

Mr. Mullany: Order, when it suits you.

Mr. CHAIRMAN: Order!

Mr. Mullany: I beg your pardon, Sir.

The CHAIRMAN: I desire to conduct the business of this Chamber in an impartial manner. If the hon. member continues to interrupt I will have to report him to Mr. Speaker. He does not want me to do that, surely.

Mr. Mullany: I beg your pardon, Sir. I was referring to someone else.

Mr. TROY: I will not take any further notice of the hon. member. The member for Fremantle is perfectly justified in moving for a reduction of this vote, and in making any protest he desires in connection with any warden in the country. It is neither fair nor reasonable for an hon. member to rise and pretend that he is indignant, because another hon. member wishes to reduce the salary of one of these officials. I do not know anything about the Rowley case, or about Mr. Walter's action as a magistrate. I certainly have not much regard for the man personally, because I know that he is partial.

Mr. Pickering: May I ask the member for Mt. Magnet a question through the Chair?

The Chairman: No. The member for Mt. Magnet has the floor at present. The member for Sussex can speak later.

Mr. TROY: I have absolute facts to show that he is unreliable. I know that when the late Warden Troy was appointed to Kalgoorlie—and he was one of the best magistrates in the State, and a most honourable gentleman, and of the finest integrity—that man, under the guise of friendship, put the knife into Warden Troy's back. I have heard poor old Warden Troy say that Warden Walter's own wife gave the show away. A man capable of such tactics I have a contempt for and despise.

[The Speaker resumed the Chair.]

Progress reported.

House adjourned at 3.15 a.m. (Friday).

## Legislative Council,

Tuesday, 26th March, 1918.

The PRESIDENT took the Chair at 4.30 p.m., and read prayers.

[For "Question on Notice" and "Papers Presented" see "Minutes of Proceedings."]

### ELECTION RETURN—METROPOLITAN PROVINCE.

The PRESIDENT announced the receipt of a writ issued for the election of a member for the Metropolitan Province showing that John Nicholson had been elected.

The Hon. John Nicholson took and subscribed the oath and signed the roll.

### EXPEDITIONARY FORCES, EASTER GREETINGS.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [4.40]: I desire to submit to the House a motion without notice. A similar motion is being submitted in another place, the intention being that it shall be transmitted as an expression from the whole of the Parliament of Western Australia. The motion reads—

"That in this hour of trial and anxiety, we the members of the Legislative Council of Western Australia in Parliament assembled, forward Easter greetings to our soldiers overseas, expressing our admiration of their unconquerable valour and endurance, in conjunction with that of the soldiers of the Empire and the Allies, our complete confidence in the ultimate success of the cause of freedom and righteousness, and our hopes for their early and triumphant return to their Australian homes."

Question put and passed, members standing.

### BILL—LAND ACT AMENDMENT.

#### Second Reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [4.43] in moving the second reading said: The single purpose of this Bill is to amend Subsection 4 of Section 30 of the Land Act Amendment Act 1917. The Bill is the direct outcome of the motion submitted in this House by Sir Edward Wittenoom and carried without dissent. The motion was supported by Mr. Drew and other members, and the Bill has since then been submitted and has passed through another place. Section 30 of the Act of 1917 conferred on pastoral lessees the right to apply within 12 months from the 28th March, 1917, for leave to surrender their leases and renew them under the conditions of the Act of 1917 enabling them to obtain extensions until 1948 but in regard to that renewal they were to apply for only one million acres. Sir Edward Wittenoom in submitting the motion to which I have referred explained to the House the great difficulty under which pastoralists at present not resident in Western Australia were labouring by having to make provision for the distribution of their holdings and his resolution suggested that they should be given until 12 months after the termination of the war in which to make this distribution. The Act at present provides that on the approval of the application double rent is payable pending appraisal, as the result of valuation, but if the lessee is not satisfied with the increased rent on such appraisal, he has the right to refuse the renewal and to revert to the original lease, in which case the excess rent paid is, as from the approval of the application, refunded. The object of the amending Bill is to extend the time for converting leases, under the provisions extending the lease to 1948, until 12 months after the termination of the war, but for this conces-

