

Amendment put and passed; the clause as amended agreed to.

Clauses 48 to 82—agreed to.

First Schedule—agreed to.

Second Schedule:

Hon. W. C. ANGWIN: I move an amendment—

That in Part 2 the words "Albany, Bunbury, Busselton, Collie, Geraldton, Northam, Wagin, York, Beverley, Kellerberrin, Merredin, Toodyay, Greenmount, and Swan" be struck out.

I do this with a view to forming a new part, Part 4, comprising the country districts.

Amendment put and passed.

Hon. J. D. CONNOLLY: In Part 2 Victoria Park is by error included among the roads boards. I wish to have Victoria Park transferred from the road districts to the municipalities.

The CHAIRMAN: I will treat that as a clerical error and have it attended to.

Hon. W. C. ANGWIN: I move an amendment—

That in Part 3 the words "Cue-Day Dawn, Meekatharra and Black Range" be struck out.

Amendment put and passed.

Hon. J. D. CONNOLLY: I move an amendment—

That "Menzies" be inserted in the road districts.

Amendment put and passed.

Hon. W. C. ANGWIN: I move an amendment—

That the following be added to stand as Part 4:—"Municipal Districts: Albany, Bunbury, Busselton, Collie, Geraldton, Northam, Wagin, and York. Road Districts: Beverley, Kellerberrin, Merredin, Toodyay, Greenmount, Swan, Cue-Day Dawn, and Meekatharra."

Amendment put and passed; the schedule as amended agreed to.

Third Schedule:

Mr. WILLMOTT: I move an amendment—

That in the third line, after "steam" the words "or motor" be inserted.

Amendment put and passed.

Mr. S. STUBBS: The rates appear to me to be very high. There might be a fire in a town and a cottage, the owner of which had not insured, might be burned down. Is the sum of £5 that he would apparently have to pay for fire service a reasonable one in such circumstances?

Hon. J. D. CONNOLLY: I do not think such a case is likely to occur. If the cottage was situated within easy reach of an engine it should be insured.

Hon. W. C. ANGWIN: The rates are fairly high for persons who are already assessed at five-eighths of the total cost of the upkeep of the brigade. The insurance companies, however, only pay on the income they receive from insured properties.

Schedule as amended put and passed.

Title—agreed to.

[The Speaker resumed the Chair.]

Bill reported with amendments.

House adjourned at 12.55 a.m.

Legislative Council,

Wednesday, 7th March, 1917.

	PAGE
Paper presented	2118
Select Committee, Kingia Grass Tree Concession Bill	2118
Questions: Returned Soldiers and police inquiries	2118
Agricultural Bank and abandoned farms	2118
Expeditionary Forces and Education Department	2118
Wheat Harvest 1915-16	2119
Police Constables' long service	2119
Standing Orders Suspension	2119
Bills: Ports and Harbours, 3a.	2120
Early Closing Act Amendment, 3a.	2120
Mental Treatment, 3a.	2120
Land and Income Tax, 2a., Com. 3a.	2120
Land and Income Tax Assessment Act Amendment, 2a.	2120
Franchise, returned	2122
Friendly Societies Act Amendment, returned	2122
Treasury Bonds Deficiency, 2a.	2122
Fire Brigades, 1a.	2123

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

PAPER PRESENTED.

By the Colonial Secretary: Education Act, amended regulation.

SELECT COMMITTEE KINGIA GRASS TREE CONCESSION BILL.

Further report presented.

Hon. W. KINGSMILL brought up the further report of the select committee appointed to inquire into the Kingia Grass Tree Concession Bill.

Report received and read, and ordered to be printed.

QUESTION—RETURNED SOLDIERS AND POLICE INQUIRIES.

Hon. J. F. ALLEN asked the Colonial Secretary: 1, Is it a fact that police constables are being employed to interview and make inquiries from returned soldiers in receipt of pensions as to their occupations and circumstances? 2, If so, on whose authority are they doing this? 3, Is the Colonial Secretary aware that this procedure is having a detrimental effect on recruiting?

The COLONIAL SECRETARY replied: 1, Yes. 2, By request of the Registrar of Pensions, under the provisions of the War Pensions Acts, 1914-16, and regulations thereunder. 3, No.

QUESTIONS (2) — AGRICULTURAL BANK AND ABANDONED FARMS.

Hon. J. DUFFELL asked the Colonial Secretary: What is the total amount of money advanced to the 515 farmers mentioned in his answer to a question asked by the Hon. Sir E. H. Wittenoom on the 1st inst.?

The COLONIAL SECRETARY replied: Advances by the Agricultural Bank total £139,848 on the 515 farms referred to.

Hon. H. CARSON asked the Colonial Secretary: 1, What is the amount owing to the Agricultural Bank and other Government departments on the 515 farms vacated and now in the hands of the Agricultural Bank? 2, What is the value placed on these

properties by the bank? 3, Have they all been inspected since being vacated?

The COLONIAL SECRETARY replied: 1, The amount owing to the Agricultural Bank on the 515 farms is £139,848. The amounts owing to other Government departments cannot be ascertained without a special search in each case, involving a very considerable amount of labour. This search is made in every case when a vacated farm is sold, and the various departments' interests are protected. 2, The value cannot be definitely stated, but taking recent sales as a basis, it is expected that many of the properties can be disposed of to cover Government indebtedness. 3, No. Reports on a considerable number of the properties are to hand, and the district inspectors have been instructed to furnish reports on the balance in due course.

QUESTION — EXPEDITIONARY FORCES AND EDUCATION DEPARTMENT.

Hon. J. E. DODD asked the Colonial Secretary: 1, Whether the Government are aware that a school teacher at Manjimup, who is a single man, after having passed the test for military service has been debarred by the Education Department from enlisting? 2, If so, will the Government, in view of the urgent need for reinforcements, cancel the departmental order?

The COLONIAL SECRETARY replied: 1, No. When the Federal Government called up the single men for national service, pending the result of the referendum, the Education Department applied for the exemption of certain teachers of schools in localities to which it was inadvisable to send female teachers, and also for the exemption of a few teachers of special subjects in higher-grade schools. The teacher of Manjimup school was in the former class, and exemption was granted up to 1st February. As the referendum was negatived, teachers were left free to enlist as they chose. 2, It is not the policy of the Government to prevent teachers from going to the Front. On the contrary, every encouragement is offered them to enlist. Service while at the Front counts as service in the department, and

be taken of the passing of the motion to expedite business as between the two Houses, and to take successive stages of Bills at one sitting where that course can be adopted without prejudicing discussion.

Question put and passed.

BILLS (2)—THIRD READING.

1, Ports and Harbours.

2, Early Closing Act Amendment.

Transmitted to the Assembly.

BILL—MENTAL TREATMENT.

Third Reading.

Report of Committee adopted.

Bill read a third time and transmitted to the Assembly.

BILL—LAND AND INCOME TAX.

Second Reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [4.47] in moving the second reading said: I do not think it necessary to say more than that the Bill is an exact copy of the Act at present in operation. The practice has been to re-enact this measure each year. The scale of taxation is exactly the same as at present obtains.

Hon. Sir E. H. Wittenoom: What is the meaning of the proviso at the end?

The COLONIAL SECRETARY: That is covered in another Bill. It relates to the period for which the return is to be made. I intend to deal with it fully on the next succeeding Order of the Day. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

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

Read a third time and passed.

BILL—LAND AND INCOME TAX ASSESSMENT ACT AMENDMENT.

Second Reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [4.51] in moving the second reading said: The object of the Bill is to make the date or period for which land and income returns are annually furnished agree with the date and period as the case may be, which is prescribed for the Federal returns, namely, to the 30th June in every year. It will be remembered that a motion in favour of the adoption of this method was tabled by Mr. Duffell a few weeks ago, and withdrawn on my assurance that the matter was in hand. This is only one portion of the amending method which was suggested by Mr. Duffell's motion and the amendment submitted by Mr. Kirwan, but the other portion has not been lost sight of. In regard to income tax, the tax is calculated on the income earned during the year next preceding the year of assessment, both under the Act and under the Bill. The year of assessment is both in the Act and the Bill the financial year for which the tax is imposed. Section 2 of the principal Act 1907 provides that the term for which the return is to be compiled shall be the calendar year next preceding the year of assessment. Clause 2 of the Bill alters that provision, and provides that for the eleventh and each succeeding year of assessment the words "the year next preceding the year of assessment" shall mean the period of 12 months next preceding the year of assessment. Under the existing Act the year next preceding the eleventh year of assessment would be the year ending 31st December, 1917, but by the amendment provided in Clause 2 and 4 of the Bill the year next preceding the eleventh year of assessment will be the year ending 30th June, 1917, and so on for subsequent years. For the future, therefore, if the Bill is passed, the income tax imposed for one financial year will be calculated on the income earned in the preceding financial year. In regard to land tax, the tax is, under the existing Act, calculated on the land held on the 31st December, that is, half way through the financial year for which it is imposed; but under Clause 3 of the Bill

claims for promotion will be considered as though the teacher had remained at his post. Those who enlist are granted a cash payment equivalent to the proportion of long service leave due to them. Already 149 out of 500 male teachers have joined the colours. The majority of those remaining are married men or men who are debarred from enlisting by age or by some physical infirmity.

QUESTION—WHEAT HARVEST, 1915-16.

Disposal of inferior Wheat.

Hon. J. W. HICKEY asked the Colonial Secretary: 1, Did the Victoria District Flour Mills, at Geraldton, agree to take over all the local inferior wheat from last year's harvest which was fit for gristing? 2, If so, what were the terms agreed upon? 3, Was the undertaking carried out? 4, If not, what quantity did they actually take? 5, What was the price paid? 6, What quantity remained over? 7, Did the local company offer to treat this on amended terms? 8, If so, what were the terms proposed? 9, Were the terms accepted? 10, If not, were public offers invited for its treatment? 11, What eventually became of the wheat? 12, What did it realise?

The COLONIAL SECRETARY replied: 1, There is no note of any such agreement on record. 2, Answered by No. 1. 3, Answered by No. 1. 4, The quantity of wheat received at Geraldton under the supplementary scheme for dealing with inferior wheat of the 1915-16 harvest that was sold to the Victoria District Flour Mills at Geraldton was 3,688 bushels 4 lbs. 5, 2s. 4d. per bushel ex stack Geraldton. 6, 4,627 bushels 3lbs. 7, The local mill offered to purchase. 8, The best price offered was 2s. 4d. per bushel. 9, No. 10, No. 11, It was sent to the Northam mill—(a) to be gristed for 6d. per bushel, plus any excess over 3s. per flour ton for new bags, with $2\frac{1}{2}$ per cent. commission on sales (including *del credere* risk) of mill products; or at the option of the Scheme—(b) to be purchased by the mill at a price of 4s. per bushel delivered at the mill. 12, Gristing has not yet been

completed owing to the full quantity ordered to be sent forward not having yet reached Northam mill.

QUESTION—POLICE CONSTABLES' LONG SERVICE.

Hon. J. W. HICKEY asked the Colonial Secretary: 1, Is the Colonial Secretary aware that there are 36 constables with 20 years' service in the Western Australian police force? 2, Is he aware that of this number seven have over 25 years' service? 3, Seeing that further promotion as far as these men are concerned is of necessity exceedingly unlikely, is he prepared to give them recognition by granting them, say—(a) 6d. per day increase to constables of over 20 years' service, and (b) 1s. per day increase to constables of over 25 years' service; and thus give encouragement to a deserving section of the police force at a cost that is limited to the comparatively small sum of approximately £390 per annum?

The COLONIAL SECRETARY replied: 1, There are 45 constables with 20 years' service in the force. 2, Of the number mentioned, seven have over 25 years' service. 3, The matter has been already brought under my notice, and is receiving consideration.

STANDING ORDERS SUSPENSION.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [4.42]: I move—

That for the remainder of the session so much of the Standing Orders be suspended as is necessary to enable Bills to be taken through all stages in one sitting, and Messages to be taken into consideration forthwith.

It has been the invariable practice to pass a motion of this kind during the closing days of the session. The desire of the Government is to bring the session to a close, probably not this week, but next week if possible; and in moving this motion I readily give hon. members an assurance that advantage will not be taken of it to press any matter through, or to spring any matter upon hon. members. Advantage will

the land tax will be calculated on the land held on the 30th June of the year next preceding the financial year for which it is imposed. These alterations will make it necessary for taxpayers to furnish their next State land and income return as at 30th June, 1917, in lieu of 31st December, 1917. The next Federal and State returns will, therefore, both be made up to the same date, the 30th June, 1917, and thereafter the 30th June will be substituted for the 31st December in regard to all land and income returns. Taxpayers will thus be in a position to repeat the figures given in their Federal returns when furnishing their State returns, or *vice versa*, with necessary modifications in any cases where the provisions of the Federal and State Acts differ. The bringing into force of these amendments will result in a great saving of time and expense to taxpayers in the preparation of their respective taxation returns under the Federal and State laws. This is the first step towards making one return serve for State and Federal income tax purposes, and one return for State and Federal land tax purposes. Until, however, the principles of assessment are made alike in the Federal and State Acts, separate returns will be necessary for the Federal and State taxation authorities. With a view to bringing about a uniformity in the principles of income and land assessment in the Acts of all the States and of the Commonwealth, a conference of taxation commissioners is to be held shortly, as arranged by the last two Premiers' conferences.

Hon. J. W. Kirwan: Will the conference consist of departmental officers?

The COLONIAL SECRETARY: Yes, of the taxation commissioners; that was the decision of both the Premiers' conferences referred to.

Hon. J. W. Kirwan: I am afraid the report will not be satisfactory.

The COLONIAL SECRETARY: There are one or two other matters contained in the Bill as follows:—Clause 5 exempts incomes of soldiers and sailors who are absent from the State on duty, provided that it is earned after the 31st December, 1915, and during the present war, from personal exertion, such as salary, wages, profession or other calling, or from trading. It does

not, however, exempt any income derived by them from property, such as rent and interest. The clause agrees in principle with Section 13 of the Federal Income Tax Assessment Act, 1915. Clause 6 enables the State and Federal taxation authorities to exchange information in their possession respecting the income of taxpayers, and to that extent relieves the respective taxation commissioners from the obligations of their oaths of secrecy in regard to the contents of taxpayers' income returns. All the States are passing similar legislation. Clause 7 is for the purpose of enabling the Commissioner to use information which he obtains by virtue of the Land and Income Tax Act in any legal proceedings for breach of any other Act, as, for example, the Stamp Act, administered in the same department. I do not think there is anything further to be said in respect to the Bill. I move—

That the Bill be now read a second time.

Hon. J. M. DREW (Central) [4.58]: I have not been able to get a thorough grasp of the explanation proffered by the Colonial Secretary. We should have time to consider this.

The Colonial Secretary: Move the adjournment; there is no great hurry.

Hon. J. M. DREW: I would like to know whether this will cover all the ground. For instance, between June and December a man may have earned a big income. The question is, will that income be included in the next return and will he thus be compelled to pay twice on it? We want to be sure on this point and I hope the Colonial Secretary will take a note of it.

Hon. Sir E. H. WITTENOOM (North) [5.0]: The point we want to clear up is this: We have just made a return to the Land and Income Tax Commissioner of this State to the 31st December and the idea is to alter the date to the 31st June, 1917. I gather that further returns will be made up to the 30th June, for six months taxation, and in future we shall furnish a return for twelve months income from that date. That is the idea I have got; whether it is correct or not I do not know.

On motion by Hon. A. Sanderson debate adjourned.

BILL—FRANCHISE.

Message received from the Assembly notifying that the Council's amendment had been agreed to.

BILL—FRIENDLY SOCIETIES ACT
AMENDMENT.

Returned from the Assembly with an amendment.

BILL—TREASURY BONDS
DEFICIENCY.*Second Reading.*

Debate resumed from the previous day.

