

account of the high price of meat. The measure does not need much comment. I move

That the Bill be now read a second time.

Hon. J. MILLS (Central) [6.10]: The Bill is a most useful one and should give excellent results. It is regrettable that it was not introduced many years ago, because to my knowledge for a long period some of the best milking cows from the Eastern States have been brought here. It is not the business of the dairymen to consider whether it is in the interests of the State that the calves should be kept. He thinks only of the cow, and so the State loses the calves. Almost invariably calves are sold for from 20s. to 25s. per head, whereas if kept for a few years they would be worth that many pounds as dairy cows. It explains one of the reasons why we have to import so much of our butter. I hope the districts in which the Bill is to operate will not be confined to the metropolitan area, but will be extended to include all towns where they have dairy herds. When the Bill is in Committee I intend to move a new clause as follows—"Only bulls of a milking strain shall be mated to cows in a milking area." Then purchasers would know that the calves were of a reliable strain, whereas at present the dairyman may use any bull, the question of breeding not appealing to him. I have pleasure in supporting the second reading of the Bill.

Question put and passed.

Bill read a second time.

The House adjourned at 6.15 p.m.

Legislative Assembly,

Tuesday, 21st October, 1919.

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

QUESTIONS (2) — INDUSTRIES ASSISTANCE BOARD INSURANCES.

Damage by Hail.

Mr. PICKERING (for Mr. Johnston) asked the Minister for Industries: 1, Has the Industries Assistance Board decided not to pay premiums for insurance against hail on crops this year? 2, Have not the losses from hail been very heavy during some past seasons? 3, What is the reason for this change of policy?

The MINISTER FOR INDUSTRIES replied: 1, No. The Board will insure against hail at the written request of the settler. 2, The losses have not been unduly heavy, considering the large areas under crop. 3, There is no change in policy.

Insurance against Fire.

Mr. PICKERING (for Mr. Johnston) asked the Minister for Industries: 1, Is the Industries Assistance Board only insuring wheat crops against fire at the rate of 3s. per bushel this year? 2, In view of the price of 5s. per bushel for wheat at sidings, is this rate high enough to protect the Board for the risk involved?

The MINISTER FOR INDUSTRIES replied: 1, Insurance has been fixed at 3s. 6d. per bushel. 2, Yes.

QUESTION—SOLDIER SETTLEMENT.

Mr. HICKMOTT asked the Premier: 1, Is he aware that considerable dissatisfaction exists among the returned soldiers owing to the action of the Central Board in turning down many places recommended by the local committee? 2, Is it a fact that a returned soldier has been allotted a block of land on the Jelobine estate, priced at 48s. per acre? 3, If so, why has a block in the same district, well improved and recommended by the local committee, price 16s. per acre, been turned down without inspection? 4, Is he aware that two farms in the Pingelly district, recommended by the local committee and turned down as unsuitable for returned men, have since been sold privately at a considerable advance in price? 5, If so, what is the use of local committees?

The PREMIER replied: 1, No. The Discharged Soldiers' Settlement Board is the responsible authority dealing with applications, and the final decision must rest with it. 2, No. Two applications have been made by returned soldiers for land in this estate, but have not yet been finalised. 3, If the hon. member will specify the case, inquiries will be made into it. 4, No, but if such is the case it does not necessarily imply that they were suitable for soldier settlement at the prices asked. 5, Answered by No. 4.

QUESTION—HAMPTON PLAINS, ROAD FROM BOULDER.

Mr. LUTEX (without notice) asked the Minister for Works: Are the Government in

a position to make a statement regarding the construction of a new road from Boulder to Hampton Plains?

The MINISTER FOR WORKS replied: The survey of the road in question has been completed, and work will be started on the track during this week.

BILL—SAND DRIFTS.

Introduced by the Minister for Works, and read a first time.

BILL—VERMIN ACT AMENDMENT.

Read a third time, and transmitted to the Legislative Council.

BILL—MIDLAND RAILWAY.

Report of Committee adopted.

BILL—MERCHANT SHIPPING ACT APPLICATION ACT AMENDMENT.

Report of Committee adopted.

BILL—PRICES REGULATION.

Recommittal.

Order read for the third reading of the Bill.

The ATTORNEY GENERAL (Hon. T. P. Draper—West Perth) [4.41]: I move—

That the Bill be recommitted for the purpose of considering amendments to Clause 3 of which notice has been given by the member for Boulder.

Hon. W. C. Angwin: I rise to a point of order. Can a clause be recommitted for the purpose of considering specific amendments placed on the Notice Paper, or must the clause be reconsidered as a whole?

Mr. SPEAKER: Standing Order 298 reads as follows:—

On the Order of the Day for the third reading being read, the Bill may be recommitted without limitation, in which case the entire Bill may be again considered in Committee; or such recommittal may be made with respect to certain proposed amendments only, or to the clauses in which such amendments are proposed to be made, or for the purpose of adding new clauses, and in these latter cases no other part of the Bill shall be open to consideration, and when again reported with amendments a future day shall be appointed for the third reading, and in the meantime the Bill shall be again printed as amended.

Question put and passed.

In Committee.

Mr. Munsie in the Chair; the Attorney General in charge of the Bill.

Clause 3—Commissioners:

Hon. P. COLLIER: I move an amendment—

That the following subclause be added—
“(3) Any two of the commissioners shall be a quorum, and, subject to the next following provision, shall have all the powers and authority by this Act conferred upon the commissioners.”

This is purely formal, and is necessary consequent on an amendment carried earlier.

Amendment put and passed.

On motion by Hon. P. Collier, clause further amended by adding the following subclause—“(4) If at any meeting at which two commissioners only are present such commissioners differ in opinion upon any matter, the determination of such matter shall be postponed until all the commissioners are present.

Hon. P. COLLIER: I move a further amendment—

That the following subclause be substituted for Subclause 3—“The commissioners shall inquire into and from time to time make reports and recommendations to the Minister on the prices, wholesale and retail, and the conditions of sale of food-stuffs and necessary commodities, and upon all such other matters as are within the scope of their authority.”

Subclause 3 of the Bill, as drafted, provided that the commissioners' power or authority to inquire into matters affecting the prices of commodities should be confined to such matters as were referred to them by the Minister. The opinion has been expressed that the powers of the commissioners should not be restricted in that way and the amendment, as now drawn, will give absolute freedom of scope and authority to make reports and recommendations.

Amendment put and passed.

Hon. P. COLLIER: I move a further amendment—

That the following subclause be added—
“(7) The reports and recommendations of the commissioners shall be published in the ‘Gazette.’”

I hope the Minister will agree to the amendment. There is no reason why the reports and recommendations should not be published in the ‘Gazette’ and thus made public information. The public are vitally interested, and the Bill is designed to protect them and, unless they know what the recommendations of the commissioners are, they will not know what action has been taken with regard to any article, the price of which may appear to be excessive. Otherwise, the only method to obtain information would be by questions asked in the House, and, as the House does not sit for half the year, there would be no

opportunity to obtain information through that channel.

The ATTORNEY GENERAL: The Government have undertaken to consult the leader of the Opposition as regards the appointment of one of the commissioners, and the commissioners have free scope as to the inquiries they are to make and can make and as to the exercise of their powers without the interference of the Minister, and, if the public are not satisfied with that, they will not be satisfied with anything. If the Minister does not carry out his duty in a proper manner, he renders the Government liable to attack.

Hon. W. C. Angwin: How shall we know if we do not see the reports?

The ATTORNEY GENERAL: Members can, in connection with the administration of this Act, as with any other Act, if they so desire, move a motion in this House and, if a majority of members order any information to be laid on the Table, it is laid on.

Hon. W. C. Angwin: That "if" is the word to get over.

The ATTORNEY GENERAL: The only "if" is whether there is a majority of members who consider the information should be laid on the Table. The House remains the judge as to whether the information should be given. This subclause is certainly an innovation in responsible government. The commissioners will be officers of the Government and, if the reports of the commissioners are to be published in the "Gazette," then the reports of every Under Secretary made to Ministers ought also to be published in the "Gazette." They are simply officers of the Government making reports and recommendations to the Minister who is responsible for carrying out the Act and, when they have done that, they have discharged their functions. It is not the purpose of the House to take away the whole control of the Act from the Government. We believe in responsible government. Here we have commissioners appointed with the consent of the other side and given the fullest scope regarding the inquiries to be made, and now it is sought that their recommendations and reports be published in the "Gazette." Does anyone imagine that if the commissioners carry out their duty under this Act—and if they do not, their services will be dispensed with—that their reports will be short? It will be the duty of the commissioners to make full reports, such reports as will enable the Minister in charge to decide whether the recommendations are justified. They will have to make reports possibly as regards individuals and in detail and I have no hesitation in saying that if they carry out their duty, their reports will be voluminous. If the commissioners know that everything they say will be published in the "Gazette," then a great deal of useful information will naturally be withheld from the Minister. It is only human nature. Anyone who has to make a report to a superior officer—and this is really of a confidential nature—if he knows it is to reach

the superior officer and no one else, will state frankly and fully, without any fear of consequences, what the facts are as they appear to him. It will place the commissioners in an unfair position and will be derogatory to the dignity of the Minister who has to carry out the Act to say, that the reports of the commissioners shall be published in the "Gazette." There is another aspect of the case: the "Gazette" at present is quite voluminous enough and, if all these reports are to be printed in the "Gazette," a great deal of very unnecessary expense will be incurred. Having regard to the ordinary principles of responsible government why should reports of an officer to his Minister be made public in a newspaper and, by Act of Parliament, in a Government newspaper? There is ample protection for the people. If they require information, they can obtain it through the ordinary channels of this House and members know that, as a rule, there is no need to come to this House to obtain information; it is frequently given by the Ministers, without any request at all from the House. I hope the amendment will not be passed. I have endeavoured to meet my hon. friend in every way over this Bill. I am quite prepared to say he has materially assisted to improve the measure, but I regard this amendment as one which ought to be resisted in the interests of responsible government.

Hon. T. WALKER: In the interests of responsible government, it seems to me the first thing to do is to make those to whom the Government are responsible aware of what has transpired in their interests. Responsible government, to my mind, means absolute touch between the Government and the people themselves. I know how government arose out of responsibility to the King. In the evolution of time, we have responsibility from the constituents that create Parliament. Ministers are responsible to Parliament, and Parliament is responsible to the people and, after all, the people are the last resort—the foundation of responsible government. If this is so, I want to know what force there is in the argument that the people must be kept in ignorance. Had the people been kept in ignorance, we should have had no such reports as have been placed before us by the Interstate Commission pursuing inquiries such as the commissioners under this Bill will be entrusted with. The information given in the Interstate Commissioner's reports is invaluable. It was an eye-opener to everybody. The Australian people were in ignorance of what was transpiring under their very eyes and in their very midst until that publication reached them. The Attorney General can see no wrong in that. But he sees something wrong in regard to the reports of the commissioners in our own State. He suggests that there will be a loss of dignity if these reports and recommendations are published in the "Government Gazette." If a

report is sent to a Minister and he thinks it unworthy of notice, no one will be any the wiser. I would not have expected the Attorney General to defend the action of the commissioners if they refrained from telling everything in their reports lest they should see the light of day. Whether these commissioners report trivial and unnecessary things or not, the public should know what they are reporting. This more intimately concerns the public than any other measure that has yet been before us. It touches the whole life of the people and their character as citizens, and also touches their pockets. They have the right, therefore, to know what is going on. The Attorney General says we can get the reports when they are laid on the Table of the House. If that is so, there is no argument against their publication in the "Government Gazette." There is, however, a disadvantage in that the House is only in session for say, six months, and we might have to wait for the end of that period before we can obtain the papers which are laid on the Table of the House. It may then be too late to pass any review on them.

The Attorney General: The Minister must take the responsibility of his actions.

Hon. T. WALKER: Do not Ministers sometimes act the fool? We know they can be weak and can err in their judgment. We should be in touch with a matter which so vitally affects our daily life, in order that we may take action against the Minister himself if necessary. The commission constitutes a new court with powers of investigation, summoning witnesses, and hearing, determining and reporting. Why should this court be a star chamber? We are living in an age when the public take a part in the life of the nation, and are not dictated to by Governments or commissions, and where secrecy is above all things detested. There can be no wrong in the actions of such a court being given the light of day as well as all their reports, investigations, and conclusions.

Mr. TROY: I have rarely heard such superficial arguments put forward in opposition to an amendment as those expressed by the Attorney General. He said that if this commission has to make reports, why were not similar reports expected from the Under Secretaries for Mines, Lands, and Railways, or other departments. There is no comparison between the two things. This Bill has gone so far through this Chamber because of public agitation and discontent. This was so serious that the Government, who have no brief for the measure and are doubtful of its efficacy, have been compelled to introduce it. This discontent is compelling the Prime Minister of the Commonwealth to make a measure of this character the main feature of his electioneering campaign. The object of the Bill is to remove a burden from the people. We are told that a matter of this importance can be com-

pared with the trivial productions of under secretaries. It is quite possible that the dignity of the commissions will be more seriously affected if the commissioners do not make recommendations and reports, because the public will expect this of them. Their dignity will be at a disadvantage if the public believe that certain things are happening, and the commission are not taking any notice of them. The work of the commission will thus be injured by suspicion on the part of the public. The commission cannot show the community that they are doing something unless they do make recommendations and reports which can be acted on by the Government. The Attorney General attaches vast importance to the law reports. I would point out that money is provided on the Estimates each year and is used to assist in the production of these reports. If such value is attached to them, in which only individuals are concerned, how much more importance should be attached to reports in which the whole community is concerned? There might be objection on the score of expense, but that is the only reasonable objection. The Attorney General might argue that the printing of the evidence could only be done at considerable cost. But it is not asked that the evidence should be printed. The only proposition is that the recommendations and reports should be published in the "Gazette." If there is any value in the publication of the reports of the Interstate Commission, surely these reports should be of equal value. The dignity of the Interstate Commission is not injured but actually enhanced by the publication of the transactions of that Commission. The real reason for the Attorney General's objection is the fear that the transactions of certain business firms will be made known to the public, and that those firms may, in consequence, come into dispute with the public.

The Attorney General: Do you mind naming the firms?

Mr. TROY: I do not propose to do anything of the sort. The Minister's whole endeavour has been to see that the measure does not deal harshly with those persons who sin most against the community. That is my belief. There is a fear that the measure might be more effective than it is intended to be, and that certain business transactions might see the light of day. We have observed similar precautions in the Federal Parliament, when Mr. Hughes's pretended endeavours to abolish the profiteer were under consideration. Unless this provision is passed, the proceedings of the Commission will be so circumscribed and hidden that the people will know nothing about them. That is what is hoped for. That, in my opinion, is the real reason for the objection. If the "Trade Circular" is allowed to publish the intimate business affairs of private individuals, why should there be an objection to the business of the traders themselves being made known to the public? The "Trade Circular" is al-

lowed to publish things calculated to injure the credit and reputation of a private individual.

Hon. T. Walker: That is in the interests of the class.

Mr. TROY: Yes, of the class represented on that side of the House. Protection from publication is denied the private individual but provided for the trader in a Bill supposed to be designed to relieve the community from a very unfair and unjust burden. I feel convinced that the Attorney General is out to protect his particular class, whose transactions will be affected by publication. If that belief is unfair, it is due entirely to the superficial and shallow arguments put up in opposition to the amendment. I hope the amendment will be agreed to.