sion double rent has to be paid. Instead of that double rent being payable, according to the provision contained in the Act of 1917, on the approval of the application the double rent becomes payable directly after the 28th March of this year, that is immediately after the date on which the right to apply to be brought under the amending Act would have expired. In addition to that, whereas under the Act anyone who liked to make the application before the 28th March, 1918, had the option of refusing the renewal under the terms set out on appraisalment, and in the event of such refusal the double rent they had paid in the meantime would have been returned to them, anyone seeking to obtain advantage of the provisions of this Bill would not obtain a refund of the double rent, in any circumstances. This double rent is merely a premium for the option to apply for the conversion within the extended period. Under the existing Section 30 of the Act of 1917, the option to apply within 12 months was conferred without any consideration. That is to say, the pastoralist could make his application within 12 months and there was no consideration demanded from him, but in that case the double rent was not payable until the application was approved and the excess rent would be refunded in the event of the lessee being dissatisfied with the final appraisalment. Under this Bill the double rent is payable forthwith, as the consideration for the extension of the time within which application may be made, so that the Lands Department will have the immediate benefit of the increased rent, if the lessee wishes to exercise the right conferred upon him by this Bill and acquire the option. The increased rent will not be returnable even if the option is not finally exercised. The area of the pastoral leases in existence on the 30th June, 1917, outside the South-West, was 182,825,704 acres. The amount of annual rental now fixed on these is approximately £61,000, so that if the whole of the pastoralists take advantage of this Bill, it would mean an increased revenue to the State from the pastoral industry of £61,000. The number of applications for leave to surrender and for new leases under Section 30 of the amending Act of 1917 in various divisions are, up to a fortnight ago, as follow—I do not know if any applications have been made since:—North-West Division 45 applications for 4,500,000 acres, Eastern Division 19 applications for 3,200,000 acres, the Kimberley Division five applications for 2,900,000 acres.

Hon. Sir E. H. Wittenoom: These were all under a million acres?

The COLONIAL SECRETARY: I think so. In the Encla Division there were seven applications for 774,000 acres, and in the South-West Division six applications for 80,519 acres. There have also been approximately 180 applications for new pastoral leases under the amending Act for an area of approximately 12 million acres, of which 170 have been approved for 11 million acres. These applications to surrender the new leases under the Act passed last session have been made by the holders of less than one million acres, as Sir Edward Wittenoom has sug-

gested. The difficulty which presented itself in the case of holders of over a million acres did not apply to them. This Bill is not restricted to holders of over a million acres, and the privileges of the Bill on the same terms can be availed of by owners of less than a million acres, if they desire, but their case was fairly well met under the previous Act. The real object of the Bill is to give an extended period, until 12 months after the termination of the war, to those who hold more than a million acres and are willing to pay forthwith double rent on the whole of their holdings, in order that they may have the right for 12 months after the termination of the war of selecting from their holdings that million acres which they wish to continue to hold under the amending Act, giving them the lease until 1948.

Hon. J. Nicholson: For what period is the double rent payable?

The COLONIAL SECRETARY: Until appraisalment, on the same terms as in the Act of 1917, with this difference, that in the case of the Act of 1917 the double rent was payable until appraisalment and if, on appraisalment, the lessee was dissatisfied and did not propose to go on with the arrangement, but was content to rest on his lease expiring in 1928, the double rent he would have had to pay in the meantime would be returnable. But in the other case, he gives the double rental because he is allowed until 12 months after the termination of the war to select the particular million acres he desires to hold. In view of the lengthy debate on last year's Bill and the reception which was accorded Sir Edward Wittenoom's motion a few weeks ago, I do not think it is necessary to say anything further. I move—

“That the Bill be now read a second time.”