Hon. J. EWING (South-West) [5.3]: I feel this is a very important Bill, in fact, I may say that it is the most important Bill that has come before the House since I have been a member of it. It opens almost every question of finance. It deals with the finances of the State over many years. The other night Sir Edward Wittenoom stated that in 1911 there was a credit balance of £13,000 and notwithstanding the increased revenue and the huge loan expenditure the past five years, we had at the end of 1916 a deficit of one and a half millions, and during the period of eight months of the present financial year there is a deficit of £690,000, making in all a deficit of over two million pounds, which is a very considerable sum for a population of a little over 300,000 persons. It means £6 10s. per head of the population. The question we are asked to consider is whether we are agreeable to fund the deficit up to the end of the year 1916 and to give to the Treasurer of the State the opportunity of carrying to a deficiency account any deficits that may occur in the future? As far as I am concerned I am willing to agree to the clause of this Bill—I think it is Clause 5—that gives the Treasurer the power to fund the deficit up to the end of the financial year 1916, but beyond that I am not prepared to go. I feel it is only right that if a deficit occurs it should be placed before this House and before another Chamber and that we and they should have an opportunity of deciding what shall be done with that deficit. Mr. Kirwan pointed out the other night that it

is a matter of history, as far as Western Australia is concerned, that these deficits occur from time to time. During the time that Sir Newton Moore was Premier of this State there were many deficits and a change of Treasurers took place and the deficits were wiped out. In 1905-6 there was a deficit of £119,900; in 1906-7 £208,729; in 1907-8 £211,094; in 1908-9 £312,631; in 1909-10 £102,692, in all a million of money. Some effort must have been made in the way of economising to square the finances on those occasions. It goes to prove that prior to 1911 when the deficits were wiped out there must have been careful administration and careful management, with perhaps good seasons, and that it may now be quite possible to wipe out the deficit so that we should not carry to posterity these deficits which are occurring. Therefore, we should have placed before this House and another place the position at the end of each financial year, and if there are deficits we shall be prepared, I am sure, to meet the position. There is no doubt that the position must be faced. I am prepared to vote with Mr. Sanderson if he moves the amendment which he has indicated. There is much concern about the financial position during the past eight months compared with the corresponding eight months of the last year. It has been pointed out by speakers that the present Government are going from bad to worse and that the position has been worse during the eight months of this year as compared with the eight months of the last financial year. That is true, and it is necessary to look into the position to see in what way the revenue has fallen off or whether expenditure has increased. I have looked into the matter and as far as I can see between the two periods there is a difference of practically £190,000, and in analysing the figures which we have had placed before us during the last few days we find that owing to the accentuated position as to shipping and many other things the railway revenue has fallen off by about £150,000 and the saving in expenditure is a matter of 48,000, therefore there has been a clear loss to this Government of over £100,000 as far as the railways are con-

cerned. The Government may be able to overcome these difficulties, but they are placed in a worse position than their predecessors. I have not had an opportunity to analyse all the figures to see whether the expenditure has increased or whether the revenue is at fault, but there is no doubt there must be causes to show where the expenditure has increased and perhaps where the revenue has decreased, so that after all there is not much to gain by comparing the eight months of this year with the corresponding eight months of last year. The honours it seems to me are about even. The late Treasurer, Mr. Scaddan, when he left office foretold to some extent what has happened. In another place, just before leaving office he said—

I warn our friends opposite that although there is any amount of cash in the coffers of the State, the revenue for the next six months will not be very satisfactory. The railways will be almost idle except for carrying passengers and some commodities into the country.

He foresaw the position for these eight months, that they were not going to be as satisfactory as the eight corresponding months of last year; therefore, we may exonerate this Government from any undue extravagance.

Hon. J. W. Kirwan: There is only a difference of £11,000 on the total revenue.

Hon. J. EWING: We know there is a difference of £150,000 as far as the railways are concerned. We cannot blame one or the other; blame them both. The position is entirely unsatisfactory as far as I am concerned, as far as this House is concerned, and as far as the country is concerned. It is no use standing in our places and abusing this or the other Government. We must analyse the position and see if the expenditure can be kept within bounds and that the revenue is forthcoming to meet the position. The Scaddan Administration did very badly as far as the finances were concerned, and I do not see at this moment that the present Government are doing much better. I would point out one thing which appeals to me, the Royal Commissions. Mr. Kingsmill I am sure is not satisfied with the position, neither am I.

Some Commissions have done much good. I shall have pleasure in referring to one before I resume my seat. I do not say the Commissions now sitting are not going to be advantageous to the State. The Agricultural Commission may do good and the Esperance Lands Commission was absolutely necessary, because members of this House were not able to say whether the line from Esperance should be continued or whether the land was suitable for settlement. Both Commissions have gone to the Eastern States at considerable expense to the State when we are in such a parlous state as far as the finances are concerned; but I understand the Government cannot interfere when a Commission is appointed. I think these Commissions made a mistake in going to the Eastern States when they could have got their information by bringing people over from the Eastern States and examining them in regard to the mallee country or in regard to agriculture if it were necessary. There are many suggestions with regard to the reduction of expenditure, and the hon. member, Mr. Sanderson, has brought forward his old pet theory, the question of unification. We are all indebted to that hon. member for the lucid manner in which he placed the question before the House. There is no doubt we have suffered severely as far as the Federal finances are concerned. Others have spoken with regard to a reduction in the civil service—economy in the civil service—and the Colonial Secretary when speaking stated that when all the economies that are possible have been made—he did not state what was possible—there would be very little result. As far as I am concerned I do not think the civil service is so much overmanned as we are given to understand. In the civil service there are loyal and good men working in the best interests of the State. I would like to emphasise what Mr. Lynn said, that a great deal can be done in regard to amalgamation. Many offices, especially in the North-West, could be amalgamated and a great deal of expense saved in that direction. We are told that the civil service must be reduced, but I feel that that will do very little good. I have no doubt that when the Government have time they will go into the civil service question, and if economies can

be effected there, I am sure they will be effected. The important position we have to face is that the revenue is far too small to meet the expenditure, and any reductions which may be made in the civil service will not be of any value. I may be wrong because I have no knowledge of the inner workings of the service, but if any big economies can be brought about I hope they will be brought about speedily. The people are not satisfied to have further taxation placed on their shoulders, considering the enormous Federal burden they are already carrying, and unless they are satisfied that the Government in power have done all that is possible in the way of effecting economies they will not be willing to submit to any further imposts. Of course if it is found inevitable that further taxes must be levied, so long as they are equitable and fair, they will be paid. We are aware that the taxation proposals which were placed before the country by the Premier have been dropped, and we are faced with the position that if we are only going to have economies that can be effected by administration what position are we likely to be in at the end of the current financial year? It appears to me that we are going to accumulate an enormous debt. The position is serious and requires the urgent attention of Parliament and the Government in power. The Premier, having dropped his taxation proposals, I agree with Mr. Cullen who said that it was necessary that something should be done at once. If economies are not going to relieve the position, then it is necessary that measures for additional taxation should be brought in. We are about to go into recess and as soon as we do I trust the Government will give consideration to this matter of effecting economies, otherwise at the end of the next financial year we shall be called upon to face a deficit as big as the one which we are now about to fund. The Colonial Secretary in introducing this Bill said that the difference in Federal revenue between the years 1905-6 and 1915-16 was £277,000. That is to say, we received that much more 10 years ago than we received last year. That is one of the penalties we have to pay for having entered into federation. In many directions federation has been beneficial to

Western Australia; at any rate we recognise that that is so from a military point of view. Our position in that respect is much better than it would have been had we remained as a unit. In other directions, however, there can be no doubt that we have lost heavily, and as pointed out by Mr. Sanderson, our losses amount to an enormous sum. We would have had our own resources from which to levy fair and equitable taxation and we would have been in a flourishing position to-day. But though we have to pay the penalty for having federated, I believe there are some advantages on the other side. Mr. Drew told the House that the Colonial Secretary had solved the problem as to why we had this deficit and he said that the responsibility for it was not with the late Government. Mr. Drew, however, forgot one important matter which was touched upon by the Colonial Secretary, and that was, that five years ago the taxpayer of the State only had to find for interest and sinking fund the sum of £189,000, whereas this year the amount has increased to £766,000, a difference of something like £577,000. That is the outcome of the money which was borrowed by the Government of which Mr. Drew was a member. But if that borrowed money had been wisely expended in the interests of Western Australia and her people, then the State to-day might have been in a position of great prosperity. But though we have this enormous interest bill we have not derived any corresponding advantage. I have always been an advocate, and will continue to be an advocate, of borrowing money. Every new country must borrow money. Even in one's own business it is necessary for the purpose of expansion to borrow money. It is not possible to get on without it and a young State has to borrow lavishly in order to develop the resources within its boundaries. But has the money always been wisely expended? If the money which has been borrowed during the past few years had been judiciously spent, we should be enjoying great prosperity in Western Australia to-day. In 1911 the debt per head of population was £73. To-day it is no less a sum than £112. It is very important that we should pause to learn where we stand, especially when we consider

the position in the United Kingdom to-day. I have been asked at public meetings, and I have heard the question asked on the floor of the House, as to what we are going to do for money when the war is over. It is said that all the money will be gone and that it will not be possible for England to finance us as she is doing at the present time. But notwithstanding the war demands on the United Kingdom; notwithstanding that she has lent her Allies and her dominions the enormous sum of £890,000,000, the United Kingdom is in the position to-day of having a debt per head of only £83. The debt of the Commonwealth of Australia at the present time is £88.

Hon. J. E. Dodd: What is the difference between the taxation in England and Australia?

Hon. J. EWING: We have to meet the situation. We in Western Australia have not had the increased prosperity from the huge expenditure of loan moneys which we ought to have had. We have not increased our population and the enormous debt falls upon the shoulders of a comparative handful of people. The United Kingdom, with a debt of £4,800,000,000, and advances made to her Allies and dominions of another £890,000,000, has a debt of only £83 per head. I do not think that anyone will say that the position is serious as far as England is concerned. It certainly is not nearly as serious as the position in Western Australia with an indebtedness of £112 per head of its population of about 300,000. During the past five years the loan expenditure in Western Australia has amounted to 15 millions. This money was borrowed for different purposes and in order, we take it, to advance the interests of the State. That money should have been used to advance the State's interests and develop its territory and bring prosperity to its shores.

Hon. J. M. Drew: Who borrowed 15 millions?

Hon. J. EWING: The late Administration.

Hon. J. M. Drew: The amount was £12,800,000.

Hon. J. EWING: Practically 13 millions in a period of five years. I am not going to cavil at the expenditure of a portion of that loan money on the construction

of railways; neither will I place the responsibility upon the shoulders of the late Government, for the simple reason that they had eleven agricultural lines to construct when they came into office. But as hon. members have said, a good deal of this money was unwisely expended in taking railways into dry areas. These railways cannot pay and probably will not pay for many years to come. In any case we are not looking to the railways for profit, but we hope that with their aid we shall be able to settle many of our lands and develop them speedily. There are a couple of instances of expenditure of money to which I wish to refer and which do not stand to the credit of Western Australia. The first is the purchase of the Perth trams. The amount of money which these trams have cost the Government is considerably over £500,000. The trams were the property of a private company which was under an agreement to keep the lines and rolling stock in good repair, and they were also bound to provide adequate facilities for the people of the metropolitan area. What do we find? First of all, the municipality moves in the direction of purchasing the trams. I think it would have been better in the interests of everyone if the municipality had been permitted to purchase the trams in the first instance. We know that in many cities of the old country the tram services are so managed that they pay handsomely, and in that way the rates are reduced to a minimum. In the course of time the Perth trams would have reverted to the municipality free of all cost, and I think it would have been better to have compelled the company who controlled the tramways to carry out their contract efficiently and well. Instead of that, the Government stepped in and purchased the whole system for £500,000. It may be said to-day that the trams are paying because they have shown a profit of £30,000 during the past eight months.

The Colonial Secretary: That does not make any allowance for interest.

Hon. J. EWING: I do not care whether they are paying or not. I am contending that it was a bad deal for Western Aus-

tralia when the Government effected the purchase. The money was required for the development of the State in other directions and should have been used in that way. We have only to look into the main street to-day to notice the enormous expenditure which is taking place in connection with the system, and I am sure it will cost something in the region of a couple of hundred thousand pounds before the system is in that condition which will be regarded as satisfactory. We must add that expenditure to the purchase money, and who will not then be convinced that the deal was a very bad one? I am sorry that it occurred, and I believe it would now be in the interests of the State to permit the municipalities to take over the trams and reimburse the Government for the money expended, which money could then be devoted towards the development of the State. I will not refer at length to the trading concerns at this stage. We have a Bill before us now which has been before another place for a considerable time, dealing with the trading concerns, which have been the cause of considerable unrest in Western Australia. I only take up one position with regard to the State trading concerns, and that is the only fair and reasonable position that anyone could take up. It is no use saying that these are paying their way. I care not whether they are paying or not, but I am against these trading concerns as a matter of principle. No doubt advantage is taken of those who desire to invest their money in Western Australia, and that the people's money is being taken to compete against the people themselves, with the result that they do not get a fair deal. It is said that monopolies exist, and that to counteract these we must have State brickworks, State timber mills, and a hundred and one other things in order that the people may get what they require at a cheaper rate. The law of supply and demand, however, will always cure a position of that sort. If we go beyond that we are going beyond the functions of good government. The sum of a quarter of a million in round figures has been expended on the capital account of these State trading concerns. We are told, and will be told in this House, I have no doubt, in no

uncertain voice, what the position of these State trading concerns is, that one is paying and the other is not, and so on. An analysis of the position shows that up to the end of last year they did not pay. I say this without fear of contradiction. For the eight months of this year already expired we are told that there is a profit on these concerns, but of that profit the sum of £62,000 has been made by the State steamship service, through the medium of the "Kangaroo" working under abnormal conditions. If we take away, therefore, the surplus revenue from the trading concerns, as shown by the operations of the State steamship service, there is shown a loss of £30,000 for the last eight months. It required war conditions and high freights, and an abnormal position generally, to make anything like a satisfactory position in regard to these State trading concerns.

Hon. J. E. Dodd: What about the war conditions working the other way?

Hon. J. EWING: Probably they do.

Hon. J. E. Dodd: In the timber industry, for instance?

Hon. J. EWING: Very much is made of the fact that the Treasurer is getting an advantage out of these trading concerns, but we need to look the position fairly in the face, and if we do so we cannot for a moment contend that they are paying. At any rate I am entirely opposed to the principle of State trading concerns.

Hon. C. F. Baxter: What do you suggest should be done with them?

Hon. J. EWING: It is a very difficult matter. We are going to consider a Bill in a few days which, I understand, contains suggestions from the Government in regard to the conduct of these concerns, and I have no doubt we shall deal with it on its merits. I do not, however, think it will take us to the stage of being able to get rid of these trading concerns at the present time. I am not going to support the Government if they are prepared to sacrifice these concerns. They must wait until a favourable opportunity occurs in which to dispose of them. There will be a general election soon, and we shall see what the people of the State think of the matter. If they want these trading concerns they will say so. I, for one, place no blame upon the shoulders of

the late Administration for carrying out that policy. Upon the occasion of two general elections they had a mandate from the people to carry out that particular policy. We can only hope that the people will be educated in such a way that they will reverse their previous vote when the time comes along for this vexed question of State trading concerns to be taken into account. I do not suppose that anywhere in the world prosperity will exist for some time to enable us to get rid of any one of these State trading concerns, except perhaps the steamers, which could be sold at a moment's notice. A very important statement was made by the Colonial Secretary, which sums up the whole position. It is idle for us to say that we could economise in the civil service, that we are going to put a tax upon the people to wipe out our deficit, and so enable us to live within our means. Even if this is carried out, and made as efficient as it is possible to make it, we still cannot face the position. The Colonial Secretary has summed up the position in these words—

I do not see how the position can be materially improved except by a large increase in population and wealth production.

These are words of wisdom, and I have no doubt will be endorsed by every hon. member. Although we have spent a lot of money in Western Australia unwisely, it is no use saying that we are going to do it in the future. Without being wearisome, I desire to place a few facts before the House, which in my opinion are of the utmost importance to the people of Western Australia. The best has not been done to develop the resources of the State. We have been told from year to year that a large expenditure is going on, that railways are being built, and that the people are being assisted in certain directions. The production, however, is not here, and the population is not here, and we are not getting the advantage we should get from our expenditure from loan funds. Referring particularly to the primary industries, the only advantage I can see from this expenditure is in the development of our primary industries. It is only by this that we can hope to get out of our financial difficulties. Candidly, I regretted hearing Mr. Sanderson

last night in his heated attack upon the Minister for Industries, Hon. J. Mitchell. Every man who is trying to do some good is bound to make mistakes. Whilst considering these mistakes we must also give our public men at any rate credit for anything they do to lift us out of our troubles. The wheat production in Western Australia is an illustration. It is not many years ago since we were producing only a small amount of wheat, not enough to make our own flour from. We were importing both flour and wheat. Today we have a yield of 18 million bushels of wheat, and a very large quantity awaiting the time when it can be shipped off to the old country and elsewhere. We know that the State is producing more than we require for home consumption, and that a large amount is available for export. Perhaps some of the money has not been spent wisely in that direction, but large amounts must have been wisely expended for us to reach the position we are in. We have both agriculture and fruit growing in this State. The sum of a million and three-quarters has been spent upon the Perth trams, upon a large number of unprofitable concerns, and the wheat area has been developed also, with the result I have stated, namely, that we are in a position to export to other countries. And yet in the South-West portion of the State there has been practically no expenditure at all. A gentleman who had been a Minister of the Crown for many years visited the South-West not long ago, and I think he saw the error of his ways. He said, "I wish that a large portion of the money which we spent in other parts of the State had been expended in this garden of Western Australia." It is all very well for hon. members to say that the money has gone. This sum of £12,750,000 has been spent, some of it perhaps profitably. At all events a million and a-half of it has been spent in non-productive works, whereas this portion of the State is still awaiting development. Nothing has been spent upon it. What is going to be done by the Government? Probably the repatriation scheme may come to our assistance. Outside that and the settlement of returned soldiers on the land, which in itself is

problematical, though I hope it will be a success—money will have to be borrowed to develop the South-West. If it is not taken in hand the only chance we have of meeting the situation and improving the financial position of Western Australia will go by. Our fruit industry is one of the most important in the South-West. Fruit grows gloriously down there, not only stone fruit, but apples and all classes of fruit. The horticulturists, however, are faced with a very serious position. I commend the Fruitgrowers' Association for the splendid manner in which they have taken the matter in hand. They are doing all that is possible to face the position and to enable these people to get markets which have hitherto been closed. Mr. Dodd opened up a question last night of the utmost importance, when dealing with this particular subject, namely, the question of using the railways of the State for the benefit of the people and the development of our industries. That is a matter very dear to my heart. How we are going to get the extra revenue that will be necessary to carry out his ideas? The losses of revenue I have not yet gone into. The general principle on which the hon. member is working, however, is an absolutely good one. He desires to give the people on the Eastern Goldfields every opportunity to develop their low-grade ores, and to give the people of the South-West an opportunity of carrying their fruit and other produce to the goldfields and elsewhere, in order to sell their surplus produce. I feel sure that the Government will take the matter up. At all events it is up to them to hold out the right hand to these people at once. It is no use delaying.