Mr. PICKERING: We had a Price Fixing Bill before a previous Parliament, yet that Bill did not contain this provision. The Bill before us is a fairly liberal measure. To my mind there are vitally important matters other than the regulation of prices. Take the Royal Commission on Agricultural Industries. Its report contained 914 pages. Will anyone suggest that the report of that Commission should be published in the "Government Gazette."

Mr. Troy: That included the evidence. It is now only proposed to publish recommendations and reports.

Mr. PICKERING: The report of that Commission was of vital interest to a large proportion of the citizens, yet, owing to the cost, we had considerable difficulty in getting a few copies for our constituents. There have been other reports of great interest to the people, but no suggestion that they should be published in the "Government Gazette."

Mr. Mullany: Some of them are to be found in "Hansard."

Mr. PICKERING: But if a person, other than a member of Parliament, wishes to read "Hansard," he has to pay for the privilege. Then there are reports under the State Children Act, but we have no suggestion that they should be published in the "Government Gazette."

Hon. W. C. Angwin: They are laid on the Table.

Mr. PICKERING: The Minister has said that if hon. members desire information on matters pertaining to the Prices Regulation Commission, such reports will be made available to members. He said that, not publicly but privately. Further than that, he stated that if members desired to have reports of the Commission tabled, he would favourably consider such requests from hon. members.

The Attorney General: I only pointed out what was the usual practice. I did not give a personal undertaking.

Mr. PICKERING: If hon. members realise the vital interests involved in this measure, the Government will surely see fit to comply with requests by hon. members that the reports of the Commission should be laid

on the Table. In these circumstances I will support the Attorney General.

Hon. P. COLLIER: I am not at all wedded to publication in the "Government Gazette." All I desire is to obtain some official report for the information of hon. members. The hon. member spoke of the non-publication in the "Gazette" of reports of Royal Commissions. But those reports have been presented to Parliament, together with the whole of the evidence taken. I regret exceedingly that the Attorney General should oppose this amendment. I desire to have the work of the Commission embodied in some official report which will be available to members. The Federal Government advanced no fear of the Interstate Commissioners, because of publicity, shirking their responsibilities in the reports they might make to their Minister; nor, apparently, has there been any loss of dignity on the part of the Commissioners. Let me refer to one of the reports by the Interstate Commission, presented pursuant to statute and ordered to be printed 3rd May, 1918. The report was presented pursuant to statute, and on the second page we find the table of contents, which refers to "Introductory," "Points raised in re-investigation," "Present condition of the industry," "Table of returns," and so on, and then opening the report at random, I come across the heading "Western Australia" and I find that it says—

As to Western Australia there is direct evidence that the prices there have fallen much below the level still ruling in the other States, except Queensland, and the growers fear that the State is now, in the absence of export facilities, over-supplied.

At the end of the report we find the heading "Summary and recommendations," and it states that the sheep in the Commonwealth are greater in numbers than in 1913, while the number of cattle is about the same as in that period, and so on. Then in their recommendations the Commission state—

Assuming that the policy of price fixing is to be applied to meat, the Commission recommend—

And then follow the recommendations.

That the Imperial contract prices less a deduction of $\frac{1}{4}$ d. per lb. (freezing charges) be fixed as the maximum wholesale prices for meat in Brisbane, Sydney, Melbourne, Perth (including Fremantle), Hobart, and Launceston, such prices to include delivery by wholesaler, where, as in Sydney and Melbourne, that is the custom of the trade. In Adelaide the maximum wholesale price of beef for mutton is $\frac{1}{4}$ d. per lb. higher than in the other cities named, the maximum wholesale prices for lamb to be the same as in those cities. That the prices so fixed be used as a basis for fixing the price on the hoof of cattle, sheep, and lambs in the centres where there is no wholesale meat trade. In those centres an official declaration should be made of the maximum weight upon which the bidding is to be based. No action seems necessary with

regard to retail prices, which (the evidence shows) will conform to wholesale prices. Then follow the signatures of A. B. Piddington, Chief Commissioner, and S. Mills, deputy Commissioner. What objection can there be to the publication of a report of that kind? I will be satisfied if the Attorney General will agree to present a report to Parliament. The Attorney General, I am afraid, is under the impression that these reports will be of such a confidential nature regarding the profits and control and management of individual businesses that it may be undesirable to make them public. But the commission will not go into the profits of each particular business. They will content themselves with a general statement of the case just as the Interstate Commission have done, and after doing that they will make a recommendation upon the evidence as it has been presented to them. Unless Parliament has some information the Act will be of no avail.

The Attorney General: You have not asked for an amendment of that kind.

Hon. P. COLLIER: As a matter of fact, I have already asked the member for North-East Fremantle to move such an amendment. My only object in saying that the report should be published in the "Gazette" was that we should have some kind of publicity, but I believe the presentation of the report to Parliament will be much better. I have another report here which relates to jams and fruits. It is by the Prices Commissioner for Tasmania. That commissioner presents a report in regard to the prices of jam and it is addressed to Senator E. J. Russell. So, apparently, the Federal Ministers have no objection to the publication of these reports.

Hon. W. C. ANGWIN: I move an amendment to the proposed subclause—

That the words "published in the 'Gazette'" be struck out and that "presented to both Houses of Parliament if Parliament be then in session, or within 14 days of the commencement of the ensuing session" be inserted in lieu.

The Commonwealth Government published the Interstate Commission's reports as soon as possible after they had been received. One was issued on "bread," soon after it was prepared; then another one followed dealing with "meat," and as these various matters were discussed, so were the reports printed and issued. The Attorney General said that this was something new. It might be if the reports were published in the "Government Gazette" but there is nothing new about a commission preparing a report and presenting it to Parliament, evidence and all. When commissioners deal with price-fixing matters which they consider confidential, they are not going to embody those details in their report. I notice that in the Eastern States the investigations in connection with price-fixing are conducted in public. The Press are represented at these inquiries and the evidence is reported. Yet here the Minister objects to the report being given six months

after the matter has been dealt with. The reports of the Interstate Commission have opened the eyes of the people of Australia in regard to profiteering during the progress of the war. Very few people realise that large profits were being made out of soldiers' clothing alone until the Interstate Commission's reports were printed and published. I want to remind Ministers that they themselves were always opposed to secrecy. The Minister the other day objected to evidence being taken in public, but is that not being done in Sydney? And now he is objecting to reports being printed. Is that a fair thing? If a report is presented to Parliament it will relieve the Minister of accusations which may be levelled against him. There is no doubt that greater satisfaction will result from the publication of the Commissioner's reports, and if they find on investigation that it is not possible to make reductions in the prices of commodities, they will say so in their reports and by the public having a knowledge of what those reports contain everyone will be better satisfied. Undoubtedly there are people in Perth, and perhaps even in Fremantle, who would prefer that such publication should not take place. For instance, the woollen company which robbed the Australian public by overcharging for soldiers' uniforms, do not want that fact made public. Such are the people who desire secrecy under this measure. The honest trader does not care what is made public.

The ATTORNEY GENERAL: The amendment removes the serious objection which I had to the new subclause as introduced. I do not oppose the laying on the Table of the commissioners' reports, but I do object to their publication in the "Government Gazette." Reports laid upon the Table would be available to members as soon as laid there, without notice of motion. That in itself would be an advantage, though I do not think any Government would refuse to produce reports of this nature if asked for by a member.

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

Bill reported with further amendments.

ANNUAL ESTIMATES, 1918-19.

In Committee of Supply.

Debate resumed from the 9th October on the Treasurer's Financial Statement and on the Annual Estimates; Mr. Munsie in the Chair.

Vote—Legislative Council, £854:

Hon. P. COLLIER (Boulder) [5.54]: It is regrettable that we are called upon to consider these Estimates of Revenue and Expenditure without having in our possession the report of the Auditor General for the past financial year, and more particularly the Public Accounts. As is well known

to hon. members, the Public Accounts contain a fund of information regarding votes and expenditure of the last financial year, and of previous years, which information is not presented in the detailed Estimates. I am sorry that misunderstanding or difference of opinion, whichever it may be, existing between the Auditor General and some other official should deprive us of the use of that valuable information.

Hon. W. C. Angwin: Perhaps the Auditor General is getting too lazy.

Hon. P. COLLIER: As to that, there seems to be a great deal of difficulty and delay in obtaining the statutory reports of the Auditor General. From the "West Australian," I observe that that newspaper has already received a copy of the Queensland Auditor General's report for the financial year ended in June last. It is somewhat extraordinary that the official holding a similar position in the northern State is able to prepare his report and present it to the Queensland Parliament in time for us to receive it here before we know anything of the report of our own Auditor General.

Mr. Smith: How would it be to postpone payment of our Auditor General's salary until we get his report?

Hon. P. COLLIER: That suggestion might be considered when we reach the item on the Estimates. Last year, I think, we had not the report at all. I believe it was only when Parliament met this year that the report for the financial year 1917-18 was presented; and even then it seemed to be somewhat of a skeleton nature, at all events more so than any previous report. However, I hope the Premier will endeavour to have the report available to members, together with the Public Accounts, before the Committee progresses very far with the consideration of these Estimates. Whilst the Colonial Treasurer's Financial Statement contained a mass of information regarding the commercial and industrial life of the State, yet it contained nothing new. The lack of novelty is, I suppose, inseparable from the situation. The statement told the same old story, a story of ever-increasing expenditure, a story of a deficit standing at about the same level as the deficits of the past three years. It would appear that, after all, a deficit in the vicinity of £700,000 is the minimum annual shortage on revenue account for this State. I do not know that it is much use discussing the deficit. When deficits first began to appear, some eight or ten years ago, the public became more and more alarmed as they mounted higher and higher, until eventually the people were, I venture to say, stampeded into taking the strong and even drastic action of throwing out the Labour Government. Members on the other side of the Chamber, or at all events Ministers, will agree with me that it is a most drastic action at any time to put the Government out of office. So familiar, however, have the public become with the monthly shortage and with the accumulated deficit at the end of each financial year, that

they no longer worry about it, but seem to accept it as a matter of course. Such an attitude on the part of the public does not hearten members of Parliament and others who take an interest in the public affairs of the State to worry themselves unduly. Nor does it seem desirable to worry members on a subject to which the people appear to devote very little attention. Therefore it is not my purpose to give a recitation of all the financial transactions of the State during recent years. Like the Premier, I think that we should devote ourselves to the future. Or rather, the Premier said that he did not intend to devote himself to the past, but that the future was ours. I do not intend to go over the past either. I shall refer to the past only in so far as it seems to me desirable to bear the past in mind as a guide to the future.

Mr. Davies: But will it guide us in the future?

Hon. P. COLLIER: In recent years it has not done so, but there is still hope that Parliament may effect an alteration. In any consideration of the financial position of Western Australia we cannot lose sight of the fact that in recent years there has been an annually recurring deficit. It is an extraordinary thing that, having got up four years ago to a deficit of approximately £700,000, no matter what has happened since, no matter how Parliament may impose additional taxation, no matter how the revenue might increase, still the ever recurring annual deficit of £700,000 or thereabouts is with us, and so this year is no different from the last. I do not wish to be unduly pessimistic with regard to the finances; I believe with the Premier in much he has said regarding the future, but it does seem that we cannot go on living in a fool's paradise; we cannot go on year after year indefinitely with a shortage of this description. It must come to an end somewhere, and unless strong steps are taken to deal with the situation, as I have repeated more than once in this House, the House or the Government will be forced to take drastic action. Passing over the deficits for the preceding years—£700,000 for 1916, £705,000 for 1917, and £652,000 for 1918—we come to the estimated deficit as presented by the Premier for the present year. We find that, while the Premier estimates he will reduce the amount somewhat, the total being £593,349, that will be accomplished only after he has taken some unusual steps. The real deficit based on the actual transactions of last year, not allowing for the proposed alteration in the sinking fund for the goldfields water supply loan and the additional revenue of £30,000 which he hopes to obtain from lands, deducting those two amounts I say the Treasurer on his own figures will end up the year with a deficit of £688,000. Incidentally, I may say in passing that the proposal of the Premier to make it possible for people holding conditional purchase areas to pay the whole of their remaining indebtedness to the State,

by which means he hopes to obtain an additional £30,000 in revenue next year, is open to considerable objection. It has to be borne in mind that land rents are not really rents but represent payments of purchase money. While we are disposing of our estate year by year—it is not rent in perpetuity—we are taking the proceeds into revenue account and using them year by year, and what might be the Premier's windfall this year, by permitting those in a financial position to wipe off their remaining indebtedness for their conditional purchase holdings, will add to the difficulties of future Treasurers. The Premier really intends to appropriate for this one year, moneys which should be due to future Treasurers spread over a number of years. That is what the Premier's proposal amounts to. With regard to the sinking fund for the goldfields water supply loan, by a saving of £65,000 there, if the figures are as stated by the Premier—and no doubt they are—there is something justifiable in his action, but even then the fact remains that the financing on last year's basis would have shown a shortage of £688,000 for the current year, thus carrying the accumulated deficit to a sum slightly in excess of £4,000,000. I want to say at this juncture that I do not believe the Premier will be able to achieve, in actual results, what he has estimated and placed before us on paper, though I sincerely hope he will be able to do so. Whilst the Premier says he hopes to carry through this year with a deficit of £593,000, we cannot overlook the fact that already, for the first quarter of the year, we have a shortage of £354,000. Generally I do not take much account of the deficit as revealed from month to month, because sometimes the months fluctuate, still the first quarter of the year is always a guide to a certain extent. There are considerable payments which come into the Treasury during the September quarter—land rents, territorial and otherwise—which should so adjust the financial position for the first quarter as to make it bear some real relation to the deficit at the end of the year. I hope the figures for the first three months of the present financial year will not prove to be a criterion of what we may expect the position to be at the end of the year, because already, during the first quarter, we have achieved considerably more than half the deficit with which the Premier estimates he will finish the year. Bearing that in mind, and glancing through the Estimates, it seems to me that, allowing even for the prosperous season ahead of us and allowing for the fact that trade is again beginning to flow into its natural channels, and that there will be an expansion and increase in many of our primary industries, allowing for all this, I say, the Premier has unduly inflated his estimates of revenue. Let us take only a few items: In taxation alone the Premier estimates that he will receive £108,000—less £3,992—more than was received last year; in round figures that he

will receive £104,000 more than was received last year. In land tax he expects to receive £15,000 more than last year. He estimates that the income tax will produce £33,000 more than last year; and here again it will be recognised that last year's receipts from income tax were very greatly in excess of those of the previous year, due to the fact that an amending Act had been passed under which the rate was increased. While, in the previous year, the total amount received from income tax was £98,000, last year no less than £226,000 was received. Yet, on those figures, the Premier hopes receipts to improve by £33,000. From land and timber, he estimates that he will receive £23,000 more than last year, or a total from direct taxation alone of £104,000. The same inflation of estimates appears under the heading of business undertakings. Right down the list we see such largely increased items of estimated revenue for the year as electricity supply, £14,000; Fremantle Harbour Trust, £18,000; Railways, £221,000; or a total increase of revenue from all business undertakings over that received last year of £300,000 in round figures. That, taken with taxation, gives us this net result that the Premier expects to receive this year by way of revenue no less than £357,917 more than was received last year.

Hon. T. Walker: That is from all sources.