Hon. Sir E. H. WITTENOOM (North) [4.50]: I second the remarks of the Colonial Secretary. He has placed the matter so lucidly before the House that it seems almost superfluous for one to say anything more. I am pleased to think that the motion which we carried here has been added to in another place. All I asked for in the motion was that extra time should be allowed for applications to be made, and that this should only be extended to those who hold over one million acres of land. I find that the generosity of another place has been such that they have extended this privilege to all classes of applicants, whether they hold over a million acres or not. The only trouble in the matter is in regard to people who hold more than a million acres. Once these people try to get rid of the balance which they hold over and above a million acres, another man can step in and say, “I did not get that and you cannot.” Anyone who holds, say, 1,400,000 acres can immediately apply for the million acres and pay the double rent until he is assessed, but if he does nothing with the 400,000 acres, and goes on until 1928, another man can come in and say, “I will buy the 400,000 acres from you,” and can apply at once for it because he is not exceeding the limit of one million acres. Through the generosity of another place the terms of the mo-

tion have been made to apply to those who have acquired over a million acres. These are the men who have done everything to develop their leases, who have built their own homesteads, made their paddocks and spent their money in stocking up their leases, and they are now to be given this extended time. Whether a man has 400,000 acres or two million acres, he now has a period of 12 months after the war in which to deal with his lease. I think we can appreciate very much the action of the Government in bringing this Bill forward. All those who hold areas of over a million acres will be very pleased indeed at this action of the Government.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment, and the report adopted.

#### BILL—GENERAL LOAN AND INSCRIBED STOCK ACT AMENDMENT.

In Committee.

Hon. W. Kingsmill in the Chair; the Colonial Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 15:

Hon. A. SANDERSON: I rise to protest against the alteration of interest from five to 6½ per cent. This will only lead to disaster. It would be very unseemly to endeavour to discuss the financial position on this clause, but if there is a division to strike out this 6½ per cent. I shall be very glad to vote on that side.

The COLONIAL SECRETARY: This Bill is to enable the Government to carry out their obligations in regard to the raising of a loan of £250,000 in 1907 having a ten years' currency. The sum of £120,000 has been renewed at the rate prescribed in the Act as at present, but it is recognised that we shall not be able to raise the other £130,000 at the same rate of interest. Consequently without the amendment it will be impossible for the Government to carry out their obligations. It is impossible to raise money on Treasury bills because the Treasury bills do not carry sinking fund.

Hon. J. W. KIRWAN: I would like to limit the borrowing at 6½ per cent. purely for the purpose of redeeming loans that are falling due and I suggest that in the event of my amendment to the next clause not being carried, that the Bill should be re-committed and the rate of interest in that case might be reduced to six per cent. The original Act of 1910 provides that the rate of interest shall be four per cent.; the amending Act of 1915 raised the percentage to five per cent. Now we are asked to further raise the interest to 6½ per cent. Whilst the rate of increase was previously one per cent., the increase now proposed is 1½ per cent. In the event of the amendment I am submitting to limit the operations of the Bill to loans for redemption purposes not being carried, I suggest that the hon. member (Hon. A. Sanderson) should move to re-commit the Bill and endeavour to

reduce the amount of the interest to six per cent. If the hon. member does that I shall support him.

Clause put and passed.

Clause 3—Application of Act:

Hon. J. W. KIRWAN: I move an amendment—

"That in line 2, after 'Act,' the following words be added, 'for the redemption of any loans raised prior to the commencement of this Act.'"

By the amendment money that is raised under the Bill at 6½ per cent. may only be used for loan redemption purposes. It limits the operations of the Bill to the purposes for which the Government say they have introduced the Bill. Mr. Sanderson is constantly protesting against the financial methods of the Government, and a few evenings ago I was glad to hear Sir Edward Wittenoom speak in strong condemnation of the financial methods now being proceeded with.

Hon. Sir E. H. Wittenoom: That was only funding the deficit.

