

The COLONIAL TREASURER: I do not want it to be preached to me that we have to square things, while at the same time that preaching is not practised in the House. That is not fair. We all realise the difficulty we are in. If the leader of the Opposition was in my place to-morrow, I would give him the same promise that I gave to the Government before, namely that I would help them in every way possible. I do not want any charity in the House, neither do I wish to be singled out at the expense of my colleagues. It is a difficult time and a difficult task. If the House, as it did by its vote, says that education must not be curtailed, what am I to do? Not only has this become the policy of the Government, but it has become the policy of the country. Members here can make and unmake Governments, but if they are going to say that certain things are sacrosanct, what is the good of anyone talking about reducing them? Take our hospital grants, and our domestic grants! Do members know what our domestic expenditure comes to in the year? It comes to somewhere about £850,000. How am I to get the money to carry on these services?

Mr. Holman: Where does it all go?

The COLONIAL TREASURER: On education, gaols, medical and health, sanatoriums, and things of that sort. That is where we have to put it. The general administration of the State has to be looked after and probably would not involve a very much greater expenditure than £480,000, but included in the general administration of the State are the Agricultural Bank, the Savings Bank, the Taxation Department, etc. It does not matter how much we cut into that expenditure, we cannot effect a big saving. The member for North-East Fremantle put his finger on the difficulty and we are trying to get over it. He says that in the amalgamation of departments we have to make space. We have made some air space and have amalgamated some of the departments. The Minister for Works has got rid of about 100 of his officers altogether. In my own place we have got rid of six or seven officers. I do not want any wholesale sacking. If we have 11 or 12 months in Parliament we cannot be expected to put these things right.

Hon. P. Collier: Judging by to-day we shall be here for the rest of the year.

The COLONIAL TREASURER: If members want to sit in the day time, they will have to work. We had experience of it last session. I do not mind any criticism that can be levelled at me. I say that now is the time to criticise. It is for members to keep us straight by criticism, if we need to be kept straight. No man is going to object to it, and if he does he does not want to do a fair thing. Let hon. members criticise by every means in their power. It is from criticism that we can be brought to see our faults. With regard to the conference, if I was able to say all that took place there, even the member for North-East Fremantle (Hon. W. C. Angwin) would agree that there was a position which showed that probably we were not free agents as we would like to be.

Hon. W. C. Angwin: The responsibility is

more with the Federal authorities than any others.

The COLONIAL TREASURER: We know that. The position has become apparent not only to people in Australia but to people outside. Sometimes the people outside Australia have to find the money for the purpose of carrying on Australia.

Question put and passed; resolution reported and the report adopted.

Supply Bill introduced, etc.

Resolution in Committee of Ways and Means having been passed, a Supply Bill was brought in providing for the expenditure of £1,431,000.

Bill passed through its remaining stages and transmitted to the Legislative Council.

House adjourned at 9.45 p.m.

Legislative Council,

Wednesday, 28th August, 1918.

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

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

COMMITTEES FOR THE SESSION.

On motions by the COLONIAL SECRETARY (Hon. H. P. Colebatch), sessional committees were appointed as follow:—

Standing Orders: The President, the Chairman of Committees, Hon. J. Nicholson, Hon. A. Sanderson, and the mover.

Library: Hon. W. Kingsmill, Hon. H. Millington, and Hon. J. F. Allen.

Printing: Hon. Sir E. H. Wittenoom, Hon. R. G. Ardagh, and Hon. A. Sanderson.

House: Hon. W. Kingsmill, Hon. J. Duffell, Hon. R. J. Lynn, Hon. H. Millington and Hon. J. Nicholson.

BILL—SUPPLY, £1,431,000.

All Stages.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [4.40]. I move—

"That so much of the Standing Order be suspended as is necessary to enable a Supply Bill to be taken into consideration immediately on its receipt from the Legislative Assembly, and passed through all its stages during this sitting."

This motion is the usual one tabled in such circumstances. The Supply Bill passed

all its stages in the Legislative Assembly yesterday, and this motion is necessary in order to enable the Supply Bill to be passed through all its stages during one sitting of this House and before the Address-in-reply has been adopted.

First Reading.

Bill received from the Assembly, and read a first time.

Second Reading.

The COLONIAL SECRETARY (Hon. H. P. Colebatch—East) [4.42]: In moving the second reading of this Supply Bill, I do not propose to initiate a debate on the finances. Such a course is quite unusual in these circumstances, and, I think, could not lead to any good result. The debate on the Address-in-reply affords ample opportunity for discussion of the financial position, and the finances in detail will be placed before Parliament in the form of the Annual Estimates within a very few weeks. All that I propose now to do is merely to justify the passing of a Supply Bill, which of course is in the nature of an anticipation of the passing of the Estimates by Parliament. This Supply Bill provides for the requirements of the Government for a period of three months; that is, until the end of September. Those requirements have been based on the expenditure incurred during the corresponding period of the previous year. Mr. Sanderson yesterday reminded me that during last session I stated that it was the intention of the Government to meet Parliament during the month of July. That was so, and my statement in that regard followed a promise made by the Colonial Treasurer in another place that he would submit his Estimates to Parliament at the end of July. It is open to me to point out that it was not through any fault of either the Government or the Colonial Treasurer that the promise was not kept. From the time Parliament rose the Colonial Treasurer applied himself to the redemption of his promise, and I think hon. members will agree that the respite between the two sessions has been a very brief one even from the point of view of private members, and still briefer from the point of view of Ministers. It was of course impossible for the Colonial Treasurer to complete his work until the termination of the financial year. He then found that the conference of Treasurers, which it was imperative he should attend, had been fixed for July. He made every effort to induce the Federal Treasurer and the Treasurers of the other States to delay the conference until the second week in August; and had that request of his been agreed to he would have been able to fulfil his promise, to meet Parliament, and to submit those Estimates to Parliament at the end of the month of July before he left to attend the Treasurer's conference. However, his efforts to induce the Federal Treasurer and the other States' Treasurers to agree to the suggested alteration were unsuccessful; and consequently he had to go to Melbourne in July to attend the confer-

ence. It was not until the last day of July that the Treasurer returned to this State; and he has now completed the Estimates. They are ready for presentation to Parliament directly the debate on the Address-in-reply is completed. I think it only right to say that this work has been done under conditions of health, so far as the Colonial Treasurer is concerned, which would have amply excused him for postponing the presentation of the Estimates for a few weeks longer. However, the work has been done, and the Estimates will be presented to Parliament as soon as the debate on the Address-in-reply is finished. I should like to point out to hon. members that, although it is no doubt highly improper that the Estimates should not be presented during, say, the month of July, the Government have ample precedent to, I will not say justify, but excuse the postponement of the Estimates to a later date. Indeed, the present Government have far more excuse for their late presentation of these Estimates than there was in the past. If the debate on the Address-in-reply in another place terminates within a normal period, the Estimates for the current year will be presented to Parliament at an earlier date than in any year for the past eight years; and that, I think, will be a very creditable performance, in view of the brief respite between the two sessions, and in view of the circumstances I have already explained in connection with the Treasurers' conference. As a fact, only once during the last eight years have the Estimates been presented to Parliament during the month of September; that was in the financial year 1915-16, when they were presented in the middle of September. There were two occasions in the period of eight years when the Estimates were presented in the middle of October. On one occasion they were presented towards the end of the month of November, on two other occasions in December, and on one occasion on the 7th February of the following year. I previously pointed out that this state of affairs has been largely due to the date at which the general elections have been held during several years past, that date having made it necessary for the Parliament to hold, not three sessions as used to be the custom, but four sessions, two of them being very much broken and disturbed sessions. It is, as mentioned in the Governor's Speech, the intention of the Government to present a Bill which will prevent a recurrence of that sort of thing and which should assure us that in the future each Parliament shall have its three sessions. When this is the case there will be no excuse for not meeting Parliament in June or in July and presenting the Estimates shortly afterwards.

Hon. W. Kingsmill: By shortening the life of the Assembly?

The COLONIAL SECRETARY: The Bill will be presented in the course of a few weeks and its details will then be available for hon. members to discuss. As I have said, the purpose of the Bill is to rectify a serious condition of affairs, which I have no hesitation in saying has interfered with the usefulness of Parliament and the proper discharge of its

duties. It has had the effect of taking the control of finance out of the hands of Parliament, because as a rule there have been two years in every four in which the Estimates were not introduced until the year was half over. On three occasions in the last eight years it was either late in December or else actually in the following year when the Estimates were introduced. I beg to move—

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

Hon. J. W. KIRWAN (South) [4.47]: Notwithstanding what the Colonial Secretary said about the undesirableness of initiating a debate on the financial position on a Supply Bill, the condition of the State, particularly as regards the finances, is so unusual, so extraordinary and so serious that I think it is not only justifiable to say something of the finances on the Supply Bill, but that it is almost the duty of every member to do so, with a view of assisting the Government and the Treasurer by the voicing of their opinions on a question of paramount importance. It is quite true, as the Colonial Secretary said, that we can deal with the matter on the Address-in-reply. But there is a number of other matters that can be dealt with on the Address-in-reply, whereas the financial position is such that it really deserves special consideration and almost a special debate in this House and in another place, to see if any suggestions can be brought forward which would assist the Treasurer. I think we ought not to be too severe on the Treasurer on the score that he did not bring in his Estimates in July. I have never known the Estimates to be brought down in July; but where the Treasurer did make an unfortunate mistake was in promising the Estimates for July and in not keeping that promise. I thought at the time that it was an extremely rash promise for him to make. All I can say is that it has been added to a number of other unfulfilled promises made by the present Government. I think it would be better to say straight out, particularly in the matter of finance, if the Government are not going in for economy. For the Government to say that they will go in for economy and make an endeavour to straighten the finances, and then to do nothing at all is, in my opinion, very reprehensible indeed. Those members who do not agree with the action of the Government in that respect should say so very plainly. The financial position, so far from becoming better as we all thought it would when the present Government came into office, has become worse, and it is certain that it is going to become still worse in the future, because we cannot get away from the fact that we are face to face with extraordinarily heavy Commonwealth taxation. The Commonwealth taxation has hardly begun. We must meet the war liabilities, and so the Commonwealth taxation must go on increasing. Furthermore, at the end of the financial agreement between the Commonwealth and the States in two years' time, there can be no question that the Commonwealth will say, “We cannot afford to give the States any more money whatever.” Last year from that source the State got some £560,000. Seeing that in the near future we shall be

deprived of any assistance of that sort from the Commonwealth, the Government ought to be preparing to meet that inevitable day when the taxation of the Commonwealth will be so heavy that the State will be unable to impose any further taxation on the people, whose taxing capacity will be fully exhausted, and preparing also for that day when financial assistance from the Commonwealth will not be forthcoming. I should like to know if anything at all has been done by the Government to meet that inevitable time, which is not far distant. It seems to me we are following a policy briefly expressed by one Minister when he said he was waiting for the weather to break. The weather is going to break, but when it does break it will not be in refreshing showers that brighten up the country. On the contrary it will come in the form of a deluge that will carry away the soil and the stock and everything else. Yet nothing has been done to provide for that time. The Government are waiting for something to turn up, although they must know perfectly well what is going to turn up in the near future. They are doing nothing whatever to meet the position. The financial position became worse during the regime of the Wilson Government. Then the Wilson Government were turned out and the Lefroy Government came in specially to stop the financial drift. Yet the position has steadily become worse. The deficit which the Wilson Government had has been greatly exceeded, and on the operations of last financial year we had a deficit of £705,000. What makes the position all the more extraordinary is that the revenue during last financial year was greater than the revenue of 1916-17. The Government received more revenue than they had received during the previous year. The increase in revenue for the last financial year as compared with the previous financial year amounted to £45,000. But what happened in the matter of expenditure? In expenditure they also increased on the figures of the previous year. There was an increase of expenditure to the tune of £52,000, and this by the Lefroy Government, which came in to stop the drift.

