present Government have been fulfilled, not only from the financial aspect but also from the developmental aspect of the question. The financial standpoint will of course be dealt with in connection with the Estimates which I am now submitting for the approval of the Committee.

Revenue Shortage, £190,000.

To me the revenue shortage for the past year is of course very disappointing. To have a shortage of £190,000 as compared with one's Estimates could not be disappointing ; but when I point out that the principal decrease in revenue, namely, that of £110,000, is on our railways,

and whilst I admit that this is to some considerable extent an index of the shrinkage in general trade; whilst I admit that the rise and fall of our railway revenue is practically a barometer of our commerce, and gauges to some considerable extent the ebb and flow of our commercial tide; yet, when we take into consideration the fact that the unfortunate timber trouble which we passed through during more than three months of the last financial year is estimated to have cost the railways some £38,000, that the smelters at Fremantle have unfortunately been closed down, resulting in a loss of traffic to the extent of £11,000, and that the reductions which the Government during the past year thought it just and wise to make in railway rates and wharfages amounted to the sum of £20,000—I am inclined to think the Committee will agree with me that the shrinkage is not so serious as an indication of the falling-off in trade.

Synopsis of Balance-sheet.

In order to consider our financial position and the progress we have made, or the reverse as the case may be, I must refer members to the accounts and returns which have been distributed with the Estimates. I shall briefly refer to the returns. Return No. 1 shows an amount of £6,114,171 for which I as Treasurer am responsible. The increase as compared with the last year is £1,033,415; and this increase is made up of an increase of general loan funds in my hands of £373,399, and an increase of the total sinking funds—which, as members know, are in the hands of trustees in London and are invested in our own and other securities to provide for the retirement of our loans on maturity—an increase I say of £279,441, also an increase of deposits in the Government Savings Bank of £319,296, and finally a trust and deposit accounts increase of £61,279. The only accounts which will perhaps require any explanation at my hands are the trust and deposit accounts; and I may perhaps explain that these are mainly made up of interest and sinking fund contribution due to the 30th June and

charged up in the accounts but not actually paid until the month of July, and amounting to £214,224. The deposits from life assurance companies and others who have under various Acts to lodge deposits with the Government, amount to £215,584, and the municipal loan sinking funds amount to £112,021. The other items, making the sum total shown against trust and deposit accounts in this return, are to be found in the balance-sheet accompanying the public accounts. Of course the assets have increased by a like amount. Unfortunately, a portion of the increase in what are termed assets is the deficit for last year, an item which grew during the twelve months by £88,829. Advances have increased by £60,240. These, I may explain briefly, include payments made by the Agent General during the month of June, cabled to the Treasury to be included in the balance-sheet, and amounting to £63,000. They also include £14,600 interest due to the Savings Bank and the Agricultural Bank, taken to credit of the banks though not paid, and credited to advances as they come in after the close of the financial year. The investments have increased by £520,098, and the stores on hand have increased by £63,684, thus accounting with the money which is in my hands as Treasurer for the total amount which I have stated as £6,114,171. The question of stores deserves some attention, because the value of the stores is taken as a cash asset, and if the stores are allowed to increase abnormally, and if obsolete stock is thereby collected, a loss must eventually ensue. But I wish to point out that the increase is more than covered by expenditure in the Public Works Department on rails and fastenings for new railways. The total increase in that item for this year is £68,695, while railway stores for the working of the railways have increased by £6,702. There has been a decrease in the General Stores and the Goldfields Water Supply stores, amounting to £11,714. The balance of return No. 1 consists of cash in hand and *in transitu*, the difference between the figures I have read out and the total sum of £6,114,171.

Revenue Estimate, the Results.

The next return, No. 2, shows the revenue for 1906-7 as estimated, and the amount actually received, with the shortage before referred to of £190,859. This shortage is explained by the over-estimates, the principal items of which were : dividend duty, £20,000 ; land tax, which we were not empowered to collect, £60,000 ; and the shortage of £110,000 on the railways, just now referred to. It may be interesting, in passing, to note that this shortage in our railways consisted of decreased earnings for the carriage of timber, ore, and agricultural produce, £85,264 ; decreased passenger traffic, £6,000 ; parcels, £2,600 ; wharfages, £3,300 ; and sundries, £13,615. The over-estimates in last year's revenue were set off by certain under-estimates, which are enumerated, amounting to £43,271, leaving the net shortage in revenue of £190,859 before referred to.

Expenditure Estimate, the Result.

Return No. 3 gives the like information regarding our expenditure ; and it will be noticed that in the matter of expenditure every effort has been made to meet the shrinkage in revenue. So soon as Ministers saw that the revenue was not coming up to anticipations, the expenditure was reduced so far as efficient administration would admit, and the result has been a net saving of £95,517, a set-off against the before-mentioned shortage in revenue. The items show that the greatest saving is in the railways. The railways saved in their expenditure a sum of £94,435, and this certainly goes to prove that the Commissioner of Railways made every effort to keep his promise that he would endeavour to meet any shrinkage in revenue by a corresponding reduction in expenditure ; for we find that there is a difference of only £16,000 between the shortage in his revenue and the amount by which he reduced his expenditure. The only other item I need refer to is in the over-estimates of expenditure ; that is, in the Works Department, which spent a sum of £35,954 less than the amount voted. This of course means that roads, bridges, build-

ings, for which amounts had been voted, were postponed or delayed. This is regrettable, but in the circumstances the Committee will agree that it was unavoidable. The practice indeed was more extensively followed in former years than in the last financial year. For instance, in 1905-6 the over-estimate in the Works Department was £71,834, while in 1904-5 it was £50,000 ; so that, after all is said and done, the Minister for Works has been fortunate in that he has not needed to cut down his expenditure to the same extent as was necessary in previous years. I of course admit that he had not the same amount to expend when the year commenced. With regard to the under-estimates, representing money which has been over-expended, the main item is Special Acts, £10,328 ; and this perhaps requires a little explanation. Of the total the sum of £6,500 is a payment to sinking fund by the Agent General, on the 1st May, 1906. It was the first contribution to the sinking fund of the 1901 loan of £2,600,000, the first instalment of the loan being floated 1st February, 1902. The sinking fund therefore became payable four years later, on the 1st February, 1906. Interest-day for the loan is the 1st May ; but the Agent General, on the advice of his legal advisers, paid to the trustees of the sinking fund the whole six months' sinking fund contribution, that is from 1st November 1905 instead of from the 1st February 1906. I took exception to that, and ordered that the sum should be refunded. The sum involved was £6,500, meaning 1 per cent. for three months on the total loan ; but after going into the matter fully, and after considerable correspondence, I found that, although the General Inscribed Stock Act, 1884, provided that the sinking fund shall be paid half-yearly on interest day, yet the terms were not explicit enough to make it from the day of issue. That has been remedied in subsequent Loan Bills, so that this will not arise again. As the trustees and their advisers read the Act differently from what we do at this end, and as the sum paid in only meant an extra contribution to the total sinking fund, I concluded on their representations that it

was just as well to let the amount go and accept the debit. The balance of this item (under special Acts) consists of interest on local inscribed stock which was under-estimated owing to our going on the London market last year somewhat earlier than we anticipated when the Estimates were framed; hence there was a larger amount (£8,000) required for interest for the year than the £4,000 provided.

Municipal Subsidies.

The only other item I need refer to is that of municipal subsidies. It will be seen that the under-estimate for the Colonial Treasurer's Department was £36,630. Of this, £30,000 was for municipal subsidies, the balance being for retiring allowances, £6,870. For 1906-7, Cabinet decided to pay the municipal subsidies on the previous year's general rates, at a 20 per cent. reduction on the scale in existence. The municipal year ends on the 31st October, whereas our financial year ends on the 30th June; and it was represented to us that it would be a hardship on the municipalities to have any reduction of the subsidy during the course of their financial year. This view having been accepted by Cabinet, it was decided to continue the old system of payments on the mayoral certificates, the reduction not to come into force until the new municipal year. The result was that during the first four months of our financial year £41,000 was paid away to municipalities in subsidies on the general rates which they had collected. The fact of the matter is that largely increased collections were made. Collectors were put on by some municipalities, and the result was that they obtained this very large sum from the Treasury in view of the 20 per cent. reduction which was to come into force at the end of October. During the balance of the financial year, from the 31st October 1906 to the 30th June 1907, subsidies were paid on the basis of the previous year's collections, as decided by Cabinet; these collections of course including the larger collections of those four months referred to. So that the municipalities have not only received subsidy on the heavy collections during the four

months, but a heavy subsidy during the remaining eight months of the year.

Subsidies farther Reduced.

To obviate this, Cabinet has decided, on my recommendation, to pay on the average collections of the past three years with a farther reduction of 20 per cent. making a 40 per cent. reduction in all. The amount has been fixed arbitrarily at £53,800 to be paid during the next twelve months and there will be no uncertainty about it. This amount will be paid in twelve monthly payments, and no exception will be made unless in the case of new municipalities, which will receive subsidy of 24s. in the pound on the basis of the first year's collections only.

Commonwealth Revenue and Tariff Changes.

The next returns, Nos. 4, 5, 6, and 7, are in connection with the Commonwealth revenue and expenditure. No. 4 deals with the Commonwealth revenue, and members will see that the estimated customs revenue for the present year shows an increase of £35,911, while excise shows an increase of £20,472. Against this the post office is estimated to bring in £2,686 less this year; while defence which now includes patents and trade marks, shows a decrease of £627. The total estimated increase is £53,070. It would be impossible with the time at my disposal to-night to deal fully with the new tariff, assuming it will be adopted by the Federal Parliament. Indeed, until it has passed the House of Representatives and the Senate, it would be labour lost. We are of course admittedly absolutely in the dark as to the effect of the changes which may or may not be made in the tariff, and as to what the outcome may be; but I may be pardoned for expressing the belief, which I have already expressed publicly through the Press, that the result will be detrimental to our State. It stands to reason that increased customs imports must reduce the purchasing power of a pound, and we will have to a corresponding extent a reduction in imports. It is rather disheartening to think that on the other hand we will have no encouragement in the hope of being able

to any large extent to establish manufactures in our State as a set-off or advantage. The higher cost of labour in Western Australia admittedly is a preventive to the establishment of manufactures; and besides, there is the natural tendency to establish factories where the largest demand exists, that is in the centres of population. It is evident that the Federal Treasurer also takes this view, because he estimates his customs revenue, so far as our State is concerned, to be so little in advance of the past year. I have checked his figures as far as I possibly could, and it has been no light labour to get up a return which is based upon the imports into our State during the last year and estimate what the displacement of trade will be under the new tariff, while taking into consideration not only the fact that the purchasing power of the sovereign will decrease, but also that a considerable quantity of goods previously imported from abroad will naturally come to us from the Eastern States in the future.