Hon. W. Kingsmill: With something in the right hand.

Hon. J. EWING: They want assistance in order to carry their produce to the market where it may be sold. A veto has been placed upon the importation of apples in England, and the position has become serious. The Government have an opportunity now of doing something and going ahead and helping these people. Even if it means a loss upon the railways it is going to be a benefit to the people who are on the land. I commend them on the one hand, but take exception to their actions

on the other. An effort is now being made to establish canning and fruit works in the State. The Government have been sympathetic, and desired to do all that was possible, but they say they had not very much cash. They lent £2,500 to help the enterprise. I do not think the settlers down there are in a position, after two and a-half bad years, to put their hands into their pockets and supplement that amount to any extent. That is where the short-sighted policy of the Government comes in.

The Colonial Secretary: Would you give them all they asked for?

Hon. J. EWING: I would give them £10,000.

The Colonial Secretary: I do not think they asked for it.

Hon. J. EWING: They are foolish if they do not. These things have to be faced by the Government. The only way to do any good in the way of reducing the debt in Western Australia is by helping people in this direction. An opportunity came along and if they had given the people what they wanted, it would have been of advantage to the State. Of course we must not look a gift horse in the mouth and must be thankful for what we receive. No doubt these people are thankful, but I do not think it is enough to help them over their difficulties. I commend that matter to the consideration of the Government. I hope that the few words I have had to say will be productive of some good. Many years ago, in 1900, when I was a candidate for Parliamentary honours, and an unsophisticated youth, and with no experience of public life, I got hold of the *Abstract*, which we all know so well, and saw what the position was in regard to the importations of foodstuffs into Western Australia. In order to get people to vote for me, I told them that it was my intention to do something in the direction of securing increased production in this State. But in 1916, 10 years later, we find there is little difference indeed in the production. We are now importing cattle, sheep, and pigs to the value of £72,573 per annum; bacon and hams, £846,000 per annum. We are not importing wheat; but I find the value of potatoes, onions, etc., imported was

£311,000; jams, jellies, fruits, etc., £236,000—and we have the fruit lying rotting in the South-West to-day; coal and coke, £173,000. What appeals to me is that a sum of £236,000 is sent out of this State every year for imported jams, jellies, and fruits, while we have our own products in enormous quantity rotting. Mr. Dodd last night entered a plea for a reduction of the railway freight in order that that fruit may reach the goldfields. That being the position, I think it must appeal to members of this House. It is because we have this quantity of fruit going to waste that I said just now the sum of £2,500 is of little value to establish a canning proposition. I take the view on these national questions which was taken by Sir John Forrest in the old days. We want here now big men such as we had in those days. The Premier and his colleagues must come to see the position in its true light, they must realise that it is the State's duty to assist industry in every possible direction. A recent fire in Bunbury destroyed the butter factory at that centre. While it was in operation the factory did wonderfully well, as can be supported by Hon. E. Rose, who is one of the directors. A deputation waited on the Government and asked for £10,000—not that the money he paid over, but that it be earmarked for the South-West. It was not desired to re-erect that factory in the small way in which it had previously operated, but to make many improvements, including provision for cool storage and other facilities. I do not know what has been decided, but I feel sure something of value will be done. I want the Government to rise to the occasion to be properly seized of the prospects in the future and do something to really assist the South-West. I want them to earmark at least £10,000 for the establishment of this butter factory for cool storage, bacon factories, and so forth in the South-West, where the people have done so much for themselves. I feel sure the Government will realise the position. There is another point to which I desire to call attention. For many years past this State has neglected its timber resources. It was not until the late Mr. Ednie Brown came here that anything at all was done. He was a man of great ability, but, unfortunately, he

was not long with us. Between the time of his death and the recent arrival of Mr. Lane Poole nothing was done, and the whole of that time was lost. This was not because we had not competent men in our Forestry Department, but because there was no desire on the part of the Government to go in for reafforestation. I do hope and believe that Mr. Lane Poole will be able to do much.

Hon. W. Kingsmill: If he is permitted.

Hon. J. EWING: I hope he will be permitted. We should give full scope to the ability of our officials. We have not the whole of the ability in Western Australia within these walls. For my part I am prepared to support any Government which will give its officials an opportunity of doing their best work. It is true that the matters I have referred to will cost money, but the money must be found, and when the present war is over, which I trust will be soon, I feel sure it will be available. I agree with the Hon. G. J. Miles that there are wonderful possibilities before the North-West of this State. I wish to emphasise that the whole of my remarks rest upon the point as to whether the money which has been expended from loan in Western Australia in the past has been so expended as to benefit Western Australia as a whole. My contention is that wherever there are assets to be developed the people should be assisted by the Government to develop them whether they be east, west, north, or south. One industry which is dear to my mind is the coal mining industry. When Hon. J. J. Holmes was Minister for Railways I remember that he had to be pressed before he would do the right thing by Collie coal. The fact has been referred to that there has been a Collie Coal Commission appointed, but I have a recollection of a commission on agriculture which sat many years ago, when the late Mr. Harper was member for Beverley. That commission presented a most voluminous report, which I doubt was ever read by any member of this House. It is useless having reports laid on the Table if no action is taken on them, and as a general rule unless the matter is one of urgency nothing is done. The Collie Coal Commission sat for a long time, and I have

heard members ask how long it will last, and how much money it will cost. In 1903-4 I was successful in securing the appointment of a select committee to inquire into the Collie coal industry. That committee in its report endeavoured to impress upon the Government of the day and the representatives of the Railway Department, and Mr. Rotheram, who was then lately from New Zealand, that a certain course of action must be followed in order to improve the industry, and allow of large quantities of Collie coal being used on the railways of this State. The commission sought to impress upon the Government that it was necessary to secure a proper spark arrester to protect the crops in the agricultural district and, secondly, that a new design in locomotives was required in order that Collie coal might be used to the best advantage. For years past I have advocated that due consideration should be given to recommendations made by that committee. The recent Royal Commission was composed of Professor Woolnough, Mr. A. A. Wilson the member for Collie, and Mr. Simpson, an excellent officer in the service of this State. These are paragraphs from the report of that commendations of the commission. Paragraph 128 states—

In many other countries in the world hydrous coals, and even lignites are used exclusively on the railways. Many of these are inferior to the Collie coal in every respect. The difficulties that have arisen have been met by improvements in engine design. We find on inquiry that the type of engine used in Western Australia is eminently suited for the better grade classes of fuel, but that it is unsuitable for burning the native fuel. The tendency in modern locomotive design is towards the introduction of a very wide firebox, so as to give increased grate area and thus permit the coal to burn under more natural conditions, and with less forcing than is the case with the long narrow firebox, at present in use here. The evidence of independent witnesses, Mr. W. Leslie and acting Professor Tomlinson, brings this point out very clearly. Paragraph 139 states—

The result obtained by the New Zealand Government and reports from American Railway Companies fully substantiate the claims made by these gentlemen. (See appendices XIV. and XV.) From these it is abundantly evident that the introduction of the broad type of firebox would not only remove a great part of the disabilities under which the drivers are working—

The drivers had pointed out that they were working under great disabilities and this would relieve them to a large extent.

at the present time, but would also effect a substantial saving in the department's annual coal bill. Taking the New Zealand report, it will be seen that in every item the broad firebox is vastly superior to the narrow type, whereas we consider coal consumption, water evaporation per lb. of coal, or amount of smokebox deposits. As Professor Tomlinson pointed out, the broad type of firebox is not as notably advantageous with high grade fuel but when an inferior class of fuel is used its advantages become most striking.

Paragraph 140 states—

Mr. Hume's contention that the broad type of firebox has not yielded satisfactory results on the Western Australian Government Railways we do not consider as conclusive. The engines in question were originally designed for the narrow type of firebox, and only a makeshift arrangement could be applied to them in adapting the broad grate; and the position of the grate was unsuitable for the arrangement of the tubes in the boiler. Under these circumstances, the unduly high maintenance costs of which he complains are not surprising. In order that good results may follow the introduction of the wide firebox it is essential that the whole of the engine design should be based upon the introduction of such a feature. It is quite impossible, in our opinion, to alter satisfactorily an engine whose design was not originally intended for such a structure as this. Under these circumstances we realise that no immediate results can be obtained in the way of improving the facilities for burning coal by alterations to existing engines, but we recommend that no more loco-

tives be constructed with the narrow fire-box and that all future locomotives have the wide firebox similar to that employed in New Zealand.

I want to say in passing that that practice has been going on for 10 years and until something is done, there is no prospect of improvement.

We recommend also that the first locomotive of this type be not constructed in Western Australia, but be obtained from some of the great engineering firms in Great Britain or America, whose long experience in the construction of this type has enabled them to overcome the initial difficulties and errors which are bound to be encountered.

I think the extracts I have quoted have clearly shown that there has not been given to this industry that assistance which should have been forthcoming. Paragraph 141 states—

The experiences of New Zealand railways is so conclusive under conditions very closely approximating those of our own State, that we have no hesitation in saying that we regard this recommendation as of vital importance, and we are sure that if it is carried out the difficulties in the use of Collie coal will be removed by the time the majority of the engines of the State are fitted with the wide firebox.

I think it will be admitted that I am justified in reading these extracts to the House. In this respect I consider the report a distinct reflection upon the Railway Department of Western Australia. Mr. Sanderson, in opening his remarks, said that he would "a plain unvarnished tale relate." I shall complete the quotation by saying that my aim has been to "nothing extenuate, nor set down aught in malice." I have advocated the Collie coal industry for many years, both in Parliament and outside, and I am astounded to think that so little has been done by the Railway Department of this State to assist the industry. I have made this statement to-day in order to show—and I think I have shown conclusively—that all has not been done that can be done to improve the conditions so far as Western Australian coal production is concerned. Ninety thousand pounds is being sent out of the

State annually to purchase Newcastle coal for our railways; and yet we are told by the Royal Commission that what was recommended ten years ago has not been done to this day. That is the present position as regards one phase of the coal industry. It has been created because the funds of the State have not been wisely expended. In view of the fact that during the last five years the Railway Department have purchased one hundred new locomotives at a cost approximating £600,000, and that not one of these locomotives has been designed to burn more successfully our local fuel, surely the time has arrived for drastic action on the part of the Government. No words of mine can fully describe my feelings in regard to the laxity of the Railway Department. Let me ask a very pertinent question—have loan moneys been wisely expended in endeavours to assist other industries? Is not the failure in this direction the reason why we are in a parlous state so far as the finances of Western Australia are concerned? Let the Government take hold of affairs and see that the loan funds are properly and wisely expended and that the industries and resources of Western Australia are adequately and properly developed. Then we shall have no trouble on the score of finance.

Hon. W. KINGSMILL (Metropolitan) [6.4]: It is not my intention to occupy more than a few minutes of the time of the Chamber, because I propose to refrain from making one of those exhaustive analyses which have occupied the attention of the House during the debate. I am deterred therefrom by the fact that in treating the same mixture—possibly I am justified in calling the present state of affairs a mixture—these analysts have arrived at totally different conclusions, and separated the substance into different parts, and prescribed different methods for arriving at a satisfactory treatment of the subject at issue. I recognise that for the greater part of the Bill there is, alas! a mournful necessity. So far as Part I. of the Bill is concerned, it has my support, and I regret the necessity for its introduction. Part II. of the Bill, however, has my unqualified opposition; and, while I intend to support the second reading, it in the Committee stage—in

which I shall have no part—Part II. remains, I shall most certainly vote against the third reading. I believe a great many people, irrespective of what party they belong to, feel the keenest disappointment at what I may term the inaction of the Government. For years before the Labour Government went out of office, the cry went up “How long, oh Lord, how long?” The principal function, the main object, of the Government now in office was then stated to be the taking in hand immediately of the finances. These gentlemen have been in office for about seven months, and, so far as I can see, nothing has been done, no scheme has even been promulgated, with a view to remedying the desperate financial position of the State. There are, of course, two ways in which that position may be remedied—by economy, and by taxation. As regards economy, I have yet to learn that any step has been taken in this direction. Indeed, one cannot but remember that wilful, and in my opinion wanton, expenditure, unnecessary expenditure, has been made by the present Government. I allude to the appointment of the Royal Commissions on the Agricultural Industry and on Esperance Lands. It has been said often enough, and it has even been said in this House, that the appointment of the Royal Commission on Agriculture was part of the bargain with the Country party which secured the placing of the present Government on the Treasury benches. Whether that is right or wrong I do not know; but, if it is right, the bargain was a most reprehensible and immoral bargain and should never have been made. Indeed, no party having the interest of the country at heart should have demanded such a bargain. The Royal Commission on Agriculture have spent a good deal of time and a good deal of money in travelling about the State of Western Australia; and, if we may judge from the puerile and futile suggestions which they have made—suggestions which, if one may adopt the expression used in journalistic practice, are “obvious to the meanest intelligence,” such as those with regard to teachers at country schools and with regard to the destruction of kangaroos in certain circumstances—the money which will have been spent by the

time the Commission have returned from their jaunt to the Eastern States will have been absolutely wasted. And it is wasted the more because, as I have already pointed out, we have in the employ of the Government, appointed by the party now in power when holding office some years ago, three Commissioners—one for the South-West, one for the Wheat Belt, and one for the Fruit Industries; three gentlemen against whom I have heard no word of complaint, three gentlemen drawing altogether salaries of about £2,500 a year, with, I have no doubt, commensurate travelling allowances. If those gentlemen are doing their duty, there is no need for the Royal Commission on Agriculture. If they are not doing their duty, the remedy, on the other hand, is obvious. To have two authorities created for the same field of activity is, I think, absurd, indefensible, and wasteful. Perhaps the greatest piece of extravagance of all is the appointment of the Royal Commission on Esperance lands, who are to inquire into the question of the cultivation of the mallee areas.

Hon. C. F. Baxter: The other Commission are equally guilty.