Hon. J. W. KIRWAN: The hon. member spoke of extravagance and he asked, "When is this extravagance going to stop?" and I took that as a general condemnation of the financial methods of the Government. At any rate, that was the impression I think conveyed to the majority of the members present. I do not bring forward this proposal because of the want of confidence any member may feel or not feel in the financial methods of the Government. I say that quite regardless of how we may look on the Government. If a member has supreme confidence in the financial methods of the Government, still we ought to limit the operations of the Bill to the raising of money at 6½ per cent. to safeguard the honour and credit of the State. If any member has profound confidence in the Government, he must remember the lives of Governments are very short, and however wise the present Government and the present Treasurer may be—we do not know how long the present Government may remain in office. A Treasurer may be hard pushed, and might gladly avail himself of the opportunity of raising money at the enormous rate of interest of 6½ per cent. What public work would the Government undertake that would likely pay interest and sinking fund with money borrowed at 6½ per cent.? The only possible excuse the Government can have at the present time for borrowing money at the enormously high rate of interest of 6½ per cent., is when that money is essentially for redemption purposes. I think this may act as some slight check; it will not deprive the Government from raising money altogether, because under the Treasury Bills Act the Treasurer may raise money at any rate of interest that he may consider advisable. The matter rests entirely with the Colonial Treasurer, and under the Treasury Bonds Deficiency Act the Treasurer can raise money up to six per cent., so that what I am proposing will only be a slight check on the Government, and if it seriously embarrasses the Government, it is an easy matter for the Government to come to Parliament and pass a small Bill. If the Treasurer keeps his promise, and I am certain he will, and Parliament meets in July—he promised that the Estimates should

be before Parliament in next July—it will be no serious embarrassment to the Government by the proposal I am making. I am not sure it would not be a wise policy, even if the Government had a little difficulty in getting money. I am not so sure that if there had not been more difficulty in getting money than there was, we would have been in a better position than we are to-day.

The COLONIAL SECRETARY: During the week end adjournment I discussed the question with the Colonial Treasurer, and I cannot accept the amendment. As stated in moving the second reading, the immediate necessity for the Bill arises out of our obligations to obtain the balance of £250,000 on inscribed stock. So far as any application of the Bill is concerned, the Government and the Treasurer have no intention whatever of making use of the Bill for any other purpose except that for the redemption of loans falling due, but we are in this position; our loan money is raised for us by the Commonwealth, and we must provide the Commonwealth with the security which they desire. If the Commonwealth Government desire inscribed stock from the State we should have to give it or we should not get the money. As to raising money at the present time, Mr. Sanderson decries the idea of raising money at a higher rate of interest. The Government do not propose to pay a higher rate of interest than what they are compelled to pay and we hope that the money will be obtained at  $5\frac{1}{2}$  per cent. from the Commonwealth. During the five years preceding the coming into office of the Wilson Administration the loan expenditure of the State was at the rate of £3,000,000 per annum. Since the coming in of the Wilson Administration the loan expenditure has averaged £800,000 per annum, less than one-third. The amount it is proposed to raise through the Commonwealth this year is £700,000, and we shall get that as cheaply as we can. If not at  $5\frac{1}{2}$  per cent., we may have to pay six per cent. No matter what interest we have to pay it is not good policy to give bonds extending over a long period, and we shall raise all the money we require by Treasury bills of short currency, for five years, in the hope that by the time they mature the money market will be easier. No matter what ill effects result to the State through the borrowing of £700,000 per annum at a rate of interest one per cent. or  $1\frac{1}{2}$  per cent. higher than we have been paying in the past, I do not think that is comparable to the trouble which would come on the State if we had to cease borrowing at the present juncture. Having cut down our loan expenditure from £3,000,000 to £700,000 per annum we should be creating a general depression and disaster if we cut it out altogether. That is the opinion of the Government, and I think it is the opinion of members.

Hon. J. W. KIRWAN: Is it desirable to borrow at  $6\frac{1}{2}$  per cent.?

The COLONIAL SECRETARY: We do not think it will be necessary. The desire will naturally be to borrow as cheaply as possible. And the Government will not give bonds under this measure unless they are compelled by the Commonwealth Government to do so. The

rate of interest will not be fixed by us, or even by the Commonwealth Government, but by the Imperial authorities, or those from whom the Commonwealth Government obtain the money.

Hon. Sir E. H. WITTENOOM: Then  $6\frac{1}{2}$  per cent. is a maximum?