Tariff—the State Actuary's Estimate.

Mr. Owen, the State Actuary, has calculated that the customs duties collectable on British and over-sea goods imported during 1906, direct and *via* the Eastern States, would under the old tariff bring in £721,866; and that under the new tariff as proposed but not yet passed, the same goods would bring in £997,897, showing an increase of £276,031. Mr. Owen then made a deduction for the displacement of trade, for the reasons already mentioned, amounting to £213,687, leaving a net excess for the 1906 customs collections of £62,344; so that the new tariff, according to his calculations, would produce on the basis of the customs imports of last year a net revenue of £784,210. But in making these calculations—and I have the figures before me—Mr. Owen has rather taken the ultimate effect under the customs tariff than the immediate.

Tariff—the Treasurer's Estimate.

I went into the thing pretty carefully, and bearing in mind that the displacement of trade caused by the new tariff must be gradual, that contracts entered

into have to be carried out because they cannot all be cancelled, and that the requirements of the country must be satisfied notwithstanding the increased cost, I came to the conclusion that I must make an estimate for the immediate future, that is this financial year, different from the estimate for succeeding years. There is another thing we have to take into consideration in this matter, and that is that factories, no matter where they are to be established, in the Eastern States or here, will take some time to establish or enlarge in order to meet our demands. So for the first twelve months the shrinkage must not be estimated as it will be eventually. I went into the matter item by item, considering the trade displacement and the decreased purchasing power, and estimated that the customs revenue for the present year would be £826,872, and that ultimately in the second and third years it would be £709,822, not allowing for any natural increase in our population.

The Commonwealth Estimate.

That estimate may be compared with the estimate of the Federal Treasurer of £830,000 from customs. It will be seen that, at any rate so far as I am concerned, the two estimates practically agree; and I may say, in passing, that I had not the Federal figures before me when I made these calculations, so that there was no question of trying to fit in my figures with the Federal Treasurer's estimate or *vice versa*. With regard to the Post Office and the decrease which is estimated, there is a matter of penny postage, which may be shelved this year again as it was last year. If it be, then of course we shall be £14,000 to the good. Taking everything into consideration, I came to the conclusion that I could not do better than adopt, as has been the practice hitherto, the Federal figures with regard to the amount that will be returnable to our State during the current financial year.

Commonwealth Expenditure.

Return No. 5 shows the estimated expenditure of the Commonwealth on our behalf, and this shows an increase of

£69,714 as against the increased revenue just mentioned. The balance returnable to the State is estimated at £755,846, or £24,320 less than last year. The next return gives details of the proposed Commonwealth expenditure so far as we are concerned. Members will see that there is a total amount to be expended in our State during the present year of £57,854 by the Commonwealth; but taken in conjunction with the foot-note, it will be noticed that there is an amount of £6,461 which the Commonwealth officials do not anticipate they will be in a position to spend during the current financial year. So deducting this we have the net sum of £51,393 to be expended; and in addition, we have the sum of £20,266, our proportion towards defence, arms and equipment, wireless telegraphy, and a steam trawler which the Commonwealth people are having constructed. Of this £20,266, it is not known whether any portion will be expended within this State; though it would appear we shall have the advantage of some portion of it. [*Mr. Horan: What proportion of the wireless telegraphy?*] £637. Return No. 7 is a comparative statement of the Commonwealth revenue and expenditure since the inception of Federation. This most interesting document, to which I referred at length last year, requires no explanation now, with the exception perhaps of drawing attention to the fact that, until July of 1904, all new works were charged to the different States within which they were carried out, but since then they have been charged on a *per capita* basis, so that the amount to be expended in Western Australia is represented as a charge against us of £52,114 for a total expenditure of £71,659.

Loan Authorisations and Results.

Returns No. 8 and 9 refer to our own State and deal with our loan authorisations. The total loan authorisations to date amount to £20,740,253, while the total loan flotations to date total £19,443,438. Deducting the redemptions which have been made to date of £220,800 and the accumulated sinking fund of £1,600,044 we have a net indebtedness left of £17,622,594. This

equals at the present time £66.7 per head of the population, as against £64.9 on the 30th June of last year. Comparisons are said to be odious, although we may learn something from them. I will point out how our loan indebtedness compares with that of other States. The figures are—Victoria, £46.9 per head of the population; Tasmania, £54.1; New South Wales, £57.4; Western Australia, £66.7; South Australia, £79.6; Queensland, £80. The sinking funds of the other States I need not refer to, because they are comparatively small, Western Australia being the only State with a sinking fund based on a system of contributions on account of all outstanding loans. It is, I regret to say, becoming somewhat of a burden on us at the present time. The last loan flotation which was placed on the London market in February of this year must, when the circumstances are taken into account, be considered a success, and I think all will agree with me in this view. It compares favourably with the loan flotation of June 1905, especially when we take into consideration the fact that in February last the Bank of England's discount rate stood at 5 per cent. as compared with 2½ per cent. in 1905, and that British Consols stood at £85½, *cum* dividend as against £90⅞ *ex* dividend in 1905. The net amounts realised were, in 1905, £93 6s. 4d., and in 1907 £93 5s. 9d. We obtained a better minimum this year than in 1905 by 10s. per cent., but this was counteracted by paying more accrued interest by 9s. 7d. per cent., and the incidental expenses such as advertising, which are practically the same in the gross for a small as for a large amount. These were increased by 1s. per cent. I believe that the State is to be congratulated, and that our Agent General and all those connected with the flotation are to be congratulated, on having hit the right time, more especially when we take into consideration the fact that Natal and the Cape went on the market in the previous January at a minimum of £95, whereas we followed a month later with a minimum of £97, with the result I have mentioned. In addition to this loan which we floated in February last, we have floated

during the financial year local inscribed stock totalling £170,185, the price obtained being £98 10s., netting approximately £96 6s. Of course this local inscribed stock is of very much shorter currency, being for ten years, whereas the other loan in February was for 40 years. [Mr. Johnson: Did you not limit the inscribed stock to Australia?] Yes; to this and the other States. The expenditure in connection with the local inscribed stock was $\frac{1}{2}$ per cent. brokerage and the usual $\frac{1}{4}$ per cent. commission.

Loan Moneys, how expended.

The next return, No. 9, gives particulars of loan flotations as is usual, and the debit and expenditure as at 30th June 1907. The first column deals with the actual flotations as charged to works and services as in the Loan Bill. The second column deals with the actual flotations less debentures which we have redeemed in the meantime; and the third column shows the actual cash spent on works without charging up the cost of flotation, or the unexpected balances of the general loan fund account and the sales of Government property trust account.

State's Chief Trading Concerns.

The last return I shall refer to is No. 10, which shows the capital cost of our trading concerns and the cash results. It is purely a Treasury return, not an actual profit and loss account, except so far as it deals with the cash paid into and withdrawn from the Treasury. Members will note that the capital cost has been increased since last year by the distribution and the cost of loan flotations and unexpended balances and the cost of railways in course of construction. The total capital cost from loan has been increased on this return by £1,818,921. This was not included, as I have mentioned, in last year's return, but the interest was charged, with the exception of the interest on the purchase money for the Cottesloe land and railways under construction which were not charged up in last year's return. The revenue expended increased by £5,548. That is on capital account representing work done mostly on

railways. The interest bill has increased by £22,000, due to the allocation of loans floated during the year. The total working expenses show a decrease of £68,897. Of this amount the Railways show a decrease of £64,507 on the previous year. The profit and loss account shows, as members will see by last year's return, that the Railways during 1905-6 made a net profit, after providing for loan interest and also interest on capital expenditure out of revenue, of £59,636. For 1906-7, I am sorry to say, it is only £12,764. The Goldfields Water Scheme showed a profit in the previous year of £1,527; last year the profit was £238. The difference can be explained later on. The Fremantle Harbour Works showed in 1905-6 a loss of £9,429; last year the loss was £7,820—somewhat decreased. The State Batteries showed in 1905-6 a loss of £8,270; last year it was rather larger, namely £8,716. The net total gain in 1905-6 was £43,464, as against a net total loss last year of £3,534. Of this sum, however, £10,000 is interest on the Cottesloe land and railways in course of construction which were not charged last year. If this amount had been included, there would have been several thousands of pounds to go on to this year. The point I wish to make with this return is that if we add to the total capital cost from loan, as is shown in the return, namely £15,655,350, the cost of other harbours and rivers, telegraphs, water supply for towns generally, water supply and boring on the goldfields, sewerage works, and the purchase of the Great Southern lands, all of which the committee will agree with me are more or less revenue-producing and which cost £2,512,000, we have a total of £18,167,350 invested in what we may term practically our productive works out of our gross indebtedness of £19,222,638. If we take into consideration the accumulated sinking fund, and deduct it from the gross debt, it shows that the whole of our actual net loan indebtedness, amounting to £17,600,000, is invested in reproductive works, a considerable margin to the good. This is without taking into consideration many hundreds of thousands of pounds spent from consolidated

revenue on other permanent works, some of which are reproductive. I venture to say that very few countries in the world can show such a satisfactory result as I have just mentioned. It proves that the present generation are looking after posterity. They will not overburden posterity and are doing their share. It is well to remember when putting arguments forward, that it is very likely when succeeding generations come along that they may have to provide largely for protection. The risks of war are always looming on the horizon, and some day sooner or later, inhabitants of this portion of the British Empire will have to raise votes and perhaps very large sums of money for protection of the Commonwealth. It is well that we are taking a fair portion of the burden on our shoulders now. As to the Railways, which of course form the chief trading concern of this as of other States, the mileage now open for traffic is 1,764, showing an increase for the year of 150 miles. This is due to the opening up of the Narrogin-Darkan railway, 49 miles; the Goomalling-Dowerin railway, 15 miles; the Wagin-Dumbleyung railway, 25 miles; the Katanning-Kojonup railway, 33 miles; the Torbay-Denmark railway, 28 miles. The last-named has been taken over by the Government under special arrangements pending the decision of the House as to the purchase or otherwise of the railway and estate. The agricultural lines have been worked under the administration of my colleague, the Minister for Railways, in order if possible to give the producers the utmost benefit. It is true the rates were taken exception to and were perhaps somewhat high at the inception, but that has now been altered, and arrangements have been made for the traffic to be lifted or put down at convenient stages so as to suit producers and give the best return to the railways as well. The result of the year's working of the railways is, as I have said, a profit of £12,764, after paying interest on loan and revenue capital expenditure, and this in view of the tremendous shrinkage in railway revenue must be considered highly satisfactory. That represents a percentage of profit to capital equal to 3.9 as against 4.5 of last year.