Hon. R. J. LYNN: How much of that was increased interest?

Hon. J. W. KIRWAN: I am coming to that point. Let us analyse the increased expenditure and see where it comes in and what really is the meaning of the increased deficit. We shall see also what degree of excuse is provided by the increase in interest. Two departments show a very commendable decrease in expenditure. Evidently there were two Ministers who made an honest attempt to stop the financial drift. In the Treasurer's department there is a decrease of £42,000, and we also find in the Mines Department a decrease of £4,668, or a saving in the two departments of £46,668. Those two Ministers at any rate seem to have endeavoured to comply with the promise under which the Lefroy Government took office. Now let us see what has happened as regards the increased expenditure. Take the Public Works Department. I do not think the increase there can have been caused by the Commonwealth or by the increased interest bill or by the dreadful Scaddan Government. The increased expenditure in the department controlled by

the Minister for Works amounted to £38,000. In the Premier's department also there was an increase. It was only small, but one would imagine that the head of a Ministry that came in specially to stop the financial drift would have seen to it that there was no increased expenditure in his department. In the Agricultural Department they did not adopt the policy adopted in the Mines Department, for the Agricultural Department shows an increase of £5,956. In the Colonial Secretary's office there was an increase of £2,130, in the Fisheries Department £261, in the Education Department £19,660, in the State Children Department £4,050, in the Harbour and Lights Department £843, and in the Police Department £10,000. None of those increases can be blamed on the Commonwealth, none can be said to have been due to interest upon loans or to the Scaddan Government in any way whatever. One will be interested in learning exactly how those increases occurred. I can quite understand that some of the increases are perfectly justifiable. To some of them I should say "hear, hear." But whenever an increase occurs in a department, surely an endeavour ought to be made to effect some corresponding decrease. There are nine Ministers, and only two of them have shown a decrease of expenditure in their departments.

Hon. W. Kingsmill: Not nine Ministers.

Hon. J. W. KIRWAN: Counting the Honorary Ministers—they are practically Ministers.

Hon. W. Kingsmill: No.

Hon. J. W. KIRWAN: They may be described as honorary, but they have the control of the respective departments and it is not a great error of language to describe them as Ministers. They are in control of departments.

Hon. W. Kingsmill: They ought not to be.

Hon. J. W. KIRWAN: At any rate they seem to be very successful in expending money and increasing past expenditure. Ministers will probably say, "Such and such an increase was absolutely essential," and they will probably be able to justify certain increases; but I want to know why they have not been able to make corresponding decreases in their departments? This is something in which the Ministers themselves are directly concerned. In a time of stress and trouble surely they ought to be looking around to see where they could make a saving here or a saving there. And here we only have two departments that seem to have made any attempt to keep the promise which the Government made. I would like on this Supply Bill to say that I am addressing these remarks more particularly to the Colonial Secretary, who will probably say, "I am not the Colonial Treasurer, I cannot answer all these questions, and if I can I am not supposed to do so." But I want to tell him plainly what the public think. Probably he may not know, but it is this: the public impression regarding the Government is that the Colonial Secretary is the strongest member of the Government; he is the man who has his own way to a greater extent than any other member of the Ministry. I do not say that the Minister has created that impression intentionally, but that impression rightly or wrongly has been created. Personally, I think

it is a correct impression. I think the Colonial Secretary to a large extent is the Ministry. I think he has dominated over the Ministers and is deserving of a lot of the credit due to the Government, and in the same way he should be responsible for a lot of the discredit. I will give an instance to prove the Colonial Secretary's power in Cabinet, and it is an instance which will be fresh in the minds of hon. members. At the opening of last session of Parliament when speaking in the House immediately after the Lefroy Government came into office I expressed a considerable amount of satisfaction that the change had been effected. The financial drift was going on and the Wilson Government had not made a reasonable effort to deal with the financial position. I expressed satisfaction, because I said that the change of Government foreshadowed a change in the financial policy of the Government, and that was the reason why the change was made, as we all know. What was my immense surprise when the Colonial Secretary following me—I could hardly believe my ears—said with a great deal of emphasis that there would be no change in the financial policy of the Lefroy Government as compared with that of the Wilson Government. That statement of the Colonial Secretary appears not only once but two or three times in "Hansard." I was completely taken aback. It was quite the opposite to what the Treasurer had said. The Colonial Secretary's statement was correct. All the Colonial Treasurer told us has been wrong, but what the Colonial Secretary said has been absolutely right. The deficit is the same as that of the Wilson Government. There is a difference of £6,000, but it is practically the same. There has been no change as the Colonial Secretary said with so much emphasis on that occasion, and so I must now ask him, "Is there going to be any change in the financial policy from that of the Wilson Government?" I know the Colonial Secretary is so clever that he may get up and say, "The hon. member is quite wrong; he will remember that the Colonial Treasurer anticipated a deficit of nearly a million pounds, so that really the Treasurer is not wrong; he also expected that the financial policy would be the same as the financial policy of the Wilson Government." But the estimate of the Treasurer that there would be a deficit of nearly a million was not made until many months after the Treasurer had been in power. In order to test what the Treasurer intended one must read his statements when he took office and immediately before. Influence was brought to bear on him; he could not stand up against the opposition in Cabinet, and we have exactly the same drift. Personally, I think had the Treasurer been strongly supported, as he ought to have been, he would have done considerably more than he has done to straighten the finances of the State. He has shown that in what he has done in his own department. It is simply amazing the proportion of the decrease in his own department compared with the percentage of decreases in other departments. If there had been anything like a corresponding decrease in other departments, the position to-day would have been immensely better. Consequently, I have addressed these remarks to the

Colonial Secretary. He has on many occasions given us many excellent ideas as to what was going to happen regarding the finances. He certainly was correct and the others were wrong, and so I ask him in all seriousness; surely he knows the financial position. I have a great admiration for the hon. member as an administrator and in many other respects, but I hope he will excuse me when I say that I really feel that he is not as seriously impressed with the financial position as circumstances warrant. It is very grave, and we are face to face with almost disaster, and while I realise the seriousness of the position of the Government, and whilst I am particularly sensible of the almost impossibility of straightening the finances, I am quite convinced there is no question at all about it, that if they determinedly take the matter in hand they could do a great deal to improve the position and do no great harm to the State generally.

Member: In what direction?

Hon. J. W. KIRWAN: That is always a favourite expression. There are nine men in the Ministry; there are nine brains at work; it is for them to say. I have made one or two suggestions. I put forward some suggestions previously when I spoke on this same subject, but absolutely nothing has been done. One thing I did say was this: when there is a serious drift in the finances of a State or of an individual, the first thing one does is to find out what is the cause. When one looks at the finances of the State, what is the first thing that strikes one? The first thing one naturally turns to is the Railway Department, the great department that means so much to the State. A few years ago that department was earning over £300,000 a year profit. To-day probably the loss is almost as great as that or very considerable. When the Lefroy Government came into office, I said exactly what I am saying now, the first thing one ought to do is to see if anything can be done to improve the financial position of the railways. They had a glorious opportunity. Mr. Short's term of office was expiring. They practically told Mr. Short, "You have rendered good service, but it would be in the interests of the State that someone else should be appointed in order to see if new ideas will not improve the position of the railways." What did the Government do in place of taking steps to bring some new ideas to bear on the running of the railways, and goodness knows, anyone who knows anything about railways can think of any number of things to improve the position. Instead of bringing new ideas to bear they have extended Mr. Short's term of office and have practically said, "We thought you should be improved upon, but we will not make any change and we allow you to go on." And now they are talking of getting three Commissioners. Why did they not do that straightaway? I quite understand how the railways are affected by the conditions of the State and how the business is so much less, but something should be done to meet a corresponding state of things. Take the number of businesses in the State that members are connected with. What is happening to-day, what is happening to the businesses on the goldfields and their activities? They are decreasing, but we are making corresponding al-

terations in order to meet the position and to maintain their position. I am interested in a business on the goldfields which has been gradually going down for years, but the position has not got any way out of control; it still not only solvent, but paying and paying by a process of gradually reducing the expenditure to what we might expect the revenue to be. The same efforts that should apply to private businesses can be applied to the affairs of the State. Therefore, I want to know if the Colonial Secretary will be so kind—he is, after all, the spokesman of the Government—as to say what is to be done? Surely he will tell whether he is going to do anything with his great influence in Cabinet to see if a change in the finances can take place. He knows the appalling position. During the last two years we have fallen behind to the extent of £1,400,000 in this small State. During two years alone the two deficits have come to over £1,400,000. Is that not a serious thing? Is not about time something was done? Sure we are going towards insolvency. I earnestly ask the Colonial Secretary to throw some light on the subject and to say to us what will be the ultimate result of things. It seems to me the ultimate result very clearly will be as Mr. Sanderson in his speech said. He was not, in his speech yesterday, very severe on the Government because the position ought to suit him to a "T." He has advocated over and over again, unification. We are dependant on the Commonwealth for our loan moneys year by year; we shall be still more dependant, and if this drift continues it will mean that the State will have to take advantage of that section in the Commonwealth Constitution under which a State Government may go cap in hand to the Commonwealth as a necessitous State to ask the Commonwealth to assist it. Under that section of the Constitution the Commonwealth may come to our assistance if it may not. But if it does it is going to impose conditions. It is going to say, "We will not assist you out of the financial mess you are in unless we have a certain control over the expenditure," and if that is the position will suit the Colonial Secretary, or the members of this House. We know that it will not be possible to borrow any more money after certain date and the Commonwealth will require all the money it can get for its own needs. What will be our position then—a very parlous one indeed, and the present Government are not doing anything to help get us out of an appalling financial difficulty?