The COLONIAL SECRETARY: That is so. We shall pay as little as possible.

Hon. A. SANDERSON: On the Minister's own showing he requires £250,000 for redemption purposes.

The Colonial Secretary: The amount was originally £250,000, of which £130,000 has been already raised at five per cent. The remaining £120,000 cannot be raised at that rate.

Hon. A. SANDERSON: Then let us deal with the £120,000 which the Government wish to raise. I support the amendment, because it seems to me to be the only possible protest we can make against this financial policy. We have to raise £120,000 at  $6\frac{1}{2}$  per cent. as a maximum. I want to limit the transaction to that £120,000. I object to giving general power to the Government to raise money at  $6\frac{1}{2}$  per cent. If they require more than the £120,000, let them come before us for authority as the money is required.

Hon. R. G. ARDAGH: Had the Bill stated the amount to be used for a specific purpose, I would have supported it. As it is, I am going to vote against it.

Hon. J. W. KIRWAN: If the Government borrow money at  $6\frac{1}{2}$  per cent. for any purpose other than loan redemption it will not be financially honest. The deficit at the end of the current financial year will be nearly three millions; that for the current year will be almost a million; for the last financial year it was £700,000, while in the previous year it was a million and a quarter. We have reached a stage when it becomes a question of honest or dishonest finance. We must limit our expenditure or go over the financial precipice. If the Government should find themselves in an extremely difficult position they can get out of it by appealing to us once more. The Colonial Secretary said the loan expenditure has been reduced to one-third of what it was. But what is happening? The Government are financing the deficit by means of loan expenditure, are utilising loan funds for what usually comes out of revenue. I would prefer to see a large loan expenditure, because if loan money is properly spent it will pay interest and sinking fund, and may prove a very wise expenditure. But the piling up of the deficit means that we are spending more than our income. I appeal to members representing commercial interests to vote for the amendment.

The COLONIAL SECRETARY: The chief reason for our present deficit is the very fact that the heavy loan expenditure incurred during the five years prior to the Wilson Administration did not pay interest and sinking fund. At the commencement of that period the whole of the loan money raised by Western Australia had been so invested in public works that those works paid, not only maintenance, but every penny of interest and sinking fund. At the end of the five years referred to, during which money was spent so heavily, the revenue, over and above working

expenses on the different undertakings on which the loan money had been expended, fell short by £600,000 per annum of the requirements for interest and sinking fund. That, becoming a charge on the taxpayers, is one of the two great causes of our deficit. To suggest now that the present Government are reckless in their borrowings is, to my mind, unfair.

Hon. J. W. Kirwan: They have increased the deficit threefold.

The COLONIAL SECRETARY: The deficit is bound to increase when we are so very much short of what is required to pay interest and sinking fund on loans. However, I do not think the Bill presents a fitting opportunity for a general discussion of the financial position. It is the desire of the Government to use the Bill only for the purpose of redeeming loans falling due. So far from suggesting that by passing the Bill members will be allowing reckless Treasurers to borrow money at any rate of interest, I would remind members that we have already agreed with the Commonwealth Government that the amount of loan money to be raised shall be restricted to £700,000. That money will be raised by the Commonwealth for us, and we cannot fix the rate of interest to be demanded. Therefore, the amendment would serve no good purpose whatever.

The CHAIRMAN: Hon. members must confine themselves to the amendment.

Hon. H. STEWART: The remarks of the Colonial Secretary do not answer the arguments of Mr. Sanderson and Mr. Kirwan. The leader of the House cannot answer for future Governments that they will not raise money at this high rate of interest. I am in sympathy with the amendment. If carried, it will show clearly the attitude of the Committee towards the financial position, and will serve to exercise some check on successive Treasurers. When further loan money is required the position can be met by bringing down another Bill. Unless the Colonial Secretary can give some more effective reply, I will support the amendment.

Hon. J. A. GREIG: I intend to support the amendment. It seems to me that all Australian Treasurers are closely related to Micawber. In the past they have borrowed money with which to pay their bills. The Government of Western Australia have been going on in that way for some time. The amendment, if carried, will be a slight indication to future Governments that there must be a limit to the rate of interest paid. As one directly interested in agriculture, I maintain that we cannot borrow money for agriculture at 6½ per cent. with any reasonable prospect of making a success of the industry.