Revenue and Expenditure for 1907-8.

I come to the estimate of revenue and expenditure for the present year, and I should like to draw members' attention to the printed Estimates which they have before them. They will see I estimate this year, on pages 2 and 3, to receive from the State the sum of £2,637,774; added to that we expect to receive a net amount to be handed over by the Commonwealth of £755,846; making a total of £3,393,620. On the other side, we estimate the ordinary expenditure to be £2,479,792, and the expenditure under special Acts which we cannot well alter or control, £991,350, making a total of £3,471,142. The deficit brought forward from the 30th June last is £208,729, and it shows therefore an accumulated deficit at the end of the present financial year of £286,250, being a net deficit for the present year of £77,522. This of course does not take into consideration our taxation proposals. I have thought that it would be unwise, until the House had these proposals before them and had given an expression of opinion on them, to include them in my estimate. Last year I did include them because this Chamber had passed the Land Tax Bill, and I included £60,000, as members are aware. This House has yet to consider the fresh proposals, and we are not justified in now putting a sum of money on the Estimates; therefore we show a deficit of £77,522, which I hope the Land and Income Tax Bill, if passed, will cut out. We expect from that Bill that the total amount of assessment this year will reach the sum of £81,000. If the cost of collection is deducted therefrom, members will see that as the net result of the assessment, if it can be collected during the present financial year, the deficit will practically be provided for. I know very well we probably will not be able to collect within this financial year the whole of the revenue under that measure if it is passed; we think we shall do well if we get one-half of it; but the assessment will be out, the amount will be due, and if we do not get it during the present financial year it will be added in the next year when it comes into the Treasury.

Revenue for 1907-8, how estimated.

The details of revenue will be seen on page 7. It will be noted that I have exercised every care in making up my estimate of revenue, based on the past experience, and I may state I am justified in expecting the figures put down here will be realised. Members will notice the main increases consist of probate duties, estimated amount to be received £40,000, an increase of £5,691 on the actual amount received last year. [Mr. Bath: What wealthy men are going to die?] In reply to the Leader of the Opposition I have already told him I have received £25,605, so that I think I am pretty safe in the estimate I have made. The estimated revenue from lands shows an increase of £9,220 on last year's actual revenue, and considering that last year we received nearly £8,000 above our estimate, and considering the increase in settlement and the sales of land are still continuing, I think, taking into consideration the advances we have received during the past three months, we shall have no difficulty in obtaining the sum set down against the Lands Department.

Hon. F. H. Piesse: I think you have under-estimated that by about £20,000.

The TREASURER: I hope it is so, but I beg to differ from the hon. member.

Hon. F. H. Piesse: There is the increased price of land.

The TREASURER: I do not think we shall do better than last year. Water supplies is the next item that is worthy of notice. The increased amount estimated from the water supplies is £6,980. To warrant that estimate we have the Midland Junction scheme in full swing, and there is the supply of water to Perth from the Mundaring Weir during the summer months. Then we have the extensions of the water scheme to York, Beverley, and Newcastle in hand. Also in connection with the goldfields water supply carried on by the Mines Department, there are new works at Ravensthorpe, Meekatharra and Northam, and I think we can confidently anticipate getting this increase also. With regard to harbour dues, there is an increase of £18,624. This is

due to increased wharfage rates for the whole year. The main decreases in this return of revenue consist firstly of the item of railways. We have estimated we shall not get last year's revenue by £7,221, and the total estimate, members will see, is £118,000 less than the estimate of last year. The prospect of a bountiful season, and the returns from the agricultural lines which have been opened, and the settlement of the timber trouble, which I have briefly referred to in my opening remarks, I think justify the Acting Commissioner's assurance that this revenue can be depended upon. The public batteries are estimated to return £3,340 less than last year. This is due, as members know, to the slight decreases in the estimated tonnage to be treated. Then there are other public works and services which show a decrease because of the sale of the smelting works referred to last year. The net increase in the State revenue over the actual receipts of last year are estimated at £16,586, or a total decrease on last year's estimate of £184,083. The Commonwealth decrease is £24,320 as before mentioned, making a net decrease on all revenue equal to £7,735 on the actual revenue of last year.

Expenditure for 1907-8, how estimated.

The expenditure as shown on these estimates gives the total at £3,471,142 as before mentioned. It is a net decrease on the actual expenditure of last year of £19,040, and the principal increases in expenditure are of course first of all in the special Acts, which have mounted up by £44,931, and which consist mainly, as members are doubtless aware, of interest on the last million loan, £26,887; interest on local inscribed stock and allowance of £6,000 for probable flotations during the present financial year, £10,336; and sinking fund on local inscribed stock, commencing to accrue at 1½ per cent., £12,832. Then there is the item of £6,500, non-recurring, overpaid towards the sinking fund as previously explained. The Lands Department shows an increase of expenditure of £4,702. This is mainly attributable to the Melbourne agency £1,522, the clearing of tracks £1,000, and

the increase of salaries under the classification. With regard to the Melbourne Agency, in passing I may say it is giving much satisfaction to the Premier, who is at the head of the department. It is undoubtedly bringing Western Australia prominently before the people of the Eastern States, and doing much to counteract the bad reports which from time to time we have had to complain of as having been published in some portions of the Press, at any rate of Melbourne. The next item which shows a considerable increase is my own department of Education. The increased expenditure as estimated is £11,081. That is the estimated increase of expenditure for the present financial year, and consists mainly of increase of salaries under the regulations, and the expenses of new schools amounting to £5,378; increase in technical education, £2,560. This is an expenditure that we can very well afford. As we go on settling the lands and increasing the schools, and as a necessity where people permanently settle we must endeavour to meet their requirements from an educational point of view. The Mines show an increase in expenditure, as compared with the actual expenditure of last year, of £2,870. That is explained by the fact that last year we provided for mining development out of the Government property trust fund account. This year we have provided a sum of £3,000 on the Estimates, not having the money available from the account mentioned. The department itself shows a slight increase. The Attorney General's Department shows a total increase of estimated expenditure of £7,410, which principally is explained by the provision for the reform of the electoral system, which is estimated to cost something like £5,000. The increased expenditure set down under the Minister for Works' Department is £22,417, and is of course for the construction of roads, bridges, and buildings, together with the decrease in the roads boards grants of £6,600, so that the Minister will have a sum of £29,000 more to expend this year than was actually expended last year, or something less than the vote of last year.

These are all works of urgency, as he will explain, many of which had perforce to be postponed until we found funds to put them in hand. In intimate connection with the Works Department, members will pardon me for drawing attention to the estimates at the back of the document before them, the sale of Government property trust account. We have this account again appearing on page 97. The total loan receipts and expenses since the inception of the account amounted to £73,915. Last year we appropriated the sum of £62,921, but we only expended out of that appropriation the sum of £41,983; so that we have a balance to revote of £19,483, together with the amount paid into the account of £12,353. The total expenditure for the year from this account will be £31,836, consisting mainly of school buildings and hospitals as shown in the details of the account. The Colonial Secretary's estimates show that the expenditure of his department will be increased by £4,196. Six of the subdivisions which he controls show small decreases in expenditure. The medical and other subdivisions show small increases, principally due to the opening of new hospitals, the cost of marine surveys which have had to be undertaken, and also to some extent, I am sorry to say, the regrettable increase in lunacy, and the provision for infant life protection. All such matters are more or less beyond Ministerial control, and it is necessary to provide what funds are required in order that these worthy objects may be achieved. The Honorary Minister in charge of the Agricultural Department (Hon. J. Mitchell) estimates to expend £6,423 more than he spent last year. The increase is mainly due to the rabbit-proof fence, another large section of which has been taken over by his department, and he has to provide some £1,240 for its maintenance. He has also taken over from the Works Department the control of the Public Markets in Perth, which accounts for another sum of £735.

Mr. Taylor: They are a paying concern.

The TREASURER: I believe they are. The income will be shown on the other side as revenue. There is also provision

for a Director of Agriculture and other expenses to meet the expansion of the department; and I need hardly point out that from this department we anticipate securing results highly beneficial to the State.

Decreases in Expenditure.

Against these increases of expenditure to which I have briefly referred, I would draw the attention of the Committee to the decreases of expenditure, in the outside column. The only two items requiring any attention at our hands are those of the Treasurer, who shows a decrease of £40,860, previously explained by the fact that our municipal subsidies will be reduced by £43,000 on last year's payments, including a farther deduction of £13,000 from the scale previously adopted. Then the railways show that the Minister and the Commissioner are still making every possible effort to economise in this great spending department. The Minister for Railways estimates that he will diminish his expenditure by £81,636, a diminution due to retrenchment which is unfortunately necessary, and can be effected without any loss of efficiency; and the saving is due also to the reduced expenditure on materials and railway rolling-stock.

Aborigines Department.

In connection with the Treasury, if I may be permitted to go back for a moment, I wish to explain that under the Aborigines Department will be found an increase of £2,000 in expenditure which has to be provided for the Medical Department to establish lock hospitals for the treatment of venereal diseases among the natives. We have already reserved Bernier and Barrow Islands, which if found suitable will be utilised for this purpose. The medical officer strongly recommended this course, and the islands are now being examined by an inspector of the department, to see whether they will suit our purpose. The hospitals will necessarily be under the control of the Medical Department, but the total expenditure will have to be charged up against the Aborigines Department; therefore the estimated expenditure of

£13,964, which *plus* the £2,000 before mentioned will make the total £15,964 as against £15,099 for last year.

Government's Policy of Development, Results up to date.

I have now dealt with the estimates of expenditure sufficiently, I think, to show members the exact financial position of the State; and I propose briefly to claim the attention of the Committee whilst I review the developmental policy of the past eighteen months; whilst we consider the aims of the Government as set forth in the Premier's policy speech at Bunbury early in 1906, and consider how far we have been successful, with the assistance of Parliament, in carrying out that policy. Members are aware that the steadfast object of the Government has been to develop the country and settle the land; and in addition to that, we have projected the construction of many railways. I find on investigation that we have railways, water supplies, and harbour works in course of construction; that we have completed during the past financial year five railways—the Katanning-Kojonup, the Wagin-Dumbleyung, the Goomalling-Dowerin, the Jandakot-Armadale, and the Narrogin-Darkan; and that we almost completed during the financial year the Collie-Darkan railway. It is now completed, and will be opened in a few days. We have carried out the purchase of the Wonnerup-Jarrahwood railway; and the survey is completed for the extension to Nannup. The Coolgardie-Widgemooltha section of the Norseman line has been put in hand; the contract was let in May last; the earthworks are nearing completion, and all the rails and fastenings have been delivered on the ground. The Greenhills-Quairading railway, a contract for which was let in June last, is well in progress, and the earthworks are as far as the 20-mile peg; 13 miles of the formation have been completed, and it is expected the line will be finished in December. Of the Donnybrook-Preston line the first section is well in hand; the earthworks are in progress to the 20-Mile; bridges and culverts are completed for eight miles; the rails have

been delivered at Donnybrook, and it is expected that the first section of this line will be completed before the end of the present year. On the Hopetoun-Ravensthorpe line, the contract for which was let in August last, the earthworks have been completed for 12 miles, and all the rails have been delivered at Albany, and are ready to be handed over to the contractor. As to the Port Hedland-Marble Bar line, as members are aware, the Bill was passed through both Houses last session; plans have been prepared, and tenders have been invited for the supply of rails and fastenings. There is thus a total of 12 railways completed or well in hand within the past 18 months, those railways being part of the public works policy enunciated in the Premier's speech at Bunbury early last year.