Hon. J. J. HOLMES (North) [5.16]: I desire to thank the Colonial Treasurer, through the Colonial Secretary, for the promise he has made to have the Estimates ready at an early stage of the session. What I am concerned about, however, is not so much having the Estimates ready as to having reduction brought about. It is apparent to anyone with common sense that we cannot go on as we are doing. What do we find? Take the first month of the new financial year. The figures available show that there was a deficit for that month of £131,000, or £4,000 per day. The money, we are told, is borrowed at 6½ per cent., which means that the interest on the deficit is £250 a day. I am not so muc

concerned about having the Estimates ready at an early stage of the session, but I am concerned about reductions which ought to be made in them. From what we can gather from the Colonial Treasurer's remarks there has been no reduction. Ministers have been piling up increased Estimates instead of reducing them. I agree with the last speaker as to the ability in some directions of the leader of the House. We have never had a man with the same capacity as the present Colonial Secretary to lead this House. But I have said before, and I say again, I do not think he knows the value of money. Take his own Estimates for the last year, the year of economy. His own two departments showed an increase of £40,000. From what I can gather from the utterances of the Treasurer, there is going to be a still further increase over that £40,000 this year. So far as the Bill before us is concerned, the expenditure has been incurred and we must give the authority asked for. But if I can get any backing in this House, I will be a party to creating a deadlock in order that something may be done. We cannot go on as we are doing. Twelve months ago the Treasurer said that we could not go on as we were doing. When a similar Bill was before the Legislative Assembly, Mr. Gardiner said—

Since Sir George Turner took office no treasurer was confronted with difficulties such as he (Mr. Gardiner) was confronted with. The country had to be told that it must live within its income. The heads of departments had been told that they had to exist on bare necessities. Most of the past extravagance was due to the position of Treasurer being associated with that of Premier. As Treasurer, the public had a right to expect that he would deal with the problem. He would personally go into the question with Ministers and departmental heads, with the strict determination to cut out every item that savoured of luxury; Many items in the past which had been regarded as necessities would have to be dispensed with. Expenditure from all sources including loans would have to be carefully scrutinised just as if they were expending trust funds.

This was not a critic of the Government speaking, but the Colonial Treasurer himself, twelve months ago. He went on—

The crisis confronting the State was the gravest in their history, for it included a depletion of their resources from production owing to the magnificent recruiting in the country districts.

Mr. Gardiner anticipated trouble. He anticipated the effect that the absence of men from this State would have and it was then that he said "I will bring the daily expenditure within the revenue." What happened last year, the very year when we were starting on a daily deficit of £2,000? If we take 365 days at £2,000 a day what do we find? We get a loss of over £700,000 and to that we have to add interest at the rate of £130 daily. Mr. Gardiner concluded as follows:—

The time has gone by for generalities; the time has come for action. If he did not carry out his promises to effect economies

and safeguard the interests of the State, then he would get out and make room for someone else.

That was what the Colonial Treasurer thought 12 months ago and the Colonial Secretary comes to this House this afternoon and quietly tells us he thinks that the present should not be taken as an opportunity to raise a discussion on the question of finance. The Government came into office 12 months ago and promised economies, but have they lived up to that promise?

Hon. W. Kingsmill: They have not even tried to live up to it.

Hon. J. J. HOLMES: If they had tried I would not mind. We are told by the Treasurer himself that they are not trying. He has told us that the Estimates are coming in and that there are increases instead of decreases. He told us 12 months ago that unless he could bring the daily expenditure within the daily revenue, he would get out. I suppose he meant by that that the Government would go out. But what has happened? We are still going back at the rate of £2,000 a day. I shall have something more to say on the financial question when we are dealing with the Address-in-reply, but I think at this stage it is my duty to point out that 300,000 people cannot go on borrowing £2,000 a day with which to pay the civil servants, that the 300,000 people in the State cannot carry the load of expenditure that the Government are building up. When we come to analyse the position we find that every child that is born makes its appearance with a debt of £140 on its head, for that amount is the per capita indebtedness of the State. Yet we are told to produce, produce, and to economise and economise. The money which is the subject of the Bill before us has been spent, and I suppose we must provide it. However, I shall have more to say on the subject on the Address-in-reply.

Hon. A. SANDERSON (Metropolitan-Suburban) [5.25]: It is not my intention to allow this Bill to go through without comment. The leader of the House intimated that the proper time for dealing with the financial position of the State was on the Address-in-reply but, personally, I entirely agree with what Mr. Nicholson said and with the suggestion which you, Mr. President, made yesterday. However, we have a specific Bill asking us to vote supply of over a million. We are responsible and we cannot get away from our responsibility as private members with regard to the affairs of the country. I am not a pessimist. I say that the thing can be managed and there is no cause whatever for panic or fear. One of the greatest dangers in the present position is the indifference of the public. To what is that indifference due? Partly, I admit, to the gigantic issues which are at stake at the war. Partly but not wholly. The true reason, and the best reason, for this indifference is that they know someone has to back the bill. We are proud of Western Australia. She has shown herself supreme in the field. We as Western Australians are all proud of the record both as regards our soldiers and the vote which was recorded on conscription, and all

of us should jealously guard the good name of the State in the financial world. But we have got to the stage where the people have become indifferent. To me, personally, that is the gravest danger in the present position. We do not care, and apparently the Government do not care. What is going to be the end? Let us be careful as to what we do in this Chamber. Do not let us imagine that the Premier of this country is the leader of this House. He is not; he cannot be. Do not let us imagine that we are responsible in the same degree as another place is for the financial position we are in. I quite agree with the last speaker that we have a responsibility, and no one realises that more clearly than I do. But I say, in these difficult circumstances, we certainly want to act with care and caution in every department and in everything we do. It is no use for those speakers who have addressed us thundering their broadsides against the leader of the House unless they are prepared to do something. I am going to indicate something which I think could be done in a constitutional and a proper manner, and in a manner which would appeal to the people outside of Parliament. It is only a suggestion, and only an outline of the proposition. I have studied the matter carefully for the last 12 months, to see, apart from the Federal business, which I leave entirely on one side, if anything can be done by us here in this Chamber. We already realise, I think, to a degree what our responsibilities are. I advance this with some hesitation. I do not wish to be in the least degree dogmatic about it. I am not one of those who are willing to wound but afraid to strike. I am prepared to strike hard, regardless of persons so far as their personal or my personal feelings are concerned. I am dealing with political matters, as I think they should be dealt with, apart from personalities altogether. We have got this new system of elective Ministries introduced into this country in a most extraordinary manner, but still introduced. Let us take advantage of it. I am only waiting for a little further information on certain points before moving in this Chamber that we no longer consider that the Honorary Minister has the confidence of this Chamber. How are hon. members going to vote?

Hon. H. Millington: We shall want a secret ballot.

Hon. A. SANDERSON: There is no diplomacy, and no log rolling about this proposal. It is a coming out in the open with gloves off. We are going to see if we can stop it. We are not going to permit that Honorary Minister in this Chamber to carry on any further in the administration of the affairs of this country.

Hon. W. Kingsmill: What about the other two in another place?

Hon. A. SANDERSON: We shall need to go carefully when we are striking out along new lines in this constitutional manner. It will remain for hon. members to vote on that question as they think fit. This is advanced with some hesitation, and without any desire to try to force my opinion on hon. members.

It is not an offhand opinion. I have considered it carefully, and so far as I can see at present it is the only way in which we can attempt to put things upon a better footing than they are just now.

Hon. J. W. Kirwan: All this does not affect the financial position.

Hon. A. SANDERSON: It affects this Bill. Every penny that we are voting under this Bill is directly due to the administration of the Government. The leader of the House said in introducing the Bill that Parliament under present conditions had not an opportunity of controlling the public finances. Very probably I am trying to suggest to Mr. Holmes that we have no right, it seems to me, to create a deadlock if we can possibly avoid it. A deadlock may arise by force of circumstances, but he seemed to indicate that he would sprag the wheel, and would deliberately bring about a deadlock. That is a very dangerous thing to do. Reverting to the Honorary Minister. He knows and everyone else knows, that it is no personal matter at all. I could tell the leader of the House that so far as he is concerned I would do the same with him later on, if I could not see any improvement with regard to the finances of the country. With regard to the two hon. members who have just spoken I would gladly say, "You have no right to attack Ministers in this way unless you are prepared to take the responsibility on your own shoulders, and show them a better way of doing things." I would vote for them. Let them take charge on the benches of the affair in this House. It is only by doing this that we can indicate to the Government what our proposals are. I will leave it at that for the moment, because I shall have another opportunity of dealing with the matter when I move a specific motion after I have collected a little more information about the Honorary Minister. I shall put it before the House, and we shall have to vote upon it and shall see what happens. Speaking more generally to the amount which we are voting, I think the great danger we have to face is that of bankruptcy. I have lived in a country where the Government has been bankrupt. Some people think it is impossible for the Government to go bankrupt. I was in the Argentine and found it most interesting when comparing it with Australia. The conditions are in many ways similar, but in other ways very dissimilar.

Hon. J. Duffell: What about Saskatchewan?

Hon. A. SANDERSON: What has that to do with the matter? I am referring to the serious matter of this country being, I will not say technically bankrupt, but more or less bankrupt. We cannot actually go bankrupt, because our creditors will not allow us to do so. In connection with this Bill, and the money we are going to hand over to the Government, they say to us "What can we do? Give us a suggestion in any direction." I will give three suggestions. If the Government will follow them I do not say these amounts will be materially altered in a year, or even in a couple of years, but in some cases money will be saved in small amounts, and in other cases hug

sums of money will be saved. I am speaking now of the Railways, the Agricultural Bank, and what I group together as State enterprises, not the ordinary Labour State enterprises, but the State enterprises of those gentlemen who came in specially pledged against them. I fully appreciate the responsibility I am taking. Whilst I will gladly place my services at the disposal of Western Australia so far as they are desired, it seems to me that the Federal arena is the only place where anyone can play a part that will benefit Western Australia.

Hon. J. Duffell: The place where they can play the keys.