Hon. P. COLLIER: Yes, taxation, State trading concerns, business undertakings and Commonwealth. I hope the Premier's estimate will prove to be correct. It will be a good thing for the State and may help to keep the deficit somewhat in bounds, but again I would remind him that the operations for the first quarter of the financial year do not bear out the optimistic estimate of revenue which he has presented to us. The revenue has been buoyant. The remarkable thing about the financial position of our State has been that, throughout recent years, with the ever increasing shortage, that position has not been due to a falling revenue, taking the State all round. Year by year, as our deficit has increased, so has our general total revenue increased. When we find a condition of affairs under which the revenue keeps on increasing, but still the deficit mounts up and the expenditure increases at a more rapid rate, we must come to the conclusion that there is something wrong. It seems to me that the expenditure has been increasing during recent years at an unjustifiable rate. I do not want to reiterate, as I have repeated very often in this House, the fact that in the years of the Labour Government's régime, we were charged with extravagant expenditure—

Hon. T. Walker: An orgy of expenditure.

Hon. P. COLLIER: Yes, all kinds of terms were applied to us. Allowing of course for the fact that the past four years have been years of stress and war and difficulty, still it does seem that, bearing in mind the policy of economy professed by the

party opposite, they have not lived up to their professions. We in this State have reached a position when we cannot increase taxation very much. We cannot keep on piling up taxation year after year on the citizen and still show no results. The citizens might be content to pay increased taxation if the results were manifested in the finances for the year. It ought not to be forgotten that the direct taxation in this State has been practically doubled in the short space of four years. From £371,962 in 1914-15, it rose to £629,000 for the last financial year, or nearly double the impost upon the people in the way of direct taxation alone, and notwithstanding the fact that in the short space of four years since the party opposite have been in office, they have increased the taxation on the people to the extent of £357,000, we find that the deficit still goes on mounting up. If the general revenue has been buoyant and if taxation has been piled on to the people and still we have gone to the bad, what is the logical deduction? We can only come to the conclusion that the expenditure has been on an extravagant scale. There appears to me to be no other deduction than that the expenditure has not been kept within reasonable bounds.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. P. COLLIER: We have arrived at our financial difficulties through a number of years, notwithstanding that our revenue has been gradually increasing, and this brings us to the further fact, which is self-evident, that our position must be due to increased expenditure, or, in other words, to what may be described as a want of economy. If we turn to the expenditure side of the present Estimates we find the same condition of affairs which has characterised the Estimates for years past, namely, that the increased expenditure is always exceeding the increased revenue. In these Estimates increases are shown in nearly every department. Under the heading of the Minister for Lands and Repatriation there is an increase of £2,338; the Colonial Treasurer, £7,747; and the Minister for Education £23,431. Although we called a halt to some extent last year upon our educational expenditure, I see that this department is now off at a full gallop again. The increased expenditure provided for now makes up for any little cessation in that direction which may have occurred last year. The increase under the heading of Minister for Public Health is £7,324, and under that of the Minister for Works £10,385. The Works expenditure is going up, notwithstanding the fact that there have not been, so far as I am aware, any increases in the general works undertaken throughout the State. For the Minister for Mines, Woods and Forests, and Police, an increased expenditure of £11,901 is provided and for the Attorney General £8,508. I do not know if there is going to be any increase in litigation during the year, or whether that es-

timated increase is due to the anticipated expenditure by the Electoral Department.

Mr. Brown: Unpaid accounts.

Hon. P. COLLIER: This is one of the departments which, year by year, we have been accustomed to see keeping within bounds. For the Colonial Secretary an increase of £3,455 is provided, and under the heading of Business Undertakings a sum of £228,461 is also provided. These amounts total £394,252, and exceed by something like £34,000 the increase in our total revenue. Included in the £228,461 is a sum of £174,414, representing the increased expenditure on our railways. This increase follows on other increases which have occurred during the past four years. Hon. members who have been here during that period will remember well that, as our financial statement comes round, those sitting on this side of the House have shown, by quotation from the official figures placed before the Committee, that the particular year with which we were then dealing showed an increased expenditure over that of the previous year. We seem to have arrived at the position when, unless something in the way of substantial economy is effected in the affairs of this large department, the taxpayers of the State will certainly be loaded up with increased taxation, not that the deficit might be reduced and ultimately wiped out, but in order to maintain it at its present level. This statement I have made and repeated for the past three years, that if the deficit is to be maintained at its present level, or is not to exceed the sum of £700,000 for the year, this can only be done by increasing our taxation by something like £100,000 a year. If we have regard to the fact that the loss on our railways last year was £359,000, we shall at once recognise that something must be done with this huge revenue earning and spending department. In 1910-11 the profits on the working of the Railway Department amounted to £220,000. That was the highest amount ever reached in any one year. It was not a legitimate increase because it was the result of retrenchment and the starvation of the system, which represented a burden to be carried in succeeding years. In 1914 the Railway Department showed a profit of £138,000. If we take the surplus in 1910 and add it to the deficit last year of £358,000, we have a sum of practically £600,000, and it looks as if this really accounted for the deficit. We admit that the finances of the Railway Department have been disorganised by reason of the war, perhaps to a greater extent than has been the case in any other department. During that period our industries languished, and there was a general shrinkage in revenue. We know, too, that it was not possible to make a corresponding reduction in the expenditure of a huge department like this. On the face of it it does seem to me that the general control and management of our railways for some years past have been decidedly lax. The huge loss last year is due in no small degree to the lackadaisical manner in which the department

has been controlled during the past 12 months. We know that for practically a year and a half it was allowed to drift along under the management of an acting Commissioner, a man who had practically been dismissed. It is no reflection on the integrity, honour, or capacity of that officer to say that, at his time of life, when he had been notified of his approaching retirement, the same vigorous and active service could not be expected of him. The result has been that this huge spending department has drifted into the position it now occupies. I make no comment upon the appointment of the new Railway Commissioner except to say that it was unduly delayed. It does seem to me that this and other departments will have to be taken in hand and seriously overhauled. I cannot think that the present position of affairs in the Railway Department is due to excessive services rendered to the public. Not only in this department but in others, and not only in Western Australia but throughout the Commonwealth, what is needed is economy. During the war years there was abroad in the State a feeling of indifference with regard to the expenditure of public funds. The only thing that counted was the winning of the war. All other questions were subsidiary to that. Because of that fact it seems to me that there have sprung up in the various Government departments in Australia an attitude of more or less indifference in regard to the expenditure of public funds. We see it to-day in the reports of the commissions which have been inquiring into the administration of the Commonwealth departments. In the Defence Department alone a sum of three million pounds is shown to have been extravagantly spent. In the Naval and Postal Departments, and every other department into which these Commissioners have inquired, evidence of extravagance on all hands has been forthcoming. If some board or commission could inquire into the expenditure and administration of our own State departments I have no doubt there would be revealed the fact that there had been expenditure—perhaps not to the same extent as in the Commonwealth departments but possibly in the same ratio—which could not be justified. With regard to the position to-day, my remarks do not apply to the Premier as Treasurer. I admit that he is not responsible for the financial position as we find it, and that he has inherited a legacy from his predecessors, the legacy of many Governments. He is responsible, I suppose, only to the same extent as every one of the other 50 members of this Chamber is responsible, for his share of what occurred in the past. Although the Premier is not responsible for our financial position as he finds it, he is responsible for the proposals that he places before us and the country for remedying the situation. The Premier's responsibility began when he presented his Budget speech. What are his proposals for the future? It is not proposed to impose any increased taxation, and in that regard I am not inclined to quarrel with

him. It is of no use attempting to wipe out a deficit of the magnitude of ours by piling up taxation representing a comparatively small amount. The Premier says there is to be no taxation. But I must say, too, that the Premier made no very stern affirmation or demand for economy. His one remedying proposal for the future is the expansion of our industries. I believe with him that the outlook is promising. Certainly the season in the agricultural districts promises to be good, and if we have a bountiful harvest naturally the Railway Department and all other departments of State will have increased revenue because of it; there will be an expansion of revenue side by side with an expansion of industrial development and growth. In the agricultural industry, in the pastoral industry, in the pearling industry, and in the timber industry we may expect expansion, which will give the Premier increased revenue. But I do not know that that is going to save the situation. I do not think we are going to secure financial salvation by painting an arcadian future, in which we might, with our mind's eye, see gratifying fields of waving corn, see the cattle depasturing on the hillside, note the multiplying of the flocks and herds, and hear the woodman's axe ringing in the forest. That is all very well and is undeniably good for the State, but it is not adequate to meet the situation. I agree in the Premier's optimism, in his faith in the country. I share his confidence in the future of the State. I believe that in time we shall restore our position. The question of when shall we reach something like a solvent footing will depend on the energy, the activity, and the application that members of Parliament give to their work, in seeing that there is no unnecessary expenditure in any of the departmental avenues. I warn the Premier that whilst being optimistic and hopeful he should guard against any policy which might lead to a boom. Such a result could only be hurtful in its after effects. It is a good thing to present an encouraging balance sheet to the public, but if we overdo it we shall reap a reward in a direction opposite to that which we contemplate. So, whilst the Premier expects that the State will right itself merely by the expansion and growth and development of our various industries—I am with him in hoping that it will do so—I must confess that, in allowing even for the prosperity we may expect, it appears to me that that alone is not sufficient to pull the State out of its financial difficulties. We ought not to forget that as we get over one difficulty there are others awaiting us. Next year we shall have a difficulty with the Commonwealth in regard to the per capita payments. It is quite possible that whilst we may have an increased revenue of half a million pounds as the result of the promised good season, that half-million pounds will be swept away at one stroke by some act of the Federal authorities beyond the control of the Premier. Neither the Premier nor the Government can do the impos-

sible, but certainly the most strenuous efforts should be made by all concerned in this State to see that when the time expires in June next the payments to this State are not reduced, or at all events not to any considerable extent. Then, too, we are faced with the position of having to borrow money on the open market after December of this year, at what we know will be a very high rate of interest. All this policy of development means increased expenditure of loan funds, and the Premier will find himself hard put to it to curb the expenditure of his loan funds in respect of development. There will be demands for new railways, for extensions of existing lines, for improvements of harbours and of rivers, and for public works of every description; and the Premier will find that in a very short time, indeed before he knows where he is, one or two million pounds will have gone. The Premier said, and I believe it is correct, that the State can safely borrow up to the extent of 1¼ millions per annum, provided always, to use a hackneyed phrase, that the money is expended on reproductive works. That is just where the point comes in. For some years to come this State cannot afford to expend any of its loan funds—which will have to be borrowed at a very high rate of interest—on anything that might partake of the nature of a luxury, but only on those public works which will be reproductive at least at as early a stage as possible. There will be demands for increased facilities in all directions we know, but those, it seems to me, will have to wait till better times. With the policy of increased production will come increased immigration. In that regard I can only repeat what I said up country quite recently. I am certain that if we are ever to restore the financial position of the State by increased production alone, it can only be done by the introduction of a greatly increased number of immigrants to the State. That is supported, I believe, by the report of the commission which appeared in the newspaper during the past day or two. It is a cheaper way of contributing to the defence of Australia than is the expenditure of large sums on arms. But while there is a demand for increased production, whilst public men, parliamentarians, and all others in prominent places demand increased production, the general public—who, after all, have to respond to that request—are likely to ask why there should be increased production for Parliament to squander. That is what the people who are asked to produce are likely to ask us in return. If increased production brings in its train largely increased revenues, both State and Federal, and if as a result of that there is extravagance or lack of economy in the public departments, it is not going to be very much encouragement to those who are endeavouring to increase production. There can be no question that there is need for economy in the departments of State, and that such economy can be effected. I know the difficulty of effecting a reduction in ex-

penditure. I have experienced that. Once we let expenditure creep up in any public department it is almost impossible to effect a reduction except at the risk of exciting a hue and cry which will bring about the downfall of the Minister, if not of the Government, concerned. Therefore it behoves us to be careful as to how we permit increases. That is why Parliament should scan the Estimates closely every year, and not allow increases to pass unless they are fully justified by the Minister concerned; because once such increases are passed by the Committee it may almost be said that they can never be reduced. I am not sure that it would not be a good thing if we could have some independent, impartial board or tribunal appointed to investigate the expenditure in the various departments. Good results have followed the investigations of such commissions in the Eastern States. Of course, the good will only be fully developed if the recommendations of such commissions are given effect to by the Parliaments concerned. I have no doubt that good results would follow the appointment of such a commission here. It appears to me that our expenditure has been on too high a scale for years past, notwithstanding which these Estimates show no attempt at reduction—rather, on the other hand, do they show an inflation and an increase. And, having regard also for the fact that we have a deficit of £354,000 for the first three months of the present financial year, it appears to me the Treasurer will not be able to keep within his estimate for the year, that we are likely to exceed any and all of the large deficits that have gone before. I hope the Committee will carefully scrutinise the Estimates before us. Like the late Colonial Treasurer, I know that it is useless to give advice; I know also the difficulty of accepting and giving effect to it. It is almost a waste of time to discuss the finances at any great length; because after a long experience in the House I have found that very little result follows. However, I hope the Committee will carefully scrutinise the Estimates presented to us by the Treasurer.

Mr. PILKINGTON (Perth) [7.56]: The Premier is to be congratulated on having apparently succeeded in winning general approval of, and almost a jubilant reception for, the most depressing Budget ever delivered in the House. The position to-day is obviously very much more depressing than it was in any previous year. As has been pointed out by the leader of the Opposition, the position has gone from bad to worse. Notwithstanding an increasing revenue, the annual deficit has not appreciably decreased. The figures show a continual drift, and the Premier has not suggested any means whereby that drift is likely to be checked. Apparently the policy of the Government is to proceed as in the past, to allow matters to drift as in the past, in the hope that in the future something will happen to put the

finances right. From the figures of the last two financial years, the drift appears very clearly. In the year ended June 1918, the gross revenue was £4,622,000. It is, I think, unfortunate that we are in the habit of quoting the gross revenue as the actual revenue. Of course that is a little misleading. In that year while we had a gross revenue of £4,622,000, we had to spend a very large sum—£1,974,000—on the business undertakings such as railways and so forth before getting our net revenue. Our net revenue in that year was only £2,647,000. From that we have to deduct the overwhelming amount of interest and sinking fund which we have to pay before we have the amount available to carry on the affairs of the country. In that year, the interest and sinking fund amounted to £1,875,000, leaving only £772,000 for the purpose of carrying on the affairs of the country. Our net revenue, after paying interest and sinking fund, was only £772,000. That is the figure which it is most important to remember. We spent £1,478,000 in that year or very nearly £2 for every £1 we had to spend. Our deficit in that year was £705,000. In the following year, the one just past, taking similar figures, the revenue amounted to £4,944,000, or an increase of £322,000. The expenditure in that year on business undertakings was £2,065,000, leaving £2,879,000 net revenue, but we had to spend in interest and sinking fund £1,972,000 and it left only £906,000 for the purpose of carrying on the business of the country. We spent £1,558,000 in that year and had a deficit of £652,000. The figures which are of importance are these: in the earlier year the amount we had available after paying interest and sinking fund was £772,000 and in the following year we had available £906,000, an increase in the net revenue after paying interest and sinking fund of £134,000, and the annual deficit only improved to the extent of £53,000, the difference between £705,000 and £652,000. No figures could show more plainly the drift which is going on, notwithstanding the increase in the gross revenue and in the net revenue. Those figures are extremely serious. They show the drift, and they show that no serious attempt is being made to check the drift. If we take the figures for the present year, we find that the drift is proceeding more rapidly than before. In the first month of last year—July—the monthly deficit was £131,000. In the first month of this year it was £163,000. In the second month of last year—August—it was £107,000; in the corresponding month of this year it was £136,000. In September of last year we actually had a surplus—now a rare thing—of £7,880.