Mr. Taylor : Has the attention of the Government been drawn to the startling articles in the Press about Ravensthorpe ?

The TREASURER : Yes ; and there is no truth in them, either. Twelve of the railways have been completed, leaving only six lines which were included in that policy ; namely, the Mount Magnet-Black Range, the Narrogin-Wickepin, the Upper Chapman, Bridgetown-Wilgarrup, the Pinjarrah-Marrinup, and the Newcastle-Bolgart to be dealt with. For the construction of two of these, notice has been given that Bills will be introduced ; and as to the others the surveys are completed or in progress, and I hope that farther steps will be taken to get parliamentary sanction for them during this session. When we consider that out of the total railway programme of the Moore Government the mileage constructed during the past 18 months is 197, that we have in hand 253 miles, leaving to be constructed 344 miles, everyone must agree that we have made wonderful progress, at least in the matter of railways.

Works other than Railways.

The Premier's policy speech furthermore contained promises of water supplies at Meekatharra, Mertondale, Carbine, Leonora, and Ravensthorpe. The first three schemes have been completed, and the

other two are well in hand. Deep boring has been put in hand at Wyndham, in the far North, and between Derby and Fitzroy boring for water has already been commenced. Tenders for artesian bores have been called at Maud's landing, Gladstone, and Calcardoo. The Wyndham bore, I may mention, is down 150 feet, and it has passed through a seam of coal which, though only a few inches in thickness, may be an indication that bituminous coal is to follow, in which event there is untold wealth to be taken from our State. The striking of a good supply of true coal at Wyndham would be one of the greatest discoveries we could make. Considering how near it is to the Asiatic market, and the large supplies required by the important naval depots at Ceylon and elsewhere, the demand would be for millions of tons.

Mr. Underwood : The same old idea, sending wealth away to somebody else !

The TREASURER : Surely the hon. member realises that is the only way in which he gains his living—by sending his products to somebody else. Does he think he can live by sitting still and not trading with other people ?

Mr. Underwood : Of course I do.

The TREASURER : I was about to remark that the construction of the metropolitan water scheme by gravitation from the hills has been thoroughly considered during the past 12 months by a board of experts, and the report of the board is now available to members. The sewerage schemes for Perth and Fremantle have been pushed ahead ; many of the works are completed, and contracts have been let for a total sum of £164,000. As to harbours and rivers, the extension of the Bunbury mole is well in hand, and the amount expended to date is £32,000 out of £60,000. It is expected that this big work, which has been going on so smoothly that we have heard little about it, will be completed early next year. The conversion schemes for the tramways of the North-West ports have all received attention and to a great extent are in hand. Members know the position with regard to the graving dock at Rous Head. The plans are completed, and the Bill is now being

introduced once more for their consideration. With regard to that great work, the rabbit-proof fence, I may say that 389 miles of fence have been erected during the year, at a cost of £83,753. From June to September 53 miles were erected; the fence is now complete; and the total length is 2,023 miles. Surveys have been made and plans are being prepared for four lighthouses and quarters on our North-West coast, and tenders for erection will soon be invited. With regard to the legislative proposals of the Government we have not perhaps been quite so successful; yet I venture to say we have perhaps been as successful as most people residing in the State desire. That is to say, people are always crying out against over-legislation, and saying, "Give us as little of it as you possibly can." But out of twenty measures foreshadowed in the policy speech, nine have become law, one has been rejected by another place, five were introduced and have lapsed, and five are still to be dealt with. I venture to say that this is a record, considering that the policy was thought by everyone to be beyond the power of any Government to carry out in its term of office. I venture to say this is a record of a policy carried out such as no other Government has had previously in the history of Western Australia. [Mr. Taylor: We helped you through.] I will admit that; but the whole of the policy of the Government will be completed, if it is the wish of members that Ministers should remain in control till the end of the present Parliament. I have said sufficient to show that the much-maligned Works Department is, notwithstanding all that has been said about it, notwithstanding all the complaints which many of us make of neglect and dilatoriness in connection with some of the officers of that department, such as must necessarily be made against any department carrying out works of the magnitude of those I have just referred to, is alert and energetic. And I have said sufficient to show that in our Engineer-in-Chief we have a gentleman devoted to his departmental work, and who has impressed on his subordinate officers the necessity for carrying

out work economically and to the best of their ability. The loan and revenue expenditure of the Public Works Department for the year 1905-6 amounted to £426,850; the loan and revenue expenditure for the year 1906-7 amounted to £598,827, or an increase of £171,977.

Mining Industry.

Referring now as briefly as I can to the main industries of the State, I must first touch on the mining industry. I do not intend to weary members with a lot of statistics, but shall merely put the true position before them as I find it to-day. The value of the gold output for 1905 was £8,305,653; for 1906 it had fallen somewhat to £7,622,749, showing a shrinkage of £682,904. For the first six months of this year to the 30th June the output was £3,560,685, a falling off of about a quarter of a million for the first half of the present year. The total value of the output of gold to date has been £74,354,345. Notwithstanding the falling off in the output it is pleasing to note that the number of men engaged in the industry still remains about the same, or is rather more. It was estimated that in 1906 we had 18,111 employed. At the present time it is estimated that we have 17,618 men employed, to which have to be added diggers amounting to about 1,608. So, although we have a reduced value in ore raised owing to the lower grade worked, and although we have a shrinkage in the output, yet we have the immediate advantage of the employment of just as great a number of men as we had in previous years. The reduction in the value of the ore treated represents a decrease of 33s. 6d. per ton from 79s. in 1901 to 56s. 5d. during 1906. There has been a corresponding increase in the quantity of ore treated. In 1901 the quantity treated was 1,500,000 tons; last year it was 2,870,000. The dividends have decreased from £2,167,639 in 1905 to £1,993,698 last year. For the six months to the 30th June of the present year the dividends amounted to £850,522. The total dividends paid from this industry amount to £17,000,000.

The Baser Metals.

Against the shrinkage in the gold output which we cannot and do not wish to hide, we have greater activity in the baser metals. The output of tin for 1905 was £86,840, and for 1906 it was £157,644, while for the seven months to the 31st July of this year it was £106,550; that is a decided increase. The total output of this mineral is valued at £700,000. As members know there is considerable activity in tin not only at Greenbushes but on the Pilbarra fields. Our copper output has also increased considerably. For 1905 the value of the output was £16,266; for 1906 it was £50,337, and for the first seven months to the 31st July of this year it was £135,982. The values have increased and the tonnage has also increased. In 1905 we mined 2,389 tons; in 1906 we mined 7,430 tons, and for the seven months ending 31st July of this year we mined 13,387 tons. The Anaconda, Phillips River, Roebourne, and Whim Creek mines are producing high-grade ore with very good prospects. The total output has reached half a million sterling. Of course we are well aware that it depends on the price of this mineral as to whether this output will increase, stand still, or decrease. At present I am sorry to say the price is low, and it is all the more necessary that we should grant facilities for transit, and that we should give every assistance to this industry so that development may not be delayed or postponed, but that it may go on, so that by having these facilities, those engaged in the copper industry will be enabled to work lower-grade ore, and continue to give employment to a large number of men. As an earnest that we have this matter in view and are carefully taking the development of the distant fields into consideration, the construction of the railways I have mentioned to Ravenshorpe, Widgiemooltha and Marble Bar, and the projected construction of a railway to Black Range are I think sufficient evidence. The Government have kept in mind the fact that the mining industry, no matter whether it be for gold or the baser metals, must be encouraged in every direction possible legitimately, and with economy to the

State. There is a considerable number of prospecting areas and leases applied for in the West Kimberley district for copper, tin and lead. This is a new development which we hope will be followed by good results.

Prospecting and Public Batteries.

Prospecting parties have been equipped, as members are aware, by the Mines Department with camels and the necessary gear numbering 13 in all, and in addition 20 parties have been granted the loan of horses and carts. We hope that the efforts in this direction will result in the discovery of new centres carrying payable minerals in order that profit may result to those who discover those centres and to the country. The public battery system is part of the policy of Western Australia. These batteries play an important part in the development policy of gold mining and also in other directions. There are 30 batteries working now, and the average of the crushings at these batteries is 8,400 tons per month. The capacity of the batteries is equal to 25,000 tons per month, and if they could be fully employed very much greater profit would arise to all concerned. One can see the expansion with which we are capable of coping, and can only hope that the public battery system of Western Australia, which has been supplied and established at such cost, will be taken advantage of to a greater extent in the future than it has been in the past. The total value of gold produced by the public batteries is £2,118,517. The result of the work has been that most of that money has been spent within the borders of our State.

The Mining Outlook.

With regard to the permanency of the gold-mining industry, I have had a communication, as I usually obtain from Mr. Richard Hamilton at this time of the year, as to how things are looking on the Golden Mile. He wired me on Saturday that he had just cabled London that at the Great Boulder they had struck 10 feet of solid quartz at a depth of 2,230 ft. at a point 37 feet west of Edwards'

shaft and 550 feet south of the main shaft, and that the lode assays were 17dwts. per long ton. He went on to say : "It is needless to say this is an important development, as it shows ore is continuing downwards very strongly and that the value has apparently not deteriorated for the last 800 or 900 feet of depth."

Mr. Scaddan : It is the usual practice with him to issue his Budget at this time of the year.

The TREASURER : If he keeps his discoveries until I am delivering my Budget Speech of course I cannot help it ; it is all the better for me. I am glad indeed to be able to give this information to members if they have not already heard it. It shows conclusively that we have long years ahead of us in connection with this industry. I would draw the attention of hon. members to the report of the State Mining Engineer on the Pilbarra and West Pilbarra Goldfields. He speaks most encouragingly in that report, which is well worth considering. He refers to the enormous tract of auriferous country 240 miles by 50 miles, and says that already, upon that area, there are some 30 mining centres. He states that he cannot see any sufficient grounds for the pessimism which has been very often expressed as to this country carrying gold in depth or for the belief that the gold in it was only superficial. This report shows to my mind the wisdom of Parliament in passing the Railway Bill for the construction of a line from Port Hedland to Marble Bar in order to prove this vast territory and country, which I believe is destined to carry a large population in the near future.