Hon. Sir E. H. WITTENOOM: I am not altogether in accord with the amendment, but I am glad it has been brought forward, and I trust that in future debentures will not be issued to fund a deficit. I agree with the remarks of the Colonial Secretary when he says that this is not the time at which to discuss the financial position of the State. We shall have that opportunity on the Estimates. The Bill has been brought in to enable the Gov-

ernment to deal with debentures, and they have placed the rate of interest very high, merely as a maximum. We trust that they have the interests of the State too much at heart to pay the maximum if they can get money at anything less. In the circumstances, I think there will be plenty of time to criticise the financial policy of the Government a little later. I regard this Bill as necessary.

Hon. J. J. HOLMES: I am sorry I cannot agree with Sir Edward Wittenoom's view that this is not the proper time to deal with the financial question. In my opinion, this is the only time when we can limit the amount of interest to be paid. If we do not limit the rate now, we shall give not only the present Government, but also succeeding Governments, power to borrow money at 6½ per cent. The present Government can have the £130,000 which they want, at the proposed rate of 6½ per cent.; and I am willing to meet them similarly in respect of any other loans falling due. But to give unrestricted power to borrow money at the same rate for any other purpose would be most unwise. I have confidence in the present Treasurer; but I have very little confidence in that Treasurer of the past who, by a loan expenditure of £3,000,000 per annum for five years, has landed us in this difficulty. It is with an eye to the possibility of such another Treasurer that I desire to limit the power under this Bill.

The CHAIRMAN: The hon. member is straying somewhat. The rate of interest has been settled in the previous clause. This clause refers to the purposes for which the money may be borrowed.

Hon. J. J. HOLMES: I shall support Mr. Kirwan's amendment.

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

Ayes	..	..	14
Noes	..	..	10

Majority for .. 4

#### AYES.

Hon. J. F. Allen	Hon. G. W. Miles
Hon. R. G. Ardagh	Hon. H. Millington
Hon. J. Cunningham	Hon. J. Nicholson
Hon. J. E. Dodd	Hon. A. Sanderson
Hon. J. A. Greig	Hon. H. Stewart
Hon. J. W. Hickey	Hon. R. J. Lynn
Hon. J. J. Holmes	(Teller.)
Hon. J. W. Kirwan	

#### NOES

Hon. C. F. Baxter	Hon. C. McKenzie
Hon. E. M. Clarke	Hon. E. Ross
Hon. H. P. Colebatch	Hon. Sir E. H. Wittenoom
Hon. J. Duffell	Hon. H. Carson
Hon. J. Ewing	(Teller.)
Hon. V. Hamersley	

Amendment thus passed, the clause as amended agreed to.

Title—agreed to.

Bill reported with an amendment.

#### BILL—TOTALISATOR DUTY ACT AMENDMENT.

Received from the Legislative Assembly, and read a first time.

# **BILL—TREASURY BONDS DEFICIENCY.** **Second Reading.**

Debate resumed from the 21st March.