Hon. A. SANDERSON: I am speaking about the responsibility which I feel, and which those hon. members feel who spoke this afternoon in regard to the position of Western Australia. Whilst I gladly place, and have placed, the best of my services at the disposal of Western Australia, so far as I am personally concerned, and so far as Western Australia is concerned, the arena where anyone should go who wishes to benefit this State to the fullest extent is the Federal arena, and I have not been able to get there yet. I will go back to the three suggestions that I mentioned. What in the name of fortune induced the Government to start all these enterprises? Was it for the cash or the credit they hoped to get out of them? We have heard about the jam factory. I do not wish to deal with that now. There is a sum of £5,000 which will probably become £20,000 before we have finished with the matter, which could have been saved. With regard to this shipbuilding proposal is there anything more grotesque even in Western Australia than that? Then there is the question of freezing works at Fremantle, robbing the insurance companies to set up works for which the pastoralists—the richest section in Western Australia and in the Commonwealth, men who have the whole organisation of the world at their disposal and the experience of the world, and men who know the game from beginning to end—could put up the money in five minutes if they thought the proposition was good enough. And yet this Government, bankrupt in purse and bankrupt in reputation as they are, have the supreme audacity to come forward and propose—not to do it, for they cannot do it—to establish freezing works at Fremantle. I say “Why do you not drop it? You would have preserved your good name with the insurance people and would have saved your money and our money.” Now we come to the Agricultural Bank. I am only indicating what should have been done. Let that bank hold its money, the capital which was required for its operations, and when the money is paid over by the settlers, either in interest or in sinking fund, it should go into the hands, not of the Treasurer, as under present conditions, but into the hands of the trustees of the bank. In Victoria and in other places, this would be the case. It certainly is the proper policy for the bank to be allowed to pursue, instead of that which we know of, and which I know of as a client of the bank. When I began to pay my money back, the

first five years' interest went into the Treasury, and not into the coffers of the bank, and when I started to pay off the capital, that money which should have gone back to the bank went into the hands of the Colonial Treasurer.

Hon. R. J. Lynn: Did that money go into Consolidated Revenue?

Hon. A. SANDERSON: Yes, into the Treasurer's till. I can understand that the hon. member does not believe me. It is almost incredible. I think the leader of the House will admit that I am technically correct in saying that the money is put into the Treasury.

The Colonial Secretary: What is that?

Hon. A. SANDERSON: I was saying that the Agricultural Bank money is paid into the Treasury, and not into the bank. If any hon. member doubts that, I am not in the least surprised. I give him my assurance that this is the procedure, and he can find out easily by reference to the bank as to what does occur. With regard to the railways, we must give the present Commissioner credit not only for being a man of great experience, but a man who has given the State good service. What should be done, not by the Commissioner because he is powerless, but by the Government, is this. He should be allowed to handle his own affairs. I admit that this proposal would not make an immediate difference, in fact would make no difference, at present. As a matter of fact the Railway Commissioner should have had an enormous reserve fund. He should have paid the Government the actual amount in cash or interest that came to him. If the loan was at three per cent. at par he would have paid over to the Treasury his 3 per cent. interest, or if he wished to give the State a little sweetening up he could have paid 3½ per cent. interest. In that way the Railway Commissioner could have built up his own reserve fund. As a matter of fact, what happens in the Agricultural Bank happens, I believe, in the railways, namely, that the Railway Commissioner pays over the whole thing to the Treasury, that is to say, when he has made a profit, instead of being permitted to put that into a reserve, a secret reserve if desired, for the purpose of evening up one season with another, he is compelled to hand over the whole thing to the Treasury. When the change comes, as it is coming now, apart from the war, he could have this reserve to draw upon without going to the Treasurer, who of course, once things begin to go wrong in the country, is hit all over the place at once. That is the danger and the difficulty of the whole thing. Therefore I say that if we had these watertight compartments in the various State enterprises which apparently the people of this country are determined to carry on, we would have some protection at any rate against such a position as we are placed in to-day. Under certain conditions I would be prepared to vote against the Bill, to throw it out altogether. I am not prepared to do that now. But I am prepared, as I have indicated this afternoon, though putting it forward as I say with hesitation—I would not force it on hon. members even if I could—to afford them an opportunity at any rate of voting on my motion regarding the Honorary Minister. It

would be a very good test so far as the Honorary Minister is concerned, a very good test of what hon. members here think, and how far they are prepared to go. Moreover, it would be a hint which even the Premier would be able to understand. It would be an interesting development. However, I promise not to proceed with that any further. I ask hon. members to think out the subject and to assist me in putting before this House and the people the public record of the Honorary Minister. That will serve my purpose very well indeed.

Hon. W. KINGSMILL (Metropolitan) [5.47]: I do not think the leader of the House is quite right either from the point of view of political propriety or from a point of view which I understand is still dearer to the Government, the point of view of tactics, in not taking this House a little more into his confidence as to the financial policy of the Government, if they have a financial policy. The hon. gentleman might well have done so in introducing this Supply Bill. Because, from what fell from him, namely the statement that this Bill was constructed as to its amounts, and as to the distribution of the amounts, on the expenditure of last year, and from the facts which are laid before this House and the comments in the Governor's Speech, it would appear that not the least alteration has been made in the policy of the Government. If the Government will not learn by past experience, then it becomes the duty of somebody to teach them; and I know at this juncture of no better schoolmaster for the Government than this Chamber. This Chamber should undertake to point out to Ministers what is their duty if they will not realise it for themselves. In my opinion it is neither advisable nor possible that we should go out of our way to create a deadlock. But certainly there are avenues of saving, avenues which the Government must take before long, and which, if they cannot see for themselves, they must be led into. Some of those avenues have already been pointed out in this House, and undoubtedly the Government should proceed along those avenues if Ministers have, as they profess, the best interests of this State at heart. Destructive criticism, as the leader of the House knows, is sometimes fairly easy. But this House should go beyond destructive criticism. It should give Ministers a constructive policy as well. I do not think there is the least difficulty in that: as the French say, "It jumps to the eye." Mr. Sanderson has touched upon one, to my mind, most important method of curtailing, and properly and reasonably curtailing, the activities of this State in the direction where they should be curtailed in times of stress such as the present. I think hon. members will agree with me that any commercial activity whatever into which private enterprise can enter, under such restrictions as Parliament may think fit to impose, the Government should have nothing whatever to do with. I for one am prepared to refuse to pass any money for the Government for enterprises—and there are scores of them, and we know it, and Ministers know it—that can be carried out by private enterprise if private enterprise is assured that it is not likely to be at any

moment met with the unfair competition of the State itself. We have the Government talking about erecting freezing works at Fremantle. That is proposed by Ministers with a more intimate knowledge than we possess of what a fiasco is taking place at Wyndham. They talk about erecting and managing freezing works at Fremantle. It is absurd, and it is more than absurd, it is revolting. I think I was said of the Bourbons that they never forgot anything and never learned anything. I think the present Ministers never forget anything they have my complete sympathy; because there must be heaps of things that they would like to forget. If the present Government never learn anything, my sympathy goes to the country. With regard to freezing works at Fremantle, I suggest—and I think this is a reasonable suggestion—that private enterprise, as the leader of the House must know, is willing to carry out that branch of work not only at Fremantle but also at other ports along the coast where freezing works are required perhaps much more badly, as pointed out in the speech of Mr. Mills, than at Fremantle. What I suggest is that the Government should entertain offers from private enterprise and that in each of these cases private enterprise should proceed by way of a private Bill. When I say "a private Bill" I mean a private Bill in the English acceptance of the term—a Bill which is laid before Parliament and as a matter of course examined by a select committee and reported upon by that select committee and then passed or rejected by the House. Such a private Bill should be a condition precedent to the granting of the right to these people to erect freezing works or any other works whatever where a concession is required. Let us think for a moment what an amount of money would have been saved to the country, and what a different position we would have been in to-day, if we had, under restrictions which Parliament could lay down and enforce, allowed capital from outside to come in and undertake and manage these affairs—not mismanage them as they have been mismanaged by the Government. For the Wyndham freezing works, we learn from the Press, a manager has been appointed. Let that manager walk warily. If he is a man of large ability, he will not last long with the present Government. If he is a specialist at his work, I fear he will not be in control of those works very long. I think he is not susceptible to influences which will be brought to bear on him from all sides, therefore I am afraid he is a doomed man. I contend that the Government have no right whatever—and not only no right, but not the ability—to manage these concerns. We know perfectly well, and the Colonial Secretary with his knowledge of the world will be the first to admit, that the Government, that is to say the State, cannot expect to get, and never does get, from its employees the same work as a private employee obtains. And not only that, but it is well known that the employees of a private firm give more work and are happier and more contented than if in State employment. That being so, and the finances of the country being in such a state of stress as they are at present

sent, how foolish it is of the Government not to confess that they have made a mistake, not to confess that it is better for them to abandon these State enterprises. Indeed, some members of the Government came into office pledged to abandon these State enterprises; but, so far as we can see, their only wish now is to enlarge such enterprises. How foolish it is of the Government not to say, "Well, we were wrong; but for the credit of the country, for the good of the country, we will take the right course now." If the Government will not take the right course of their own volition, then we, after all, have in a quiet way a good deal to say in controlling the affairs of this country. I for one am perfectly prepared to take my share of the responsibility in refusing to pass supplies for the Government to continue the extravagant course on which they have embarked. There are scores of directions in which economies can be effected. With regard to Honorary Ministers let me say that the position of any Honorary Minister as an executive officer of the Government is, to say the least, very open to question. It seems to me that the three Honorary Ministers have done more to get this Government into trouble and to waste money than all the rest of the Cabinet put together. The other day an Honorary Minister announced that he had appointed certain persons to supervise bacon factories and butter factories and milk rounds and all sorts of things that the present Government, according to their own professions of political faith, have not the least right to engage in. The gentlemen mentioned by the Honorary Minister are appointed to conduct these enterprises. I say it is time the Government got out of these enterprises. If the Government cannot get themselves out of those enterprises, it is up to this Chamber to get them out. There is one method of saving. Then again we have an indication that the Government intend as a Government to go on with what the Honorary Minister calls the bulk handling of wheat scheme. I contend the Government have no right to do that in the present state of the finances. If the farming community wish that scheme established, they should establish it for themselves, as has been done in other countries—in Canada, for example, where practically the whole of the bulk handling of wheat is carried out by co-operative societies of farmers or by private companies. For my part I am not prepared to trust the Honorary Minister, or even any proper executive Minister, with the administration and management of this large work. There is another method by which the Government can save thousands of pounds. And there are scores of these methods. The more one examines the efforts of the Government, the more apparent does it become that Ministers are engaged in enterprises which they should not engage in, and which they are not competent to manage, enterprises which must result in loss to the State. The Government are using for these enterprises, and locking up for these purposes, money which could be far better used throughout the State. For these reasons I am prepared, as I have already said, to take my share of the responsibility in blocking the Government from obtaining supplies for all or any of the State enterprises. When Mr. Holmes

was speaking, I interjected that the Government were not trying to mend their financial ways. I think that in what I have said I have given sufficient justification of that remark. The Governor's Speech and the fact that the expenditure for the next three months is to be on the same scale as that of the corresponding three months of last year are, I think, ample justification for the remark that the Government have not tried to mend their ways. Therefore, if they will not try to mend their ways, I think it is up to us to try for them, and personally I am prepared to take my share of the responsibility.