Collie Coalfields.

I cannot pass from this industry without briefly referring to the Collie Coalfields, and I am sorry to think they are not so flourishing as one would wish. The output, however, has been well maintained. In 1905 the field turned out 127,000 tons, valued at £55,000 ; in 1906 149,000 tons valued at £57,000, and for the nine months of this year 108,000 tons valued at £41,000. The industry continues to give employment to a con-

siderable number of men ; not so many as formerly, owing I presume to the coal-cutting machines. The average number employed during the last quarter was 230.

Goldfields Water Supply.

Intimately connected with the great gold mining industry is, of course, the Goldfields Water Supply scheme. I wish briefly to point out to members that the consumption in connection with that great scheme has considerably increased. For the year 1905-6 the consumption was 600,000,000 gallons, and for the year 1906-7 it was 688,000,000 gallons, showing an increase of 88,000,000 gallons. The gross revenue for the past financial year was £167,000, or an increase on the previous year of £7,700 ; and that notwithstanding the fact that we have had a largely increased rainfall during the past year, which totalled 12 inches at Kalgoorlie, and 14 inches at Coolgardie, as against 7 inches and 8 inches respectively during the previous year. The gross profit realised during the past financial year was £102,000, as against £103,000 for 1905-6. But I want to explain here that last year we transferred to a special reserve against the increased cost of maintaining the pipe track the sum of £11,000 ; so that, had it not been for the writing off of that sum, we would have been £10,000 to the good. The applicants for water from the scheme are not only confined to residents of the goldfields, for the water has been largely utilised in the agricultural centres, and the quantity supplied there is increasing yearly. We are now carrying extensions to York, Beverley, and Newcastle, and these towns will shortly be connected. In addition, many groups of farmers at distances of from three to six miles from the main pipe track have been served. It is estimated that during the present financial year, ending 30th June next, the gross revenue will be £175,000, and the net profit £95,000, sufficient, we hope, to pay not only the interest but also to provide several thousand pounds towards the main sinking fund. It will be seen that every care is being taken by my colleague, the Minister for Works, to administer the affairs of this great undertaking sat-

isfactorily and at the same time to get a fair return for the money invested.

Land Settlement, how progressing.

I now pass from this great industry and turn my attention to the question of land settlement, dealing particularly with agricultural and pastoral pursuits. I wish to point out in this connection that the applications for conditional purchase lands and for free homestead farms have fallen off to some extent during the past year. During the year 752,000 acres have been approved, as against 860,000 acres in 1905-6. On the other hand the applications for pastoral leases have increased enormously. During the past year 26,367,000 acres were approved, as against 19,255,000 acres in 1905-6, showing of course that the people are going in very largely now for pastoral pursuits. The total applications approved for land were in 1906-7, 27,220,000 acres as against 20,171,000 acres in the previous year, showing an increase of seven million acres. The number of new settlers on the land does not show a very marked increase; but it is satisfactory to know that whilst we settled 1,335 new settlers in 1905-6, it is estimated that we have settled 1,408 during the past year. Taking into consideration the fact that during the past three months we have settled 350 persons on the soil, members will see that our efforts, although nothing very extraordinary, are being responded to, and that settlement is gradually going on at about the same rate. We hope to increase that rate; but everyone of those settlers probably means a homestead and family, and means of course a corresponding profit to the country. The Premier's decentralisation and survey-before-selection schemes have progressed during the year. There have been surveyed before selection 236,000 acres, and £4,800 has been spent in these areas in clearing roads, ringbarking, scrubbing, etc., making ready for the immediate occupation of these lands by settlers. Then again large areas are being surveyed and subdivided on projected railway routes between Preston, Kojonup, East of Narrogin, on the Eastern Railway, and north and north-west of Kellerberrin.

The purchase of the Denmark Estate, if sanctioned, will open up a very large tract of land equalling some 221,000 acres already served by the railway there in existence. That includes some 30,000 acres of land which belongs to the State. Members may say this land being largely served by a railway, there is no need for the Government to take it over, but I want to point out that there is some difference between the timber corporation running a railway, first of all, for its own interests in getting timber to market, and a Government agricultural line controlled and run to facilitate the progress of settlers in that part. It is encouraging to note that the settlers are doing their part, while the State is doing so much in the way of providing facilities, and while clearing is going on and land is being prepared for occupation. As soon as people do settle on the land they do their part to increase the area under crop, which will be increased during the year by 96,000 acres. The total area ringbarked and partly cleared and sown with artificial grass has increased by over 600,000 acres during the past financial year.

Export of Produce, a beginning.

We may state that this country has firmly entered on the export stage in connection with agricultural produce. During the past nine months of the present year, we have exported 161,000 centals of wheat (over 8,000 tons) valued at £470,775. We have exported 50,000 centals of flour (2,500 tons) valued at £20,000, and we are not only supplying the overseas markets in flour, South Africa and Great Britain to some extent with this produce, but we are exporting at the present moment, chaff to the Eastern States. Messrs. Gardiner Brothers, the produce merchants of Perth, advise me that they have shipped 165 tons to Sydney during the last week or two, and the next two or three boats will have most of their space filled for that port, and shipping companies have inquiries all round for space for chaff. Gardiner Bros.' latest instructions from Melbourne are to go on shipping until they get instructions to the contrary, and it is confidently an-

ticipated, from other sources I have it, that something like 5,000 tons at least, if not 10,000 tons, will be exported to the Eastern States. It seems to me that considering that this is so, and also from the fact that the steamer "Everton Grange," sailing this month for London with 2,000 tons of flour and wheat, 3,000 lambs, 600 bales of wool and 200 tons of other produce, making 5,000 tons and 600 bales, and that another steamer is chartered, I understand from the agents, following closely on with a large quantity, and that we are sending, as I have mentioned, to the Eastern States in return for past favours they have conferred on us in supplying our needs to their great benefit, for which we shall this year I hope take partly in exchange large numbers of breeding ewes, which at the present time they may find some difficulty in feeding; in view of this I say our farmers have undoubtedly the outside markets to supply and go upon, while they have at the present time the Eastern States markets. We can stock our lands with cheap cattle and sheep from Victoria, and in this direction I am sure the Government will give all legitimate assistance in their power. It is gratifying to all connected with the Government or the Parliament of the State, and all connected with the commerce of the State, to think that the Cinderella State of the Commonwealth is again coming to the rescue of the Eastern States and in this instance supplying their wants, whereas in the past we have been accustomed to take their surplus supplies and send them money which people have earned in profitable employment which has been given to them in this State. I hope with the promise of a good season we shall have a large surplus of produce for export in the shape of wheat and flour, estimated by some at two million bushels; and given this good season we have every prospect of, we may safely prophesy, taking also into consideration the high price of wheat at present prevailing, that our farmers will have a good time before them, and will have many hundreds and thousands of pounds to spend more than they had during the last year.

Agricultural Activity.

The Agricultural Department, under the able administration of Mr. Mitchell, is doing all it can in the way of encouraging the establishment of the dairying industry in Western Australia, and it is hoped, not only will the South-Western district, so well adapted for this industry, receive benefit thereby and take the matter up in earnest, but that other districts farther East will also benefit. I have great faith that my district, the Blackwood River district, which is to be tapped by extension of the Jarrahwood line, some 14 or 15 miles, I am sure on investigation will prove well adapted for agricultural pursuits generally, and that it will give great opportunities to those who wish to take up dairy farming in particular. I have it on good authority that one large firm connected with butter production in the Eastern States is now considering the establishment of dairying on a large scale in that district. The only regret I have is that the rapid development is somewhat retarded by the undoubted scarcity of agricultural labour in the State. They and we also are endeavouring to overcome that by teaching the dairy farmers to utilise milking plants which has quite revolutionised the dairying industry in the Eastern States. But at the same time it must be recognised we do want to have a proper class of agricultural labour introduced into the State if we are to make the success as we anticipate of this industry. Western Australia which has so long been undervalued and misrepresented by our neighbours in the Eastern States, more especially the Press of the Eastern States, is certainly recognised as a land blessed with a congenial climate and bountiful rainfall, and that it is eminently adapted for dairying, agricultural, and horticultural pursuits. The local market, notwithstanding the increased production and export, is still being supplied in some lines by imports from the Eastern States, and I may briefly mention there is any amount of scope yet for farmers, especially those who go in for mixed farming. We pay a million and a half annually for food stuffs to the Eastern States, for butter, meats, bacon, eggs,

cheese, milk, sheep, cattle, and pigs, and all could and should be produced within our boundaries. One item, potatoes, is especially deserving of mention. We are importing potatoes in large quantities from the Eastern States, and the imports are increasing. In 1905 we imported £91,000 worth, and last year £99,000 worth. It is the earnest desire of the Government that this State should produce those articles of food now being imported from the East, and certainly we ought not to be importing one bag of potatoes from our Eastern neighbours.

Pastoral Industry.

The pastoralists have had an excellent time during the past year, and the herds of cattle and flocks of sheep have increased—cattle by 60,000 head and sheep by 220,000 head; and this increase, together with the trial shipments of frozen lambs, which have already given such satisfaction in the Home markets, I think justifies to the fullest degree the policy of the Government in establishing freezing and cool storage works. The export of wool from Western Australia has slightly increased in value. That for 1905 was £594,000 and for 1906 £603,000. The difference is not worth mentioning, except to show that we are holding our own; and I hope the next season will see a large increase of wool exported. At any rate it is undoubted that our wool is as good as can be produced. Our wheat and lambs already exported show unquestionable quality. The fruits which we have shipped to the Home market have been most satisfactory, and with the area under fruit trees increasing by something like 1,000 acres per annum, surely one can look with confidence to the future of this industry.

Agricultural Bank's Operations.

The Agricultural Bank is playing a most important part in the development of the industries to which I have just referred. The total amount advanced to the 30th June last was £525,000, the total loans approved £752,000, and the gross revenue for the year £20,895, as against £15,938 for 1905-6. The profit was £4,375; and I wish to point out to members that it

will be absolutely necessary, if the good work of this institution is to continue, that we should increase the capital of the bank, which now stands at a million pounds.

Timber Industry, in full swing.