Hon. W. KINGSMILL: I will leave the hon. gentlemen to apportion the guilt, so long as he acknowledges it. However, I do not think the Royal Commissioners are guilty. These gentlemen have seized the chance of a lifetime to have a really good time at the expense of the country, to visit the Eastern States in capacities which will ensue to them a degree of consideration that perhaps they would not have commanded had they made the trip in a private capacity. It is only human nature that they should at such an opportunity “grasp the skirts of happy chance” with both hands, and hang on as long as the material of which the skirts are made will sustain them. There are other instances in which the inaction of the Government is only too apparent. One instance, and an instance which bears vitally on the subject, is taxation. We have to-day passed a Bill reimposing a land and income tax of the same amount, and, unfortunately, of the same incidence, as that which has been in vogue in this country for many years. I am afraid Mr. Dodd will not agree with me in this particular; but ever since that tax

was introduced, and long before it was introduced, I have contended that in such a country as this a tax on unimproved land is an absurdity, a deterrent to settlement, and a futile tax altogether. The income tax, on the other hand, is a fair tax, because, if it is properly administered, then the Government will get through its medium a fair proportion from the man who is making a profit from land. But in a State in a stage of acute development—if I may use the expression—such as this, to impose a land tax while we know that, unfortunately, much of our land is at present not an asset but a liability, is merely to add to the disabilities of struggling settlers who, in endeavouring to make a living from the land, are benefiting the State. Therefore the imposition of a land tax in such circumstances is an absurdity. The land tax is irritating and futile. As regards the income tax the Government, so far as I can see, do not propose, after an experience of six or seven months, to alter the present scheme of income taxation; and so we still have the farmer, and the Government's friend, the bookmaker, paying exactly the same amount per pound of income. Is that a fair and equitable proposition? Again, there are such people as the proprietors of picture shows. I suppose that no profession or trade or calling has during war time experienced a stronger stimulus than has the calling of the purveyor of cheap amusement. A very large proportion of Australian war money is being spent on cheap amusements. It is a distinct detriment to the state of society throughout Australia that this should be so. Yet we have an acquiescence in this state of affairs, and no attempt to check it. The struggling farmer is to pay the same rate per pound as the proprietor of a picture show, who "toils not, neither does he spin." Again, is that a fair proposition? I think not. The Government, on the other hand, are making not the slightest effort so to alter the incidence of taxation that those industries which are beneficial to the State may, at all events to some extent, escape the heaviness of taxation which should fall upon industries which are detrimental to the State. That, however, is a subject on which I may have more to say later. The remarks I

have already made will, I think, show that I cannot agree to Part II. of the Bill. I am indeed sorry that the Government have not thought fit to tackle the question in a more satisfactory and a more straightforward and a pluckier manner. The question of finance was the paramount question when they came into office—the question for which other things should have been absolutely neglected. What do we find as regards the straightening of the finances? So far as we can see, not a step has been taken in this direction. It is true that a committee were appointed to inquire into the best methods of taxation. What the recommendations of that committee were, perhaps the leader of the House—who, I understand, was one of the committee—may have the grace to tell us later. But, whatever those recommendations were, it is obvious that they did not meet with the approval of the Treasurer and the rest of the Cabinet, because they have been passed over in silence. Reference has been made to the fact that the taxation proposals of the Government have been dropped. I do not wonder at it. One of the proposals was far too hot to hold. I allude to the proposed commodities tax, a tax which would have had the effect of spoiling the trade of Western Australian merchants, of driving that trade to the other States, and which, moreover, would not have succeeded in raising any revenue. I hope, perhaps hoping against hope, that before this session is concluded—and I do not see any necessity for ending it this week or even next week—the Government will bring down some proposals regarding taxation, and especially as regards the income tax, which will show that they are in earnest, and that they were in earnest before they came into office, when they were crying out continuously for the straightening of the finances. I hope some such effort will be made. I hope an effort may be made for the sake of the party to which so many of us belong, the party which has had so many nails driven into its coffin during the last few weeks by the financial proposals, or the lack of financial proposals, of the Government, amongst other things, that it resembles more nearly than anything I can think of that famous statute of

Von Hindenburg in Berlin—with this exception, that those who drive nails into the Hindenburg statue pay for the privilege, whilst our Ministers are paid for driving in the nails. With these reservations I support the second reading of the Bill.

(Sitting suspended from 6.14 to 7.30 p.m.)

Hon. J. F. ALLEN (West) [7.30]: I do not quite agree with some of the previous speakers in regard to how far the Bill should apply to the funding of the deficit. Some hon. members have stated their intention of voting for the deletion of Part 2 of the Bill. I do not think we should treat the Government of the day in this fashion. There is no doubt that neither members of this House nor those of another place are at all satisfied with what the Government have done in regard to the finances of the State, nor, indeed, is the country satisfied. Seven months ago, in his policy speech, the Premier made certain promises, which up to date have not been fulfilled. But we must realise that, although no apparent attempt has been made to stop the financial drift which has taken place, the finances of the State are like a stone rolling down a hill. A certain momentum has been acquired, and it takes some little time to overcome that momentum and bring the stone to a standstill. The present Government have a difficulty to face in regard to the finances, over which they have had no control, and the increase of the deficit was an absolute certainty when they took office. I intend, when in Committee, to move certain amendments which will enable the Government to fund the deficit of their predecessors and enable them also to fund a certain proportion of the deficit which has since been created. In Clause 2 I propose to move that “£1,500,000” be altered to “two millions.” That will give the Government an opportunity of funding half a million of the current year’s deficit, and so enable them during the balance of the current year to take steps to prevent any further growth of the deficit. It will also be necessary to amend Subclause 2 of Clause 3 by striking out “1916” and inserting in lieu “1917,” thus extending the period to the end of the present financial year. In Clause 4 of Part 2

I will move to delete the words “of any subsequent financial year” and afterwards I will move to delete the whole of the remainder of Part 2 to the end. By passing the Bill Parliament will enable the Government to do what the Colonial Secretary said Mr. Micawber used to do, namely pay his debts by issuing promissory notes. As pointed out by the Colonial Secretary, the funding of the deficit is not the paying of the debt, but the postponing of it, in other words, the removing of the burden on to someone else’s shoulders. For this reason I am sure the House will not agree to subsequent Treasurers having the power which the Bill aims at giving them. I ask the Colonial Secretary to note another quotation from the remarks of Mr. Micawber who, in giving advice to his young friend David Copperfield, summed up the whole philosophy of financial life in these words—

Annual income £20, annual expenditure £19 19s. 6d.; result, happiness.
Annual income £20, annual expenditure £20 0s. 6d.; result, misery. The blossom is blighted, the leaf is withered, the God of Day goes down upon the weary scene and—in short you are for ever floored.
As I am.

This is a sentence pregnant with wisdom. The whole of the financial operations of individuals, States, or Governments, are summed up in that sentence. Within a given income one is bound to keep expenditure. If the income of the State is only five millions, the expenditure must be less, or at most not more than that sum, and if the income be less than five millions the expenditure must be reduced proportionately. In business, unfortunately, we are not in the same position as are Governments. If we could increase our incomes by a mere resolution, all would be well. Parliaments and Governments have an opportunity of taxing the people and so increasing revenue, but business people have not that opportunity and consequently they have to cut the garment according to the cloth. And after all, in that respect Governments are much like individuals: If they act honourably by the people they keep expenditure within revenue. The Premier, seven months ago, promised that

an attempt would be made to stop the financial drift. As a matter of fact the Colonial Secretary has again and again stressed the necessity of this. The Government are expected to put into practice that which they preached. If I might again quote the immortal Micawber, it would be in a piece of advice which the Government might well take to heart. That delightful character said, "Never do to-morrow what you can do to-day. Procrastination is the thief of time; collar him." That is my advice to the Government. Now is the time to stop the financial drift. It is very easy to issue these promissory notes and Treasury Bills and so cover up the drift, but we are thus doing an injustice to those who will come after us, laying the burden on the shoulders of posterity. Our only justifiable excuse for doing that would be that we were effecting something which would be largely to their benefit in the days to come, and not merely loading them up with debts, the result of our own careless operations. Members were recently circularised by the Public Service Commissioner. This was most improper on the part of that official. I do not think it comes within his province to approach members of Parliament in this way. His position is a judicial one, first to see, as far as in his power lies, that the country gets the best results for the money expended on the public service. His second duty is to see that the public servants are protected from ministerial influence. Outside of this I consider that when the Public Service Commissioner approaches members of Parliament in the way he has done, he is doing something highly improper. I am not one of those who expect that any material economy can be effected by retrenchment in the public service. I do not think for a moment that we pay more in this State for our public service than we ought to do. I do not think that our public service is overmanned, but I think some of our officers are not paid as much as they ought to be. If they were better paid it would be good economy. It is not the reduction of the public service vote that will serve to effect economy; it is rather that we should get good value for the money expended in that direction. The only way to do this is to make certain

alterations in the service, to see that there is no overlapping, as between one department and another. I venture to say that thousands of pounds are annually expended in remaking and undoing by one department the work done by another. Take our railways: If a railway is to be constructed it is done by the Public Works Department, after which the line is handed to the Commissioner to operate. If it is not to his satisfaction large sums of money are expended in converting it to what he wants. In this way money is unnecessarily expended and waste takes place. All the railways authorised by Parliament should be constructed by those who have to operate them. At present we have two departments doing the same class of work, whereas the whole of the work should be done by the department operating the railways. And this overlapping and interference is not confined to the railways. Right through the service we find one department doing work without reference to another. Some two years ago or less the Water Supply and Sewerage Department decided to construct a pumping station at Fremantle. Without reference to any other department they secured the material and plant and started excavating a well for the pump. The then Minister for Works, who happened to live in the district, saw what was being done and asked the reason for it. On learning that a well was to be sunk he immediately suspended the work until he could see the Minister directly concerned in that work, to whom he pointed out that the spot where the pumping plant was to be erected was right in the line of a railway shortly to be constructed. Had the Minister for Works not chanced upon the well sinking operations a considerable amount of money would have been wasted. This sort of thing, this overlapping between one department and another should be avoided. Again, there is too much dual control, even in the departments themselves. Take the Wyndham Freezing Works: How many men have been in charge of those works? How many men have been sent up there to supersede each other? At present we have two men controlling the construction of those works, one in charge of the building operations and another in charge of what is going

on inside. An engineer with a knowledge of that class of work would be in himself sufficient to carry on the whole undertaking, instead of having two independent heads who are bound to clash. I myself had an experience some time ago in connection with a certain railway siding construction. In the course of business it became necessary for me to get a railway siding. I went to the Railway Department, but found the siding was really a Public Works Department siding, and I had to go from one department to another until eventually I got the matter put through. I could get nobody to undertake the responsibility of construction. Anything done by one department did not give satisfaction to the other, with the result that the work cost hundreds of pounds more than it should have done. As I said before, I do not think we pay too much for our public service, but I consider that we do not get that value we have a right to expect. The heads of the departments of our public service to-day are being paid less than assistants are being paid in outside service. In such circumstances you cannot expect to get the best results from a man who is underpaid; and the result is, without wishing to cast reflection on the public service, that only those men remain there who are not able to secure better positions outside, or who are not in a position to launch out for themselves as others have done. Only last week I was speaking to an engineer who told me that three years ago he was full of enthusiasm for his work, and who to-day has lost all interest in it. Under existing circumstances, in my opinion, value is being lost to the State which could be saved by a different system of management of the public service. In that connection I should like to say that I entirely disagree with the position of a Commissioner of the public service. It is impossible for any one man to have a proper idea of all men in the public service of this State impossible for one man to judge the merits or otherwise of all our public servants. Mr. Jull has control of the professional staff employed by the State and how can he, with his lack of professional knowledge, have any idea as to the values of the positions of the professional men in our public service, or as to whether they are being properly treated,

either financially or in the matter of promotion? In my opinion, the service should be controlled by a board consisting of the heads of the departments of the service itself. Take the position of the Engineer-in-Chief of the State. If he has a young engineer in his department, who is specially skilled the Engineer-in-Chief may not take advantage of his talents, for that officer has to wait until some of those above him die or leave the service before he can be promoted, and before the Government can get the full benefit of the service he is able to give. A similar position obtains in regard to the architects and other professional branches of our public service. They are under the control of one who has had no professional training, and who consequently is not in a position to judge how professional men should be treated. Another thing in connection with our public service is that I think men should not have to wait for promotion on the score of seniority of service alone; they should not simply step up because someone makes a place for them higher up. There should be some system by means of which the members of the public service should be given preference if they have particular talents; in other words, that an opportunity should be given to members of the public service to rise in the service by merit and not always necessarily by seniority alone. If that were done, I think a large economy would be effected in the interests of the State. The amount spent by the State on its public service is, as has already been pointed out, small, but the vast amount of money which the public service expends on behalf of the State is a direction in which economy can be effected, and the only way in which it can be effected is by the State getting to the full the best service from its employees. As I have said before, we have to-day different departments doing the same class of work. During the term of the late Government an alteration was made in the messengers of the various departments who were all pooled. This could be done in another direction. Take the draftsmen. We have five or six sets of draftsmen in the public service. These should be pooled in one department and the services of the officers

called on as required. The result would be that there would be a slight reduction in the cost of the service, but the service would have an enormously enhanced value. The head of the department would be in touch with all this class of work throughout the State, and would know the position without reference to any other department. That would prevent overlapping and the occurrence of mistakes, such as that which took place in Fremantle and to which I have referred. Another direction in which public service savings might be effected I have previously referred to. Some two or three years ago I raised the question as to the maintenance of the Fremantle harbour wharves, it being pointed out that a considerable expenditure was entailed in repairs to the wharf owing to the ravages of the teredo; I suggested that if the habits of the teredo were studied by officers of the Government it might be possible, not to prevent the ravages of the teredo, but perhaps to exterminate them altogether. Other pests have been exterminated by a study of their habits, and had a study of the teredo been made years ago, it is possible it might have resulted in an annual saving of that £60,000 or £70,000 which has had to be spent in the Fremantle harbour in this direction. We have a number of departments doing this class of work—a Government analyst and a bacteriologist. Those men are already in the service of the State, and are competent to do this class of work; but they are not doing it because they have no interest in their work, and that lack of interest is due to the system under which they have to work. Recently we have had in this Chamber an investigation made into certain transactions and suggestions regarding the commercial value of Kingia grass. Private enterprise has already investigated the possibilities in this direction, but the Government departments have done nothing and know nothing at all about the subject. Here is a thing right under our eyes, and yet the Government has done nothing in a direction which might prove to be true economy and be of assistance in reducing the financial drift. If the natural products of the State which are under our very eyes were taken advantage of in a proper way and utilised, the country would undoubtedly be repaid

the cost a thousandfold. Another thing I advocated years ago in connection with land settlement is that railway lines should be surveyed through the land, when first subdivided as roads are, and that no variation of the route of the railway or alteration of main roads should be permitted without the consent of the people served by the line or road as the case may be, and one district settled before another is thrown open. In the past there has been indiscriminate settlement, necessitating the building of enormous lengths of railway. Under the suggestion I have made we should have lines running only into those districts in which the railways could be reasonably expected to pay. It might even be economy were the Government to consider the advisability of removing the settlers from some of the lines already constructed and concentrating them in other districts in order to reduce the mileage and thus reduce the loss on the railways we have to carry to-day. I should like to refer to the question of unimproved land values taxation, dealt with last evening by Hon. J. E. Dodd. It has often struck me that when a railway is constructed the persons served by that line should be taxed in just the same way as is the owner of land which is served by water supply extensions. By that means the land would be bearing its proper share of the cost to the State of the construction of the railway. At the same time the man who provides revenue for the line by way of freight should be given a rebate of the tax in an equivalent amount. The position would then be that the farmer who utilises his land properly would not be taxed at all, whilst the man who does not use his land would be taxed. Those are some suggestions I have to offer, and I think they are at least worthy of consideration. Some of them may be fanciful, but all proposed legislation is in a measure fanciful. Until someone has imagination sufficient to indicate new directions in which settlement may take place, in which progress may be made, no progress will be made. If we had no fanciful suggestions, we should have no progress. I was pleased to hear the Colonial Secretary say that the question of education is to receive good treatment at his hands, particularly technical education. I have advocated technical

education for many years. I consider it to be the very best form of education we can give to the youth of this country. The Fremantle Technical School, on the board of which I have had the honour of a seat for some years, has endeavoured to establish classes for the teaching to the young people of the State things useful in assisting them to properly help in developing the resources of the State. Classes for wool-classing and other subjects essential to men going on the land have been established in an endeavour to assist intending settlers on the lands of the State by providing them with necessary knowledge and the means of applying that knowledge. This brings me to the question of apprentices. We have an Apprentices Bill now before this Chamber. The technical schools provide an opportunity to boys to take up education in any trade without having to serve an apprenticeship at all. Owing to the fact that trade unions to-day admit members who have not had the training they should have had, and owing to the fact that lads can earn more money at outside occupations, there is a falling off in the number of apprentices in this State and every difficulty is placed in the way of employers taking apprentices. The time is rapidly coming when the State will have to make provision for the training of its artisans, and that must be done through the technical schools. Another thing is, the technical schools should be a stepping stone to the university. Those amongst us who cannot afford to send our children to the secondary schools to enable them to qualify for the university should be able, through the technical schools, to obtain the education necessary to fit them to take advantage of the university and so go through a career at present closed to them unless they can pay their way. I am glad to hear that the Colonial Secretary intends to pay special attention to the question of technical education. I did intend to touch upon a number of other questions, but my time is limited. I only desire to say that the great question the Government have to face at the present time is that of economy. Not economy of our service but economy in the expenditure through the service. There should be a close scrutiny of the methods adopted in connection with expenditure of money by the

departments. As an outsider I see waste on all sides and the Government themselves can see that waste if they look for it. The revenue in this State has not fallen away in the manner some say it has. Any increased expenditure is more than met by increased revenue through increase in population. This is a matter the Government will have to take seriously into consideration to see that the expenditure is brought within the revenue and the financial drift stopped. We know that the present Premier, all the time he was in opposition, said that was possible, and with his vast knowledge and on account of the experience he has thus acquired, he should be in the position to express an opinion. We who have not that inner knowledge have to take his word, and as he has indicated what should be done we now expect that to be done. During the session we have had a lot of controversial legislation introduced and much of it has been brought to a certain stage and dropped. This, at a time like the present, is most deplorable. The present is a time when this sort of thing should not trouble our minds, a time when the great shadow of war is resting upon all of us and when the minds of men are not as clear as they should be to devote themselves to the study of great problems. The only problem at the present time we should be expending our time and energy upon is that of winning the war and making provision for those left behind, as well as those who are returning now and those who may come back later on, and to see that the wheels of commerce and industry are kept going in such a fashion that after the war is over we shall be able to take up the threads of industry as they were prior to the great disaster, and see that we carry forward the affairs of the State in a manner which will result in credit to ourselves. This is a time when we should abandon all differences of opinion, when all party politics should be forgotten, when we should be standing as a people, united, firm, resolute, trusting that the god of battle will give speedy victory to our arms and enable us to emerge from the shadow of death and suffering under which we are struggling to-day into the glorious sunshine of Liberty, Justice, Freedom, Peace, which shall hence-

forth be the universal and eternal heritage of the great human race.