Hon. H. MILLINGTON (North-East) [6.1]: I have watched the broadside of criticism by various erstwhile supporters of the Government. I am satisfied that there is some misunderstanding in this family circle. Not so very long ago Mr. Sanderson congratulated the country on having got rid of the most profligate Government in the history of Western Australia. That was when the Labour Government went out of office. Now his criticism of the present Government is even more vindictive than that which he aimed at the Labour Government. I do not think hon. members quite understand the policy of the present Government. If they did, they would never indulge in this criticism. There are nine members of the Government. If there were three more they could be called the apostles of economy. They came in to practice economy. I do not know whether hon. members expected them to do that, but hon. members ought to realise that the Government are far too shrewd a crowd to practice so unpopular a method of running the country. Personally, I knew perfectly well that the cry of economy was merely for electioneering purposes. It was real good stuff to deliver at Wyalcatchem and such places, but I never suspected the Government of any intention of putting so unpopular a policy into effect. Here is the policy of the present Government: In the first place they give it out that, owing to various causes, mainly the profligate Labour Government and the trading concerns, this country is in a fearful state of finance. The Colonial Secretary enlarges on that. He has a new horse, namely, "On account of the consequences of Federation." Those two factors are responsible for the present financial position. Then, having set that out clearly and plausibly, an estimate is made that there will be a loss of, say, one million pounds on the year's transactions. Then they get to work. Then comes the alleged economy, and we find that instead of there being a deficit of one million pounds, by the strict practice of economy the Government have reduced it to £705,000. And the Colonial Secretary, who will charm you presently with his reply, will satisfy you that instead of there being an actual deficit of £705,000, the Government really have a surplus of, say, £295,000. If the Colonial Secretary cannot explain that satisfactorily to this Chamber he has gone off considerably during the last few months. The Government cry of economy reminds me of that tale in the *Savage*

Club in the old country. They had an election for president. The meals then were 1s. 4d. One candidate went on the economy ticket and said that if elected he would have the meals reduced to 1s. He was elected, and immediately afterwards meals went up to 1s. 6d. Of course, members twitted the new president on this. He said, "Oh, yes, but what a bobby-dazzler of an election cry it was!" The economy dodge of the Government has played its part, and if hon. members take such a mere dodge seriously it is no wonder that they are disappointed and walloping their joss at the present time. What the Government depend upon is, not economy, but as Mr. Holmes said on one occasion, the Colonial Secretary is the eloquent member of the Cabinet. He has to explain these things away, and he does it very effectively. I remember the fearful tirade of criticism by Mr. Sanderson last session. I thought he was actually going to turn the Colonial Secretary and his associates all out of office on account of the fearful state of the finances. Then the Colonial Secretary replied. He did not offer any suggestion as to a way out of the difficulty, but he set out the position in such a masterly fashion, showing the relationship between the finances of the State and of the Commonwealth, that Mr. Sanderson could not wait for the adjournment, but immediately rose to his feet and congratulated the Minister on his splendid grasp of the situation and on having saved the country by showing the position to be even more hopeless than that outlined by Mr. Sanderson. On this occasion, after the Colonial Secretary has replied members will be rushing in in exactly the same manner to congratulate the Minister, declaring that they knew it would be all right once he had explained the intricacies of the position. Shrewd business men such as the present Government do not practice economy. They have to allot money in discreet manner to noisy and importunate sections of the community who support them. The present Government are in the position of the Imperial Government, in the position of all who hold power by means of intrigue with other parties. They are in the position of the present Federal Government, who are paying more for support than was ever before paid in the history of the Commonwealth. In the old country the same thing happened. In this country those whom I might term the main members of the Government by intrigue gained the support of the Country party and they now find that it is a pretty expensive matter to hold that support. Hence their difficulties. The old solid Liberals are complaining. They do not understand that those people require to have their pound of flesh for the support given, and judging by the recent conference held I should say that they are keeping the old Liberal members of the present Government well up to the collar. I have a way out of the difficulty to suggest. The Labour party have been tried. Apparently they were not approved in this Chamber. The present Government also, judging by this afternoon's criticism, do not meet

with the approval of this Chamber. We have still an alternative. I suggest that the Country party, those who are really running the country, should take the responsibility, assume office and run the country and see how they get on. They represent the spending part of the community. Mr. Kirwan pointed out that the mining estimates have been cut down; but the estimates in which the Country party are concerned are among those showing increases. We should give these youths from the country a little responsibility. Although inexperienced they have plenty of confidence. What we require to do is to quieten these youths from the country and if we give them a little responsibility it will be to their own benefit if not to the benefit of the country. Somebody has to assume responsibility. Mr. Sanderson tells us that he will not take any responsibility, and for our part my friends and I are certainly not going to accept any. However, I am under the impression that this little willy-willy will blow over. It only remains for the Colonial Secretary to explain the position away. Hon. members will be perfectly satisfied with his explanation and will say "We wonder that we ever mistrusted you for a moment." The only complaint I have with this unassuming little Bill for over a million of money—it is not our business, it is not etiquette for us to inquire into a Bill of this character. We are supposed to formally pass it and go to tea—my complaint is on this point: The expenditure is for three months, two of which have passed. Therefore we are asked to authorise the expenditure of over £900,000 already spent. I know the Minister will say that there are many precedents. I heard members in another place protesting about this. The protest caused a smile, and the retort was that the same thing had been done in 1890 or some other time when the complainants had held office. Whenever any complaint is made of unauthorised expenditure, it is mostly made by an ex-Minister with an awful past. Of course, this is not the case with Mr. Kirwan. If the Bill referred to by the Colonial Secretary for altering the date of the general election will get over this difficulty I think it should have our support. If it is to prolong Parliament in another place it will be a very popular measure there. If we can get over the difficulty we shall have accomplished something; most certainly the result would justify the altering of the date of the elections. To authorise expenditure two-thirds of which has been already spent is certainly a peculiar method of doing business. Of course, the Colonial Secretary can explain it all away. He will show that it was inevitable. I am prepared to accept his explanation conditionally on his altering the Constitution in such a way that it cannot occur again. All the rest of the criticism indulged in by hon. members this afternoon will be swept away within five minutes after the Colonial Secretary enters upon his reply. I have pleasure in supporting the Bill.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. NICHOLSON (Metropolitan) [7.30]: The measure which is now under consideration is one of those Bills which, I understand, are generally accepted more or less without discussion, and I, in keeping with that general rule, would be quite prepared on the present occasion to accept the measure without discussion, if our financial circumstances were otherwise than they are. It is because the financial position of the State is such as to arouse everyone to a sense of their responsibilities that I am induced to make some comments against the passing of this measure. Various members who have spoken with regard to the Bill have made an onslaught as to the misdoings or the failure on the part of responsible Ministers to practise that economy which they have preached. When we find our circumstances as they are, economy, as practically every member who has spoken has said, is essential. As Mr. Holmes mentioned, when quoting from a speech or some remarks of the Colonial Treasurer, it should be the endeavour of the Colonial Treasurer to see that the expenditure was kept within the bounds of the revenue. We all know that has not been done, and the forecast which has been presented in connection with the Estimates submitted to the Colonial Treasurer is such as to arouse every member in the House, and awaken them to a sense of their responsibilities in seeing that something is done by us to check the expenditure and to see that the Colonial Treasurer is assisted in his laudable desire to bring the expenditure within the bounds of the revenue. I said that I would be quite prepared, under ordinary circumstances, to accept this measure, but at the present time I do not acquiesce in this because when the affairs of any concern are in an embarrassed condition, as our affairs are, the least we can do is to call for some details with regard to the expenditure of those moneys for which we are asked to vote supply. It is probably unusual but the circumstances are such that I think we are entitled, as the directors of a company would be entitled, to ask for some details as to how this money is going to be applied, and how a portion has been applied up to the present date. If in the affairs of a company the manager failed to make his proper forecast and estimates he would be blamed for not making those forecasts and estimates accurately, and it is the duty of directors to see that not only those forecasts and estimates are made but that they are kept within bounds. We are presented with a Bill asking us to vote £1,431,000. The sum is a large one, having regard to our circumstances, and for that reason, as other members have said, it would only be right that the leader of the House and members of the Government should take us into their confidence to the extent of telling us in what way portion of this money has been applied up to date and how the balance will be applied. We have no information except a plain general statement. The details are what are required at the present time. There may be included in this sum of £1,431,000 expenditure which hon. members would raise a very strong protest against indeed, and we are asked to put

simple, blind faith in the members of the Government who have failed to bring about that change in the circumstances which was promised long ago. Instead of our seeing economy practised, it is quite evident, in place of economy, further extravagance will be practised, and that, at a time like this, is, I venture to say, most reprehensible and should undoubtedly be guarded against with every power that lies within this House. I would allude to one particular matter which Mr. Kirwan referred to. That is the question of the appointment of three railway commissioners. Mr. Kirwan put his finger on that particular department where it would be possible for the Government to effect a saving, and probably a means would be found through that department to make up a great amount of the deficiency. There was a time when the Railway Department was a source of considerable advantage and revenue to the Government. To-day the position is reversed and instead of being a source of revenue and strength to the Government it is the opposite. The proposal to appoint three commissioners is, I venture to say, wrong. It will mean extra expense. We have one Commissioner at the present time, and one can only assume that the idea to appoint three commissioners is to follow the practice in the other States. The circumstances in the other States are probably different, and it may be possible that three Commissioners are needed in connection with the railway systems in the larger States in the East. The same requirements do not exist in connection with this State. We have here only a population of some 300,000 people. In the other States we know the population is very much greater. The railway systems are also greater and probably the responsibilities are also greater. If the Government desire to follow a course which would be beneficial so far as the Railway Department is concerned, then I venture to think the appointment of a board to examine into the railway system and to make recommendations as to the policy whereby the present conditions of the railways might be changed so as to become revenue producing, instead of a source of weakness, then that board could make its recommendations and I am sure there are men sufficiently qualified in the Railway Department to carry out the recommendations and probably we would find the department becoming a profitable concern as in former years. But to appoint three Commissioners at large salaries no doubt would only make the position worse instead of better. At the present time I think the Railway Commissioner gets something like £2,000 a year. If three men are appointed one might reasonably say it would cost another £3,000 per annum to maintain the Commissioners. That would be £5,000 in all per annum. If a board were appointed to examine into the system and make recommendations then the one Commissioner, I venture to say, would be quite sufficient to carry out all the duties appertaining to the Railway Department of the State. Mr. Kingsmill, and I think Mr. Sanderson, touched on another vital point that affects the revenue of the State, and that is the State industries. More money has been lost to this State in connection with those ventures than one almost

desires to think about. It has been a source of worry not only to members in and out of the House, it has been a source of worry to the public, and it must have been a source of worry to the Ministers who have the control of the various industries, and the sooner these industrial enterprises are disposed of and the sooner we see the Government attending to their proper duties and functions, the sooner, I am sure, we will get into a better condition financially. There are many points that one might allude to in connection with a measure such as this, but I may emphasise the importance of the leader of the House taking us into his confidence and giving us details in connection with the expenditure of the money. I do not know whether the leader of the House will be prepared to give us that information. If he does supply it it will assist me in determining whether I will vote against the measure by way of protest, or whether I will support it.