Hon. W. C. Angwin: We ought to have a surplus in September and March.

Mr. PILKINGTON: As a rule, we have had one in September. I think September 1919, is the first September when we have failed to have a surplus. In September of last year, we had a surplus of £7,880, but this year we had a deficit of £53,900. Dur-

ing the first three months of the present financial year, the deficit is £354,000, which is £123,000 more than during the corresponding three months of last year. I am quite well aware that the first three months of the year are likely to be the worst three months from the point of view of expenditure. I think they usually are, and one cannot take the first three months of the financial year as indicating what the total deficit is likely to be at the end of the financial year by multiplying it by four. If we did that, we should get a ridiculous figure because, in the last portion of the year, the deficit grows more slowly than in the first portion of the year. But I venture to say it would be difficult to find any year in which the total deficit was not more than double the deficit for the first three months. The deficit predicted by the Premier is £688,000, leaving aside the alteration to the sinking fund and the additional land rents of which he spoke. That is the amount of the deficit for the present year, assuming it is calculated on, approximately, the same basis as last year. It seems to me quite unreasonable to suppose that that figure is not going to be exceeded. Already we have exceeded one half of the estimated deficit for the year by a very considerable sum, and it has to be borne in mind that we have spent during the first three months of this year £123,000 more than during the corresponding three months of last year. To what are we to look to put this right? The Government have suggested nothing. All they have done is to suggest that in future things are likely to be brighter because the war is over.

Mr. Smith: And the good season.

Mr. PILKINGTON: Yes, and Hampton Plains has been referred to. In fact we are to drift until a kindly providence lifts us out of the mud. That is the proposition of the Government and nothing else. It is a fact that those who feel anxious about the finances of this State cannot but hope that Hampton Plains will turn out to be a new Golden Mile and so lift us out of our financial difficulty, but I think it is an indication of the seriousness of our position that we can even for a moment allow our minds to stray in that direction and regard that as more than a mere hope. Of course we are justified in hoping—we most earnestly hope—that Hampton Plains will turn out to be a new Golden Mile, but all who have watched the history of mining in Western Australia, whether ignorant of mining or otherwise, know it is a very long-odds chance. We know very well at the present time that it is a long odds chance and, if we have any sense of proportion, we must realise that to consider Hampton Plains in connection with our financial position is mere foolishness. To hope we shall be lifted out of our financial difficulties unless we take strong steps to lift ourselves out, is merely to allow matters to drift in the same way they have been allowed to drift in the past. It is impossible for any person to prophesy

what is going to happen, in regard to the finances or prosperity of Western Australia or of Australia or of Europe, but I say that, if we look at the situation as sane business men, we must assume that we have not yet met the most serious difficulties which we have to meet. It is true the war is over; it is true the period of reconstruction has in a sense commenced, but it is also true that our difficulties are due to the enormous expenditure that has taken place during the war and to the fact that the world is depleted of commodities, that we are faced, and not only we in Western Australia who are better off than the people in most places, but that the world is faced with a financial stringency and with financial difficulties which are new, at any rate, to all of us living to-day and probably novel in the history of the whole world. If we are going to face the situation, it seems to me we must face the possibility of much more difficult times ahead than those through which we have already passed. Looking at affairs in Europe to-day, we know that their difficulties are to come. In the past, they have been living on borrowed money; money has been spent lavishly. During the war, there appeared to be immense prosperity in England. Why?

Mr. Troy: And in Australia, too.

Mr. PILKINGTON: It is true of Australia also, but I mentioned England, because the bigger things were taking place there. It appeared that, with the huge expenditure during the war, there was immense prosperity in England. There was any amount of money being spent, and it looked like a prosperous country in the matter of spending money. Everyone seemed to have more money than before. That was so, but what was happening? The country was living on borrowed money, and the appearance of prosperity was the appearance a man can show when he is living on borrowed money. In Australia exactly the same thing happened as in England. We have been living on borrowed money and there has been an appearance of prosperity which has been utterly fallacious, an appearance of prosperity which was merely a progress towards financial disaster. Possibly it could not be helped. The expenditure during the war was necessarily very heavy. It was necessary to spend borrowed money; I am not complaining of that expenditure. What I wish to point out is that that expenditure has brought us to the position of a man who has been living on borrowed money for years and spending beyond what he had a right to spend; and for us to assume that we are going to have prosperous times is an assumption wholly and entirely without any foundation. It is true that, here in Australia, our position is not so bad as is the position in Europe. I believe we in Western Australia are better off than the people in almost any other part of the British Empire.

Mr. Troy: Not so well off as Canada.

Mr. PILKINGTON: Perhaps not. We are better off than the people in most parts of the British Empire, but notwithstanding that, I believe we have yet to meet a worse time than any we have yet experienced. I say without hesitation that we, as ordinary business people, should so manage our affairs as to prepare ourselves to meet a worse time than any time we have yet experienced. As I have said, the Government apparently do not propose to take any particular steps towards putting things right. The leader of the Opposition pointed out in his speech that the public had become apparently apathetic. Some years ago, it is perfectly true, the public appeared to be getting very anxious regarding the finances of the State; but now there is an appearance of absolute apathy. The leader of the Opposition suggested that the public could not very much blame members of this Chamber if they showed a similar apathy. I cannot agree with that view. The public of this State, in my opinion, are entitled—it may not be wise of them—to look to this Chamber and to the Government for the purpose of being told what the situation is. If they are assured by the Government that the situation is all right, that there is no need for any further taxation, that things will come all right presently without anybody making any effort, then the public are entitled to say, “It is all right. We sent those men there for the purpose of keeping things in order.” If the Government allege that there is no need for anxiety, if Ministers are filled with that thing which we now call optimism, the public are not to be blamed if they are satisfied and become apathetic. But it does seem to me that it is the business of hon. members, who are sent here for the purpose of watching the affairs of this State, to take steps to see that the public apathy is dispelled. If, in fact, the public are apathetic when they ought not to be apathetic, if our position is one of very grave danger, if we see it and know it—

Hon. P. Collier: Some of us have tried to dispel that apathy.

Mr. PILKINGTON: That is so, but I submit that it is our business to go on trying to dispel that apathy until we have succeeded in dispelling it. I feel perfectly convinced that if the public are told the truth in plain and simple language by the Government, they will be perfectly prepared to make those sacrifices which are necessary.

Hon. W. C. Angwin: The Government always try to hide the position.

Mr. PILKINGTON: There is apparently an inclination in that direction.

Mr. Gardiner: You will be called dismal in the morning.

Mr. PILKINGTON: Then I shall be called dismal in excellent company. The point is, what ought to be done? Some two years ago I ventured to suggest in this Chamber that the time had then come for violent taxation and violent retrenchment. I believed it had, and I do not now believe

that there is any remedy whatsoever except taxation and retrenchment. They are not pleasant remedies; they are extremely unpleasant. I know it has been said that one cannot tax a country into prosperity. That is true. I do not suggest taxation as a means of producing prosperity. I suggest taxation as a means of paying our debts, as a means of getting rid of this ever-increasing deficit. For we have to bear in mind that as we go along allowing this deficit from year to year to accumulate, so we are eating up that extremely small sum of money which remains after we have paid our interest and sinking fund, and the expenditure on our business concerns. When we talk of our revenue as £4,622,000—

Mr. Gardiner: It sounds a lot.

Mr. PILKINGTON: And when we say that our deficit on that revenue is £705,000, it does not sound so bad. But when we find that our real revenue, the revenue we have to spend, our net revenue after paying interest and sinking fund, is only £772,000, while our deficit is £705,000, the position looks a little bit different.

Mr. Gardiner: The domestic concerns cost about a million a year.

Mr. PILKINGTON: In the year I have been speaking of, which ended on the 30th June, 1918, the amount we had to pay for interest and sinking fund was £1,875,000. For the year just ended the amount was £1,972,000. I suppose this year it will be two millions or over. We spend roughly two millions on business undertakings, and we have to pay two millions for interest and sinking fund; and so we have only a few hundred thousand pounds left. That balance is being eaten up as we go on every year increasing our deficit, which is being paid out of loan. As we increase our loan expenditure, the amount of our interest and sinking fund is growing and growing, and we are approaching a point where the amount that we shall have to spend will be vanishing into nothing at all—there will be nothing left. It is of course a mere statement of fact, and not a prophecy, that if this state of affairs continues, we shall arrive at the point where we shall be unable to meet our monthly bills. I repeat, that is not a prophecy, but a statement of fact. If we continue as we are going, that point must be reached, and at a date which cannot be very far off. We cannot borrow for ever. At a time when we have no revenue at all to spend, we shall not be able to borrow in order to carry on. I am not prophesying when that time will come, and it is very difficult to know when it will arrive. It may be that when such a time comes and we are unable to meet our obligations because we are no longer able to borrow, the Federal Government will pay part of our interest bill. I do not see quite how the Federal Government, for the sake of the credit of the Commonwealth, can allow us to make default in payment of interest on our loans. But, if they do come to

our assistance, they will get hold of our revenue by some means. What one can say with absolute certainty is that if we go on as we are now doing, the time will come when we shall be unable to pay our monthly bills; and when that time comes, if it does come, we can say, too, with absolute certainty that we shall have met a period of unemployment and of very deep distress in this country, a period that none of us can look forward to with anything but the gravest apprehension. The Government are full of optimism, and tell us that everything is going to be all right. I believe, as I think most of us believe, in the ultimate prosperity of Western Australia. But the point is that we have to meet the present financial position; and before prosperity can come to Western Australia we must go through dark days. Of that I am as certain as that I am standing here. It is utterly preposterous to say that we can go on simply waiting for a prosperous time to turn up. Those dark days will be very much darker if we do not face the position at an early date. Had we faced it five or six years ago, it would have been comparatively easy to deal with. Had we faced it three or four years ago, it would not have been so difficult as it is now. If we face it to-day, it will not be so difficult as if we do not try to face it for another two or three years. We should realise that there is no panacea for putting the finances right. We are not going to find any cunning method by which we will get out of paying our debts. We have a very heavy burden of debt. Our financial position is extremely grave. We are in exactly the same position as a man who has outrun the constable. What has he to do? He has to exercise strict economy or retrenchment, and he has to do his best by that means to get back to the condition in which he was before he fell into extravagance. It is quite immaterial whether our extravagance was of a blameworthy sort or not. We were guilty of extravagance, and we now find ourselves in the position of a man who has seriously outrun the constable and must by some means get back. That is not a pleasant job, and it cannot be made a pleasant job; and it is useless to try to persuade ourselves that we are going to get back into a sound financial position without passing through very unpleasant times. I say it is the duty of the Government to put forward a policy of taxation and retrenchment. I suggested here some two years ago certain methods which ought to be adopted for retrenchment. For example, I pointed out what I think other members of this Chamber know, that if there is going to be any retrenchment in the Public Service we have in the first place to alter the Public Service Act. It is impossible to retrench so long as no man can be dismissed from the Public Service. At one time it was possible to dismiss simply at the will of the Crown.

The Attorney General: Would that go very far to reduce the deficit?

Mr. PILKINGTON: I do not say so. I say that if there is going to be any retrenchment in the Public Service, we must alter our Public Service Act in that direction. I am perfectly certain that if that is not done, we are not going to effect any retrenchment in the Public Service. How far that will affect the deficit I do not know. Neither does the Attorney General, though the hon. gentleman ought to know something about it, being a member of the Government.

The Attorney General: If you cut out the whole of the Public Service it will not reduce the deficit by one half.

Mr. PILKINGTON: I am not suggesting that we should deal with the deficit by simply dealing with the Public Service; but I do say that if the Government are serious in their desire to deal with the financial position, one of the things which they ought to do is to alter the Public Service Act, because by that means alone will they be in a position to retrench in the Public Service. Dismissal at the will of the Crown used to be the law. Then it was changed. Then it was put in again by an amendment Act, and then it was again repealed by the existing Act of 1904. I am, of course, only giving an indication of what a Government would do that was serious. Indeed, I remember that when I made this suggestion previously, the present Attorney General agreed with it.

Hon. W. C. Angwin: It makes a difference when you get on the Treasury bench.

Mr. PILKINGTON: The position then was the same as it is to-day, one of very serious difficulty. I do not propose to go through other suggestions I made at that time, or deal with other methods of taxation which I suggested at that time, but I desire to say this about taxation at the present time. In the first place, I am perfectly convinced that the public of Western Australia, if they understood the position, if they were told by the Government of the true position, if they realised that we are, in fact, up against a very serious financial difficulty and that the only way out is for the public to do their part by submitting to taxation and making efforts in other directions, the public would be perfectly ready, merely in their own ordinary self-interest, to do what is necessary. We are all in the same boat. Every person in the country who has made his home here, who is a permanent resident here, is in exactly the same boat, and must know, if he pays any attention to the condition of our finances that the only way in which we can hope to get through is for the country to face the position and face as soon as possible the unpleasantness of taxation and retrenchment. In the present condition of things, there are reasons why taxation is desirable, apart from the mere fact that it will produce money for the purpose of meeting our expenditure. One cannot fail to observe the appearance which affairs present

to the man who does not give these matters much thought, not so much in Western Australia as in the Eastern States. There seems to be a great prosperity amongst those who have money. The leader of the Opposition the other day, when speaking on the Address-in-reply, said we were promised a better world after the war. The hon. member declared that the poor were poorer and the rich were richer. I do not agree with that. I consider that the poor are poorer but the rich are not so rich. There is an appearance of the rich being richer because there is an appearance that money is being spent lavishly and that great wealth exists amongst those who, before the war, were the better off section of the community. I am referring to the wealthier classes, those who are in a position to spend money.

Mr. Green: It is a mere optical illusion when you see them bowling along in their motor cars.

Mr. PILKINGTON: It is not an optical illusion; it is a fact. They are spending money, but it is borrowed money. That is not so noticeable here as it is in the East and in England. It is borrowed money which they have no right to spend. The point is, that if taxation is imposed then we must impose it properly, and we will, in the first place, enable the poor man, who at the present time feels the pinch, and who before the war was able to buy sufficient for his needs, to recognise that if the richer classes are taxed, they too will feel the pinch. If at the present time the poorer man is indignant and feels that he is the person who is bearing the burden, there is some justification for that feeling. If we have taxation properly imposed, we will to some extent do away with that feeling and we shall compel those people with money, to realise that they must not spend it. What is not recognised is that the wealthy man—I do not care whether he be possessed of an income of £50,000 a year—he who is spending money freely for his own amusement—is considerably augmenting the difficulties under which we live. That has not been brought home to those people but it should be brought home to them; I do not care whether they be very wealthy or only moderately wealthy.

Mr. O'Loughlen: Do you think the Nationalist Government will be likely to offend the wealthy?

Mr. PILKINGTON: I do not know what they are likely to do; I am putting forward what to me appears to be the perfectly plain course the Government should adopt. The point is not recognised that the wealthy man who is spending money on luxuries and so forth is increasing the difficulty. He is increasing the prices by taking goods out of general consumption and augmenting the difficulties under which we are now labouring. For example: if a man uses a motor car for his own amusement and consumes a great quantity of petrol, the result is that that petrol is taken off the market and the price goes up. So far as the country is con-

cerned, it is the same as if he poured that petrol into the sea. Similarly, if there is extravagance in any direction—

Mr. Gardiner: An atmosphere of extravagance is created.