Hon. G. J. G. W. MILES (North) [8.8]: I intend to support the first part of the Bill, but in regard to the second part I am not quite clear as to whether it is necessary, and I would like to hear the Colonial Secretary on the matter when he is replying. I shall therefore reserve to myself the right to vote for or against that portion of it in Committee. In regard to the balance sheets which we have had put before us, the public have not been able to see how the trading concerns have been going on. I think we should have a system of balance sheets presented as well as a statement of assets and liabilities showing exactly how those concerns are going on. In the past we have had a statement of revenue and expenditure, but we were not able to judge whether a profit or loss was being shown. Stock should be taken and a statement of assets and liabilities should be handed in with the statement of receipts and expenditure. I would like to see the party spirit dropped, not only now but for all time, and in order to bring about the re-organisation of the civil service I think that is necessary. I am pleased to see that the Government hope to straighten the finances by increasing the population and production. If we want to bring about a reorganisation of the service, I think it is necessary that the whole of the Public Service Act should be repealed and that the service should then be run on business lines. We should have one man at the head of each department. It is not necessary to reduce salaries. We do not want to cut down expenditure in that direction. If necessary we should give the heads of the departments higher salaries and see that they run the departments on business lines. There are managers of mines who are drawing as much as £3,000 a year, and we have the Engineer-in-Chief of this State filling a position which is a hundred times more important than that of any manager of a mine, who receives only £1,250 per annum. I maintain that we do not pay the heads of departments sufficient to keep the best brains in the service and that is the cause, in my opinion, why a good deal of money is wasted and squandered. I think that hundreds of

thousands of pounds have been expended in the past which could have been saved if we had had capable men at the head of affairs. Mr. Holmes suggested that there was an expert engaged for the Wyndham Freezing Works recently. When those works were started if an estimate had been obtained it would have been seen at once what they were likely to cost. Instead of that plans and estimates were prepared by what it would seem to us were incompetent men who have committed the country to a certain expenditure and once the works were started, of course they had to be gone on with.

Hon. C. F. Baxter: They had an expert.

Hon. G. J. G. W. MILES: In my opinion, Nevanas was not an expert.

Hon. C. F. Baxter: I think he was one of the first water.

Hon. G. J. G. W. MILES: I do not know what he was out for; all that occurred before I was in Parliament. If the Government paid the heads of their departments better salaries they could employ more competent men and get better advice and at the same time they could do away with red tape and allow the principals to run the departments on business lines. Red tape is the curse of the whole system. It has been going on for a long time. There may be capable men in the department with new ideas but they are kept back, and so it goes on from one generation to another. By to-day's mail I received a letter from Dr. Browne, at Port Hedland. He writes—

During the recent washaways the engine and coach left this place to make its way to the Bar, repairing the damaged track as it went along. Nurse wired me on Saturday to come as quickly as I could to the Bar as she was returning from Nullagine with her patient to the hospital. We could not get connection with the train. I was anxious for Campbell to get out the second engine and to have me taken up as far as possible, to save time in the return of the first train. He refused as he said he could not do so except without direct permission from head office. On this track it was especially forbidden to have two engines in use at the same time. "What," I said, "in

case of life or death"? And he said so. Anyhow when I did eventually get in touch with the engine at the Coonyan, I heard from the nurse too that an accident (?) had happened to the patient on the way in and that now I was not wanted. Well, had I been wanted, the engine and coach would have had to return here from the Coonyan for me (they were agreeable to do that much), all that valuable time would have been lost, perhaps in the best interests of my patient. Now this is an anomaly that should not be. Why cannot the officer in charge of the railway be allowed always to exercise his own discretion in such matters without this eternal centralisation?

This is an instance of the centralisation and red tape in connection with the running of trains from Port Hedland to Marble Bar. They have to refer to Perth before they can put a second engine on the line. And so it goes on in every department of the State. As I suggested, if the Government, instead of cutting down the salaries of the civil servants, increased them and employed competent people they would get very much better results.

Hon. Sir E. H. WITTENOOM: Is it suggested that those who are there are not competent?

Hon. G. J. G. W. MILES: In connection with the Freezing Works I do not think there is a man in the department who knew anything at all about them when the estimates were first prepared, and if they had been men enough to save so they would have saved the country some £200,000 or £300,000. I understand that in connection with the sewerage works there was not one who knew anything about sewerage, and if there had been an expert in the department a saving of £100,000 would have been effected. A similar thing happened in connection with the Wooroloo Sanatorium. It was estimated to cost £70,000 instead of which the expenditure on it has amounted to double that sum. We surely ought to be able to get engineers and architects to tell us what a work is to cost before we go on with it. A private firm always gets plans and specifications prepared and they know exactly what a work is going to cost before they embark

upon it and so it should be with the Government. If we have not the men in the service who can give us the information we should get them and pay them adequate salaries. Another matter is that the Government could make better use of local governing bodies than they do at the present time and in that way they would be able to effect economies. In the back country a number of public wells which could be looked after by the local authorities are under the control of the Government who employ officers to move about inspecting them, and these officers draw liberal allowances all the time they are away from headquarters. I would suggest that the roads board in our district be permitted to take over the wells and look after them. The same may be said in regard to public buildings. The Government buildings at Marble Bar have not had a coat of paint on them for some years. The local authorities would be only too glad to attend to matters of this kind for the mere cost of wages and material. Mr. Lynn referred to the number of auditors who are continually travelling along the North-West coast. It is absurd to think it is necessary for four auditors to move about the North-West to audit the books of the various departments. There is an auditor to attend to the books of the Railway Department, another to look after the roads board books, another to attend to the Treasury books and I understand the Commonwealth have an auditor who travels along this coast. Surely it could be arranged for one man to do the whole of the auditing in that part of the State. I think the least the Government can do is to give us an assurance that this kind of thing will not be allowed to continue in the future. It appears to me that it not only applies to our own districts but all over the State. These are ways and means by which economies could be effected. I am pleased that the Government are bringing their taxation proposals into line with the Federal Government. I hope to see one set of offices for the collection of the Land and Income Tax for the State and the Federal authorities, instead of having two sets of offices as we have at the present time. The Government are on the right track in bringing the dates into line and I hope to see one establishment collecting both taxes so that there will be a

considerable sum of money saved in that direction. We could also save money if we did without half of the members of Parliament. I will be quite willing to retire and so save my salary to the country. I put it forth as a suggestion that at least a third of the members of Parliament should be done away with.

Hon. J. W. Kirwan: What about abolishing the State Parliaments altogether?

Hon. G. J. G. W. MILES: That would not be a bad idea.

Hon. A. Sanderson: Hear, hear!

Hon. G. J. G. W. MILES: Mr. Sanderson suggested that there should be unification, but I will go further and say that if we cannot have the country governed better than it has been the past we should be taken over by Downing Street again, and that Downing Street should appoint a dozen solid men to run Australia for us. There is another item showing the red tape that is adopted in the Government service. A cog-wheel was wanted for a mine at Marble Bar. The cog-wheel was broken and had to be replaced. The Government authorities would not allow the firm which was leasing the premises to replace it and the work had to be done by the Government departments. When the account came in it was found that the cost of the cog-wheel was 10s. and that the administration charges amounted to £2 3s. 4d., or a sum total of £2 13s. 4d. for a 10s. cog-wheel, which a private firm could have put in for £1. I am strongly opposed to State enterprises because of the way in which the business is run. The less the Government have to do with State enterprises and the smaller the number of men whom they employ in directing these enterprises the better it will be for the country. The railways have been built at considerable cost, and no doubt they have done a lot of good and have increased the wheat yield of the country. In my opinion, however, many of the lines have been taken out into areas that are too dry for agriculture. I suggest that if ever there was a time in the history of the State for marking time it is the present, that there be no more expenditure, and we should confine ourselves to developing the land that we have already opened up by means of railways and keep our present assets in

order instead of letting them go to rack and ruin. I was at Rottnest the other day and the buildings there are going to rack and ruin. I see that the Government are building new tea rooms there for the pleasure of the people. Our boys have gone to the front and we should be doing what we can to help them upon their return, and yet the Government are building new tea-rooms for the slackers who have remained behind to go to Rottnest for picnics. The amount of money involved in this building may be small, but it could be expended in keeping those buildings which are already there in a state of repair. I suggest that the Government cottage should be made into a convalescent home for the nurses on their return from the Front. Quite recently that building was used as a prison. It could be easily turned into a convalescent home. If the Government spent the money they are spending on the tea rooms in putting that cottage into order they would be doing some good. The prison has been shifted five times to my knowledge. The prison was turned into a hostel, and then the prison was shifted to Government House on the Island; it was then shifted back and ultimately taken out to the Salt House; it was then brought back to Government House and is now out at the Salt House again. Not satisfied with this the Government are spending £1,000 in building a new prison house half a mile away over the hill. This is a sheer waste of money. Again there is dual control on the Island. We have one Government starting to develop the Island at one end and another Government coming along starting to do so at the other end. The money spent is absolutely squandered and wasted. We have the Tourist Department and the Prison Department represented on the Island. The Tourist Department have charge of the horses and the Prison Department have charge of the labour. They are continually fighting like cat and dog. One wants the labour and cannot get it, and when the other wants the horses and carts they cannot get them. That is how the business of the country is run.

Hon. J. J. Holmes: What are the tea-rooms for?

Hon. G. J. G. W. MILES: They are for the City dwellers to make holiday in. They are for the people of Perth and Fremantle. If we had any amount of money to spend it would not be so bad to spend money in that direction. Instead of money being spent on new works it should be spent on keeping old buildings in a state of repair. That would be making a better use of the money. With reference to railways, I hold that in the future instead of building more railways, even if the money for them has been authorised by Parliament, the money should not now be spent. Now that motor traffic is in general use it will be better to build good solid macadamised roads and run a service by motor instead of building new railways.

Hon. J. F. Cullen: Roads would cost as much as railways.

Hon. G. J. G. W. MILES: They would not cost so much to keep in repair as railways would cost. There is one train a week on some of the lines, whereas if decent roads were built motor lorries could be shifted from one road to another and so serve the district. It would be economical and of advantage to the State. At all events roads could be built as feeders to the railways. In the South-West in particular this could well be carried out. The only new expenditure which I would favour at the present juncture is the connecting up of the various lines in the South-West.

Hon. C. F. Baxter: The upkeep of roads with a motor lorry service would be more expensive than the upkeep of railways, unless the roads were asphalted.

Hon. G. J. G. W. MILES: Let them be asphalted if necessary. The Perth-Fremantle-road is a disgrace. Instead of being made solid to start with it was made a bad job of, and necessitates continual expenditure to keep it in repair. This is the road by which visitors to the State travel, and they get a very bad impression of the State from travelling over it. If for no other reason than that it serves as a bad advertisement for the State the road should be properly made. It will doubtless be necessary to have some increased taxation. My idea is, and the present war has brought this home to me very forcibly, that the land be-

longs to the nation and not to the people. If one man has twenty thousand acres and another man has the same amount, and the former makes use of his land he pays income tax on the profit he makes out of the land and is a benefit to himself and the nation; but the latter who holds his land for speculative purposes does not pay to the same extent, so he should pay an unimproved land tax. Such an unimproved land tax should be made pretty solid so as to force people to develop their land, or let someone else do so. That is one means of increasing production. If we cannot get increased production we can at least get increased revenue. Anyone motoring along the South-West can see land in cultivation on one side of the road, and see it in its virgin condition on the other side. That state of things should not be allowed to exist. The tax could be graduated so that the man who improved his land fully would only pay a small percentage as compared with the man who did not make use of it.

Hon. J. F. Cullen: You have that now.

Hon. G. J. G. W. MILES: It is not high enough. The hon. member may be right, but the tax needs to be made higher so as to force people to work their land or let someone else do so. A suggestion has been made by Mr. Lynn with reference to an increase in wharfage charges. I think it is a good idea. I do not think it would apply to goods coming into the State from anywhere but overseas. Such a charge could be collected without difficulty and would not cost anything in the collection. Another tax that I am in favour of is a tax on all wages earned of, say, a penny in the pound. If a man is earning one hundred pounds a year this would only amount to 8s. 4d. per annum. He would not feel that in the least. This would not be either a class or a party business. Neither side of the House could say that it was a class tax. Let any person earning one pound a week pay at the rate of a penny in the pound. This money could be collected by means of stamp duty, and the employer could be made responsible that the stamp was affixed to the receipt. By that means we would get in a considerable amount of revenue. If necessary increased taxation could be made in proportion to the income. There is a further matter, and that

is in connection with the outback mail services. The Federal Government intend abolishing the outback mails in some of the centres. The pioneers of the State, whether they are the wheat growers or the wool growers or the miners are the people who have kept us alive. It is right that the Federal Government should give these people a decent mail service. Whilst it is not a State affair I think the Government of the State should see what they can do to influence the Federal Government to reimpose the twopenny postage until after the war, and let these people get their mails as in the past.

Hon. J. Cornell: That state of affairs was brought about by the policy of penny postage.

Hon. G. J. G. W. MILES: If the twopenny postage were re-introduced it would enable these mails to be carried to the outback countries without additional expense. I am pleased to see that the Government have brought in the Land Bill. The pastoralists in the North-West are not out to ask the Government to give them any help at all. They are out to assist in straightening the finances. These pastoralists are prepared to pay increased rates for their properties, providing they can get security of tenure. By this Bill, which is brought in, the Government propose to increase the term for a further twenty years and to charge a double rate. That double rate is subject to adjustment after the land has been classified. The maximum is to be £3, and the minimum, I think, 5s. The idea is that the pastoralist gets a concession in the extension of his lease for a further term of 20 years. He has to surrender his present lease and take up the land again at double rates. I approve the proposal because the revenue resulting from it would pay interest and sinking fund on the £1,500,000 deficit which has to be funded. In regard to the roads of the State, I think the wheel tax might be increased. In England I understand there is a tax on motor spirit of 1s. per case, which yields four million pounds per annum; and the money is ear-marked, I believe, for keeping the roads in repair. Our roads boards in these times should not come to the Government for subsidies, but should

increasingly exercise their powers of rating. They can collect threepence in the pound on the unimproved value of land, and most of them are collecting only one penny in the pound. I recommend that suggestion for remembrance by the Government when local authorities apply to them for additional subsidies. A suggestion has been made that something should be done to assist the fruit-growers. Recently I read an article which stated that an acre of land will grow five tons of apricots, and that it takes a ton of sugar to each ton of apricots in order to make jam. Thus, the article stated, an orchardist with 20 acres growing apricots for the purpose of jam-making, would pay to the upkeep of the Federal Government, or the upkeep of the sugar industry, or the upkeep of the white cane grower, no less than £600 in taxes. The State Government should make representations to the Federal Government as to the necessity for the abolition of the duty on sugar, which would be of great assistance to the fruit-growers. I am reminded of what the Dutchman said of Australia, "They have a population of four millions and a debt of 300 millions, and seven Governments and 600 odd members of Parliament, and they are still afloat, and it is a wonderful country they live in." I support the second reading.