Hon. E. M. CLARKE (South-West) [7.46]: It was not my intention to have spoken on this matter at all. I feel that for some years past I have been considered a bit of a croaker. I was always opposed to the State embarking in concerns which could be carried on far more cheaply and with greater advantage to the community by private enterprise. I am pleased to hear some members in this Chamber express similar views, and also the opinion that the best thing that can be done in connection with the trading concerns is to jettison the lot and get what we can for them. I am also sick of hearing myself say that Cabinet Ministers have quite enough to do to run the ordinary affairs of a country without entrenching upon those functions which can be more successfully conducted by private enterprise. And the sooner we take the drastic step which I have suggested the better it will be for Western Australia. It is idle to talk about curtailing this, that, and the other, whilst the waste in connection with the enterprises is going on. Their elimination would be one of the principal things which should have the effect of cutting down our expenses. It must be clearly understood that the machinery which we employ in these works is of such a nature that the longer we keep it the less we shall get for it. The life of that machinery and the buildings in which it is housed is limited. Therefore, I am satisfied that the sooner the whole lot is disposed of the better it will be for the community. It is all very well to find fault with the Government, but one phrase which I have never forgotten, and it is not an idle phrase, is that Parliament is what the people make it. The policy of the Labour Government was to establish State enterprises, and what did the voters do? They simply put in the Labour Government by an overwhelming majority, and the Labour Government were consequently pledged to carry out those undertakings. Therefore the electors have only themselves to blame. I do not hold a brief for any Government, but it is all very well now for us to abuse the men who are in office. They are

doing the best they can. They have a terrible struggle before them, and I venture to say that if the suggestion I have made with regard to State works is carried out, even though the Ministers may go out at the next election, the result must be of benefit to the community. I am satisfied with the policy of the Government in power, but they have an almost impossible task to face. I should never think of voting against the Bill, though I think it is wrong that money should be spent, and that the sanction of Parliament should be asked afterwards.

The COLONIAL SECRETARY: (Hon. H. P. Colebatch—East—in reply) [7.50]: I very much regret that certain of my opening remarks should have been misunderstood by several hon. members who have spoken. I did not intend to infer that it was the duty of hon. members to pass this Bill as a formal measure. That would be an act of impertinence on my part. I should never be guilty of attempting to curtail criticism and discussion by hon. members in this Chamber. In fact, I give way to no member in this Chamber in the belief that the country profits a great deal from the debates which take place in this House. What I said, and I did not mean anything more than I said, was that I did not think it was usual or that it would be profitable for me to initiate a debate on the general financial position of the State, and I still maintain that was a perfectly correct attitude for me to take up. I welcome all the discussion that has taken place, and I will endeavour to reply to the different points raised by hon. members. But if I had opened a general debate upon the financial position of the State it would have been impossible for me to confine my remarks within the limits of an hour or two, and it would have been quite an unheard of procedure in the introduction of a Supply Bill, and had I attempted to put the financial position before hon. members in a few words, I should have inevitably omitted the points which, to some members, would appear most important. Mr. Kirwan reproved the Colonial Treasurer for having made the promise that he would introduce the Estimates in July. My personal opinion is, and always has been, that the Estimates should be submitted to Parliament at the end of July or very soon after that date, and I consider that the promise of the Treasurer was quite a proper one. But, on the other facts which I have already presented to hon. members, I claim that he was in no way responsible for the fact that the promise was not fulfilled. Had he been able to induce the Federal Treasurer and the other Treasurers to postpone the conference held in the Eastern States he would have had his Estimates ready for presentation to Parliament in the month of July, and if they had not been presented then it would have been because of the protracted nature of the Address-in-reply. I do not think the Treasurer was to blame. Mr. Kirwan also wanted to know what the Government proposed to do when at the end of another couple of years the financial agreement came to an end, and when the Federal taxation would be so heavy that it would be impossible for the State to raise additional taxation, and when also we

would lose entirely the sum of half a million per annum which we now obtain from the Commonwealth. I confess that the question is rather a puzzling one, but I do insist on this, that when the time comes for the review of the financial agreement between the States and the Commonwealth, it will be imperative upon the Commonwealth Parliament, and the people of Australia will insist upon it, to do justice as between State and State and as between the States and the Commonwealth. If that is done, Western Australia cannot be treated in the manner Mr. Kirwan suggests, and not only that, but that the Federal authorities shall have due regard to the work that the State has to carry out for the people, and shall see that the State is provided with the wherewithal to do it. I do not know that any profit will result from a further discussion of this point at the present time. I do not detract one word from the statement in this connection which I made some months ago. I do think it would be well for Western Australia if Parliament, the Press, and the people applied themselves diligently during the next year or two to this problem, because there is no doubt if we do not receive, on the expiration of the present financial agreement, reasonable treatment from the Commonwealth—and by reasonable treatment I mean, as I have already said, fair treatment in comparison with that received by the other States, and also a fair recognition of the State obligation to the people—unless we receive that, our position is going to be a very difficult one, I do not care what particular Government may be in power. The hon. member then went on to tell us that there was an increase in the expenditure last year of £52,000. He forgot, although reminded of the fact by interjection—I think he intended to make mention of it—that this £52,000 increased expenditure included the £100,000 increased expenditure in the payment of interest and sinking fund, a matter over which the Government had no control whatever. So that, if we eliminate that amount, there was a considerable decrease in the ordinary expenditure of the Government. In this connection I would remind hon. members that Western Australia is at the present time the only State in the Commonwealth that is continuing to pay its debts in this time of stress and difficulty. Every one of the other States, I think, without exception—hon. members will understand that I am speaking to-night without any special preparation—have suspended the payment of their sinking funds.

Hon. A. Sanderson: They are not the same as our sinking fund.

The COLONIAL SECRETARY: They do not pay sinking funds.

Hon. J. J. Holmes: They pay their debts.

The COLONIAL SECRETARY: Is there any suggestion that Western Australia will not pay her debts when those debts become due? The other States usually pay their debts by borrowing a fresh loan. It may happen that Western Australia will have to do the same. The other States have had deficits from time to time. Western Australia is the only State—and I say this with the reservation that there may be one other State which makes a

small contribution to the sinking fund—which has not suspended payment of the sinking fund. I would point out that at the present time, with all the difficulties and embarrassments with which we are surrounded, we are paying £316,000 per annum into the sinking fund. We are reducing our indebtedness by that sum annually. That does take off a considerable portion of our deficit. Mr. Kirwan said that the Treasurer and the Minister for Mines appeared to be the only Ministers who were studying the interests of the State in the way of decreasing expenditure. I am not going to detract in any way from the credit the hon. member has given to my two colleagues. I am sure the Treasurer deserves every possible credit for the manner in which he has worked, and endeavoured to keep down expenses and square the ledger. But I am sure that Mr. Gardiner would be the last man in the world who would wish to obtain credit for anything he has not done, and if he receives full credit for anything he has done he will be amply rewarded. Mr. Kirwan said that in the Treasury there had been a saving for the year of £45,000.

Hon. J. W. Kirwan: A reduction of that expenditure.

The COLONIAL SECRETARY: And the hon. member pointed out that that was an enormous reduction in comparison with the total vote, and he indicated that if other Ministers had reduced their votes in the same proportion an enormous saving would have been effected. That statement illustrates to my mind the disadvantage that attaches to any attempt to discuss the finances generally on a Supply Bill when in the course of a few weeks we will have the Estimates before us. If the hon. member had looked up the position at all he would have found that that reduction of expenditure of £45,000 was included in the miscellaneous vote on the Treasurer's account and is accounted for by one item and one item only. For the financial year 1916-17 the miscellaneous services provided for the Colonial Treasurer furnished the sum of £45,071, representing a loss on the operations of the Royal Commission for the Control of Trade. This Royal Commission was responsible for the importation into Western Australia during the drought period of wheat and other cereals. I am not going to discuss the question of whether they acted wisely or unwisely, but their operations resulted in a loss of £45,000. That sum was debited against the miscellaneous services of the Colonial Treasurer for the year 1916-17. For the following year there was no vote whatever in that regard, so that the whole of the £45,000 was due to circumstances over which the Colonial Treasurer would be the last to claim to have had any control or influence whatever. It was simply that the expenditure for the year before had to provide a lump sum of £45,000 for the loss which had been incurred through the Royal Commission of the previous year, and which, happily for the State, was not a recurring item and for which there was no expenditure in the year just concluded. I hope hon. members will understand that I am merely pointing this out in the interests of accuracy, and not with

the least idea of trying to belittle the splendid work which the Colonial Treasurer has done in the matter of cutting down expenditure, not only in his own department but in all other departments. We are told by Mr. Kirwan that the Agricultural Department was responsible for an increased expenditure of £5,550. Again I venture to think that if the hon. member had placed before him details, as he will have when the Estimates are introduced, he would never have made such a statement. The summary of the financial operations of the Agricultural Department for the year 1917-18 shows that, as compared with the preceding year, the expenditure was less by £7,950 and the revenue was greater by £5,303, the net result being thus more favourable to the extent of £13,255. I venture to think that Mr. Kirwan will find that the figures I am submitting to the House this evening are right.

Hon. W. Kingsmill: Where is the discrepancy?