Mr. PILKINGTON: That is done by those who are spending large sums of money, not so much here as in the Eastern States. They do not seem to recognise that they are increasing the financial difficulties. That wants to be brought home to them and until that is done we shall not make any strides in the right direction. If persons of that sort were compelled to be economical, and were taxed to be made economical, we should be able to make some movement in the right direction. The position is somewhat the same in England, and if they do not pull up it will become more serious than it is.

Mr. O'Loughlen: They will be able to write good cheques there for a few months to come.

Mr. PILKINGTON: They will write good cheques there for a long time. It is very likely that they will get out of their difficulties all right. The point is that in the meantime they are creating a worse financial position than they would otherwise be in. I do not wish to detain the House at any greater length, but it is as well to express the view one holds. It is perfectly outrageous that the Government should say, "We are going to drift as in the past," with no suggestion whereby our financial difficulties may be put right beyond stating that by development and expansion of industries the time will come when we shall drift back into prosperity instead of financial disaster.

Hon. W. C. ANGWIN (North-East Fremantle) [8.40]: When we left the House a few nights ago, after hearing the Treasurer's speech, every hon. member was filled with optimism and hope for a prosperous future, in fact that we might expect an immediate change for the better in the affairs of Western Australia. But I am afraid that when we leave the House to-night we shall do so with depressed spirits after the speech we have heard from the member for Perth.

Mr. O'Loughlen: We shall all walk home.

Hon. W. C. ANGWIN: Our spirits have been made to sink very low by the hon. member for Perth. That hon. gentleman spoke rather strongly about the leader of the Opposition because he referred to the apathy which exists amongst the public at the present time. The member for Perth said that it was the duty of the leader of the Opposition to try to show to the public what the true position of affairs was. We on this side of the House have been trying for years to tell the public exactly what the position is, and into what state the country has drifted since those who now sit on this side of the House gave up the administration of affairs. But how is it possible for the leader of the Opposition to educate the public when the public are daily faced with an optimistic Press. The voice of the leader of the Opposition is like a voice crying out in the wilder-

ness. He is able to get to the ears of only a few of the public in quiet moments. The metropolitan Press is responsible for the wrongly created optimism which exists to-day. This optimism is caused by the lying statements which are made in the Press from time to time, statements made for the express purpose of trying as far as possible to belittle those who had control of the affairs of the State prior to the formation of the National Government. The result of all this optimism, I am afraid, will be that the people will have to pay dearly some day.

Mr. Munsie: Is the "Sunday Times" included?

Hon. W. C. ANGWIN: The "Sunday Times" is responsible for some of it, too. I know they used to have a good deal to say about "Dismal Jimmy" at one time, but since then they seem to have left everybody alone. I ask the member for Perth what could the leader of the Opposition do by speaking to a few people, in comparison with the publication of an article such as this which I am going to read, an article which appeared in the "Daily News" of 10th October. I do not know whether hon. members read it or not, but I can assure them it is worth reading. This is it—

Mr. Mitchell is to be congratulated on his first budget. Heretofore, Treasurers have, without exception, wasted much valuable time in reviewing the past, before dealing with the present or forecasting the future. They have, in other words, deemed it their duty to analyse the shell of the nut before demonstrating the potentialities of the kernel. Mr. Mitchell, however, seems to have no concern for anything but substance, and last night he accordingly ignored retrospect and plunged straightway into matters of immediate importance. The example is one which may well be followed by future Treasurers. Without traversing the figures in detail, it may be conceded that the statement put forward was highly satisfactory. It is true that Mr. Mitchell anticipates a further deficit during the financial year of £593,000, and that he does not propose to impose additional taxation to meet it. This policy will not, of course, appeal to the croakers. But Mr. Mitchell is not one of them, and cannot be expected to adopt a policy which makes for despair. No people can be taxed into prosperity.

I think the member for Perth said that to-night.

Indeed, taxation has the opposite effect, for every pound in the pockets of the people will produce more wealth to the State than if it were within the coffers of the Government.

The Minister for Mines said when Treasurer that he was keeping it in the pockets of the people instead of in the coffers of the Treasury.

But apart from this, Mr. Mitchell's policy is sound. The deficit of £593,000, though apparently large, is, after all, somewhat negligible. About £360,000 of it represents

sinking fund payments—repayments of our capital. And, by the way, it may be pointed out that as our stocks are at a heavy discount, the purchase of them from our sinking fund contributions is highly advantageous to the State.

They are bringing in to-day about £72 for every £100.

Of course, as against this, moneys at present raised have to be paid for at higher rates, but by economy in our borrowings, the difference should be in favour of the State. In regard to the absence of additional taxation, Mr. Mitchell's policy is to be commended. In effect, he says to the people: "Get on with your business, produce to your utmost limit. To do so you will require all the resources at your command. I shall not take from them."

I interjected when the Premier was delivering his Budget speech that in all probability he would not bring in his taxation measures at all this year. On the policy put forward by this leading article, if the Government do not tax the people they are going to be more prosperous, and there is, therefore, no necessity to tax them.

"As Treasurer, I shall reap my reward from the extra business which your production brings to our railways and other State instrumentalities. Indeed, I shall gather more to the State coffers by this method than if I taxed you to the last farthing." And not only does he imbue the individual in this way, but, speaking for the State, he forecasts expansions in all directions, and declares for greater production in connection with each and every one of our primary industries. Very little thought must convince the merest tyro in economy that it is only by such methods as Mr. Mitchell has propounded that we can restore the State finances and ensure future progress.

There is no doubt that the writer of that leading article, containing such rubbish and so many trivialities, is trying to get into Parliament. He is endeavouring to lead the people astray, and is doing his very utmost to show that Western Australia is in such a prosperous condition that even taxation is unnecessary. I ask the member for Perth, when we have the leading Press of the State—

Mr. O'Loughlen: That is not the leading Press.

Hon. W. C. ANGWIN: The other is just as bad. I ask the hon. member, when we have the leading Press of the State publishing such drivel as that and placing it in the hands of the electors to read over in their calmer moments, whether it is any wonder that they are apathetic about the position of affairs.

Mr. O'Loughlen: What do you expect of a man who is trying to get into Parliament before his predecessor is buried.

Mr. Smith: Does that appear in the "stop press"?

Hon. W. C. ANGWIN: No, it is a leading article.

The Minister for Works: According to you, a misleading article.

Hon. W. C. ANGWIN: The Minister for Works should not say that, but we all know it is misleading.

The Minister for Works: It depends on the point of view.

Hon. W. C. ANGWIN: The morning paper is almost as bad.

The Premier: What about the "Worker"?

Hon. W. C. ANGWIN: It has more sense, I hope. It is a matter of impossibility, when the Press publish things like this, for the leader of the Opposition or anyone else to try to convince the public that the position is really different from that put forward by these journals. If the leader of the Opposition were to point out that the Government had been going back to the extent of millions a year more than was the case with the Labour Administration, the public would say that they had been told an absolute lie. They would not believe it. They would say, "Did not the 'West Australian' and the 'Daily News' tell us so-and-so, and did not the 'Sunday Times' tell us also?" The public would not believe the statements made to them. We feel that it is almost useless to tell the public the true state of affairs.

Hon. P. Collier: We feel weary of the cry.

Hon. W. C. ANGWIN: I have for several years in this House stated that the increase in revenue has been considerably more than the increase in the interest and sinking fund, and that no attempt has been made to keep down the cost of administration. Governments, which have held office since the régime of the Labour Government, have gone back on the average £57,153 for every month of their administration. If we compare that with the £18,900 of the Labour administration we will see a considerable difference. The Labour Administration had two years of war and two droughts, while recent Governments have had no droughts. The deficit this year is also well up to the average per month. The figures do not sound quite so bad when they are cut up into monthly instalments, but the total is there all the same. If the people of the State knew this, and the Press would tell them the truth, they would realise how much earnest consideration they should give to the matter. During the present term of office the Government of the day already have gone back to the extent on the average of £118,065 per month. This seems strange to me. I would point out that the months of September and March are those in which the land rents become due. I hope the Government are not dealing more liberally with those who should be paying rent, in order to receive support from the cross benches.

Mr. Smith: That is uncalled for.

Hon. W. C. ANGWIN: I do not, of course think that that is so. The month of September has always been looked upon as the month in which there should be a considerable surplus, in order to make up for the two previous months. The month on which the Government most rely in order to make up the deficit is that of March. I am speaking from the point of view of revenue. The months of September and March are the principal periods of the year for the Government, and yet last September we had a deficit of £53,936. I am at a loss to know how the Government intend to keep within the amount of the deficit they anticipate they will have at the end of the year.

The Premier: The strike is over, and the goldfields are opening up.

Mr. O'Loughlen: It is not the last strike.

Hon. W. C. ANGWIN: Our deficit has been increasing and taxation has been increasing, and the Government estimate to receive £272,042 more by their taxation this year than was received in 1915-16. Although we are going back about £700,000 a year, our taxation has increased by nearly £300,000.

The Premier: Wait until I find out how much our interest has increased.

Hon. W. C. ANGWIN: Before any increased taxation is considered it is necessary that some attention should be paid to the question of how the people can stand it.

The Premier: The interest has gone up over £300,000.

Hon. W. C. ANGWIN: I admit that. A large percentage of that amount is money borrowed since 1916, a sum of nearly three million pounds. This has increased the interest. Since the Labour party went out of office successive Governments have said they were going to stop borrowing, that there had been too much money borrowed in the past, and that they were going to borrow no more. I would point out that one or two millions were left out of loan moneys by the Labour Government for expenditure in the various departments. I have a certain amount of sympathy for the Government. Unfortunately, in Australia we have in the Commonwealth Government one of the most extravagant Administrations known in the British Dominions. They are out to get every pound they can lay hands on.

The Minister for Works: Honestly, or otherwise.

Hon. W. C. ANGWIN: And they intend to get it somehow. If the Government of Western Australia only went through what they had expended during the war and ascertained the amount the Federal Government should have paid over, I estimate that it would amount to a sum which would go far towards paying this year's deficit. The wasteful expenditure incurred by the Federal Government is causing such increased taxation that it has entirely crippled the State, and prevented it from imposing

further taxation on the people to enable it to carry on. We have heard a great deal about the duplication of offices. Only a few months ago I took part in an electioneering campaign. There was a well known Nationalist on the platform, and he said that if he were returned to Parliament he would take steps to do away with the dual offices and dual expenditure. He referred particularly to the Taxation and the Electoral Departments. He said he was going to wipe these out as soon as he got into Parliament, and do away with the present waste of money. I was in the audience, and, when the chairman appealed to the audience to ask the candidate questions, I asked if he would close down all State departments every time the Federal Government encroached on them. The candidate replied that he would not do that. I then said, "How then are you going to wipe out the Electoral Department and the other departments?" We are being taxed up to the hilt owing to the incapacity of the Federal Government. The State Government will have to see whether it is not possible to use their influence in the direction of securing better Federal administration than we have had during the past four or five years. I remember Mr. Scaddan, when Treasurer, dealing with the question of sinking fund in the House four years ago. Because he dared to even suggest the advisability of using some of the sinking fund for the purpose of developing the State, he was denounced as something little short of a criminal. It was declared that to interfere with the sinking fund was to break faith with the bondholders, and it was predicted that the result would be disastrous. To-day it is a virtue to declare that the sinking fund should be subtracted from our deficit, to say that we should not maintain in full the payment to the sinking fund. The late Attorney General visited the Chamber of Commerce, Perth, and argued in defence of the financial policy of his Government that a great proportion of the deficit went in paying sinking fund. He declared that it was a saving. He told the members of the Chamber, "We are not piling up a deficit; we are saving money," and the Chamber of Commerce swallowed it. There is no doubt, as the Premier said the other day, if we make a comparison with the Eastern States the sinking fund can be taken into consideration. But, according to an answer given to a question the other day, the sinking fund cannot be considered as a saving, but must be regarded as part of the deficit. If we could make a fair comparison in regard to the services rendered by the State Government, such as harbours and water supplies, with the sinking fund taken into consideration, I am sure it would be found that Western Australia is better off than any other State in the Commonwealth; but, of course, it is impossible for us to make comparisons with the other States. They can show a small deficit or a small surplus. But their undertakings are carried on by special boards, whereas in

Western Australia the Government maintains control of such undertakings.

Mr. Troy: Are they sound business concerns?

Hon. W. C. ANGWIN: Some of them are and some are not. The difference is that in the Eastern States special water supplies are placed under boards. The board fixes a rate and the people have to pay that rate. Here the Government fix a rate and the people decline to pay. That is the difference. In the Eastern States the people have to pay the rates.

Mr. Troy: That is an advantage.

Hon. W. C. ANGWIN: The Premier said he intended to make a reduction in the payment of the sinking fund for the goldfields water supply, explaining that if we maintained the existing payments we should have, when the time comes, £500,000 more than is necessary to pay the loan on maturity. That might be so—and a big “might” at that. Unless the money market improves before the loan falls due, the stock we hold will not realise the money we paid for it.

The Minister for Works: We hold it ourselves.

Hon. W. C. ANGWIN: That makes no difference. The Government will have to meet the liability when it becomes due, and in consequence the stock in which they have invested will have to be put on the market for the purpose of paying the loan, or alternatively a redemption loan will have to be raised at a high rate of interest. Suppose the loan were due now instead of in 1927: not any of the stock we hold would bring the money the Government paid for it.

The Premier: It has not to be sold until 1927.

Hon. W. C. ANGWIN: But unless there is a vast improvement in the money market it will not realise what we paid for it.

Mr. Smith: But do we not hold the goldfields water supply stock?

Hon. W. C. ANGWIN: Not a great deal of it. Only about £300,000. The larger proportion is in other stock, floated at 3 per cent. and $3\frac{1}{2}$ per cent. I think the last quotation I saw showed that the $3\frac{1}{2}$ per cent was quoted at 78 and the 3 per cent. at 72. So, in all probability, if the sinking fund is reduced to obviate piling up a greater amount than is necessary to redeem the loan, we shall find a shortage when the loan becomes due and it will mean floating a redemption loan to meet the deficiency. I regret very much that we do not get more details in these Estimates. During the last three years I have been drawing attention to this omission. We received a large number of new members in this Chamber after the last general elections and I think I can safely say that they know nothing whatever about the system adopted to give information to members. Unfortunately, owing to the present bad system of preparing the Estimates, we get to-day lump sums which serve to hide increases. An entire change has been made. Members should have particulars in detail, as in the past. We ought to know what offi-

cers are employed and what their salaries are. If there are increases we ought to know of it. I saw in the newspaper last night that members of Parliament want an increase in their salaries. I think they ought to get it—I do not believe in beating about the bush. But I saw in the newspaper that some persons connected with the Public Service have waxed very wrath because of this suggestion. I am inclined to think the statement was merely invented in the office of the newspaper. At all events, I took an opportunity for going through the salaries this year and making comparisons with those of last year. As I remarked just now, I am not in a position to study the details and I can only calculate in the totals what increases have been made. I find that increases in salaries in the various departments this year run to no less a sum than £62,608. This total is made up as follows: in the Premier's Office £724, in the Lands £7,528, in the Treasury £7,376, in the Education Department £18,849—these are not goods or materials; these are salaries—in the Health Department £3,372, in the Agricultural Department £1,421, in the Works Department a decrease of £310—I will come back to that presently—in the Mines and Forests Departments £2,920, in the Police Department £7,989, in the Crown Law £4,632, in the Colonial Secretary's Department £8,179. I have not taken the business concerns such as the Railways, Water Supply and other undertakings, but have confined my attention to the various departments. While some of those connected with the Public Service have received increases totalling £62,608, they are growling because others have asked for a fair living wage. As I have said, the Public Works Department shows a decrease of £310. But there is an increase of, approximately, £2,300 in the salaries paid in the Public Works Department. It is only by transferring their vote for loans to Water Supply and other concerns that they show a decrease. If hon. members will look at the Estimates they will find a new page giving some additional information which we have not previously had. It reminded me of the little fable which I learned when a boy—

Little Jack Horner sat in a corner eating his Christmas pie,

He put in his thumb and pulled out a plum and said “What a good boy am I.”