Hon. H. MILLINGTON (North-East) [8.35]: This Bill is for a specific purpose, but by reason of the manner in which it was introduced by the Colonial Secretary, the debate has developed into Address-in-reply speeches. Probably it is just as well. There has been criticism of the policy of the present Government as well as of the policy of the late Government, although the criticism has been brief. I know the Colonial Secretary will not object to the brevity of the criticism, because on one notable occasion in 1915, since the commencement of the war, he made the following statement before proceeding to castigate the then Labour Government—

As there is no treason so rank as that committed in the face of an enemy, so there can be no administrative act so rank as that committed at the time of the country's emergency. Therefore we have to offer no apology for any criticism as to

the methods of the present Government. This Bill is one which does not exactly dispose of the deficit, but gives it a respectable name, tabulates it correctly, and endows it with a 30-years lease of life. In future, provided this measure passes, a deficit will not be so much of a nightmare to the Treasurer, because it will be comfortably tucked away. But there is already a young trouble which is assuming formidable proportions. As we get rid of the old deficit of which we have heard so much, there is a new one coming along which, unless the whole of this Bill is passed, will speedily assume the proportions of the old one. Several hon. members, in referring to the present Government and the late Government, said both were equally culpable. Mr. Ewing, I believe, said "honours were easy," but some exception was taken to that expression. Therefore, it was said that both Governments are equally culpable. I wish to show, however, that such is not the case. In the first place hon. members must consider the manner in which the Labour Government attempted to deal with the deficit and attempted to face the position, and the manner in which the present Government have faced the deficit or refused to face it. If it can be shown that the Labour Government did not make an attempt to deal with the position, the accusation against them holds good. But, reviewing the position, we know perfectly well that early in the piece the Labour Government realised the impossibility of carrying on the affairs of the State with the revenue they were receiving. They made no secret of it. They very early asked for additional revenue by way of taxation. They practised economy, and speedily realised that, although in the first place they had an idea that great things could be done with economy, yet it was not possible, with existing taxation, to continue to render the services which they thought the Government must render. The present Ministry also were whales on economy. I can call to mind the members of the present Ministry, in and out of season, whenever any financial proposal was before this Chamber, insisting that what was required was not additional revenue but economy. They pointed out that in 1910 they

had been able to square the ledger, and they said it could be done again, provided the then Government had some of the heaven-born genius which the then Opposition could supply. What was needed, they insisted, was economy. The Colonial Secretary himself repeatedly made the statement that with better administration and with economy in the public service there would be no need for additional taxation. Present Ministers all preached that doctrine for a number of years, and when they came into office they had to try to put it into operation. They have tried. We told them repeatedly that what they proposed was impossible. Now they have had the experience, seven months' experience, they also have come to the conclusion that it is impossible to give the same services to the people as the previous Government gave, and square the finances, with the existing taxation. Then they proposed to meet the situation by introducing taxation. Herein lies the difference between destructive criticism and constructive policy. When it came to a question of how the people were to be taxed, the Government were found badly floundering. They made numerous proposals, but all of them, or nearly all of them, were of such an unsound character that they found little favour with any section of the community. Such an outcry arose that the Government dropped practically the whole of their taxation proposals. I do not know what the position is to-day, but in the first place the Government are satisfied to have done with economy. They somersaulted, and introduced taxation proposals. Now they have again decided that taxation is not necessary, or else they have not the moral courage to put their taxation proposals into operation. Accordingly, they have once more somersaulted and got back on the old economy horse and are riding him for all he is worth. I do not say that economy cannot be practised. I acknowledge that Mr. Lynn's and other members' speeches disclosed cases where the administrative expenditure of this State could be cut down. But even if the cheese-paring policy is carried out to the last degree, and if all suggestions which have been made for economy are accepted, the position is

not materially affected. The Colonial Secretary, for the first time in my hearing, admitted the position, pointing out that the financial difficulty was due to a reduction of the amount received from the Federal Government of over a quarter of a million per annum, and the additional interest and sinking fund payable, which items from 1910-11 to the present time amounted to over £600,000 per annum. Therefore, as this party have continually pointed out, there is no other explanation needed. There is no necessity to adduce even the increased services both the late and the present Governments have given to the community. The two items mentioned will alone account for the deficit. Now we know exactly where we are placed, and when anyone attempts to tell us that the position can be rectified by economy we know the statement is absolutely ridiculous. Again, any Government refusing to face the position, refusing to bring down financial proposals to meet it, are certainly not worthy of the confidence of the country. I am satisfied the Government themselves realise this. Personally, I fail to see why they have not brought down a definite measure of taxation to meet the position. There is talk of what we are going to do for the repatriation of our soldiers. I do not know what sort of a tale is to be told to the soldiers when they do come back. I suppose nice speeches will be made to them, and they will be patted on the back and told they are fine fellows. But they will tell us that during the time they have been fighting for the country we here have been traitors to the country, running it practically into bankruptcy. What is a bankrupt country to do for the soldiers when they return? The least we can do is to pay our way while they are absent and let them come back to, at any rate, as good a country as they left. Mr. Holmes made the very drastic suggestion that the Government should go out of office if they cannot finance the State. I may point out that Governments in such circumstances go out all right. The Labour Government went out. I wish, however, to point out further that all the attempts of the Labour Government to finance the State were rendered abortive because this Chamber refused the

Labour Government the necessary revenue by way of taxation. If Mr. Holmes is going to put his suggestion into operation, he presumably would give the Treasurer complete control of the finances. It is all very well to give the Treasurer full spending power; but he must also be allowed to frame his Estimates of what he requires, and then allowed to raise the necessary amount. Without this liberty it would be useless to censure him if he cannot make both ends meet. If Mr. Holmes's idea is to be adopted, the Treasurer must have complete power over the finances. As for the necessary check, taxation is never too popular. The man who imposes taxation knows that he who pays taxes also has a vote. Thus there is a sufficient check. Herein lies the difference between the Labour party and the present Government. The Labour Government never had the power to put their financial policy into operation, and this cannot be emphasised too often, whereas the present Government have known that their taxation proposals would meet with the approval of this Chamber. I cannot help noting some of the statements made by Sir Edward Wittenoom, who never misses a chance of having a tilt at Labour and especially at the wage-earner who, he asserts, does not pay taxation. The hon. member is a great devotee of the doctrine of getting on, but I would like to remind him that it is not so much in the possession of wealth as in its use that merit lies. There are very many men in this State who, perhaps, do not pay direct to the State the amount of revenue that some hon. members do, but at the same time it cannot be said that they have not done their share in producing the wealth of the country. We need only refer to those who did the development work on the Eastern goldfields. It is ridiculous to suggest that because a man does not pay heavy taxation to the State he is not worthy of consideration as a citizen. I fail to see why these attempts are continually being made to belittle the man who does not have to pay heavy taxes. After all, it is that man who is the real backbone of the country. It makes me tired to hear so much about this man, who is said to be a sort of second-class citizen.

I say he is a first-class citizen if he is a worker and a producer. Mr. Lynn also has a proposition. It has been pointed out that his idea would probably conflict with the Federal law. At the same time if we could collect a half-crown per ton on produce it would be much fairer than the present system. Quite recently I was at Laverton, on the edge, 600 miles away. We have there a class of man with whom members are always ready to declare their sympathy, namely, the prospector. One there who has done a great deal of development work has a mine that just keeps him going. It is now two years since he struck a pocket in that property. The main shaft is sunk below water level, and he has had to instal an oil engine, which costs him £3 a week, for pumping water. Now, in addition to the cost of kerosene fuel having gone up, the railway rate has increased 10 per cent. over all that distance of 600 miles, and in consequence that man is very much up against it. From a casual point of view, it might not readily be seen how harshly this 10 per cent. increase bears. It would be a different thing if we had a uniform rate from Fremantle instead of it being an increasing rate the farther out one is located. I have often wondered who were the financial authorities the present Government depended upon. I do not know whether the Colonial Secretary really meant to disclose his financial authority when he referred to Mr. Micawber. I am well aware that that famous character had a happy faculty of building up deficits, and a philosophic way of disposing of them. I do not know whether the Government intend to still hang on to this financial authority. Personally, I hope they will face the position. I am sure there is not any member who does not realise that the position cannot be faced by cheese-paring economy, and that there will have to be additional revenue. If the Government would but resolve upon the introduction of equitable taxation with the object of bringing about a stable condition of finance, I am sure they would have the support of every member. If they fail to do this they will continue to drift from bad to worse, and we will be lacking in our duty if we do not protest against the inaction.

Had the previous Government been allowed to institute taxation which was then necessary and is still more necessary to-day, we would never have been in the financial position in which we find ourselves. I trust the Government will face that position courageously. In conclusion I may say that I object to that part of the Bill which provides for the funding of future deficits.

Hon. E. ROSE (South-West) [8.52]: I intend to support the second reading, but I hope to see a number of amendments moved in Committee. I do not like the idea of making provision for future deficits. We have been told that only good administration is required to carry on the country as it should be; yet for the last five or six years we have had the deficit rising until now it is above two millions. It is a very bad advertisement for the Treasurer of a young State to bring in a Bill providing, not only for the existing, but for future deficits. Western Australia should be able to pay its way. We have a great future if only the State is reasonably well handled. I agree with the hon. member who said it would be well to do away with Parliament altogether and appoint commissioners to manage the State for a few years. With a population of only 320,000 we have 80 members of Parliament drawing each £300 a year, plus all the ministerial salaries. Thus we see the enormous cost of government. We could very well reduce the number of members of Parliament to one-third, giving the Council 20 and the Assembly 30. This would make a difference of about £9,000 a year in salaries alone. At election time previous Ministers preached the necessity for cutting down salaries, and some of them went so far as to declare that if they were returned to office they would certainly reduce ministerial salaries; yet we still see the same salaries being paid to-day, no Minister having made any attempt whatever to cut them down. In my opinion, all Parliamentary salaries should be reduced, thus setting an example to the public service. As Mr. Ewing has pointed out, if some of the wasted money had been expended in the South-West in the assistance of primary industries very much better results would have accrued to the State. The Collie coal mines will some day

represent an enormous asset to the State, yet up to the present time they have had but very little assistance. If Collie coal were to be used exclusively on our railways, an enormous saving would be effected. The report of the Collie Coal Commission declared that with proper grates in the railway locomotives the native coal could be exclusively used. Yet none of the engines imported into the State have been selected on the point of their suitability for the use of Collie coal, nor do we find any attention being paid to the question of spark arresters. If our primary industries were more fully assisted, the State would be very much better off. Mr. Ewing referred to the question of co-operative societies. That at Bunbury has certainly paid handsomely. Unfortunately, it has now been destroyed by fire, but with the promised assistance of the Government we hope to see it in operation again once more. The Government would do well to assist the establishment of jam and other factories. Co-operative concerns are doing good work throughout Australia, circulating money in the districts and assisting in the development of the State's resources. Cool storage is a matter which should receive earnest consideration and assistance from the Government. I realise that the Government has not yet had time to properly go into the question of finance. They have been faced with a no-confidence motion and for other reasons have not been able to give close attention or the necessary time to the consideration of financial matters. I hope that during recess they will give consideration to the question of finance. Personally I do not favour the proposal for the funding of future deficits as I hold that for the future the State should be in a position to pay its way. It is certain that further taxation will be necessary, but I hope that when the Government is considering that further taxation, it will have consideration for the primary producer and not tax him out of existence. There are other points in the Bill to which I shall not refer. I do think, however, that by careful administration the Government should be able in the future to effect economies.

Hon. V. HAMERSLEY (East) [9.3]: It is not my intention at this late hour—

The PRESIDENT: I should like to remind members that the question before the House is the Treasury Bonds Deficiency Bill, not an Address-in-reply.

Hon. V. HAMERSLEY: I realise that the necessity for this Bill has arisen from the mistakes of the past. At this late stage, in the closing hours of the session, we are asked to relieve the Government of a difficult problem, and I think hon. members of this House must be given credit for an honest endeavour to help the Government out of that difficulty. Members have endeavoured to point out to the Government various ways and means of doing this. I think it only fair to expect that we shall have a reply from the Colonial Secretary as to what hope is held out of an effort being made to keep clear of difficulties of a similar nature in the future. I sincerely trust there will be an endeavour to avoid the stumbling blocks of the past. We have had various suggestions as to directions in which economies can be effected. I should like the Colonial Secretary to give the House some indication as to what are the Government's intentions with regard to the loss now borne by the farming community in the wheat portion of the State in the cost of bags owing to the absence of a bulk handling system. Bags cost the farmers of this country over £225,000 in hard cash this year, and a similar amount was involved last year. Besides providing a good deal of employment the introduction of a bulk handling system would in one or two seasons in the cost of bags and the enormous wages bill, wipe out the deficit. Under present conditions, the farmer is asked to bear his full share of taxation and to continue to bear the heavy cost year after year of buying bags in which to put his wheat. I do not wish to make a second reading speech on the subject, but should like to have an opportunity of hearing the Colonial Secretary reply to one or two suggestions which have been made on the subject of unimproved land values taxation. I think this question is not fully understood by those who have advocated it. I am satisfied that if further taxation is imposed upon the community in the shape of unimproved land values taxation, the effect will be to create a feeling of distrust and stagnation. It appeals to one section of the

community that if land is taxed the owner will be forced to do something with it. My experience is that the more this form of taxation is put on the people owning land, the more inclined they are to shift. I am quite satisfied that money thus extracted from the holders of land merely irritates them. It goes into the coffers of the Government and probably creates more Government employment by building up fresh departments, but in my opinion the money is not judiciously expended and would be better utilised in the development of the State as it would be if left in the pockets of the people who own the land. With regard to the Road Board aspect of this question, my experience tells me that when a board has started out to get a larger revenue from a community, it becomes a question of high valuation and low rate, or a low valuation and high rate. Assuming that a board on a revenue of £1,000 is able to repair 100 miles of road, whenever by increased taxation that board's revenue is augmented to £2,500, there is still only the same amount of work to be done. The result is that the cost of road board administration doubles and sometimes trebles and the ratepayers do not get as good a result from the £2,500 collected by way of rates as they did when only £1,000 was collected. And the same thing applies to the State. The State has only the same number of population still, and no matter how much the State revenue may be increased the result is waste and those from whom the extra taxation is obtained are irritated. I do not wish to detain the House longer but I have indicated my views on the Bill generally and I would like the Minister, when replying, to give some indication as to what the Government's intentions are regarding the question of bulk handling particularly.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East—in reply) [9.45]: I think it my duty to tender hon. members my thanks for the comprehensive manner in which they have discussed this Bill and for the many valuable suggestions that have been offered to the Government. I venture to express the opinion that in the past, not only here but also in another place, had the financial proposals of successive Governments been submitted to the same close

scrutiny that this Bill has been subjected to in this Chamber, the necessity for this measure might never have arisen. So far as those criticisms which have been hostile to the Government are concerned I have no complaint to make, for it appears to me to be fair and reasonable criticism to which I am glad to have the opportunity of replying. I hope when I say that the variety of suggestions made by hon. members are somewhat embarrassing to me, members will not for that reason think I discount their value. I trust also that those members to whose suggestions I make no reference in my reply will not think it is because of any reason other than pressure of time, and not because I do not think their suggestions worthy of consideration. I should like to disabuse the mind of the Hon. J. G. Miles in regard to what has been spent at Rottnest island. The only expenditure by the Government on the island has been money paid by the Federal Government by way of compensation for damage done by the interned German prisoners, money that must be spent there, and I can assure him it is the intention of the Government to place that island under a board. I regret that I cannot answer the question just put to me by Mr. Hanersley regarding bulk handling, and I think that I shall be excused on a Bill of this kind from answering it. I can, however, assure the hon. member that the matter has not been lost sight of, and that at the earliest moment the intentions of the Government will be fully disclosed. I may refer in passing to the remarks of Mr. Allen, Mr. Miles, and others, in regard to departmental red tape and the rule-of-thumb methods, which control to some extent the Government service. I might remind those hon. members that this sort of thing is inseparable from Government departments, and I think Mr. Miles put his finger on the right spot when he said that this should teach us to confine the activities of the Government, as far as possible, to the proper functions of Government and not dabble in a lot of things that common sense teaches us should be left to private individuals. I take it that the Bill will readily pass its second reading and that when we get to the Committee stage

little opposition will be shown to the first part, which contemplates the funding of the deficit as ascertained at the end of June last, but that a very determined attempt will be made to defeat the second part setting out the course to be followed in regard to future deficits. I would ask hon. members to believe that the motive underlying the introduction of that portion of the Bill is a good one, that the end aimed at is a desirable one, and that they will do well to consider whether they can offer any better method of arriving at the same end before they strike out the proposal the Government have put forward. Before discussing that portion of the Bill to which exception has been taken, I desire to reply as briefly as possible to some of the general criticisms of this measure and particularly to the handling of the finances during the past six or seven months by the present Government. First of all, I would like to refer to some remarks made by Mr. Sanderson. In common with other members of the House, I followed his speech with the deepest interest. The hon. member is a recent convert to unification and with the zeal and intemperance that usually characterises the convert, he never misses an opportunity of advancing this new political faith. Knowing, as I do, the earnestness with which the hon. member, over a long series of years, through newspaper articles and on the public platform, attacked the principle of unification, I am in no way surprised to find that to-day he is equally vehement on the other side. I do not blame him for changing his opinions. It is said that wise men change their opinions often—fools never, but I do not think that facility in altering one's political opinions is to be regarded as a final test of wisdom. I do not suggest that the hon. member's remarks on unification have not a close application to the present Bill, but I must ask the hon. member to excuse me from discussing the matter of unification, because I do not believe that the vote of any hon. member, either regarding the Bill itself, or its clauses, will be influenced by his opinion on the question of unification. I come, therefore, to the hon. member's more direct comments on the Bill itself. The hon. member confronted us with a supplement to the *Government Gazette* of the 9th Feb-

ruary and told us that he proposed to essay the difficult task of compressing into two sentences the information contained in the voluminous tables, and, he added, that he was going to put the figures into such simple form that the least instructed elector in Western Australia, if he would give attention for 10 minutes, would be able to understand the position. I regret to say that, in my opinion, the hon. member has entirely failed in the task he undertook. I venture to add that no one could read the hon. member's remarks without acquiring a most complete misunderstanding of the position. The hon. member made this specific statement, "The Government of Western Australia have at present $7\frac{1}{2}$ millions of loan money authorised but not raised." He repeated the statement without qualification or explanation. He appealed to me not to quibble about unimportant differences in figures and said, "I am not surprised that Ministers take refuge in oratory, but the question is not one of oratory but of arithmetic." Let me say that I have always been charmed by the hon. member's oratory, but his arithmetic is the last word in inaccuracy and misconception. So far from the amount of loan money authorised but not raised being $7\frac{1}{2}$ millions, as stated by the hon. member, it is, to quote exact figures—and to quote them from the very return referred to by the hon. member—£2,471,112. The position is that the whole of the money raised by way of loan since the beginning of the war, and amounting to £5,103,410 is not included in the statement of inscribed stock issued, for the simple reason that the money has been borrowed for the State by the Commonwealth, and that for the time being the Commonwealth have taken Treasury bills for security. But to say that the money has not been raised is to say what is incorrect. Not only has the money been raised but it has also been spent. It has been raised by the only method possible to any of the States excepting New South Wales, until the end of the war, and it has been raised by the method proposed in this Bill, the only method open to this or any other State in the Commonwealth. If the hon. member will look again at page 227 of the returns he has referred to, he will see that what I have said is correct and that the amount of

loan money authorised but not raised is less than he has stated by no less a sum than £5,100,000.