Hon. J. W. KIRWAN (South) [5.40]: When I moved the adjournment of the debate on Thursday last, it was to express satisfaction that Sir Edward Wittenoom had stated his opinion on a financial measure. I am very glad indeed to find that the hon. member is assisting this House in regard to the finances of the State. No member is in a better position to assist Parliament in that respect than is Sir Edward Wittenoom, largely interested, as he is, in a number of the financial institutions of Western Australia. It is, therefore, gratifying to find that the hon. member has interested himself, at any rate, to the extent of expressing some curiosity as to when the existing state of financial affairs is going to stop. That is what most of us want to know. The few other remarks that I had intended to make I largely gave expression to during the Committee stage of the last Bill. However, let me add that when the present Government came into power I was one of those who had confidence in the Treasurer. I was most anxious to give every possible assistance and support to the new Government, and I was in hopes that the position into which the finances of the State had fallen during the control of the two previous Governments, the Wilson and the Scaddan Governments, would improve as the result of the re-arrangement of portfolios. I cannot say that I have lost confidence in the present Treasurer. I still believe and go on hoping that he will come forward with some proposal of a more satisfactory nature than he has hitherto advanced for the purpose of straightening the finances; and I say that with full appreciation of the difficulties with which any Government are faced, who have to expend such an enormous proportion of their revenue in interest and sinking fund. But I fully believe—though the Colonial Treasurer has not said so publicly, and I have no reason for saying it except my own personal conviction—that whilst he is genuinely and earnestly striving to effect economies with a view to at any rate lessening the growth of the deficit, he has not received from his colleagues that assistance for which he was entitled to look to them. Some evidence of that, I think, is to be found in the returns which have been published as to the expenditure in the various Government departments and in the comparison between the great reduction of expenditure in the Treasurer's own department and the increases in the other departments. I believe the various Ministers who are associated with the Treasurer are naturally very keen indeed to advance the interests under their particular control. Naturally they are most keen to do the best they can for the country from the point of view of the Mines Department or the Lands Department or the Colonial Secretary's Department or some other department. But I do believe that the majority of the Ministers are thinking rather of the particular policy which they have in their minds, to advance their own particular ideas, than

of what ought to be paramount in the mind of any Minister at the present time, and that is the question of finance. While in the Colonial Treasurer's Department there is an enormous decrease in expenditure, that decrease, large as it is—£55,000 according to these returns—has been counterbalanced by increased expenditure in all the other departments. The general impression, when the present Government came into office, was that whilst there was no hope of absolutely getting the expenditure to meet the revenue, the deficit at any rate would not grow so enormously as it has done. Yet whilst for last year it was £700,000, for the current year it is almost a million. The Bill which we are now considering is to provide for the deficit of the Wilson Government, something under £700,000. It is the second Bill of the kind which has been brought forward; and it is as certain as that we are in this Chamber now that next year there must be another Bill brought forward to provide for the deficit of the Lefroy Government, a deficit of almost a million pounds.

Hon. R. J. LYNN: And we shall be very fortunate if that is the last.

Hon. J. W. KIRWAN: We understood that the Bill brought forward to provide for the Scaddan Government's deficit would have been the last. Now this Bill is brought forward, and we are absolutely certain that it will not be the last, but that there must be a similar Bill next year. Is it any wonder that Sir Edward Wittenoom asks when this sort of thing is going to stop, when there is to be any hope of improvement? The position is getting worse and I am afraid that Ministers are not going to give the Colonial Treasurer that assistance which he expected when he took office. The economies which have already been effected show that. I would appeal to Ministers to take into consideration, first of all, the financial interests of this country, the terrible danger which seems to be ahead of us affecting the credit of our State. There is no alternative so far as this Parliament is concerned but to pass the Bill, but I have no doubt a similar Bill will come before us in 12 months' time. All that we can again ask, with all sincerity, is, when is this sort of thing going to end? The Treasurer himself has stated that there are a number of economies which can be effected. At the present time there is sitting in Perth a conference which was convened at the instigation of the Kalgoorlie municipal council. This conference is going into the question of economy so far as assistance which can be rendered by the local bodies of the State to the Government is concerned. One of the proposals is that the local bodies should take over a good deal of Government work. Take a place like Kalgoorlie. There we have the Goldfields Water Supply offices, in which there are a number of clerks. A few doors away there are the offices of the municipal council. Surely the municipal council should be able to collect water rates and do all those things incidental thereto, and they might get a small percentage from the Government for carrying on that work. So far as the local bodies of this State are con-

cerned, the municipalities and the roads boards, they have conducted their businesses in a very creditable manner. I do not know of any local bodies which have got themselves into the financial position that the Government of the State are in at the present time. I trust that when the next Treasury Bonds Deficiency Bill comes before us, there will be a better state of affairs prevailing than exists at the present time.

Hon. J. J. HOLMES (North) [5.50]: I intend to support the second reading of the Bill for the reason that the Government must be put in the position of being able to carry on.