The Minister for Works: You must have done that yourself at some time.

Hon. W. C. ANGWIN: As soon as I read this page I said, “The Minister for Works is endeavouring to show his colleagues, to show Parliament, and to show the public in general what a good boy he has been. He is trying to show what decreases he has made in his department. No other Minister has given a similar return; no other Minister has taken the trouble to prepare a return to show that he has made any saving. None but the Minister for Works has done so.” In my opinion this is why: last year and the year previously it was stated that the only

saving made in the Public Works Department was made through a decrease in the expenditure of loan moneys. I still maintain that to-day, in face of those figures supplied by the Minister.

The Minister for Works: This was not put in with the motive which you suggest.

Hon. W. C. ANGWIN: He says on this page, "This shows a decrease during three years as compared with 1916-17 of £39,233 by reduction of staff due to amalgamation and reorganisation." I say it is piffle.

The Minister for Works: It is not.

Hon. W. ANGWIN: In 1907-8 the percentage of costs of administration to expenditure was 8.03. In 1908-9 the percentage was 6.53. In 1914-15 the percentage was 4.563, and in 1918-19 the percentage was 6.954. It was never so high since 1908-9 as it was for the year just ended. It is all very well for the Minister to get out a return such as this, but he should compare the volume of work carried out. If more work is carried out, the cost of carrying it out is greater, and therefore it is impossible to show a reduction. The total amount of work carried out by the Public Works Department last year was £475,640, while the salaries expended amounted to £33,077. If the Government had carried out double that quantity of work in 1916-17 and it cost £43,677 to do it, the administrative costs were cheaper in 1916-17 than in 1918-19. So the statement is of no use to illustrate the savings in that department. I say again that the only saving in that department has been due to the stoppage of loan moneys.

The Minister for Works: Oh no.

[Hon. G. Taylor took the Chair.]

Hon. W. C. ANGWIN: The position is that the cost has gone up nearly 2 per cent. above what it was in 1914-15.

The Minister for Works: If we had shown the same comparison on loan work, our percentage would have been less.

Hon. W. C. ANGWIN: The Minister would have more officers and could not possibly reduce the amount. The cost is now 2 per cent. higher than it was in 1914-15; yet we have such a table as this put out by the Minister for Works.

The Minister for Works: I shall give you an explanation of it.

Hon. W. C. ANGWIN: No other explanation can possibly be given. If a private firm had been concerned and had not been doing the amount of work, the expenses would have come down and the officers would have been dismissed. The same applies to the Works Department. In 1914-15, we did over one million pounds worth of work, and more officers were necessary to carry it out. In 1918-19 the department did £475,000 worth of work, or about one-third of what we did, and the consequence is that the officials have been reduced on account of their being no work for them to do. There is no saving due to reorganisation as the Minister tries to take credit for. The Premier pointed out

that State trading concerns showed a loss of £138,000. I think he made an error there. I think he meant to say that the sum of £138,000 was transferred from the State trading concerns to revenue for the purpose of meeting interest and sinking fund and to recoup the Government for what they had expended on administration. The revenue received shows that £138,000 was derived from the undertakings instead of being a loss.

The Premier: Who said it was a loss?

Hon. W. C. ANGWIN: The Premier said so in his speech, and it appears in "Hansard." I think he made a mistake. The trading concerns, according to the return for this year, do not show up so well as they have done previously, and I think this will require some explanation from the Minister when we come to deal with trading concerns.

The Premier: You shall have it.

Hon. W. C. ANGWIN: We shall want to know why we are going to receive only £190,000 from an expenditure of £336,000 at Wyndham.

The Premier: The season ends in December and begins in April.

Hon. W. C. ANGWIN: If the money is lying idle in stock, it should not be shown as a loss. There should be a footnote to show how the money has been expended. If the Government had to pay £336,473 to earn £190,000, I would vote for closing the concern up to-morrow.

The Premier: We have to buy the cattle before June to get the revenue after December.

Hon. W. C. ANGWIN: But it is shown as an estimated deficiency.

The Premier: A cash deficiency.

Hon. W. C. ANGWIN: That is what I wanted to get from the Premier.

The Premier: You know it as well as I do. Why did you ask?

Hon. W. C. ANGWIN: Because I preferred to get it from the Premier. The State trading concerns have been condemned times out of number and the public have been misled—

The Premier: I do not think so.

Hon. W. C. ANGWIN: Wilfully misled—

The Premier: By whom?

Hon. W. C. ANGWIN: By Ministers.

The Premier: No fear!

Hon. W. C. ANGWIN: They have been misled by Ministers because Ministers have taken the cash statement.

The Minister for Works: But you have the balance sheets.

Hon. W. C. ANGWIN: There is scarcely a business house in Perth which, if it set forth its position in the same manner as Ministers have set forth the position of State trading concerns, would not be in the bankruptcy court to-morrow.

The Premier: I do not think we have ever misled anyone.

Hon. W. C. ANGWIN: I know a member of the present Government who misled the public by telling a half lie. He made

a speech condemnatory of State trading concerns and used the word "deficiency" in such a manner that the public were led to believe it indicated "loss," and, after having done so, he got a message sent to London and to the Eastern States to show the iniquity and crime of which the Labour Government had been guilty in starting trading concerns in this State.

The Premier: I think you are wrong.

Hon. W. C. ANGWIN: That is quite correct, and it devolved on me to send an audited balance sheet to the Melbourne "Age" to refute the Minister's statement.

The Premier: Did they publish it?

Hon. W. C. ANGWIN: No. There is now shown a deficiency of £70,509, and the Premier has just told us it represents capital. On the Wyndham freezing works there is shown a deficiency of £146,000. How much of that represents capital?

The Premier: You must realise that the season begins in April.

Hon. W. C. ANGWIN: I am glad it is only a deficiency on paper and that, if the Wyndham freezing works stood on their own as a trading concern, there would be a fair return. The Government, instead of sustaining a loss of £138,000, will receive that sum for consolidated revenue towards interest and sinking fund for the works.

Mr. Troy: If the Government bought the cattle, the product is there.

The Premier: Yes.

Hon. W. C. ANGWIN: I have read the Premier's speech in "Hansard" and the words "loss £138,000" are used. As the member for Perth (Mr. Pilkington) suggested, it is necessary that the Government should tell the public the true financial position. They should tell the people the difficulties of financing, and ask them to consider the fact that the deficit is growing larger year after year.

The Premier: It is published every month.

Hon. W. C. ANGWIN: If the public knew it, there would be a greater chance of them working in harmony with the Government to bring about an alteration.

The Premier: You must think the public are very blind or very foolish.

Mr. Troy: So they are; there is evidenced of it.

Hon. W. C. ANGWIN: All Governments seem to be susceptible to flattery.

Mr. Troy: To humbug.

Hon. W. C. ANGWIN: If Ministers see a leading article in the Press praising them up, no matter how wrong it might be, they do not contradict one word of it. The consequence is that people believe things told them by the Press which should not be believed. Before the Estimates are disposed of, I hope matters of detail will be explained by Ministers.

Mr. TROY (Mt. Magnet) [9.27]: I propose to limit my remarks to a few words because there will be an opportunity for full discussion on the items. I must confess that my experience in the House in the positions

I have occupied from time to time has not given me an opportunity to speak on the finances with that certainty possessed by the member for North-East Fremantle (Mr. Angwin). Neither do I pretend to have the knowledge or ability to criticise the finances in such a manner as the member for Perth (Mr. Pilkington), but I have some views regarding the position of affairs which I consider worthy of contribution to a discussion of this character. What has struck me particularly during the last five or six years is that the Treasurer for the time being introduces a Budget, paints a glowing picture of the country's prospects, estimates a certain amount of revenue and expenditure with either a deficit or a surplus—in a majority of cases a deficit—and neither the estimate of revenue nor of expenditure has been anything like correct. In every respect the estimates of revenue have fallen far short of the actual revenue received, and the actual expenditure has been greatly in excess of the amount estimated in the Budget. It seems strange that Treasurers, who are in a position to get the exact data from the Under Treasurer and his associates, are not in a position to enlighten members of Parliament to a greater degree than has been my experience in Parliament. Certainly I am not impressed by the remarks which fell from the Premier when he was painting a glowing picture of the prospects of this country. Neither am I greatly impressed by the Estimates which he placed before us. I understand the Premier does not intend to increase either land taxation or income taxation. Yet he estimates largely increased receipts from both sources. The land tax is estimated to bring in £50,000 more, and the income tax £33,000 more, than last year. The £50,000 increase in land tax is very large, even allowing for the fact that the rebate is taken into consideration; and I do not know where the additional revenue is to come from, for the area of land to be brought under taxation will not be increased. Neither will the incomes earned by the people this year be greater than the incomes earned last year. The sources from which the people of this State will receive their incomes this year are very similar to what they were last year. Last year the primary producers of this country had a fairly good season, and they have already paid their income tax upon that season. But the incomes on which the tax is to be paid during the current financial year is problematical, because one does not yet know the possible incomes from which the taxation is to be derived. Again, from the railways the Premier anticipates receiving increased revenue to the extent of £221,000. I would like to know how that is to be brought about. I cannot conceive that there is going to be such progress in this country during the next few months as to bring about an increase of nearly a quarter of a million sterling in railway revenue. We may have a very good season this year. But we had a good season last year. I doubt whether in this country there will be a

greater amount of wheat carried over the railways this year than there was last year.

The Minister for Works: But we expect a tremendous lot of timber to be railed this year.

Mr. TROY: That may be, but we are now in October. There are only about eight months of the financial year to go, and the timber industry will have to get a move on if the Treasurer is to receive the railway revenue he anticipates. From the tramways the Premier estimates an increased revenue of £35,000. I do not know how that increase can be brought about, unless, of course, we are going to have a largely increased population in the City, which I hope will not take place.

Mr. Davies: More people may avail themselves of the tramways.

Mr. TROY: They may, but why so? More money? More prosperity? If the Treasurer bases his Estimates on more people using the tramways, then any old person can be a Treasurer. Of course, he might raise the fares; but from the tramway system operating as it is to-day, without extension of lines, and without increase of fares, I fail to see how the Premier can anticipate increased revenue. A good deal has been said to-night about the apathy of the people, about their taking no interest in the position of the country. I am not surprised at that attitude. I consider that it represents only a natural reaction. The people are tired out, wearied by political promises and by party cries. Particularly are they tired as the result of their war exertions and anxieties. I confess, too, that I do not think there is much hope of awakening the people from their apathy until such time as the State reaches a position which is worse than the present. The member for Perth to-night stated that, in his opinion, we are going to have very serious times in Western Australia, and that the time is not far distant when we shall come to a financial crisis. I have had a suspicion for a long time that that is going to be the case. I fail to see how we are going to evade it or obviate it. I know perfectly well, and I think everybody else who has considered the position knows, that the country is carried on largely by borrowed money, and that the Commonwealth is carried on by borrowed money, and that the whole business of the Commonwealth Parliament is carried on by borrowed money, and that this State, with its deficit of four millions sterling, is living on borrowed money. The Commonwealth Government have just recently raised a loan of 25 million pounds. That money, being put in circulation, will keep the country going for a while. But that is going to cease very soon; and I utter this prophecy, that it is going to cease very soon after the next Federal election. The Federal Government will keep the existing state of affairs going until after the next election. If it ceased before then, it would be a calamity for the Federal Government. But after the election the borrowing policy must cease, and then there is going to be a reaction. I confess that I am somewhat

sceptical regarding the good sense of the people. I am sceptical on that point when I see the members on the benches opposite. The position in this Chamber affords me good reason for my scepticism. The people are moved largely by impulses, and an impulse will come that will sweep members opposite into oblivion. But the impulses of the people are not permanent. The newspapers, by misleading reports, create a certain sentiment, and the people react again. That sort of thing has occurred at all times, and wise men know it. I have been lately reading "The Prince," by Macchiavelli, and I am convinced that that ancient author was a man of much wisdom. Just as Macchiavelli knew the impulses of the people of his day, so do Mr. Hughes and other people know the impulses of the people of the present day. By raising party cries, by floating loans, Mr. Hughes keeps the people in a state of belief in his capacity, making himself all things unto them for a time. In England to-day the Lloyd George Government have a crisis and must face it. I am satisfied that bottom has not yet been reached in England by any means. It is going to be done, though. Mr. Lloyd George was not game to tell the English people the true position of affairs, but he had to face the position after the election, which was fought on the parrot cry of "Hang the Kaiser!" That was an appeal to the lowest passions of the people. Similarly, in this country of Australia, the same class of politician is making the same class of appeal to the passions of the Australian people. The truth will be told after the next Federal election, when the Federal Government have got their majority, as I am afraid they will. I am prepared to allow them to get it if the people are so disposed. I am sorry I cannot place the true position before the people. If I could do so, I would not be here. I have not the same opportunities as Ministers have; I have not the support of the Press, as Ministers have. I feel a very grave concern regarding the future of this country, and regarding the prospects ahead; and I am convinced that the people can be easily fooled in this country by State politicians, and also by Federal politicians. For a time the people can be fooled, but then the inevitable reaction comes and the people, like the pagan with his joss, destroy the Government altogether. That is human nature. I am not pessimistic. I believe in the good impulses of human nature. I feel inclined to be pessimistic when I remember certain things which have happened, but I know that the good in human nature will assert itself. It is my conviction that the good will triumph again. I do not regard the member for Perth as a pessimist. I think he is a man who is prepared to face the facts. I am also prepared to face the facts. I am neither a pessimist nor an optimist. I do not believe in humbugging the people. I do not know that the people like being told the facts, or having to face them; but I think it is our duty here to tell them the position

of affairs, to let them know that the present position cannot continue. The borrowing of millions of money by the Federal Government, mainly to be spent in the Eastern States, cannot go on indefinitely. A business man who has been trading on borrowed capital knows that, when the time for repayment comes, he will feel the pinch. Mr. Hughes's one object in precipitating the Federal election is, in my opinion, to get the people early, before they know the true facts, so that he will obtain a majority. After that he can tell the people the true facts without danger to himself or his party.

Mr. Smith: He is playing the game of the politicians again.