Hon. A. Sanderson: That only makes the position worse.

The COLONIAL SECRETARY: I want the public to understand the position as it is, not to heed the hon. member who, when he puts his figures before them, makes confusion worse confounded. I want the public to understand that when the hon. member says 7½ millions of loan money have not been raised, that he is over five millions wrong in the statement, and because the hon. member based so much of his argument on that contention I do not think that I can profitably follow him any further. I repeat, that the money has been raised by the only method open to the State until the end of the war. I do not want the hon. member to say that there is a quibble about this, or that we shall have to borrow money in another way. The Commonwealth Government have raised the money for us, and when the rate of interest is ascertained and the whole transaction is fixed up, inscribed stock will be issued in the ordinary course of events. With most of the remarks of Mr. Cullen I am fully in accord. I think that in view of the financial position, Parliament should have been called together much earlier than it was in 1916, but I emphatically deny that it is the fault of the present Administration that progress has not been made with the work of straightening out the finances on Consolidated Revenue Account. I am not going to worry the House by referring over and over again to the many obstacles which have prevented the present Government from giving attention to Parliamentary or general political business during the six months they have been in office. The present intention of the Government is to re-enact the existing taxation measures and to bring forward new proposals next session to take effect from the commencement of the next financial year. The time has got so late in the present financial year that it is difficult to say how any measure of taxation could be introduced and applied to the current year with any great advantage. Mr. Kingsmill asked what were the recommendations of the com-

mittee regarding finance which sat during the Christmas vacation. He remarked that those recommendations were evidently no good because they were not acted upon. That committee did not make any recommendations. It was appointed unofficially as a committee of inquiry and it devoted a great deal of time during the holidays, when hon. members were more pleasantly engaged, to making inquiries, and collecting information. That information is before the Treasurer and Cabinet to assist them in the task of arriving at taxation proposals for submission to Parliament when it assembles again after the recess, taxation proposals which, it is hoped, will solve the very difficult problem before Parliament and the country.

Hon. W. Kingsmill: How long shall we have to consider them?

The COLONIAL SECRETARY: I hope they will be before hon. members when Parliament meets.

Hon. J. W. Kirwan: When will Parliament meet?

The COLONIAL SECRETARY: I am not in a position to give the hon. member the exact date.

Hon. W. Kingsmill: Will the result of the committee's investigations be submitted to the public?

The COLONIAL SECRETARY: I would remind the hon. member that the committee was not appointed by Parliament; it was an unofficial committee appointed by the Government supporters to collect information for the use of the Government.

Hon. W. Kingsmill: Would it not be of advantage to the public to have the information the committee gathered?

The COLONIAL SECRETARY: I have no doubt that the information, which will be of value to the public, will be made available. There is no doubt that the Government will need to submit the information on which their proposals are based. Mr. Drew directed attention to the schedule of the Bill and took exception to the amount of £93,071 added in that schedule to the announced deficit at the end of June, 1916. Let me tell the hon. member that that schedule was not compiled by the Government

but by a committee of experts consisting of the Under Treasurer, the Commissioner of Taxation, and the Auditor General. Criticisms similar to those launched by Mr. Drew have been indulged in by the ex-Treasurer, Mr. Scaddan, and I think I can best meet the situation by reading the reply and explanation furnished by the Under Treasurer, Mr. Black, who writes—

The accounts of the State, as prescribed by the Constitution Act, are kept on a cash basis, and I am well aware that on such a basis outstanding revenue and expenditure at the end of each financial year is not brought to account, as is done by commercial firms, who prepare their accounts on a profit and loss, or revenue basis. The items which the special committee recommend should be added to the deficit at the end of the last financial year, namely at the 30th June, were paid and entries made in the Treasury books. Therefore, as the accounts of the State are kept on a cash basis these items of expenditure should have been debited to the Consolidated Revenue Account, and treated as part of the deficit at the date mentioned.

These are the words of Mr. Black.

There is, however, one item which might be questioned, and that is the expenditure in connection with the shipment of cattle from the North-West amounting to £22,000 odd, which was not paid until this financial year. I wish to say that there is justification for the inclusion of this item, on the ground that the whole of the revenue in connection with the shipment of cattle was brought to account in the last financial year and consequently the expenditure should have been debited in that year.

That being the explanation of the schedule of the £93,000, I think it will be realised that the remarks of the hon. member in regard to stores and stocks on hand and money due to the State do not in any way apply. The amounts had actually been paid, and should have been debited to current account before the end of June last. I regret very much that I should have to disturb the equanimity of the hon. member by demonstrating to him that my remarks in moving the second read-

ing of the Bill were not a justification, but the strongest condemnation of which I was capable of the methods of the past Government. The facts stated by me in moving the second reading have not been disputed, and cannot be disputed, namely, that the two outstanding causes of the present deficit are the decreased returns of revenue from the Commonwealth, accompanied, as Mr. Sanderson has stated, by a vastly increased contribution on the part of our people towards the Commonwealth revenue, and the increased interest and sinking fund. So far as the decreased Commonwealth return is concerned, I do not propose to hold the past State Government responsible. If I liked to follow the matter out I do not know that I could not succeed in fastening that blame upon the same party to which the past Government belonged and the operations of that party in Federal politics, operations which have cast a heavy burden upon the taxpayers of Western Australia, which they will have to carry for an indefinite period. But so far as the other reason, and the greater reason, for the deficit is concerned, the increase as compared with five years ago in interest and sinking fund charges without a corresponding increase in earnings from these things on which our loan money has been spent, the fault lies entirely with our predecessors in office. I say without hesitation that during the past five years there was never any justification for the loan expenditure running to nearly three millions per annum. It was not justified and the position of the country did not justify it. Mr. Drew disputed my assertion that the present Government found themselves hampered by the commitments of their predecessors and spent some time in outlining the directions on which the loan money had been spent. In this connection he dwelt at some length on the metropolitan sewerage, and I can find no simpler and better illustration—a good illustration I think because it will appeal to the people in and around the city of Perth, not merely in their capacity as taxpayers, but also as individuals having to contribute directly to a certain portion of that scheme—that money spent on the metropolitan sewerage scheme, and the extent to which our present deficit and the necessity for this Bill arises out of the methods employed by

our predecessors in spending almost three millions of loan money per annum. Prior to the advent of the present Administration all the work in connection with the metropolitan sewerage system, the house connections, or practically all the house connections, had been done by departmental day labour. When the present Minister took charge it was represented to him departmentally that as a result of long years of experience the department had cut all their working costs down to the finest possible point. It was admitted that there had been excessive charges in the earlier days of the scheme, but the Minister was told that after years of experience they knew how to go about these things and were quite capable of doing work cheaper than any private contractor could do it. The Minister, wisely I think, decided to put this assertion to the test and he invited tenders. For the first batch of tenders the departmental price was £492, whereas the total of the lowest tenders accepted for the whole of these jobs was £298, or a difference of 40 per cent. The private contractor, it will be seen, was 40 per cent. below the price put in by the department. In every individual case, no matter whether the amount was for £100 or £10, without a single exception the highest private tender was below the departmental estimate, in face of the fact that these were the estimates arrived at as a result of years of experience during which everything had been cut down to the bone, and in spite of the fact that in the general experience from start to finish the departmental costs had been exceeded. This is a difference of 40 per cent., and is all the more striking when it is borne in mind that a very large proportion of the cost is in material, and that in the matter of material the private contractor could save nothing as against the department. As a matter of fact, in most cases, if not in all cases, he obtained his material from the department, which happened to have the material in stock. In one group of contracts carried out by a certain contractor, the material obtained from departmental sources amounted to £91 10s. 11d., and assuming that this represented the whole of the material required, the contractor was left with only £82 10s. 7d. to

cover the job. The departmental price for the same job when deducting the same amount for material, was £194 15s. 5d., the labour cost being 130 per cent. over and above the contractor's price: this is in face of the department's assertion, as I have already said, that they had brought the cost down to the lowest possible limit as the result of five years' experience in experimenting on the unfortunate public.

Hon. W. Kingsmill: Is that department still there?

The COLONIAL SECRETARY: One cannot get rid of a department in a minute. A question was recently asked in another place regarding the sewerage of Parliament. The wisdom of incurring the expense of connecting Parliament House with the main sewerage system was questioned, because it was said that we already had an efficient septic tank system connected with Parliament House, and the Minister in reply said that this tank periodically got out of order and that to repair it the estimated cost was £32, whereas the estimated cost of connecting with the main sewerage was only £52. As that would do away with any expense of the kind in future I think it is sound business to have Parliament House connected with the main sewerage system at a cost of £52. Having given the departmental estimate to Parliament the Minister then proceeded to call for tenders and the job is now being let for the sum of £30 which would be required for the cleaning out of the tank, as compared with the sum of £52, the price put in by the department. There is no difference in the cost of materials and the whole of the cost is made up by the difference in the case of wages.

Hon. J. F. Cullen: What about a refund to victimised householders?

The COLONIAL SECRETARY: I am putting these figures forward so that the householders can see exactly what has happened. It passes my comprehension, and has always done so, that the householders of the city of Perth have sat by so quietly and allowed this sort of thing to go on.

Hon. W. Kingsmill: A Bill was introduced to remedy that, but was not kindly received.

The COLONIAL SECRETARY: Tenders were called for the construction of a

storm-water drain in Subiaco-road, Subiaco, and the departmental estimate of the cost under the day-labour system was £636, whereas the lowest tender plus the departmental charges at 5 per cent. for supervision and another departmental charge of 9.7 per cent., though I do not know the exact reason for this equitable charge, with the cost of material to be provided by the department only amounted to £444. Again the private contractor was 40 per cent. below the Government price, and if we take out the cost of the material for this job, which was the same in both cases, we will find that the private contractor got the work done for £265 as against the departmental estimate of £475.

Hon. J. Ewing: The same thing applies to agricultural railways.

The COLONIAL SECRETARY: It is due to the pernicious system of day labour on our agricultural railways that much of the loan money spent in the past five years has been wasted. From these circumstances in connection with sewerage works hon. members can judge the extent to which the State, I mean the people as taxpayers, and the people as individuals, so far as the householders' connections are concerned, have been robbed by the adoption of the system of departmental day labour in connection with the sewerage expenditure to which Mr. Drew paid so much attention. This is only one of thousands of instances in which the day-labour fetish has caused wanton waste of large sums of public money, and that money having been wasted the State has still to find the interest and sinking fund for it. That is why our interest and sinking fund bill is nearly three-quarters of a million greater than it was five years ago and that is why there is no corresponding increase in the revenue to go towards meeting the extra bill because the money has not been economically spent. Reference has been made by the hon. member to the increased expenditure in the Health Department. It was referred to as though the present Government, myself perhaps, as Minister controlling that department, were responsible. A glance at the Estimates would have shown that the increase cost was due to the Wooroloo sanatorium and also the legislation passed

by Parliament last year amending the Health Act and occasioning considerable expenditure in the matter of venereal diseases, necessary expenditure, and expenditure for which the present Government cannot be held in any way responsible. With regard to the Wooroloo sanatorium, I venture to repeat a remark made by another hon. member regarding the cost of the institution. The estimated cost was £71,000, and perhaps equipment and some alterations found necessary during the course of building might have been responsible for another £20,000, so that it should have cost something like £90,000 in all. Because of the adoption of the day-labour system in connection with the undertaking, the cost of the work has now reached £150,000 and the end is not yet. One could go on multiplying instances all night long if one wished. These instances would be just as striking as the instances revealed by the Federal Public Works Committee with regard to works done at the Federal capital, or that outstanding instance of wasteful expenditure that will stand to the discredit of Australia all the world over, namely, the construction of the Trans-Australian railway, a work which one of the members representing the Labour party in this House admitted only yesterday had cost millions of money more than it should ever have cost. I have never wearied—I will be supported in this statement by other members of the House—in constantly denouncing the principles under which the loan moneys of this State have been spent; and I cannot understand by what process of reasoning Mr. Drew assumes that I was excusing the past Government when I said that the reason for our present difficulty was that the interest and sinking fund bill had been increased by nearly three quarters of a million without any corresponding increase in revenue. In some quarters there is still, as there has been in the past, a dangerous disposition to divide the loan and revenue accounts as though they were entirely separate things. I think it is time that not only members of Parliament but the public of this State recognised the close association there is between loan money and revenue money—recognised that it is just as bad to wastefully expend loan money

as to wastefully expend revenue money. In fact, the wasteful expenditure of loan money is possibly worse, because, if one has the revenue and spends it even wastefully, it is one's own funeral. On the other hand, if one wastefully spends loan moneys—that is to say, moneys which one has not got—it is bound to come back on other people in future years. There is a common practice of referring to “the ship of State.” If we are to liken this State to a ship, I should say that it is a ship leaking on both sides. On the one side, marked “Consolidated Revenue Account,” there is a leakage which comes before the eyes of the public every month and is big enough to alarm timid passengers. As a matter of fact, the leakage on that side is scarcely a circumstance to the leakage on the side marked “Loan Account,” where there is a gaping hole through which the waters pour at a rate that threatens to sink the ship. The deficit of one and a-half millions accumulated by the late Government, serious as it may be, nevertheless is, I maintain, but a flea-bite compared with the huge proportion of the loan expenditure of the past five years for which this State has not received proper value. I say, however, that the present Government are taking the only wise course in devoting their attention first to the big leak, even though it may not be the leak that comes every month under the public eye. I venture to say that the criticism of the past Government in regard to their mounting deficit would have been much more severe if month by month there had also been published the details of the loan expenditure. I venture to say, also, that the present criticism of the present Government would be far less severe if side by side with the increasing deficit on consolidated revenue account were published the figures regarding the loan expenditure. The loan expenditure for the first seven months of last year was £886,000. For the corresponding period of this year it has been only £498,000, showing a decrease of expenditure on loan account of nearly £400,000.

Hon. A. Sanderson: That is compulsory.