Leaving our agricultural industry, a few words on the timber industry will not be amiss. The timber exported for 1905 was valued at £690,000, as against £709,000 worth in 1906. Of course we had a busy time in connection with that industry during last year, and the early portion of this year shows a terrible falling off owing to the unfortunate suspension of operations. That trouble has, as members are aware, been satisfactorily settled, and industrial peace has, I understand been ensured for several years. The mills are in full swing, and there is every prospect of a record year for the great timber industry which has done so much for our State. I see also by the Press that there is a project for the co-operative working of the mills, and I have to congratulate my friends opposite (the Labour Party), who have taken an active part in these negotiations, on their boldly striking out in this direction, and giving the co-operative principle a trial. I have to congratulate them still more heartily on the good judgment they have shown in inviting the ex-manager of the Combine (Mr. Teesdale Smith) to take charge of operations on behalf of the workers; and I do this in all honesty, because there are few men who would so boldly say, "We shall put a good man in charge of these operations, and thus we shall make them a success." The hon. members connected with this undertaking have, notwithstanding the fact that they decried the general manager of the Combine during the recent trouble, notwithstanding they then pointed out that he was paid a salary which no man deserved, have nevertheless realised that if they want a good and experienced man to assume heavy responsibilities they must pay him well, and this they are prepared to do.

Mr. Bath: It is a doctrine we should like to apply right through.

The TREASURER: Connected with the timber industry is the mallet bark in-

dustry, which I am sorry to see is on the decline, although the exports for last year were considerable.

Hon. F. H. Piessé: No money was made out of them.

The TREASURER: For the first seven months of this year we exported £65,000 worth as against £141,000 in 1906. This decrease has had something to do with the before-mentioned shrinkage in the railway revenue. On the other hand, sandalwood, which has been very dead for some years, is reviving somewhat. The exports for 1905 were valued at £39,000; for 1906, £71,000; and for the first seven months of the present year, £45,000; showing a considerable increase.

Pearling Industry.

The pearling industry continues to be an important factor in our North-West trade, and the value of pearls and shell for 1906 was £255,000, as against £266,000 in 1905, showing a slight falling-off. For the first seven months of the present year I unfortunately have not the return for the pearls, but the shell alone was valued at £75,000. But to show the importance of this industry, which I think I may safely say does not receive sufficient attention at our hands or at the hands of the Federal Government, I may mention that the number of men employed in 1905 was 2,228, and in 1906, 2,403; the number of boats employed in 1905 was 323, and they had increased in 1906 to 360, while the tonnage of the boats increased from 4,441 to 5,022. Broome is the chief centre of the pearling industry, and is quite an important port. It takes fifth place after Fremantle, Albany, Geraldton, and Bunbury, with a total trade, imports and exports, of £175,000, and a customs revenue of over £18,000 per annum.

Trade Imports and Exports.

Notwithstanding the somewhat general complaint of a depression in our State, I should like to draw attention to the fact that the total imports and exports—a gauge of the trade of any country—has increased somewhat as compared with the previous year. In 1905 the total was £16,352,000, in 1906 £16,653,000 equal to

£64 2s. per head of the population in 1906, as against £55 7s. 2d. in 1905. Compared with the Eastern States we still maintain a very substantial lead, because the trade of Victoria equals only £44 per head of population, of New South Wales £53, of Queensland £39, of South Australia £57, of Tasmania £37; whilst the average for the whole of the Commonwealth is £49 per head of population as against our £64.

Population and Immigration.

During the past twelve months our population, I am sorry to say, has not appreciably increased. The immigration has been equalled by the emigration, and the increase of 3,000 during the financial year just ended is accounted for by the excess of births over deaths. There is plenty of room in our State for workers of the right class, agriculturists; and the reports of the Labour Bureau show conclusively there is not a sufficient number of agricultural labourers to fill the present demand, and not to speak of the demand which will shortly ensue in connection with the forthcoming harvest. The local labour market shows, it is reported, decided signs of improvement.

Savings and Thrift.

In connection with the thrift and industry of our people, I may briefly refer to the Government Savings Bank. Under the new Act the operations of this institution are very satisfactory indeed. Depositors have now the most up-to-date savings bank facilities in Australasia, and the operations have been extended to the schools, in connection with the clause which hon. members permitted to pass in the Bill in order that children might save their pence, thus inculcating a desire in the rising generation to save; and though comparatively few to the present have taken advantage of the facilities. Seventeen schools only have established agencies of the bank, and 380 children have opened accounts and have £43 to their credit. We have also established a system of steel money-boxes, and we have issued to other children 250 of these, with the keys kept in the savings bank. From

these boxes £619 has been taken and placed to the credit of the children depositors, which fact is evidence that they are doing good work. The Savings Bank is an institution of which we may be proud. The number of accounts has been increased by 3,279 during the present year, and the number of total depositors is now 66,852. The deposits during 1906-7 exceeded the previous year's by £316,000, and the interest paid was £6,000 more than in the previous year; the total interest paid was £67,590, and the total balance due to depositors was £2,633,114. This equals £39 9s. 1d. per account, and £9 19s. 3d. per head of population, as against £8 17s. 9d. per head of population for the year 1905-6. To August of the present year the deposits have increased to £2,709,653, or £10 4s. 6d. per head of population. Surely this is an index of thrift and prosperity on the part of our people, more especially when, taking the number of accounts into consideration, we realise that every fourth man, woman and child in the country is a depositor at the Government Savings Bank.

Education, Primary and Technical.

Of course the Education Department is a natural corollary to the settlement of the land. The erection of so many schools in the agricultural districts and on the goldfields is necessarily followed by increased cost of maintenance. The constant demands for new schools has been met wherever it has been possible to do so, and the year's record is one of work done well and of excellent results. Of course the expenditure is a matter that needs careful watching, because it is apt to get out of bounds if it is not held under a tight grip, as is evidenced by the rise in the past few years. In 1904-5 our education system cost £148,000, in 1905-6 it cost £162,000; in 1906-7 it had risen to £168,000. I had to use the pruning knife to some extent. This year the system is estimated to cost £179,000. We opened new schools during the present year to the number of 36. The facilities provided in our technical schools are fully appreciated. The number of students in Perth has risen from

460 to 607, and on the goldfields from 101 to 194. In pursuance of the policy outlined last year in the debates in connection with this department, a scheme for the establishment of a secondary school is under the consideration of the Government, and I hope it will come to fruition and that we shall be able to provide the necessary funds to at any rate make a start with the erection of the necessary buildings. Provision is made in the Estimates and by appropriation from the Sale of Government Property Trust Account for 28 new school buildings and additions to be constructed during the current financial year. I would like to remind hon. members of the demonstration at the Agricultural Show-ground on Saturday last, when about 14,000 people were present. That was evidence and proof that the physical development of the children of this State is well looked after, in addition to their educational attainments.

Industries and the Tariff.

The industrial establishments, namely factories and industrial manufacturing concerns in this State, exclusive of mining, are perhaps far more important than members are apt to imagine. They include saw-milling and flour-milling operations, employing 13,800 hands, while the sum of £1,621,000 is paid annually in wages and salaries. Of course the increase has been very small since Federation. The number of hands employed in 1901 was 12,200. However, a few factories have been established in our midst during the last few years, such as the foundry at Subiaco, the biscuit and cake factory at West Perth, the bacon-curing establishment at Fremantle, works for the manufacture of water-meters at West Perth, the railway carriage works at North Fremantle, a factory for the manufacture of wire nails, and several other factories of minor importance. My previous remarks, when touching on the Federal tariff, apply here; for it is not to be expected that we can anticipate or look forward to any large development in the peculiar circumstances in which we are situated, as the Federal tariff must of necessity debar us to some extent, and

we are too far from the great centres of population, while the cost of production in Western Australia is admittedly higher than in the Eastern States. However, I hope that the select committee which has been just appointed will, when they go into the question more fully, be able to bring a report to this House which will assist the Government and Parliament in devising some means of encouraging the extension and establishment of factories in our midst. It is undoubted that notwithstanding the fact that we depend so largely on the primary industries, the secondary industries, namely manufacturing, are of vital importance to the people, so that I welcome any suggestion which may be the outcome of the labours of that committee, and which may enable us to do something to press forward the establishment of factories in our midst.

Federal Finance and State Rights.

I have come pretty well to the end of my speech; but I would like before sitting down to say that, following on the battle put up by the Leader of the Opposition and myself at the Melbourne Conference last year, the Premier and the Attorney General attended the Conference of Premiers in Brisbane, and very worthily represented this State and her cause. The result, as members know, was entirely unsatisfactory. The Eastern States still dispute the right claimed by Western Australia to a return of the surplus revenue on the basis of what she contributes. Something was achieved at Brisbane, the transference of State debts being shelved for some time. I am sorry indeed to be forced to the conclusion that the blunt statement of the Acting Prime Minister, Sir William Lyne, that he did not think the States had been badly treated and that they had received too much in the past, is proof that he is greedy of revenue and more power, and has unification in his mind. That does appear to be his creed. Of course we recognise that more power will centre in the Federal Government and Parliament as years roll on; but this process must be gradual if it is to be effective, and the very fact that the prosperity and the success of the Commonwealth depends upon

the success of the individual States, depends above all on the financial stability of the States and that this stability shall be assured, goes to show that the Federal power must not push forward in too great hurry; in other words, that we must put a drag on the ambition of gentlemen such as Sir William Lyne, when they want to take all power from the States and centre it almost immediately in the Federal Government and Parliament. The report of Mr. Owen, the State Actuary, which has been circulated among members of the State and Federal Parliaments, appears to have solved the difficult financial problem which has occupied the attention of recent Conferences of Premiers, and seems to my mind to be a very worthy substitute for the proposals of the late Treasurer (Sir John Forrest) which have been so belittled by Sir William Lyne, who bluntly stated that he did not think much of them. Of course we opposed these suggestions ourselves. I would draw the attention of those members who have not studied it to the report of the State Actuary; and in support of my contention that it appears to solve the difficult problem, let me quote an extract from the *Australasian Insurance and Banking Record*, which says:—

“The Government Actuary of the State of Western Australia, Mr. Edgar T. Owen, has examined the subject and has propounded a solution of the problem which he submits is equitable. It is simple, and next to the absolute retention of the so-called book-keeping system, it is certainly the best proposal that has yet been made.”

Our thanks are due to the Government Actuary for the very excellent paper he has drawn up. They are due, because we have, through its instrumentality, armed the Federal members representing us, and to whom of course the issue must be referred, with the right ammunition so far as Western Australia is concerned, in order that they may be prepared to fight for her position and maintain the position so strongly put before the different Conferences on this subject. All that Western Australia asks for is justice, and that she shall not be required

to pay twice as much per head of population towards the Federal Government as other States are asked to do. We ask for justice, indeed, we demand it as our right.

Conclusion.