Mr. TROY: He is playing a game that is strongly approved of by the "Sunday Times." But the inevitable reaction will come, and I think we ought to face it in this country. I do recognise the value of our Premier and of his so-called optimism. I personally would much rather follow a man who presents a cheery and rosy outlook than one who is continually complaining and indulging in jeremiads. At the same time I do hope that the hon. gentleman is associated with colleagues of wisdom and caution. I make that statement having regard to the Minister for Works. I should imagine that the Minister for Works and the Colonial Secretary, who is a man of caution and common sense, will restrain the impulses of the Premier. From their colleague the Minister for Mines I expect nothing, absolutely nothing. The Premier may be optimistic and careful too, but I know that the Minister for Mines is not careful. I know that the Minister for Mines is naturally extravagant, and I think he is more inclined to be extravagant where things are concerned which are not his. I think he may be a little careful regarding his own affairs, but as regards the affairs of the State I do not think he has, or ever had, much caution. I am not now expressing that opinion for the first time. I have expressed it elsewhere, and the Minister for Mines knows it. The Minister for Mines is a happy-go-lucky chap. The people like to know a man of that kind, but he is not the kind of man that I would put in a position of responsibility. However, with regard to the Premier's optimism, I can only repeat that I admire it, but it is necessary that he should dilute it with a little caution. I have a complaint to make against the Press, if they will deign to give me a little notice. In this morning's paper there is an interesting leading article dealing with Federal administration. It states—

The party hounds are continuously barking, and running up and down this flock and the other, and turning their headless charges round and round upon themselves, but never directing them to fields of safe endeavour and careful sustenance. The newspaper likens party politics to the hounds. They might, however, have likened it more correctly to kelpies, who all the time bark around their flocks, turning them

round but never husbanding them or turning them into fields of safe endeavour. The worst offender in that respect is the Press. During my Parliamentary experience I have always found that the Press has supported every extravagant demand made on the country, whether that demand affected the city or the country. All demands for railways, all demands for public buildings, all demands for expenditure of money in the cities, have always been supported by the Press. In a country like Western Australia, where nearly half the population is contained in the metropolitan area, we have public agitations for the extension of trams, for the erection of public buildings in the city, and the Press never utter a word of condemnation in connection with expenditure of that kind. We are told that the Minister for Mines and Railways intends to make an inspection of the districts in the South Perth area with a view to extending the trams there. That work could be done well without, and any newspaper having the interests of the affairs of the city at heart would insist on money being spent in the country on reproductive works rather than in the city. The big expenditure in the metropolis has always been the curse of this country. It was the curse of the Labour Government. They spent large sums of money in the city. The whole policy of the country has been to centralise so as to enable innumerable agents and business people to live upon each other and on a small body of people in the country. That kind of thing cannot go on. The State cannot progress without production in the country. We must close down on extravagant expenditure in the cities. When we have a large population settled in the country, and when our primary industries, whether they be pastoral, agricultural, or mining, are thriving, then the cities will go ahead. I can assure the Government if they are going to spend money in the direction of extending trams so that land agents may reap large profits by selling properties adjacent to the tramway lines, or if it is intended to provide buildings which are not necessary, I will oppose such actions to the utmost of my ability. I have letters from people who are taking up pastoral areas between the Yilgarn and the East Murchison goldfields, people who are out there fighting the rabbit and the dingo, and killing 100 dingoes a month. Those people cannot get a penny from the Government. They are pioneers whose value cannot be estimated in pounds shillings and pence. Every acre they bring into use, every sheep they produce, is of great help to the country. But no assistance is given to them. They are too far away, and they are too few. They are having a terrible struggle, but they are the men who are making this country. Do they get assistance? Oh no. All assistance must be for the city. They cannot get educational facilities for their children, and consequently they have to come to the city. Unless the Government will adopt a policy which would

have the effect of developing the country districts there will be no progress elsewhere. The Commonwealth Government have advanced a certain amount of money for repatriation purposes, and of course there is a boom in repatriation. I am correct in saying that the soldiers who are going on the land are merely replacing those who are already on the land.

The Premier: Only to some extent.

Mr. TROY: To the greatest possible extent. I do not want to see a soldier go on an area which will not provide for him a livelihood. I want to see him get the best that the country can offer him. Land settlement must not end there. We must put into cultivation land from which production can be secured. If we are borrowing large sums of money we should utilise some of that money in opening up new lands. The Minister for Railways, when he was contesting his election, told the people of Denmark that the Government were immediately going to construct a railway from Denmark to Manjimup, and that the money was to be provided by the Repatriation Department. He said that as a matter of fact we had the money, and that surveyors were already at work. That kind of thing of course is of great assistance when an election is being contested.

Mr. Davies: They all do it.

Mr. Smith: What would you do?

Mr. TROY: I object to answering a question of that kind. I am of the opinion that the expenditure on that proposed railway is not justified. There is any amount of land close to existing railways which should be utilised, and whilst that land is available we have no business building new railways. I travelled as far as Bunbury the other day—it was the first time I had been on that line for two or three years—and I was disappointed at the lack of progress that I saw. In fact, it is the same along the whole of the South-West close to the existing lines, as indeed it is in the vicinity of the railways everywhere else in Western Australia. The only place where land settlement has gone ahead is in the wheat areas. The wheat areas have been the last to be settled, and there has been a hundredfold more development there than anywhere else in the State. I have seen country equal to the south-western part of this State, but it did not take 50 years to bring it into a state of prosperity, and it was country through which one could not walk. It was almost necessary to cut one's way through. Hon. members will recollect, if they have read Australian history, the story of the explorer who was killed by the blacks on the Queensland coast. This explorer had to cut his way for days through country which was so densely covered with vegetation and trees that if a patch was cleared there was no need to fence it in order to keep the stock in. It did not take 50 years to bring this country into a state of prosperity, but it was more rapidly developed than has been the case in the South-

West of this State. What is principally wrong with the South-West is that people down there hold too much land. They have holdings up to 2,000 acres instead of up to 200 acres. The result is they are land poor and have to pay more rent than they can afford. In cases where they hold 1,000 acres 50 acres would give them a magnificent farm upon which to live. The South-West will not be developed by building new railways there, and scattering people about as one would scatter wheat on the land. It will only be done by inducing the people to be satisfied with smaller areas, and by making them put these areas into cultivation. Except in isolated places these lands will not produce crops or grass unless they are first cultivated and sweetened up. Even though money be easily obtained, and the Commonwealth Government loan it, I am not in favour of the Government building railways except where people are already on the land, and are already producing, and where they must have a railway if they are to get their produce to market. To follow any other policy is to waste money, and any other policy will be an unsound one for the Government to adopt. I hope that the anticipations of the Premier will be realised. I think this year we will have a good season for wheat. The wool clip will not be as great as it was last year because it is much lighter. The timber trade will, I believe, be a prosperous one, and be still more prosperous for the following year. The progress of these industries will doubtless help the country, but I do not see, with the few people who are engaged in these industries, how they are going to be the means of wiping out a deficit of four millions, and carry on the country, considering that we are making a loss every month and every year. We will have to do something else. If by some mischance, this season should not continue good, where would we find ourselves? We are depending on fate.

The Premier: Every producing country does that.

Mr. TROY: We must exercise some care. I would not expend all my substance this year because I may have had a good season. I might have a certain amount of chaff on hand. I would not sell it immediately, but would wait until I saw how the season was panning out. The Government, too, should exercise care of this sort. We ought not to depend upon fate. The Treasurer ought to take some precautions, and see that if the worst came to the worst we still stood fairly solidly. I do not know whether he can do that or not. He alone is in a position to say. If he has not taken steps to ascertain the true position of the State he ought to do so at once. In my opinion the Commonwealth Government will reduce their subsidy to the State immediately after the next election.

[Mr. Munsie took the Chair.]

The Premier: They will if they can.

Mr. TROY: What is to stop them? I have no faith in Mr. Gregory or Mr. Fowler, who are said to be the champion representatives of this State in the Federal Parliament and the only State righters. Neither gentleman has any interest in the State that I know of, except that each represents Western Australia in the Federal Parliament. I do not think they are much concerned about Western Australia. I have a lively recollection of the time when Mr. Gregory denounced Federation, because the shipping companies raised the freight on the carriage of timber to the Eastern States. He knew that the Federal Government were responsible. I have no faith in gentlemen of that calibre. He did not tell the truth. It is not the system that is at fault, but the people who control it who are at fault. The shipping companies could not raise the freights one penny per ton except by consent of the Federal Government, and amongst those gentlemen who are supporting the Federal Government in the House of Representatives are Messrs. Gregory and Fowler.

Mr. Smith: We could not have a Federal Government but for Federation.

Mr. TROY: It is useless to talk about getting out of Federation. It cannot be done. It would not be agreed to to-day.

Hon. W. C. Angwin: It is a bad job that we ever got into it.

Mr. TROY: I am not prepared to discuss what might have happened. I am speaking of what exists to-day. Once the elections are over, the voices of Mr. Gregory and Mr. Fowler will not count for much. They will only pretend to profess. The papers in Western Australia are denouncing Federation, but these very same papers will use their influence at the Federal elections to return this same party to power. They have not a good word to say of those members who did represent Western Australia. We would never have had the Great Western Railway but for the Federal Labour party, and we would not have had the 25s. subsidy, the Commonwealth Bank, the new post office, or the Naval Base but for that party. There is never one word uttered in support of them, although they were the only true Nationalists we have had in power. That Western Australia is neglected is due to the fact that the big interests supporting the National Labour Government are situated in the Eastern States. They are supported by big business interests, and these interests sway the Government all the time. It is impossible to get any good out of a Government of that character. The Labour party is not bound to any business interest. That is one reason why the Federal Labour party was able to get the Great Western Railway, when the Liberals who were supposed to have done so much did so little for 12 years. It is well known that the Liberals did not make any serious efforts to secure that railway.

The Premier: That is not so

Mr. TROY: It is a fact, and the Premier knows it.

The Premier: I do not.

Mr. TROY: The facts speak for the selves. It was the Federal Labour party which passed the survey for the railway, even though for 10 or 12 years before the Liberal Government were in office and the late Lord Forrest was a member of it. It was also the Federal Labour members who secured the consent of the South Australian Government to the passage of the Bill. The Federal Labour party, by an absolute majority, passed the survey of this railway, because it was not influenced by the vested interests of the Eastern States. These vested interests are the curse of Australia to-day. No Government, supported by big business interests, will do any good for this country because all that they are concerned about is the Eastern States. These business interests are not concerned about manufactures in Western Australia. They could swamp the market from the Eastern States and have no desire to see factories started here. I have some interest in Western Australia and some belief in it. But I say we are leaning on rotten sticks when we lean on the present National Government. Neither Mr. Fowler nor Mr. Gregory takes an interest in the State.

The Premier: They have put up a good fight for it.

Mr. TROY: I have no desire to say anything derogatory about these gentlemen, but I do say this State is not getting a fair deal. The Premier should realise the possibility that exists of the subsidies he receives from the Federal Government being materially reduced after the Federal elections. The Federal Government will say that they have to carry on with their affairs, and that we must carry on with ours. The member for Perth says that the Federal Government will have to save this State and keep it out of bankruptcy. What they will do is to turn round and tell us to tax our own people if we want money. They will not come to our assistance.

The Colonial Secretary: They want us to go bankrupt.

Mr. TROY: They will get as much as they can from us. We will have to help ourselves. The Treasurer should take into consideration the fact that he is going to have a materially reduced revenue as a result of the forthcoming rearrangement of the Federal Government. I congratulate the Premier upon his optimism, and wish him success during the time that he controls the destinies of this country.

Mr. PICKERING (Sussex) [10.13]: I congratulate the Premier upon the buoyant spirit which actuated him during the presentation of his Budget, and also upon the circumstances which have attended his assumption of office. He has come in at a time immediately following the declaration of peace, with the prospect of a bountiful season, and with the promise of great developments on the goldfields and in mining ventures in this State. It is not to be wondered at that he has every confidence in the future, and in his

being able to bring the State out of the difficulties which at present confront it. It is gratifying to know that in spite of the fact that we are faced with a deficit of £688,000 and an increased expenditure of £394,000, there is no occasion for increased taxation or any other drastic reform. This is a matter for great satisfaction to all those ratepayers who have been confronted with the spectre of increased taxation to meet the deficit. With the member for North-East Fremantle (Mr. Angwin) I regret that the Estimates are not so framed as to be more intelligible to new members. It is true that since my election I have become cognisant of some of the matters contained in the Estimates, but it is still a task of great difficulty to dissect the items in those Estimates. There are only four sub-heads which show a decrease totalling £9,210, while the remainder show an increase of £403,962. We find that in every department there are considerable increases in the remuneration of public servants. It is strange, too, that those increases are greater in relation to the more highly paid officials than to the lower paid officials. The only solution of our difficulties as depicted by the Premier is that afforded by recruiting the State by increased production and by an influx of population. But that increased population will bring increased responsibility. Also it is to be remembered that time must elapse before a new population becomes revenue producing. And the increased population will entail some improvement in our land settlement policy. The member for Mt. Magnet (Mr. Troy) made some comparison in favour of the wheat belt as opposed to the South-West. He said it was due to a tired feeling among the settlers of the South-West. Other members also have said the same, but I am here to contend that it is not the truth. The real reason is the fact that clearing in the wheat areas has been very much lighter than in the South-West and, further, the Agricultural Bank has always looked with favour on the wheat areas as against the South-West. The whole policy of the Agricultural Bank has been to force the development of the wheat areas, and in consequence something like 8,000 holdings have been thrown on the bank's hands.

Mr. Maley: And how many in the South-West?

Mr. PICKERING: Only a very small percentage of that number. Some remark was made by the member for Mt. Magnet about the country which lies undeveloped along the railway line between Perth and Bunbury. If we require to develop that country satisfactorily it can only be done by the initiation of a national drainage scheme. None of that country will be reproductive until properly drained, and it is impossible to do that except by a national drainage scheme. Some remark was made in regard to the borrowing policy of the Government. It seems to me that unless the Government do embark on a policy of borrowing the prospects of further

developing the State are very remote. Therefore, it is to be hoped the Government will be able to borrow—so long as the money obtained by that means is exclusively devoted to reproductive work. It is time the country awakened to the fact that the South-West contains great potentialities for good if it is developed on sound lines. The Government should establish small experimental farms in some of those areas least known in the South-West, in order to thoroughly test the country. The proper way of settling the country is, not to settle it in its virgin state, but by a system of partially improved farms, so that the settler, instead of being condemned to five or 10 years hard toil before his holding becomes remunerative, will be in a position to derive some return from it immediately. It has been said that a spirit of apathy affects the people of this State. That is quite true. We could not get more conclusive evidence of that than is afforded in the House. During the past session the lack of interest exhibited in debates has been remarkable. To-day we have had an important debate by the leader of the Opposition and other prominent members with scarcely a quorum to listen to it. It is a standing disgrace to see so slight an interest taken in the affairs of State.

Mr. Jones: I have noticed it, too.

Mr. PICKERING: You may have. Following upon this apathy, is the limitation of inefficiency. I congratulate the Premier on the increase in the Education Vote. If, in addition, the Premier would devote an increase to the further extension of the technical training of our young people he would be conferring a lasting benefit on the State.

Mr. Smith: And on the other States; because most of our young people accept billets in the other States.

Mr. PICKERING: It is regrettable that the opportunities in this State are not sufficiently good to retain them. If we are to overcome the difficulties confronting the State, not only in regard to farming, but in respect of secondary industries also, it will be necessary to establish a proper system of technical education, without which the future of the State is hopeless. We cannot expect to get trained labour from other parts of the world when there is such a demand for it in every centre. As each of the departments come up for detailed discussion, I shall take part in that discussion and draw attention to those items which I think need careful consideration.

Mr. ANGELO (Gascoyne) [10.22]: There is one phase of our financial position which neither the Premier nor the leader of the Opposition dwelt upon at any length. Yet it has a great bearing on our deplorable condition. The Government have been very reticent on the question, and the only Minister who has dwelt upon it is the leader in the other House. I refer to our relationship with the Commonwealth. Mr. Colebatch, speaking in another place last year, said—

I wish to impress on members, on the Press, and on the people of Western Australia the eminent importance of at once taking up with vigour and purpose the question of the financial relationship of the State to the Commonwealth. No intelligent consideration of our public finances is possible without a thorough understanding of this matter.

