

**THE COLONIAL SECRETARY:** Clause 441 empowers the council to strike a special rate, where moneys are borrowed, and is in similar terms to Clause 382, authorising the rate for levying ordinary revenue. It provides that they may strike a loan rate up to 1s. 6d. in the pound on the annual value, or where the system of valuation on the capital unimproved value is adopted they may strike a rate up to 6d. in the pound in municipalities not within proclaimed goldfields, and up to 1s. in the pound on the capital unimproved value of the land in municipalities within proclaimed goldfields. Clause 474 and the following clauses give extended powers to auditors and inspectors. There are some slight amendments in some of the other clauses, but they are really only consequential on clauses I have mentioned.

**HON. J. W. HACKETT:** Auditors are elected for two years.

**THE COLONIAL SECRETARY:** One retires each year. There will be two auditors elected. Under the present Act two retire each year. Clauses 505 to the end, with the exception of Clause 517, contain general provisions taken principally from the Victorian Act, and they are for the enforcement and better carrying out of this measure. Clause 517 empowers the Minister to have a board to decide disputes between municipalities. I think I have touched upon all the principal amendments. There may be some other slight amendments. I trust members have not been wearied by this rather long explanation, but I thought it well that I should touch on all the new clauses so as to draw the attention of members to them. As I said at the beginning, this is not a Bill for a second-reading speech at all. The principle is one which I think we are all agreed upon, namely the principle of municipal government, and I thought it would meet the case better if I simply touched on the new clauses and the amending clauses, so as to draw the attention of members to them, in order that they may be ready to deal with them in Committee.

**HON. J. W. HACKETT:** Is the 11th schedule exactly the same as the old one, page 167?

**THE COLONIAL SECRETARY:** Yes, I think so. I have no tick to it, and I went through the Bill and placed

ticks where the provisions were different. I will make a note of that. I do not think there is anything I can add to what I have already said. I beg to move that the Bill be now read a second time.

**HON. G. RANDELL** suggested that the debate be adjourned until Tuesday, 6th November.

**THE COLONIAL SECRETARY:** Let it be Tuesday next. There was nothing else to go on with at present, but subsequently there would be numerous Bills coming down. Three or four big Bills were expected next week, and if we could make a little progress on this Bill it would be well.

**HON. G. RANDELL** moved that the debate be adjourned until Tuesday next.

Motion passed, the debate adjourned.

#### ADJOURNMENT.

The House adjourned at two minutes past 6 o'clock, until the next Tuesday.

### Legislative Assembly.

Thursday, 25th October, 1906.

	PAGE
Questions: Printing of Reports, delay	2509
Railway Commissioner's Report, when	2510
Maps Unreliable, how purchased	2510
Select Committees: Police Offences Bill, as to Report	2510
Annual Estimates: Debate on Finance resumed (Mr. Darglish, Mr. Piesse, Mr. Walker), adjourned	2511

**THE SPEAKER** took the Chair at 4:30 o'clock p.m.

#### PRAYERS.

#### QUESTION—PRINTING OF REPORTS.

**MR. G. TAYLOR:** I desire to ask, without notice, whether when a resolution of the House has been carried that certain papers be printed, it is left in the discretion of the Minister, or whether it is the duty of the Speaker to see that the reso-

lution is carried out. My reason for asking is that I find the report of the Battery Board has not yet been printed. A very important conference is sitting, and the delegates feel the absence of that printed report in their deliberations.

MR. SPEAKER: I find this matter is not carried out through the Clerks, but is left to the Minister himself. Perhaps the Minister will explain.

THE MINISTER FOR MINES (Hon. H. Gregory): I would like to say, after having promised the House that the report should be printed, it was immediately placed in the hands of the Government Printer. I have been urging the early printing of the report, and I made inquiry yesterday, but could not get the report—owing, I was told, to the stress of parliamentary work at the Printing Office. I left a special message last Tuesday that the work was to be available to-day or to-morrow; but the Government Printer states that there is such a stress of parliamentary work, probably owing to the length of the speeches made, that the report cannot be got out as speedily as desired.

#### QUESTION—RAILWAY COMMISSIONER'S REPORT.

MR. EWING, without notice, asked: When will the yearly report of the Commissioner of Railways be available to members?

THE MINISTER FOR RAILWAYS: I am anticipating the report daily. A supplementary report was given to the House some time ago to comply with the statute. The full report, I believe, is expected daily. The Commissioner assures me that every effort will be made to have it available before the Railway Estimates are entered on by this House. I have given special instruction as to that. It is desirable the report should be in the hands of members before they are asked to deal with the Railway Estimates.