In conclusion, I hope I may fairly claim to-night to have shown that, notwithstanding the great shrinkage in our revenue last year as compared with the Estimates, notwithstanding the fact that the deficit has increased somewhat, yet our finances are sound and healthy, that Ministers have a firm grip of their departments, and are studying economy wherever possible. I have shown that, given proper support and consideration to the reasonable taxation proposals which we have put before this House, and which, I hope, will ultimately be considered by another place, the deficit will gradually be reduced and

become a thing of the past; that the developmental policy of the Government which was thought to be beyond the power of any Government 18 months ago, has been so far faithfully carried out and is in a fair way to completion; that the primary industries of this State as a whole are flourishing; that our mineral wealth is unbounded; and that, with the promise of a bounteous harvest this year before her, Western Australia, relying upon the energy, the enterprise, and the patriotism of her people, has nothing to fear in the future. I beg to move the first item on the Estimates—

His Excellency the Governor, £1,148.

On motion by *Mr. T. Bath*, progress reported and leave given to sit again.

ADJOURNMENT.

The House adjourned at 10.57 o'clock until the next day.

APPENDIX TABLES Nos. 1 to 10, referred to in the Treasurer's Financial Statement.

[No. 1.]

Synopsis of Balance Sheet, 30th June, 1907.

NOTE.—The Balance Sheet is not the State's, showing its Liabilities and Assets, but the Treasurer's, accounting for the Funds placed at his disposal by the State.

DE.—i.e. Amounts for which the Treasurer is liable.						£
General Loan Fund	...	...	...	...	...	883,830
Sinking Funds	...	...	...	...	...	1,600,044
Government Savings Bank	...	...	...	...	...	2,639,173
Trust and Deposit Accounts	...	...	...	...	...	991,124
						<u>£6,114,111</u>

CR.—i.e., Assets held by the Treasurer.

Generally.

Consolidated Revenue Fund Balance, being Deficit (i.e., Revenue claims paid by the Treasurer, but to meet which the State had not placed Revenue moneys at his disposal)	208,729
Advances to be recovered—that is, by debiting votes, etc., of this year	95,188
Investments on account of Savings Bank, Sinking Funds, etc.	4,155,081
Stores on hand, to be charged to votes of this year or succeeding years as they are issued for consumption	408,516

Synopsis of Balance Sheet—continued.

<i>Cash on hand and in transitu.</i>					£
At the Treasury	...	...	...	...	58,256
Current Accounts in the State	...	...	...	...	391,118
Do. do. Eastern States	...	...	...	...	58,096
Do. do. London	...	...	...	...	169,315
Government Savings Bank	...	...	...	...	519,485
Sinking Funds Municipal Loans	...	...	...	...	814
Agricultural Bank Redemption Account	...	...	...	...	5,645
Fixed Deposit on Trust Account	...	...	...	...	44,428
					<u>£6,114,171</u>

[No. 2.]

Revenue, 1906-7.

					£
The Treasurer's estimate for the year was	...	...	...	...	3,592,213
The actual amount received was	...	...	...	...	3,401,354
					<u>£190,859</u>
<i>The over-estimates were—</i>					
Dividend Duty	...	...	...	...	20,584
Stamp Duty	...	...	...	...	1,366
Land Tax	...	...	...	...	60,000
Totalisator Tax	...	...	...	...	3,218
Licenses	...	...	...	...	1,229
Mining	...	...	...	...	2,933
Railways	...	...	...	...	110,779
State Batteries	...	...	...	...	7,960
Water Supply	...	...	...	...	9,530
Harbour Dues	...	...	...	...	1,924
Other Public Works and Services	...	...	...	...	4,400
Fees, Public Offices	...	...	...	...	4,015
Law Courts	...	...	...	...	1,551
Miscellaneous	...	...	...	...	4,641
					<u>£234,130</u>
<i>The under-estimates were—</i>					
Probate Duty	...	...	...	...	16,309
Land	...	...	...	...	7,480
Cossack-Roebourne Tramway	...	...	...	...	147
Royal Mint	...	...	...	...	1,243
Reimbursements-in-Aid	...	...	...	...	8,282
Commonwealth	...	...	...	...	9,810
					<u>£43,271</u>
					<u>£190,859</u>

[No. 3.]

Expenditure, 1906-7.

	£	
The Treasurer's Estimate for the year was	3,588,699	
The Actual Expenditure was	3,490,182	
Or an over-estimate of		£98,517
<i>The over-estimates were—</i>	£	
Executive Council	48	
Minister for Lands	8,252	
Do. Education	5,235	
Do. Mines	4,565	
Do. Railways	94,435	
Attorney General	2,340	
Minister for Works	35,954	
	150,829	
<i>The under-estimates were—</i>		
Special Acts	10,328	
His Excellency the Governor	29	
Legislature	975	
Premier's Office	315	
Colonial Treasurer	36,630	
Colonial Secretary	3,624	
Minister for Agriculture	411	
	52,312	
		£98,517

Summary of Revenue and Expenditure.

	£	£
Estimated Deficit		116,386
Over-estimate of Revenue	190,859	
Do. Expenditure	98,517	
		92,342
Actual Deficit		208,72
Deficit from 1905-6	119,900	
Expenditure as above	3,490,182	
		3,610,082
Revenue		3,401,354
Deficit as above		£208,72

[No. 4.]

Commonwealth Revenue.

Head and Sub-head.	Inter-State Adjustments 1906/7 a.	Actual 1906/7.	Estimated 1907/8.
	£	£	£
Customs—			
Stimulants	25,260	253,949	250,000
Narcotics	50,586	105,485	105,000
Agricultural Products and Groceries	6,670	109,707	112,000
Apparel and Textiles	11,737	121,991	132,000
Metals and Machinery	1,628	73,950	90,000
Oils, Paints, and Varnishes	1,188	12,728	15,000
Earthenware, etc.	572	17,160	20,000
Wood, Wicker, and Cane	798	18,456	25,000
Jewellery and Fancy Goods	1,553	14,091	15,000
Leather and Rubber	3,290	21,488	22,000
Other	4,470	45,084	44,000
Total	107,752	794,089	830,000
Excise—			
Beer	3,584	59,192	60,000
Spirits	2,299	9,785	11,000
Sugar	4,555	37,109	48,000
Tobacco	43,292	49,901	57,000
Other	440	2,541	3,000
Total	54,170	158,528	179,000
Post Office—			
Postage ... ..	...	136,660	128,000
Telegraphs ... ..	...	71,520	73,000
Telephones ... ..	...	34,276	38,000
Commission on Money Orders, etc. ... ..	...	10,197	10,000
Other ... ..	...	7,033	8,000
Total ... ..	...	259,686	257,000
DEFENCE, ETC. ... ..	...	4,057	3,430
Grand Total ... £	161,922	1,216,360	1,269,430

a These amounts are of course included in the next column. They represent results of the operation of the Book-keeping Section—duties collected in the other States on articles subsequently shipped to Western Australia for consumption.

[No. 5.]

Commonwealth Expenditure.

Head and Sub-Head.							Actual, 1906-7.	Estimated, 1907-8.
<i>Transferred.</i>							£	£
CUSTOMS	...	...	...	...	...	...	32,135	33,895
POST OFFICE	...	...	...	...	...	...	281,526	298,344
DEFENCE	...	...	...	...	...	...	49,135	56,368
QUARANTINE	...	...	...	...	...	...	...	1,130
IMMIGRATION RESTRICTION ACT	...	...	...	...	...	...	300	...
<i>Other.</i>								
ORDINARY	...	...	...	...	...	...	48,544	69,504
NEW WORKS, BUILDINGS, RIFLES, ETC. <i>a</i>	...	...	...	...	...	...	30,001	52,114
							441,641	511,355

Summary of Revenue and Expenditure.

Revenue	...	...	...	...	...	...	61,221,807	61,267,201
Expenditure	...	...	...	...	...	...	441,641	511,355
Balance returnable to State	...	...	...	...	...	£	780,166	755,846

a. Particulars given in No. 6.*b.* Adjusted by opening and closing balances..

A farther analysis of our Estimated Expenditure for 1907-8 is the following:—

Transferred.

Ordinary Maintenance Expenditure of—					£	£
Customs	...	...	...	...	31,542	
Post Office	...	...	...	...	288,799	
Defence	...	...	...	...	39,444	
Pensions	...	...	...	...	2,428	
Works and Buildings—Salaries	...	...	...	...	265	
Do. Rent, Repairs, etc.	...	...	...	...	9,632	
Audit Office	...	...	...	...	1,302	
Thursday Island	...	...	...	...	1,072	
King George's Sound	...	...	...	...	1,366	
Naval Agreement	...	...	...	...	12,744	
Quarantine	...	...	...	...	1,130	
Unforeseen	...	...	...	...	13	
						389,737

Other.

"Caused by Federation:"—

Governor-General, Parliament, and the Commonwealth Departments, i.e., External and Home Affairs, Attorney General, etc.					26,582	
---	--	--	--	--	--------	--

"Not caused by Federation:"—*

Administration of Papua	...	...	...	...	1,594	
Sugar Bounty and Expenses	...	...	...	...	36,978	
Other Bounties	...	...	...	...	1,593	
Repatriation of Pacific Islanders	...	...	...	...	414	
Conveyance of Mails between Victoria and Tasmania	...	...	...	...	828	
Subsidy on Abolition of Charges on Tasmanian Cables	...	...	...	...	559	
Survey of Trans-Continental Railway	...	...	...	...	956	
New Works, Buildings, Rifles, etc., as detailed in No. 6	...	...	...	...	52,114	
						121,618

Total £511,355

* That is, not a necessary consequence of the operation of the Federal Constitution Act, but of Federal Legislation.

The chief items of Commonwealth "other" expenditure upon which increases are estimated this year are, with amount of increases, as follow:—New Special Defence Provision, £216,650—consisting of Harbour and Coastal Defences, £250,000; Small Arms Factory, £32,000 (total cost £55,000); Cordite Factory, £10,000; and Guns, Lights, and Emplacements for fixed defences, £50,000—less amount which it is anticipated may not be spent this year £125,950. There are also: Sugar Bounty, £244,790; other Bounties (under Act of present session), £25,000; Advertising Resources of Australia, £18,790; Meteorological Department, £15,988; Transcontinental Railway Survey, £15,000. This expenditure is charged to all the States on the basis of population, our share being about one-sixteenth.

[No. 6.]

Commonwealth Expenditure on New Works, Buildings, Rifles, etc.