The session before last I took the trouble to go to the Under Treasurer, with the consent of the then Treasurer, and get from him certain figures. For the year ended 30th June, 1917, we received from the Federal Government £750,245, made up as follows:—Contribution under the Surplus Revenue Act £569,982; old age pensions £138,528; maternity bonuses £41,735; whilst we paid to the Federal Government by taxation and through the Customs, no less a sum than £1,550,000. The Under Treasurer considered that we should be able to add to that another 10s. per head, because this is a consuming State and the other States send us their products on which duty is collected in those States; I refer to tobacco and commodities of that description. If we add that 10s. per capita to the £750,245 itemised above, we paid in that year to the Federal Government £950,755 more than we received. That, I consider, is one of the leading detrimental factors in our financial position. If we had not been federated, and if we had been receiving Customs and the taxation paid to the Federal Government, and had not been receiving the amount they paid to us under the other headings, we should have been £950,755 better off. The figures for the year ended June, 1918, are almost as bad. Under the Surplus Revenue Act we received £391,995, special contribution £164,710, old age pensions £168,000, maternity bonuses £37,635, total £762,346. Against that we paid in taxation and Customs £1,355,465, leaving us a deficit of £593,119; and if we make the allowance suggested for the previous year for being a consuming State, it means that we paid away £823,190 more than we received. In both years we paid the Federal Government, over and above what we received, a larger sum than the State's deficit for the year. Two years ago, and last session, and at the beginning of this session, I strongly urged the Government to have a thorough investigation made into our financial relationship with the Commonwealth. I regret to say very little indeed has been done. The member for Irwin (Mr. Gardiner) asked whether the Government intended to take any steps in the matter, and I am pleased to see that a member of another place recently moved—

That in the opinion of this House the Government should at an early date appoint a Royal Commission to report on the financial relationship between the State of Western Australia and the Commonwealth.

I do not know that a Royal Commission is what we require. Surely we have an official

in the departments who could immediately make a thorough investigation. If necessary the official entrusted with that investigation could be appointed a Royal Commission to go into the matter. I understand the Premier has said the Auditor General is making some kind of investigation, but I do not think it possible for him to do so and at the same time carry out his official duties. A gentleman like Mr. Owen should be relieved of his duties and put on to this work, which I consider is the most important task at the present time. At the end of June next we must be ready to meet, with the Treasurers of the other States, the Federal Treasurer and discuss our future relationship with the Commonwealth.

The Premier: The information will be ready long before that.

Mr. ANGELO: I am glad to hear that, and I urge the Premier to give the House an opportunity to debate the matter. All information should be given to the House, and we should have an opportunity to appoint two or three members to go thoroughly into it, and, later on, if considered advisable, they should accompany the Treasurer to Melbourne. We want the best brains from West Australia to meet the best brains from the other side. Up to the present time this matter has not been regarded in the serious light it might have been.

Mr. Pickering: Two or three members from this House?

Mr. ANGELO: Perhaps the representatives should be selected from both Houses. It is important to the future welfare of this State that we should have the best brains from both sides of the House to accompany the Treasurer when he goes over to settle our relations with the Federal authorities. Members will welcome this information, which the Premier says is almost ready. All I want is a clear and concise but official statement, and I trust no time will be lost in making it available. This has such a strong bearing on the finances that I would like to stress the point and ask that the information be made available as soon as possible.

THE PREMIER and COLONIAL TREASURER (Hon. J. Mitchell—Northam—in reply) [10.32]: I have listened with a good deal of interest to the discussion which has taken place to-night, and I am bound to say that I am more than pleased with much that has been said. The leader of the Opposition expressed the hope that there would be no boom. I think there are sufficient people in this State who would deprecate and prevent any possibility of a boom. I do not want any such thing. I am justified in saying this State is capable of solid development, sufficient to satisfy the wishes of those who are most anxious that it should be developed. I wish to point out to the leader of the Opposition that, so far as economy can be practised, it will be practised. Hon. members have heard me say that before. When the Estimates were prepared, I had been Treas-

suror for only a very short space of time. I am of opinion that considerable economy can be effected in the service without doing very much injury to the civil servants themselves. There is a good deal of expenditure which could be cut down, and I believe we could secure equally efficient administration at less cost than at present. This, of course, will take time. There have been inquiries from time to time and we have a starting point. We propose that there shall be amalgamation of departments and control of departments. There shall be prompt management of the State's affairs, particularly in connection with the business of trading concerns. I would remind the leader of the Opposition that if we are to get the economy desired, it will not be effected so much by a few clerks in the Crown Law Department, or the Lands Department; economy will depend entirely on the management of our business and trading concerns. It is from them that we must hope for an improved condition of our finances in the matter of economy. The member for Perth (Mr. Pilkington) expressed himself as being very disappointed. I venture to say the hon. gentleman knows precious little of this country when he suggests that we cannot get out of our trouble except by taxation and retrenchment. He would have taxation, retrenchment, and stagnation, and expect the country to prosper.

Mr. Lutey: The same as in Victoria.

The PREMIER: This is a great undeveloped country. It has to be developed; it can be developed and will be developed by the party who do their duty by the country. The hon. member did not suggest how the taxation should be applied. Does he suggest that taxation could be applied to meet the present deficit? I would point out that we should have to double our present taxation to overtake the deficit. I do not propose to ask the House to do anything of the sort. I firmly believe that we shall achieve a natural balance and that before very long. Instead of retrenching, we have had to increase the expenditure on civil servants, chiefly in order to pay the lower grades. There have been some increases to others it is true, but the great bulk of the increases shown on the Estimates is due to the fact that we have increased the pay to the men on the lower rungs of the ladder.

Mr. Smith: A good few have not had increases.

The PREMIER: Nearly the whole of them have. The member for North Perth must agree that such men are entitled to some consideration. I want to tell him, however, that the deficit this year will be some £593,000, and that the loss on our business and trading concerns for the year is estimated at £729,000. I want the House to give the Government an opportunity to endeavour to rectify this loss. It can be rectified to a very large extent.

Hon. P. Collier: A half of it is due to the railways.

The PREMIER: Yes, due to the fact that there has not been the business for the railways to do. Any private firm would have fared as badly.

Hon. P. Collier: The railways are largely our trouble.

The PREMIER: Yes; one might say, altogether. How could the railways pay? There has been no shipping. Our timber industry, which provided 28 per cent. of the railway revenue, has fallen practically to nothing, due to the war and, until we are able to get ships again, this trade cannot be reinstated. We shall get shipping later on.

Hon. P. Collier: Much of the wheat has remained stacked in the country.

The PREMIER: Yes. There has not been the trade activity and it has not been possible for the railways to earn the money. I pointed out, in introducing the Budget, that the tonnage of three millions for the year had fallen to a little over two millions. A tonnage of a million disappeared in one year owing to the war. But for the war, we should have been carrying over our railways a very much increased tonnage.

Hon. W. C. Angwin: Has not a good portion of the wheat been paid for already?

The PREMIER: The railways have been paid only the freights which have been earned. I believe the people of the country realise there is a possibility of the loss on trading concerns and business undertakings being rectified. Are we to ignore the fact that gold has been discovered at Hampton Plains? Of course not. We believe there is a chance of that goldfield turning out well. I am prepared to admit that we have not a goldfield there yet, but there is a very great possibility of having a considerable goldfield at Hampton Plains and I ask the House to agree with me that there are likely to be increased railway earnings, due to the increased activity and interest in mining, as a result largely of the discovery at Hampton Plains. Our timber trade, too, will be restored, and the railway revenue from that trade will largely increase in a very few months. Again, are we to ignore the fact that we have the promise of a very good season? I believe that instead of a million pounds being paid away as the first dividend on our wheat, which was the amount paid last year, we shall have more like three millions made available from our wheat during the next few months. Quite apart from our wheat crop, there is every possibility of our hay crop being worth more than it has ever been. I believe that we never looked out upon better times. Good times can be judged by the amount of cash we are to get as the result of last year's work and the work we are doing now. In every direction the returns promise well. I ask hon. members if they expect me to ignore the prospect of our having this money circulated in the State?

Hon. W. C. Angwin: We are hoping it will be so, but you must remember that this time last year we were expecting a much larger harvest than we actually got. The

Government provided storage for three million bushels more than we got.

The PREMIER: I ask hon. members to agree with me that there is a strong possibility of largely increased freights by reason of the facts I have mentioned. Are we to ignore the fact that 30,000 men, nearly a half of our effective manhood, have been fighting and are now returning? Will they make no difference? Of course they will will make a difference. I hope my learned friend will look into the possibilities of this country. He should turn his attention to its possibilities. If he will cast his eye on the fact that we have a very considerable gold production—

Mr. Smith: Which is decreasing at an alarming rate.

The PREMIER: It has decreased, but it is still very considerable, and the outlook to-day is bright. The decrease is largely due to the fact that the costs of mining requisites have, by reason of the war, been exceedingly high, and that many mines have not been able to work owing to want of labour, the miners having gone to the Front. In fact, the mining industry has been affected by the war just as the agricultural industry has been. At all events, I ask the Committee to agree with me that this is not a time when we need hesitate to take a chance. Every member here knows that four or five months ago I was very much concerned to find work for 1,000 men then out of work. There is not more money now in the State than there was five months ago, but the facts remains that to-day 1,000 men could find employment, notwithstanding the further fact that meantime thousands of our soldiers have returned to the State. The reason is that the people take a far more cheerful outlook than it was possible to have during war time. They believe we have come to a juncture when the position can be changed.

Hon. W. C. Angwin: Can you tell us where all that work is?

The PREMIER: Yes. I can send the hon. member a hundred jobs to-morrow morning if he can fill them. The outlook is brighter, and values are better. There is not an acre of land in this State but has a better value to-day than it had five or six months ago. Hon. members must realise that we cannot balance the ledger by increased taxation, and that we cannot do very much by retrenchment, but that development and increased production and increased wealth are at hand. If they will agree, as I am sure the leader of the Opposition agrees, that we want increased population to supply the needs of the various industries, and if they will bear in mind that the British Government are willing to send us this population, then I think they will agree that the Government of this State are perfectly right in asking to be allowed to use the coming year in order to prove that the change in the financial position as the result of development by natural means will be satisfactory. I am not going to argue that we

can set the sinking fund against the deficit. But half of last year's deficit of £650,000 was represented by sinking fund. The country is not poorer by £650,000 as the result of last year's deficit. The fact of the payment into sinking fund must be taken into consideration. During the war we have paid considerable sums into the sinking fund. There is no need to discuss that point further. From the time when our deficit started to pile up, in 1911, until the 30th June last, the increase in sinking fund was greater than the total amount of the deficit. There can be no doubt about that: the figures are absolutely accurate. I do not want to suggest for a moment that the deficit can be paid off by setting it against the sinking fund, but I do ask the Committee to realise the position. Particularly do I ask hon. members at this stage to realise that we are losing more than the amount of our deficit on our business and trading concerns investments. I ask the Committee to realise that that position can be corrected to a very large extent, and very soon to a considerable extent, though not fully during the present year. I believe that the transactions of the current financial year will show to the Committee that it is only a matter of time when the ledger will balance without greatly increased taxation. Of course I admit that if this is not indicated at the end of the current year, then additional taxation will have to be faced. But I venture to say that people will then be in a very much better position to face additional taxation than they are at the present moment. I am not going to agree with the member for Perth, and I am not concerned about the extravagance in the East. Of course there is extravagance in eastern Australia, but that is no reason why we should have increased taxation in Western Australia.

Hon. P. Collier: Of course extravagant Federal expenditure in the East means increased Federal taxation on Western Australia.

The PREMIER: Of course it does, but it does not imply a necessity for increased taxation in Western Australia. Undoubtedly there is extravagance here. We all spend money unnecessarily. But, after all, that is not a bad thing. We cannot deprive life of all its little pleasures. I have very little more to say. I believe I was justified, by the discussion which has taken place, in introducing the Estimates in their present form. The discussion shows also that I was justified in telling the House that it was not intended to increase taxation at the moment. I have had an opportunity during the past few days of visiting some portions of the goldfields and the agricultural areas, and there is no question that the crop return will give a record average per acre. If it does not I shall be very much surprised. On the goldfields there is greatly increased activity. I have sufficient knowledge of the country to justify me in asking the House to believe with me that we shall come

out of our troubles, and that too, much sooner than most people imagine.

General debate concluded; Votes and items discussed as follows:—

Vote (Legislative Council, £854) put and passed.

Votes—Legislative Assembly, £1,725; Joint House Committee, £3,866; Joint Printing Committee, £2,600; Joint Library Committee, £400; Premier's Department, £4,933—agreed to.

[The Speaker resumed the Chair.]

Progress reported.

BILL—DIVORCE ACT AMENDMENT.

Received from the Council and read a first time.

BILL—STATE CHILDREN ACT AMENDMENT.

Message received from the Council stating that it did not insist on its amendment No. 8.

House adjourned at 11 p.m.

Legislative Council,

Wednesday, 22nd October, 1919.

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

QUESTION—DROVING ACT AMENDMENT BILL.

Hon. Sir E. H. WITTENOOM (without notice) asked the Honorary Minister: Has the information for which I asked a few days ago, whether main roads would be considered part of stock routes under the Droving Act Amendment Bill, been obtained?

The HONORARY MINISTER replied: I approached the Crown Law authorities on this matter, and their decision is that a main road would be considered a stock route under the Bill.

QUESTION—WORKERS' HOMES, FEE SIMPLE.

Hon. J. F. ALLEN asked the Minister for Education: 1, Have the Government received a request from a number of people occupying workers' homes on the leasehold

system to have the freehold titles granted to them? 2, If so, is it the intention of the Government to grant this request? 3, If not, why not?

The MINISTER FOR EDUCATION replied: 1, Yes. 2, The matter is under consideration. 3, Answered by No. 2.

LEAVE OF ABSENCE.

On motion by Hon. E. M. CLARKE, leave of absence for six consecutive sittings granted to Hon. E. Rose (South-West) on the ground of ill-health.

PERSONAL EXPLANATION.

Hon. A. H. Panton and Traffic Bill.

Hon. A. H. PANTON (West): On a point of explanation: Speaking to the Bill last night, I said that a certain tip dray weighed 35 cwt. Unfortunately, I had left the weighing of the dray to a friend of mine and, on making further inquiries this morning, I learned that he had a big horse in the dray at the time, and, unwittingly, had weighed horse and all. I now understand that the weight of the dray was from 15 to 17 cwt.

BILL—SLAUGHTER OF CALVES RESTRICTION.

In Committee.

Resumed from the previous day; Hon. J. F. Allen in the Chair; the Honorary Minister in charge of the Bill.

Clauses 1-4—agreed to.

New clause:

Hon. J. MILLS: I move—

That the following be inserted to stand as Clause 5: "No bull shall be mated with dairy cows within the area defined under this Act unless the bull is of a milking strain, except with the permission of the Chief Inspector of Stock or his duly appointed representative."

I do not know whether the proposed new clause will be in order unless the Title is altered but, if a place cannot be found for it in this Bill, I hope the Government will take steps to give effect to it. The object of the Bill will be lost unless such a provision is made.

The CHAIRMAN: I cannot accept the amendment because it does not come within the scope of the Bill, which is to restrict the slaughter of female calves.

Title—agreed to.

[The President resumed the Chair.]

Bill reported without amendment and the report adopted.

BILL—TRAFFIC.

Second Reading.

Debate resumed from the previous day.

Hon. J. NICHOLSON (Metropolitan) [4.40]: I asked for the adjournment of the