#### QUESTION—MAPS UNRELIABLE, HOW PURCHASED.

MR. HORAN asked the Premier: 1, Who is responsible for the purchase of the large number of maps of the Commonwealth and New Zealand, with map

of the world on reverse side, to be found in Government offices in this State? 2, Is he aware that these maps are unreliable, the statistics and other figures being undated, and the spelling of names and distances being incorrect? 3, How many of such maps were purchased by the Government? 4, What price was paid for the purchase? 5, Does the Government consider, in the present condition of the finances, it was justified in patronising travelling adventurers by purchasing such articles at such prices?

THE TREASURER (for the Premier) replied: 1, Ministers and permanent heads of Departments. 2, No. The maps are by the reliable firm of W. & A. K. Johnston, Limited. 3, 34. 4, £20 17s. 6d. 5, The Government are not aware that the individual who secured the order is a "travelling adventurer," and in view of the statement of the Chief Draftsman that the map was a very useful one and published by the best-known cartographers, it was considered that the expense was justified as a ready means of office reference.

#### POLICE OFFENCES BILL INQUIRY.

##### AS TO COMMITTEE'S REPORT.

THE MINISTER FOR MINES (in the absence of the Attorney General) moved that the time for bringing up the report of the select committee on the Police Offences Bill be extended until Tuesday next.

MR. TAYLOR: Without wishing to hurry the committee, this report had been desired by the House for a considerable time, and this was not the only report of a select committee which had been delayed. Several committees were due to report, and it was hoped the House would not be too generous in granting extensions of time. He recognised that committees were sometimes called on to report on matters that required delay in consequence of the investigations, and in such cases extension of time should be granted; but in this case the report had been hanging over for some time. This should be the last extension.

MR. A. J. WILSON: It was unfair for the hon. member to speak about the reports of committees when he knew nothing of the circumstances under which

this committee was labouring, and which prevented the report being brought forward. When the Attorney General asked for an extension of time until to-day, the whole of the evidence had been taken and the draft report prepared, and the Attorney General thought he would be able to submit the draft report to the members of the committee at a meeting which was to have been held yesterday. Unfortunately two members of the committee were away at the York Show, and the meeting could not be held. A meeting of the committee was arranged for this morning, but owing to the presence of the Attorney General in the law courts it was impossible for him to be present at the meeting, and in his absence the committee found it impossible to complete the consideration of the report for presentation to the House this afternoon. An extension was only asked so that the committee could complete the consideration of the report. There was no desire on the part of the committee to unduly delay its presentation. The committee had called a number of witnesses, and sat frequently. He did not know as to delay in connection with other committees, but the Police Offences Bill committee had worked diligently, and had taken every opportunity to carry out their duties. There was no doubt that the report would be available next Tuesday.

MR. JOHNSON: It was not customary to draw attention to delay in select committees presenting reports. He was a member of a committee that had held several meetings, but was unable up to the present to furnish its report. It must be borne in mind that the report under discussion was in reference to an exceptional case, the committee dealing with a Bill brought before the House, and about which a number of members thought that it was referred to a select committee in order to delay the measure, so that it might be among the "slaughtered innocents" at the end of the session. There was heated discussion on the measure previously, and a lot of unnecessary delay, in view of its importance. The member for Forrest had apologised for the delay, and under the circumstances one had to accept that apology; but no apology had been offered for the extensions asked for on other

occasions. There had been delay after delay. The Attorney General on various occasions asked for extension of time. He questioned whether many meetings of the committee had been held, and whether very many witnesses had been examined. He trusted this would be the last occasion on which there would be any delay, for he wanted an opportunity of discussing the report, and he trusted it would come before the House this session.

Question put and passed.

#### ANNUAL ESTIMATES, 1906-7.

##### IN COMMITTEE OF SUPPLY.

##### DEBATE ON THE FINANCIAL STATEMENT.

Resumed from the previous sitting;  
MR. ILLINGWORTH in the Chair.

Vote—*His Excellency the Governor*,  
£1,148.