Head and Sub-head.						Actual, 1906-7.	Estimated 1907-8.
						£	£
CUSTOMS—							
Custom House, Broome	...	...	...	...	...	...	40
Custom House, Fremantle	...	...	...	...	...	...	a 7,50
Non-recurring	...	...	...	...	...	804	
Total						804	7,90
POST OFFICE—							
General Post Office, Store	...	...	...	...	...	...	25
Northam Post Office	...	...	...	...	...	...	b 2,00
Derby Post Office	...	...	...	...	...	125	57
East Perth Post Office	...	...	...	...	...	...	56
Beverley Post Office	...	...	...	...	...	...	c 70
Fitzroy Post Office	...	...	...	...	...	666	25
Fremantle Post Office	...	...	...	...	...	7,500	42
Collie Post Office	...	...	...	...	...	...	66
Eucla Post Office	...	...	...	...	...	...	50
Purchase of Sites	...	...	...	...	...	680	90
Construction Telegraph Lines	...	...	...	...	...	9,856	8,00
Do. Telephone Lines	...	...	...	...	...	9,604	24,00
Sundry Offices	...	...	...	...	...	2,422	1,65
Non-recurring	...	...	...	...	...	1,379	
Total						32,232	40,49
DEFENCES—							
Fortifications	...	...	...	...	...	88	17
Rifle Ranges	...	...	...	...	...	112	35
Karrakatta Rifle Range—Additional Target accommodation	...	...	...	...	...	480	9
Do. do. New Road	...	...	...	...	...	296	5
Kalgoorlie Rifle Range—Construction	...	...	...	...	...	195	1,35
Drill Halls	...	...	...	...	...	499	10
Addition to Armourers' Shop, Perth	...	...	...	...	...	...	70
Fort and Site at North Fremantle	...	...	...	...	...	2	5,75
Barracks	...	...	...	...	...	47	88
Non-recurring	...	...	...	...	...	2,539	
Total						4,258	9,46
Grand Total						£ 37,294	d 57,85

a Estimated total cost, £10,000.

b Estimated total cost, £2,900.

c Estimated total cost, £1,200.

d The following amounts are also a charge to the State:—Defence, Arms, Equipment, etc., £13,864; Purchase of Trawler, £765; and Wireless Telegraphy, £637. Information as to the State in which these sums will be expended is not yet available. The grand total is £78,120, of which it is estimated £6,461 will not be expended this year. This expenditure is charged to the State per capita, the amount of the charge being £52,114.

Head and Sub-Head.	1901/2.	1902/3.	1903/4.	1904/5.	1905/6.	1906/7.	1907/8 (Estimated.)
REVENUE.							
Customs and Excise—Federal Tariff ...	£ 1,134,045	£ 1,162,535	£ 1,061,789	£ 1,029,515	£ 953,147	£ 935,841	£ 1,009,000
Do. do. Special Tariff ...	201,569	233,467	196,936	142,549	77,666	16,776	...
Post Office	225,752	225,244	230,858	257,503	252,741	259,686	257,000
Other	172	716	828	2,057	3,549	4,057	3,430
Total £	1,561,538	1,621,962	1,490,411	1,431,624	1,287,103	1,216,360	1,269,430
EXPENDITURE.							
<i>Transferred—</i>							
Customs	31,991	34,687	33,836	33,937	34,762	32,135	33,895
Post Office	256,392	265,757	278,994	277,835	283,005	281,526	298,844
Defence	33,693	31,320	41,967	40,368	45,261	49,135	56,368
Quarantine ... ..	...	...	...	...	...	...	1,130
Immigration Restriction Act ...	...	...	...	...	...	300	...
Other—Ordinary, i.e., Cost of Commonwealth Departments, etc. ...	14,061	17,524	26,559	28,112	31,996	48,544	69,504
<i>New Works, etc. a—</i>							
Customs ... ..	...	53	2,658	120	114	74	1,446
Post Office	2,178	10,547	26,910	8,016	9,214	17,524	27,660
Defence	1,274	1,150	13,571	12,177	10,791	12,403	22,626
Other ... ..	...	...	...	...	...	...	382
Total £	339,589	365,038	424,495	400,565	415,143	441,641	511,355
Balance of Revenue returned to the State	1,225,076	1,255,732	1,065,244	1,027,898	872,992	780,166	755,846
Adjustments	— 3,127	+ 1,192	+ 672	+ 3,161	— 1,032	— 5,447	+ 2,229
Total as above £	1,561,538	1,621,962	1,490,411	1,431,624	1,287,103	1,216,360	1,269,430
<i>New Works, etc.—</i>							
Expended in the State	3,452	11,750	43,139	52,085	68,872	50,222	b 71,659
Charged to the State	3,452	11,750	43,139	20,313	20,119	30,001	52,114

a Since 1st July, 1904, calculated on population basis. Prior to that date charged as "transferred," to No. 6, will not be expended in the State.

b Of this amount probably £20,000, as shown by note

NOTE.—The "transferred" Expenditure of each State is charged in its entirety to that State. "Other" Expenditure is charged per capita, our share being about one-sixteenth.

[No. 8.]

Loan Authorisations etc. as at the 30th June, 1907.

	£	£	£
<i>Authorisations and Flotations—</i>			
Authorisations to 30th June, 1906 ...	...	18,273,253	
Do. during 1906-7 ...	...	2,467,000	
		<hr/>	
Do. to 30th June, 1907 ...	...	...	20,740,253
<i>Flotations to 30th June, 1906—</i>			
General Loans ...	15,151,253		
Local Debentures ...	246,100		
Do. Inscribed Stock ...	2,375,900		
Treasury Bills ...	500,000		
	<hr/>	18,273,253	
<i>Flotations during 1906-7—</i>			
General Loans ...	1,000,000		
Local Inscribed Stock ...	170,185		
	<hr/>	1,170,185	
Authorisations available for Flota- tion, 30th June, 1907 ...	...	1,296,815	
		<hr/>	20,740,253
<i>Actual Net Loan Indebtedness—</i>			
Flotations to 30th June, 1906, as above ...	...	18,273,253	
Less—Redemptions ...	214,700		
Accumulated Sinking Fund...	1,320,603		
	<hr/>	1,535,303	
<i>Actual Net Loan Indebtedness, 30th June, 1906 ...</i>			
	...	16,737,950	
Flotations during year as above ...	1,170,185		
Less—Redemptions during 1906-7	6,100		
Accretions to Accumulated Sinking Fund during 1906-7 ...	279,441		
	<hr/>	285,541	
		<hr/>	884,644
<i>Actual Net Loan Indebtedness, 30th June, 1907 ...</i>			
	...	...	17,622,594

[No. 9.]

Loan Flotations, Debt, and Expenditure, as at 30th June, 1907.

Works and Services.	Flotations as charged to Works and Services.	Actual In-debtedness on Works and Services.	Actual Cash Spent.
	£	£	£
Railways	10,926,229	10,774,293	9,916,720
Telegraphs	276,727	242,718	269,308
Harbours and Rivers	2,507,117	2,487,274	2,278,579
Public Buildings	197,145	194,082	179,221
Goldfields Water Scheme	2,874,462	2,874,462	2,660,688
Water Supply generally	222,734	222,502	169,374
Sewerage	272,406	272,406	154,037
Erection of State Batteries	145,098	145,098	143,878
Development of Goldfields and Mineral Resources	967,541	967,541	926,525
Roads and Bridges	165,472	153,756	158,863
Development of Agriculture	764,638	764,638	755,836
Immigration	28,670	28,670	28,085
Miscellaneous	95,199	95,198	95,130
Flotation Expenses £ 790,026			
Unexpended Balance General			
Loan Fund ... 885,235			
Unexpended Balance Loan Receipts in Suspense 31,933			
917,168	...	...	1,707,194
Debentures Redeemed ... ..	...	220,800	
TOTAL FLOTATIONS ... £	19,443,438	19,443,438	19,443,438

[No. 10.]

Net Cash Results for 1906-7 of Working the State's Chief Trading Concerns.

Trading Concern.	CAPITAL COST, i.e., SO FAR AS LOAN IS CONCERNED, DEBT EXISTING ON ACCOUNT OF THE UNDERTAKING.		CHARGE AGAINST REVENUE.				REVENUE PAID TO TREASURY.		NET PROFIT OR LOSS AFTER DEDUCTING WORKING EXPENSES AND INTEREST ON CAPITAL.	
			Interest on Capital.		Working Expenses.	Total.	Gross.	After paying Working Expenses.	Profit.	Loss.
	Loan.	Revenue.	Loan at actual rates.	Revenue at 4 per cent.						
	£	£	£	£	£	£	£	£	£	£
Railways	a 10,774,293	604,798	361,088	24,192	1,159,985	1,545,265	1,558,029	...	12,764	...
Goldfields Water Scheme ...	b 2,874,462	...	91,762	...	c	91,762	...	92,000	238	...
Fremantle Harbour Works	d 1,861,497	e 36,000	61,747	1,440	c	63,187	...	55,367	...	7,820
State Batteries	145,098	90,976	4,664	3,639	87,953	96,256	87,540	...	...	8,716
Total	£ 15,655,350	731,774	519,261	29,271	1,247,938	1,796,470	1,645,569	147,367	13,002	16,536
									Net Loss £3,534.	

a. A reduction of the total Railways capital cost, representing notably purchase of land for Cottesloe-Fremantle Deviation, Transcontinental Railway, lines under construction, surveys of proposed lines, etc., has hitherto been made in the preparation of this return. It has been considered desirable to make no allowance in future, whether of capital or interest, on this account, except in regard to the Transcontinental Railway expenditure. In regard to the rest, it is held that the State's railway policy is one entity; that if interest is not received from the Railways on the capital sunk in these undertakings it will not be received at all, and that a Railway Company would charge to its income interest on all the capital invested in its undertakings. The year's traffic receipts (£507) on the Railways under construction, the expenses (£707) incidental thereto, as well as the rents (£301) collected in connection with the Cottesloe-Deviation have been brought into this Statement.

b. Exclusive of a subsidiary loan from Post Office Savings Bank, amounting to £253,264. Interest and Sinking Fund on this loan was paid by the Administration before handing over their surplus to the Treasury.

c. Deducted from Revenue, net amount being paid to Treasury.

d. This is the total Loan Debt on the Fremantle Harbour, including for instance Rottnest Lighthouses, not on the area taken over by the Harbour Trust, the cash disbursed on which is estimated at £1,390,783 (exclusive of cost of flotation).

e. Only approximate.

NOTE.—Apart from Interest on Revenue Capital, this return deals exclusively with cash transactions recorded at the Treasury, and must not, therefore, be regarded as summarising the profit and loss accounts of the respective undertakings. It tells what the State expended in sterling on them during the year, and the return in sterling paid into the State coffers. Hence, as matters in regard to which only the respective departmental accounting branches possess the necessary data, stores on hand are not considered; neither are moneys earned but not received, nor payments due but not defrayed.