The COLONIAL SECRETARY: I think it lies in the fact that the hon. member is inaccurate. He has probably taken as the operations of the department those services which may have been more expensive than in the previous year, and has omitted from his conclusions those services which were less expensive and more profitable than in previous years. The hon. member has doubtless included in his estimates of the department's activities an extra £5,000 or £6,000 which was spent in an effort—not entirely successful, but I maintain very successful in the circumstances—to combat the rabbit pest. I venture to think that Parliament will probably be called upon to continue the expenditure in that direction. No doubt he took that into account. He probably took into account, also, the additional expenditure on butter and bacon factories of something like £7,000, and he probably omitted to take into account the greatly improved position both in regard to revenue and expenditure of the Yandanooka estate, the expenditure in that case being less by £2,000 and the revenue greater by £18,000. The net result was that the department actually spent as I have said, £7,950 less in that year than in the previous year and had a revenue of £5,303 greater than in the previous year.

Hon. J. W. Kirwan: I merely quoted the official figures supplied by the Government under the heading of "Agriculture."

The COLONIAL SECRETARY: If the hon. member looks at the official figures he will probably find that the Yandanooka estate and other items are not included under the heading to which he referred.

Hon. J. W. Kirwan: It is the Government's own selection under the heading of "Agriculture."

The COLONIAL SECRETARY: Quite so.

Hon. J. W. Kirwan: I have the figures here if the Minister would like to look at them. I did not make the selection; the Government did so.

The COLONIAL SECRETARY: As a matter of fact the purely administrative work of the Agricultural Department shows a reduction in expenditure of £2,000. This is on

salaries. Even if we confine ourselves to rabbits alone I do not think the hon. member is prepared to condemn the Agricultural Department for increasing the expenditure upon the destruction of rabbits. Many persons are ready to condemn the department for not having spent a great deal more.

Hon. J. W. Kirwan: The figures of expenditure under the heading of "Agriculture" are £48,482, as against £54,438.

Hon. W. Kingsmill: Your methods are too crude.

The COLONIAL SECRETARY: The hon. member is quite welcome to the complete details of the department's expenditure. From these he will find that the figures I have given are correct. A reference has also been made to the expenditure in the Colonial Secretary's department. I shall have occasion to deal with that in detail when the Estimates are presented. I venture to remind hon. members of the fact that it is the fit men of the State who have gone to the war, but that the others like the poor, are always with us. There never was a time in the history of the State when the demands upon charitable institutions of Western Australia were so great as they are now. So far as our institutions are concerned, the number of inmates in every one of them is steadily increasing, with the one bright exception of our gaols. Our gaols are the only ones of our public institutions which have a lesser population than before. In the case of all our charitable institutions there is an increase in the number of patients. When this is combined with the increase in the price of almost all commodities, it presents a problem which worries me, and would worry any hon. member of the House. Reference has been made to the increase in the vote for the State children. That is a department which comes under my control. I ask hon. members, what am I to do about it? If these children are committed to the care of the State, and the parents are not able to provide for them, what can the State do but maintain them?

Hon. W. Kingsmill: You do not help those people much who are helping you.

The COLONIAL SECRETARY: I do not wish to indulge in any controversial expression of opinion with my colleagues over this matter, but I have not hesitated to express the view that it was a mistake not to have given the small grant to the Children's Protection Society to which the hon. member now refers. It was a saving—

Hon. W. Kingsmill: It was not a saving.

The COLONIAL SECRETARY: It was not a saving because that institution does a great deal of good work. The number of children for whom their parents cannot provide, and who are cast upon the care of the State, is constantly increasing, and I know of no way by which these children can be cared for except by the State providing the money. I am not inclined to think that the people of the State would be favourable to the Government reducing the maintenance for these children.

Hon. J. Nicholson: The children must be helped.

The COLONIAL SECRETARY: How can we do otherwise? I readily admit that we are

not doing as much as we ought to do in that regard. Future generations will probably condemn us, not for the money we spent in this way but for the money we did not spend. With regard to our other institutions, let me take the Sanatorium at Woorooloo. That institution costs something like £24,000 per annum to maintain, irrespective of the interest and sinking fund on the capital cost of £150,000.

Hon. W. Kingsmill: Is that all?

The COLONIAL SECRETARY: I am speaking in round figures. It certainly does not come to very much more, although for that expenditure the institution is not complete. It may be open to argument that we are not doing all that we ought to do. It is expenditure which is increasing with the increase in the number of patients, an increase which I see no way of checking or avoiding. At present we are faced with an agitation from the constituents of the hon. member (Mr. Kirwan) urging that we should appoint a Royal Commission of 12 doctors to consider the question of closing up this institution which has cost us £150,000 and erecting in its stead one in what they contend would be the more healthful atmosphere of the goldfields. I counsel the hon. member to discuss this question with his constituents, and probably his advice and the great necessity there is for economy might induce these constituents to reduce the pressure that they are endeavouring to bring to bear upon the Government in this direction.

Hon. J. W. Kirwan: I do not think the hon. member is correctly interpreting the views of the Kalgoorlie council in this matter.

The COLONIAL SECRETARY: That is what they desire. They contend, as a fact, that the climatic conditions of Woorooloo are less favourable for consumptive patients than those of Coolgardie, and they say in so many words—and it is a highly creditable humanitarian view to take—that if that was the case no expenditure should be grudged in the matter. I am quite in accord with them, but I am not in accord with the suggestion that Woorooloo is not a suitable place, or that it is not doing good work, and as good work as could be done in Coolgardie. I instance this as one of the many cases of the departments under my control in which the expenditure is not under my control. Then we have the asylum at Claremont. The number of patients there is steadily increasing, and I feel rather ashamed at times which I go through the institution to witness the overcrowding which takes place, and the inability of the management, because of that overcrowding, to afford that measure of separate treatment which might possibly in some cases lead to the more rapid recovery of patients.

Hon. J. Nicholson: That is quite true. I have had occasion to see that.

The COLONIAL SECRETARY: It is true. The institution was built for the accommodation of 750 patients. At present it contains nearly 1,200 patients. Although we have done what we could to relieve the situation, the fact remains that to grapple with it thoroughly and to do all that modern medical opinion says

ought to be done in cases like this, would involve the erection of another institution at a cost of probably not less than £200,000. I admit that many of the personal references made to myself are rather embarrassing, and I wish to assure hon. members that I neither exercise, nor aspire nor desire to exercise, the dominance with which they seem to invest me. Neither in the Cabinet nor in this Chamber has it ever been my wish to press unduly my own views. I have always contented myself with stating the truth as it seemed to me, and I think hon. members will agree that, here, over the very many defeats which I have sustained in the course of my six years of life in this Chamber, I have never cried. I have always endeavoured to put before the House what I thought was the right view, and I have always readily accepted the decision of the majority. In my place in Cabinet I attempt to do nothing further than that—to place before Cabinet what I think is right, just as other Ministers do. If my view is over-ridden—and it is over-ridden as frequently as that of other Ministers—I always try to take the adverse decision gracefully. Whilst I do not for a moment associate hon. members of this Chamber with the suggestion I now intend to allude to, I do know that amongst the enemies of the Government there is at present a very active movement in the direction of endeavouring to set one Minister against another, and so cause internal dissension which might disrupt the Government. I assure those enemies of the Government that, so far as all events as I am concerned, the effort will be entirely futile. I listened with much attention to the remarks made regarding the Railway Department. Of that and of several other matters which have been mentioned, I have taken a note, with the intention of devoting more detail than I otherwise might have done to this particular department when we come, as we shall very shortly, to the discussion of the Estimates. I would suggest, with all deference to Mr. Nicholson, that it would have been more in accordance with the practice of his learned profession had he waited until the case for the appointment of three Railway Commissioners had been stated before he ventured his disapproval. I am sure that his long legal experience will tell him I am right in saying that it is quite possible that arguments in favour of this proposal may be put forward which he has not anticipated, and that perhaps he might have expressed a different opinion had he waited until all the arguments were before him.

Hon. J. Nicholson: The arguments were anticipated, though.

The COLONIAL SECRETARY: His remark that the population of our State is smaller than that of the Eastern States does not strike me as being in any way a conclusive argument. In point of fact, a State with a large population and a comparatively short railway mileage has a simple railway problem to deal with. There, one has the trade, the turnover, and it is a comparatively easy matter to make one's railway undertaking pay. No other State in Australia is in so difficult a position relatively to its railway service as Western Australia, because, as Mr. Holmes and other mem-

bers have pointed out, we have too small a population to carry our load. I do not care whether that load is indebtedness or railway system or territory, we have too small a population to carry the load. Consequently the difficulties before the railway administration of this State are stupendous. If three railway commissioners are justified in any circumstances, if it can be shown that three railway commissioners can do the job even slightly better than one railway commissioner can do it, then there is no other Australian State where the services of three commissioners are so urgently required as they are in Western Australia. If Mr. Nicholson would glance for a moment at the figures covered by the Railway Department of this State, he would realise that a matter of £3,000 in the combined salaries of the commissioners is really a bagatelle not worthy of consideration. If we get even a higher percentage of efficiency from the management by three commissioners we shall save £3,000 probably every week. The transactions of the Railway Department are quite large enough to justify the expenditure of £5,000 annually in commissioners' salaries, or in the salary of a commissioner, if we can get the right man or the right men for the job. I do not think any railway commissioner or commissioners could possibly make our railway system pay at the present time, because of the enormous mileage and because of the fact that the most profitable portions of our traffic have either entirely disappeared or been very seriously diminished. The timber traffic was perhaps one of the best paying services, and that has practically disappeared. Hon. members must recollect that it is in the volume of the trade that one carries the interest and sinking fund; and that when the volume of one's business is cut down, then it is that the interest and sinking fund begin to hurt. Mr. Holmes, although I agree with much that he said, was not quite fair in selecting the month of July as an indication in the drift of the finances. Mr. Nicholson, in the very interesting speech in which he seconded the Address-in-reply, fell into the same error. That error I regard as quite excusable on the part of a new member; but it is hardly excusable on the part of an old member like Mr. Holmes, who has himself occupied Ministerial office. Mr. Holmes knows very well that for many years past it has been the invariable practice to continue the receipt of revenue on behalf of the financial year ending on the 30th June until the 10th day of July in the following year. That has always been the practice. The expenditure for the year closes on the 30th June always. The books for revenue are kept open until the 10th July. Consequently, the month of June invariably shows a handsome profit; and I venture to say that when Mr. Nicholson stated that people thought because there was a surplus in the month of June that surplus would be repeated in the month of July, he and they were without knowledge of the fact that the month of June has 30 days of expenditure and 40 days of revenue, whereas the month of July has 30 days of expenditure and only 21 days of revenue.