The COLONIAL SECRETARY: I do not know that it is compulsory. The Govern-

ment could have spent the money if they had wished to do so. I do not pretend for a moment that the Government have put the loan expenditure on an absolutely sound basis. But I do say that by substituting as quickly as they can a sound method of competitive contracting for the day labour system, they are going to assure to the public that they will get fair value for the expenditure. The present Government are still burdened with some of the loan commitments of their predecessors. Let me refer to the Wyndham Freezing Works. This Chamber passed a vote of £200,000 for those works. Two hundred thousand pounds was the estimate of the cost of the Wyndham Freezing Works when this Chamber passed the vote. We know now that the Wyndham Freezing Works are not going to be completed for less than half a million sterling. Probably they will cost more. That is one of the legacies the present Government are carrying from their predecessors. Whether when completed at that great cost they will ever be a success, or whether it will turn out that over-capitalisation has doomed them to failure from the very start, I do not at the present moment pretend to say. But even in respect of the increased deficit on consolidated revenue account the present Government are by no means without a sound defence. In the first eight months of last year the Scaddan Government, though spending loan money at double the present rate—and I think hon. members will realise that if one has plenty of loan money to spend it is much easier to economise on one's revenue expenditure, because there are many things on which one has to draw a very fine line to decide whether they are properly loan expenditure or revenue expenditure, and it would not be difficult to find in the records of all past Governments instances in which loan moneys have been spent on works which might more properly have been charged to revenue—the Scaddan Government had a deficit of £582,000. As accurately stated by, I think, Mr. Millington during this debate, the deficit for the past eight months has been greater than this by £187,000. How is that accounted for? It is easily accounted for. If the French saying that “To understand all is to forgive all” is in point, then a simple state-

ment of where the money has gone ought to satisfy hon. members that some of the criticism launched against the present Government is not altogether deserved. In the first place we had to take over the money actually paid during the month of June but not properly debited in the accounts. The amount was approximately £70,000. That was something we had to find altogether apart from our own desires. The payment of salaries in full, instead of subject to the 7.89 per cent. deduction which prevailed during eight months of last year, has cost another £12,720. Statutory increases in salaries, which the Government are bound to honour, have cost another £11,000. Again, refunds of taxation in consequence of legal decisions amount to £5,624. Those items on the Wooroloo Sanatorium, and additional expenditure occasioned by the new Health Act, amount altogether to another £16,000. In those items alone hon. members have the grand total of the increase in the deficit and a little more besides. On top of that, when we turn to the revenue account we have the decrease of £150,000 in railway revenue, a decrease which the late Premier foreshadowed before leaving office, and a decrease which has taken place. It has to be remembered that the gross revenue is only a few pounds less than that of last year. If hon. members will look at the return published in the *West Australian* at the beginning of this month they will see that the revenue is expanded by an amount of £120,000 relating to the sale of cattle from the North-West, which is entirely accounted for by a corresponding debit on the other side of the ledger for the cost of their purchase. There has been in actual revenue a decrease of £150,000 from the railways, and there have been those increases which it was impossible for the present Government to avoid. For the remainder of the financial year, as has always been the case, the revenue, for the closing months, will be better; and I have no doubt that to some extent the position will be retrieved. However, I do not hesitate to say that even if the Government are judged on the first year of their administration of the finances of this State it is something to their credit if they have succeeded in stopping the huge leak which has been taking place in the matter of waste-

ful expenditure of loan moneys. With these remarks I think I have answered the attacks of Mr. Kirwan as well as those of my predecessor in office. I wish it to be understood that I do not speak of "attacks" in any offensive way. There is simply a difference in the way of our looking at things. Those gentlemen look at matters in one way and I look at matters in another way. My only desire is that the public shall see both sides, and make their own choice as to which is the right way. There are one or two points to which I would like to refer as regards the many helpful criticisms to which I have already alluded. Mr. Holmes wanted to know why new men had been imported into the public service. So far as the Wyndham Freezing Works are concerned, the new appointment, that of Mr. Dalton, was made by the previous Government. When we took office Mr. Dalton was here with his agreement to take full charge of the undertaking. The Minister now controlling the Works Department has described this appointment of Mr. Dalton as the wisest thing our predecessors did in connection with the Wyndham Freezing Works. Had Mr. Dalton been appointed at the outset, and had his advice been taken instead of that of the amiable Mr. Nevanas, I have no hesitation in saying one of two things would have happened—either the Wyndham Freezing Works would have been built for something like a quarter of a million; or else this House would have been informed that the works would cost half a million, and the House would have turned them down. In either event, had this gentleman, whom I believe to be an expert thoroughly understanding his business, been appointed at the outset, he would have saved this country probably as much as and perhaps more than a quarter of a million of money. The Government are hopeful—although we can take no credit for the appointment, which was made by our predecessors—that Mr. Dalton's services will result in our being able to make the best of a very, very bad job.

Hon. J. J. Holmes: I did not question the wisdom of the appointments. I only wanted to know why the appointments were made, with all the other engineers the Government had.

The COLONIAL SECRETARY: That opens up another problem about which I shall say nothing except that it is engaging the very careful attention of the Government. As for the appointment of the manager of the Wheat Pool, Mr. Sibbald, the hon. member, I think, will recognise that this is not a revenue matter at all. The gentleman is paid by the pool, and I would ask the hon. member to bear in mind that that pool in Western Australia alone represents this year a turnover of something like four millions. I know perfectly well that the hon. member did not mean for a moment to suggest that the pool should not have the services of the best man available, even if those services cost £5,000 per annum instead of £1,000. In fairness to our civil service, I think I may point out that it is hardly to be expected that in any civil service there should be a man with the necessary business training in that peculiar line enabling him to take charge of the pool. I do say without hesitation that it was a wise move to take that purely business undertaking out of the hands of the agricultural expert who had previously controlled it. Without questioning for a moment Mr. Sutton's capacity as a business man I claim that he is of far more value to this country in the position to which he was appointed, that of agricultural expert. So far as Mr. Sibbald's appointment as manager is concerned, I am not going to say that he will save his salary before the pool is wound up, but I will say that he has already saved his salary over and over again. I have heard people from all parts of the country, the people who are most intimately interested in the success of the pool, express complete satisfaction with the appointment of Mr. Sibbald. Mr. Lynn offered many valuable suggestions in regard to the civil service. I am sure he is on right lines in saying that what we want is to prevent overlapping and that we should have amalgamation. Whilst I do not think it necessary or advisable to talk at the present time about half-baked propositions, I do not see any harm in telling the House that it is in this direction the Government hope to effect the savings which can be effected in the civil service by avoiding overlapping, by preventing two men from messing about with a job that one can do more efficiently.

Whilst I am satisfied that Mr. Lynn was right in the general principle of his speech, I have no reason to question the accuracy of his opinions in regard to certain details, and I readily assure him that they will be carefully noted and considered. As regards his suggestion to increase harbour trust charges on imports, I do not know that that is altogether satisfactory. It seems to me there are two objections to his proposal. In the first place, the putting on of 2s. 6d. per ton by the harbour trust will probably mean an increase of 3s. 9d. per ton to the consumer. I know indirect taxation is usually popular because people do not see it or understand it; but they have to pay it all the same. Further, I am satisfied that the imposition of 2s. 6d. per ton as a revenue proposition would be objected to by the Interstate Commission as being contrary to the provisions of the Federal Constitution. One specific question the hon. member asked, namely, why the amount of £10,365 appeared in the schedule to the Bill under the heading "Fremantle Harbour Works, Victoria Quay, strengthening." He wanted to know why, in view of the fact that the Harbour Trust had handed over surplus revenue to the Government, this amount should be set down. The explanation is this: Some five years ago £100,000 was spent on this work, and it was decided to spread it over a period of five years. This payment is the last. It was made before the 30th June, and that is the reason why it is included in this amount. There is only one other point, namely, the very vexed question of funding future deficits. I hope that before rejecting this proposal hon. members will understand exactly why it is made. If hon. members will examine the supplement to the *Government Gazette* to which Mr. Sanderson directed their attention, they will find on page 223 that, exclusive of local inscribed stock and Treasury bonds issued since the 1st July, the balance of loan money raised but unexpended was £1,665,694. I want Mr. Sanderson, following out what I said before in regard to his 7½ millions authorised and not raised—

Hon. A. Sanderson: On a point of explanation. I am unwilling to interrupt the hon. member, but on page 227 of the *Gazette*, to which he is referring, he will see "Loans

authorised, raised and unraised." And if he looks down column G, "Unraised," he will see at the end of it 7½ millions odd, and in the first column he will see "balance unraised against which Treasury bills for £5,103,410 have been issued." And if it is a question, Sir, of "unraised" and "issued," probably I shall have another opportunity of explaining what I mean, but I think, in justice to myself, the hon. member will allow me to say in regard to the technical term "unraised" that it is on this paper.

The COLONIAL SECRETARY: I know the technical term "unraised" is on the paper. I raised no objection to the hon. member using it, but I did object to his repeating it over and over again without the accompanying explanation. If over five millions of it had been raised in any other way the public might have understood it. I refer to it again now to point out that I should be misleading the public if I quoted from the official returns without explaining what it means. Exclusive of local inscribed stock and Treasury bills since the 1st July last, the balance of loan moneys raised but unexpended was £1,665,694. From this must be deducted amounts overdrawn, £292,166, leaving £1,373,527 loan money raised and unexpended. Unhappily that money has no substantial existence. It is all in the deficit, together with about £200,000 of trust moneys, and some of the money borrowed from the Commonwealth since June of this year. In that table of loan moneys borrowed but not spent appears on page 219 the item "Agricultural Bank, working capital £186,806." There is £186,000 borrowed and not spent. Of course the term means not spent by the bank. Hon. members will recollect that in those dark days at the beginning of August, 1914, the first and only financial institution in this State to repudiate its obligations was the Agricultural Bank. Why did this happen? Parliament had provided the necessary capital, and the Government had raised it, but it was in the deficit. The intention of the present Government is to make this sort of thing impossible in the future. Every deficit must always represent money authorised by Parliament and raised for some particular work, but improperly di-

verted from that purpose. The object of the Bill is to tell the Treasurer that he must not do this sort of thing. I am afraid many members are under a misconception in regard to the Bill. They seem to think that if the Bill is passed, as soon as a Treasurer gets his deficit up to £100,000 he simply funds it. Nothing of the sort. When that occurs he must come to Parliament, and although the first part of the clause is mandatory, namely, that he must transfer it to another account, that does not in any way bind Parliament.

Hon. W. Kingsmill: What can Parliament do?

The COLONIAL SECRETARY: Parliament can say "We will fund it," or alternatively "You must make provision for it in next year's Estimates." The Bill does not attempt to bind Parliament. When the deficit occurs the Treasurer shall bring it to Parliament, and Parliament shall say what is going to be done with it. In the past the Treasurer was permitted to illegally take the money out of trust funds or moneys voted by Parliament and raised by the Government for other specific purposes. Parliament will be at entire liberty either to agree or refuse to agree to the floating of a loan to finance the deficit. I do not know that it is sufficiently realised that not only the present Government in this year, but the preceding Government, with the connivance of Parliament, did something illegal in passing Estimates that provided for a deficit. It is entirely contrary to the Constitution. The powers of Parliament in regard to the appropriation of money are confined to the appropriation of money they already have or expect to get, and it is not competent for Parliament to appropriate money if they have no expectation of getting it, or for the raising of which no arrangement has been made.

Hon. J. W. Kirwan: Custom has permitted it.

The COLONIAL SECRETARY: To this extent, that there is a Treasurer's Advance Account and it is regarded as reasonable that a certain amount of trust moneys may be utilised to overcome a debit. But I do not think custom has sanctioned or ever contemplated that the Treasurer should go on

from year to year dipping his hands into funds that Parliament has voted and the Government raised for entirely different purposes. It is not desirable that this condition of affairs should continue, and while I would willingly listen to any suggestion as to how it may be avoided in a better way than that suggested in the Bill, I appeal to hon. members not to cast out that provision. The passing of the Bill will in no way pledge any future Parliament to do anything. All it will do will be to tell the Treasurer that when his deficit is over £100,000 he must come to Parliament and ask Parliament to set up a fund out of which that deficit can legally be financed.

Hon. J. F. Cullen: Would not the Bill assume that such an appeal might be made annually?

The COLONIAL SECRETARY: No doubt the Bill does assume that there will be a deficit at the end of the current year. As a matter of fact, Parliament has passed Estimates which contemplate a deficit, and the contention of the Government is that when that deficit is set up there should be some way of dealing with it. Parliament can say "You have to make provision for it on your Estimates," or can say "We will put up a fund out of which you can legally finance this deficit." That is the intention of the second part of the Bill. If it can be carried out in any better way the Government will be pleased, but I do not hesitate to say that in the Australian States generally, and in most other places, however much care is exercised, there will be deficits during war time. And I do not think that with a prudent regard to the best interests of our industries any scheme of taxation can be devised which will entirely remove those deficits. In this small State, with a population of only 320,000 people, no fewer than 30,000 of the best of our manhood, the best workers, the best wealth-producers, are away from our shores. Can we expect to pay our way during the time we are deprived of their services? I say we cannot. It has been suggested that if we do not entirely pay our way we do not entirely keep our obligations to those fighting for us, but I say we are not going to do them a kindness by imposing burdens which our industries

cannot bear. The Government do not see that any good purpose can be served by introducing taxation proposals at the present moment which would not be effective during the present financial year. Whatever taxation proposals we put forward will be met by opposition from one quarter or another. I do not mind telling hon. members that all the suggestions volunteered by the public to the Committee that sat in regard to taxation were suggestions by which the taxation on the person making the suggestion could be reduced, or suggestions by which the taxation imposed on others could be increased. The Government realise that it will be a very difficult matter to introduce taxation proposals that will be acceptable to Parliament, acceptable to the people, and that will raise a sufficient amount of revenue to be worth bothering about, while at the same time not pressing unduly on the industries of the State. If hon. members think that is a light task, if they choose to blame the Government for not having accomplished it already, they are welcome to their opinions. If, during recess, the Government can succeed in their task and in June bring down acceptable taxation proposals, nobody will have any right to complain of the delay.

Hon. J. F. Cullen: Why is not the whole of the deficit included?

The COLONIAL SECRETARY: The reason for not doing that is that there must be a method of doing things and the method proposed in the present case is to fund at once the deficit as accurately ascertained at the end of the last financial year. If this Bill passes as it stands, as I hope it will do, or in a somewhat modified form which will carry out the same purpose, we shall have another debate early in the next financial year as to what is to be done with the deficit which accrues up to June 1917. Judging by the interest that hon. members have taken in this connection I cannot help thinking that such a debate at the beginning of each financial year would be helpful in the extreme. There has been talk of hiding away the deficit. The Government does not propose to do anything of the kind. We propose on the other hand holding up deficits to Parliament and saying, "Here

it is, what is to be done with it?" Do not go on in the illegal fashions of the past. Either provide for this deficit in the Estimates, or set up a fund and say that the Government for the time being shall finance the deficit out of that fund. I again thank hon. members for the attention they have given to the Bill.

Question put and passed.

Bill read a second time.

BILL—FIRE BRIGADES.

Received from the Legislative Assembly and read a first time.

House adjourned at 10.19 p.m.

Legislative Assembly,

Wednesday, 7th March, 1917.

	PAGE.
Questions	2159
Papers presented	2159
Questions: Civil Servants, special allowances	2159
Royal Commissions on tour	2159
Estate Repurchase, Thompson's lake	2160
Fremantle Prison warders	2160
Expeditionary Forces and Education Department	2161
Esperance Lands Commission evidence	2161
Tobacco, sale to young people... ..	2161
Freezing Works, Wyndham, and Mr. Templeton	2161
Workers' Compensation Insurance Fund	2162
Wheat Marketing Scheme, Acquiring agents	
and Ockerby & Co., Wheat for the Empire,	
Sale of wheat to a miller, Finalising agency	
agreements, Purchases outside pool, Agents'	
obligations to pool, Next year's wheat, Low	
grade wheat at Geraldton	2162
Bill: Fire Brigades, 3n.	2164
Ports and Harbours, 1n.	2200
Early Closing Act Amendment 1n.	2200
Mental Treatment, 1n.	2200
Land and Income Tax, returned	2200
Motions: Railway freights and fares, increase... ..	2166
Repatriation Scheme	2186
Governor of the State	2200

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

QUESTIONS.

Mr. SPEAKER: Before asking for questions, I desire to call the attention of hon. members to Standing Order 107, which reads—

Questions may be put to Ministers of the Crown relating to public affairs; and to other members, relating to any Bill, motion, or other public matter connected with the business of the House, in which such members may be concerned.

Questions which do not come under this Standing Order put the Speaker and the officers of the House in an undesirable position. Frivolous questions court frivolous answers and both alike are unbecoming the dignity of the House. The object of a question is to obtain information, not to give it.

PAPERS PRESENTED.

By the Premier: Audit Act. Order-in-Council.

By Hon. J. D. Connolly (Honorary Minister): Education Department, amendment of regulations.

By the Minister for Industries: Returned Soldiers Settlement Scheme.

QUESTION—CIVIL SERVANTS, SPECIAL ALLOWANCES.

Mr. SMITH asked the Premier: 1, Is it a fact that special allowances are about to be granted to certain civil servants in higher grades? 2, Do the Government propose to treat all officers, irrespective of rank, on their merits?

The PREMIER replied: 1, No. Allowances for special work are granted from time to time to all ranks of the service. 2, Yes.

QUESTION—ROYAL COMMISSIONS ON TOUR.

Mr. SMITH asked the Premier: 1, Has he noticed that two Royal Commissions left on Saturday for a trip to the Eastern States? 2, In view of the present condition of our finances, does he intend to close down on this waste of public money?