Hon. J. W. Kirwan: It enables them to hide the deficit.

Hon. J. J. HOLMES: I want to point out how the finances are getting out of hand. A year ago a Bill was placed before us to fund the deficit of  $1\frac{1}{2}$  millions left by the Scaddan Government. That Bill contained a provision that, if in the future the deficits exceeded £100,000 per annum, the Government had to approach Parliament and get permission to fund those deficits. Here we are, in the very first year after the passing of that Act, considering a Bill for the funding of a deficit, not of £100,000, but of £650,000, and we are told by the present Treasurer that the deficit for the current financial year will be in the vicinity of a million sterling. If hon. members will analyse those figures, they will see the difficulties that the State has ahead of it, and unless something is done to curtail expenditure, we shall come to a dead-end. The daily expenditure at the present time exceeds the daily revenue by £3,000, that is approximately one million per annum, and very little, if any, attempt has been made to reduce that daily deficit. All that the Government have done is to come to Parliament for authority to fund the deficit and we are told that the money has to be borrowed at about six per cent. to pay the interest on the money which is required to adjust matters. It will thus be seen that we are adding to our indebtedness, not only at the rate of £3,000 a day, but another £180 per day for interest. That kind of thing can only go on for a limited time. In my opinion we are nearly at the end of our tether. Personally, I cannot see daylight ahead. Analysing the figures, the position seems to us hopeless. The duty of the Government, however, is to cut down expenditure wherever it is possible to do so. My opinion is that they have not gone far enough in that direction. I know, of course, the task is a difficult one. Something has been done but not enough. It seems to me that the only alternative is that Parliament, sooner or later, will have to take a hand in connection with the administration of affairs. Say, for the sake of argument, the revenue is  $4\frac{1}{2}$  millions per annum and the expenditure  $5\frac{1}{2}$  millions. Parliament will have to say, "We are going to cut down the votes by one million pounds, so that the expenditure shall meet the revenue." It is no use cutting off £10 here and £20 there from an officer's salary. Parliament will have to aim at the bigger votes. For instance, if the Perth Public Hospital is costing us £20,000 annually at the present time, we must cut that down to £15,000 and

instruct those in charge of that institution that they will have to keep within that limit. If the Police vote is £60,000 we shall have to say that all we can afford for police protection is £40,000. If education is costing us £150,000 we shall have to cut that down by £50,000. Something must be done in that direction, otherwise we shall find ourselves in serious difficulties. We must, of course, give the Government the power they seek in the Bill which is before us, but no doubt next year again we shall be asked to fund another deficit of approximately a million or more, which will make the total of funded deficits over three millions and on that we shall have to pay interest at the rate of six per cent. It was pointed out last year that, so long as we gave the Government power to fund deficits and so get rid of them, as it were, to cover them up in the eyes of the public, they would go on manufacturing deficits. We funded a deficit of a million and a half last year; we are funding one of nearly three-quarters of a million just now, and we shall possibly fund another million next year. Hon. members must see that that kind of thing cannot go on much longer and unless the Government take the matter in hand, Parliament will have to do it for them.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment, and the report adopted.

#### ADJOURNMENT, SPECIAL.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [6.0]: Consideration of the Bills to amend the Vermin Boards Act and the Rabbit Act was deferred pending the presentation of the report by the select committee of another place, which has been inquiring into the rabbit pest. That report has now been submitted, but I recognise that hon. members have not had a chance of perusing it. Consequently, I do not propose to go on with the consideration of these Bills this evening. I take this opportunity of saying that a number of country members have suggested to me that as there is no possibility of terminating the session before Easter, their convenience would be met if the House did not sit on Thursday of this week. There are no trains running on Good Friday, and if we sat on Thursday it might prevent country members from going to their homes for the Easter week. It is, therefore, my intention, with the concurrence of hon. members, to move to-morrow afternoon that the House at its rising adjourn until the following Wednesday. In order that this may be done, I have given notice of motion which I propose submitting when we meet to-morrow, and I will then give my reasons for so doing.

House adjourned at 6.3 p.m.