Hon. J. J. Holmes: I mentioned July merely incidentally.

The COLONIAL SECRETARY: Quite so; but the hon. member might just as well have incidentally chosen the month of June and thus shown that the Government were making progress.

Hon. J. J. Holmes: I was referring to the drift of £2,000 per day.

The COLONIAL SECRETARY: That is one of the portions of the hon. member's speech with which I am entirely in agreement. I was merely referring to the point on which I disagree with him, namely, the taking of the month of July as a characteristic month in the matter of deficit.

Hon. J. J. Holmes: You missed the substance and grasped the shadow.

The COLONIAL SECRETARY: Mr. Holmes also made reference to the matter of loan expenditure. As we are all aware, the loan expenditure for the five years preceding the advent of the Wilson Administration averaged about three million pounds per annum. For the two years succeeding the advent of the Wilson Administration the loan expenditure averaged about £750,000 per annum—a reduction of £2,250,000 per annum in the loan expenditure. Now it has been suggested at times in this House that the reason why the Government reduced their loan expenditure was that they could not help themselves, that they had not got the money. To my mind that is a very unfair suggestion to make. It simply indicates that some hon. members are prepared to refuse credit to the Government no matter what they do. As a fact, the Government had conserved the loan moneys at their disposal—which loan moneys they could have spent if they had liked—to such an extent that when our State Treasurer went to the Treasurers' conference he asked for only £250,000 to carry on this State until the end of 1919. He was able to do that because the Government had not spent, during the last couple of years all the loan money at their command, because his Government had tried in every possible way to conserve their finances and to reduce their loan expenditure as well as their revenue expenditure, and because the Government had, as a fact, in hand at the end of last year a balance of unexpended loan money sufficient to justify our Treasurer in telling the Commonwealth Treasurer that so far as Western Australia was concerned, notwithstanding our deficits and our difficulties, we can carry on until the end of 1919 with only a quarter of a million assistance from the Commonwealth. That is a fact for which I think the Government—and the Colonial Treasurer in particular, because finance is his particular job, and a job to which he has stuck very closely—are entitled to credit. If we had wanted to make good fellows of ourselves by a free expenditure of loan money, the money was there, and we could, if we had liked, have spent it.

Hon. J. J. Holmes: If you had spent that money you would not have had any money available to meet this year's daily deficiency.

The COLONIAL SECRETARY: If we had spent an extra quarter of a million of loan money our Treasurer would have had to ask the Commonwealth Treasurer for £500,000 in-

stead of £250,000 to carry on until the end of 1919; and he would have got the £500,000. There is no question about it. If our Treasurer had said that he wanted £500,000 to carry on till the end of 1919, he would have got the amount. And, by comparison with the amounts given to the other States, and having regard to our many difficulties, he would have been entitled to get it.

Hon. J. W. Kirwan: But the Treasurer anticipated a deficit of one million.

The COLONIAL SECRETARY: Hardly that. When the Colonial Treasurer spoke of a deficit of one million sterling, he said that if such and such things happened the deficit would be a million. I do not think he ever thought there would be a deficit of a million.

Hon. W. Kingsmill: He merely said so.

The COLONIAL SECRETARY: I have not the Treasurer's exact words before me, but I do not think that is a fair statement. As a matter of fact the railway position turned out very much better than expected.

Hon. J. W. Kirwan: But our Treasurer had to prepare for the possibility of a deficit of one million.

The COLONIAL SECRETARY: Quite so; but if we had spent more loan money it would have been a matter of asking for more from the Federal Treasurer. Mr. Kirwan would suggest that at the end of the year we had in unexpended loan money merely the difference between the £700,000 of actual deficit and the million of deficit which was estimated as I have indicated.

Hon. J. W. Kirwan: I have suggested nothing of the kind.

The COLONIAL SECRETARY: Mr. Sanderson has made some very pertinent remarks regarding the railways, the Agricultural Bank, and State enterprises; all of which matters I intend to deal with in detail when the Annual Estimates are presented. He has also intimated his intention to submit a certain motion. So far as I am concerned, I always believe in taking my fences when I come to them; and I venture to think that if the hon. member does submit such a motion and is required to substitute for generalities and personalities actual facts, he will find and the House will find that the case he intends to present is very much weaker than the case he has been able to suggest merely by indulgence in generalities and personalities. Mr. Kingsmill made reference to the freezing works at Fremantle, and suggested that we should invite private enterprise to take up that work. But the Government threw out that invitation to private enterprise a long time ago.

Hon. W. Kingsmill: But there was no guarantee of protection against Government competition.

The COLONIAL SECRETARY: How is it possible for a Government to give a guarantee of protection from Government competition?

Hon. W. Kingsmill: Quite easily, by an Act of Parliament.

The COLONIAL SECRETARY: Probably another Government might repeal that Act.

Hon. W. Kingsmill: They might repeal it in another place, but not here.

The COLONIAL SECRETARY: We invited applications from private enterprise; and again I say that I will take my fences when I come to them. I am not in a position to-night to tell the hon. member the form that the Bill relating to the Fremantle freezers will take. When it is presented he will see whether it is open to the objections that he now suggests, or whether it is not indeed a Bill which will meet with even his approval. Mr. Kingsmill also tells us that the Government are about to reintroduce the Bill for the bulk handling of wheat. I do not know where the hon. member got that information. There is no reference to such a Bill in the Governor's Speech, so far as I know. The Governor's Speech, if my memory serves me correctly, says that the Government will require to introduce legislation to make provision for the storage of wheat. That will be necessary because it seems likely that we shall have to store a very considerable quantity of wheat for a long period—probably about three years—and whatever method of storing that wheat is adopted, it is necessary that we shall have legislative sanction for it. In fact, the Royal Commission appointed largely at the request of this House have been inquiring very fully into this matter of storage for some considerable time; and I have no doubt that the Government will be guided very largely by the recommendations and the evidence contained in the report of that Commission.

Hon. W. Kingsmill: That is very interesting to hear.

The COLONIAL SECRETARY: We are told also that the supply should not be on the same scale as last year's expenditure. Again I wish to remind hon. members that there are so many obligations which the various departments have to continue to carry to the public, and in this year's Estimates, as compared with last year's, there is a further increase of £90,000 in the interest and sinking fund bill.

Hon. J. W. Kirwan: Is there going to be any alteration in the Government's financial policy?

The COLONIAL SECRETARY: The Government's financial policy will be submitted to the Assembly by the Treasurer as soon as the Address-in-reply debate in that House is finished. I am sure the hon. member will agree that it would be highly improper in me to anticipate that utterance in any way. Mr. Millington asked quite a number of very interesting questions, but I am sure the hon. member will agree with me that he answered every one of them entirely to his own satisfaction. I do not think Mr. Nicholson was quite right in saying that we should submit details of this expenditure. There is only one way in which details of expenditure can be submitted, namely in the Estimates. It is the invariable custom of all Governments to pass a Supply Bill to carry them over until the Estimates have been submitted, and I can only repeat that unless something unforeseen happens the Estimates will be submitted this year, notwith-

standing circumstances which might well excuse the Government for some delay, considerably earlier than at any other time, except once, in the last eight years. So I do not think it is fair that the hon. member should ask for details when he knows that the only way in which those details can be presented is through the Estimates.

Hon. J. Nicholson: What I meant was that, in view of the circumstances of our finances, we ought to have some information.

The COLONIAL SECRETARY: I do not know that there is any information I can give to hon. members. We are not launching out in any new avenues of expenditure. If hon. members will study last year's Estimates it will give them a good idea of the way in which the money is going. There is nothing fresh contemplated.

Hon. J. Nicholson: No new departures?

The COLONIAL SECRETARY: No new departures, of course. Any new departures the Government contemplate will be duly submitted to Parliament. I entirely agree with the sentiments of Mr. Clarke, who said that it would have been well for Western Australia if Governments of the past had confined themselves to the proper functions of Government instead of entering upon various trading concerns. However, I do not know that at the present juncture we are able to jettison those trading concerns in the light-hearted manner suggested by Mr. Clarke. There is on the statute-book a measure which prevents the sale of any of the State trading concerns without the consent of both Houses of Parliament. That measure suggests great difficulties in the way of the disposal of those concerns, and even if it did not, I think that at the present time, particularly while the war profits tax remains, a measure which in its incidence is frequently unjust, it would be impossible to induce people to purchase any of the larger State trading concerns. And the Government take the view that while they have to carry them on, they have to do the best they can. But the Government are in no way enamoured of the State trading concerns.

Hon. W. Kingsmill: Then why are they starting others?

The COLONIAL SECRETARY: I do not know that the Government are starting others. The Government are lending money to co-operative concerns to establish certain industries, and I venture to say it will be a very bad thing for Western Australia unless some measure of success attends those efforts to establish industries in this State; because, although some of the metropolitan members, I know, are rather inclined to think that the Government ought not to spend money in this direction, yet I would remind them that we cannot live by taking each other's washing, and the great bulk of the community has to exist on the industries of the country. Therefore, if the Government can assist to establish industries for which the country is eminently adapted, I think it would be short-sighted policy on our part if we did not do it. To my mind Mr. Holmes put his finger on the crux of a difficult position. Here we have a community of 300,000 people faced with an almost impossible

task in carrying the burden of debt and keeping going a tremendous railway system and otherwise developing the country. That is one of the chief problems to which it will be necessary that Parliament and Ministers apply themselves, namely to the question of how the population can be increased. However, that is a matter which does not call for discussion on the present occasion.

Question put and passed.

Bill read a second time.

In Committee, etcetera.

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

Read a third time and passed.

House adjourned at 8.40 p.m.

Legislative Assembly,

Wednesday, 28th August, 1918.

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

[For "Questions on Notice" and "Papers Presented" see "Votes and Proceedings."]

NOTICE OF QUESTIONS.

Mr. SPEAKER: I desire to direct the attention of hon. members to the sessional order which was carried yesterday in accordance with which the Assembly will meet on each Thursday at 11 a.m. In view of that, it will be impossible for questions, notices of which have been given on Wednesday, to appear on the Agenda Paper for Thursday morning. In future these questions will appear on the Notice Paper of the following Tuesday and will be answered by Ministers on that day. Hon. members will also realise that it would not be possible for Ministers to furnish answers at such short notice.

ADDRESS-IN-REPLY.

Second Day.

Debate resumed from Thursday, 22nd August.

Hon. P. COLLIER (Boulder) [4.44]: It will be remembered that on the Address-in-reply last year the members of the Opposition refrained from participating in the debate, believing that by so doing we would assist the Government who had only a short time previously assumed office. We should have been