MR. H. DAGLISH (Subiaco): I intend for a short while to take up the time of the Committee. I agree with the remarks of the member for West Perth (Mr. Illingworth) when he criticised the Estimates of the Treasurer as optimistic. Probably for some years past every estimate made by a Treasurer of this State has been optimistic, inasmuch as almost invariably the estimate of revenue has considerably exceeded the amount received; and I am afraid that on the present occasion the Treasurer has followed the example of his predecessors, and has anticipated an amount of revenue there is but little hope of receiving, unless indeed the land tax produces a substantial amount in excess of what it is estimated to realise. In almost every case throughout the Estimates the Treasurer has anticipated an increase. From dividend duties to probate duties, from contributions by patients in hospitals to contributions by relatives of patients in lunatic asylums, in every case an increase on the last year's figures is anticipated, and the question naturally arises, what is, after all, an optimistic statement? If the Treasurer puts forward an anticipation that two and two will make five, that may fairly be regarded as unduly optimistic; and I venture to think there has been some desire on the Treasurer's part to place in the present Budget Speech an unduly flattering estimate before the eyes

of the public. The Budget Speech itself is really encyclopædic in character, and deals with almost all sorts of subjects, deals with such a variety of subjects that it may almost be labelled "Inquire within upon everything"; touches on such questions as the possibility of national complications between some of the Far East nations and Australia; and after covering a large area of ground, deals with the number and the uses of Angora goats in Western Australia. Naturally any speech of this sort must have some omissions, and I find that the omission from the speech is a statement of the financial policy of the present Government. Apart from that, we can find almost everything we may seek for in the speech itself; but there is an entire absence of any statement of the financial policy. In that regard, this is probably the most unique Budget Statement presented to any West Australian Parliament. It has always previously been the custom clearly to define the intentions of the Government; but in present circumstances, while the speech is accompanied by the usual returns, and while the usual returns are categorically dealt with, there is no statement of the intention of the Government with regard to its loan expenditure, except a few general words expressing a determination to develop the agricultural and mining possibilities of the country, and to assist the pastoral industry by boring for water, and so on. There is nothing more than this general statement; and I may add, there is no analysis at all by the Treasurer of the figures he has presented. In this important respect the Budget Speech is lacking. It strikes one as being built on the principles of company prospectuses, as being issued with the idea of borrowing money on the most favourable terms, rather than as being prepared with a view to placing before the people of Western Australia the actual financial position of the country at the present day. I hope we are not to have our Budget Statements used for the purpose of obtaining money on the most favourable terms. I hope they will be used, as they have been in other countries, as a means of placing before the electors and the people of the country they concern a clear and lucid explanation of the financial position in

the present, and the financial position in the future. But it can hardly be expected that the Treasurer will submit a definite financial policy, because the present Government have never attempted to submit either a financial or a political policy; because the present Government have really been living, as a Government, from hand to mouth, and have been trusting entirely to the possibilities of the future. The Treasurer's optimism partakes largely of that of Mr. Micawber, who had every reason to believe that something would turn up in the immediate future; and apparently the Treasurer, in putting forward his estimate of revenue, believes something will turn up in the immediate future that will materially add to the amount which under other conditions he might fairly expect to receive. Although in the past, year by year for some years now, the returns received by the State have been decreasing, the Treasurer expects a very substantial increase during the present year on the amount which the Government received for the year 1905-6, when the actual receipts were £2,685,947, to which we may fairly add £60,000 which the Treasurer expects to raise by means of the land tax. This would make a total of £2,745,947 against an estimated revenue for the present financial year of £2,821,857. It will therefore be seen that no information is given as to the sources from which the new revenue is to flow, except a statement that the Government expect to profit by a considerable increase in the amount received from sales of land, and by a small increase in the amount receivable from railways. No farther information whatever is volunteered. On the other hand, I desire to point out that the Treasurer and his colleagues are now taking credit for having had the courage to propose measures of taxation which a couple of years ago they had the courage only to oppose. In other words, they now take credit for initiating measures that they denounced in the strongest terms when sitting in Opposition. I desire while on this question to speak entirely in a non-party spirit; but at the same time, in speaking in that spirit, one cannot help complaining of the political morality—[MR. BATH: Immorality?—which in 1904 allows a member of Parliament to

denounce as immoral, as improper, as a wrong inflicted on the people of this State, a proposition to impose a land tax, and which in 1906 allows the same gentleman, sitting in the Treasurer's chair, to take credit to himself for having had the courage to support such a tax.

MR. GORDON: It is on a par with your non-alienation of Crown lands policy, from which you departed when you took office.

MEMBER: Circumstances alter cases.

MR. DAGLISH: Circumstances, I am told, alter cases; but no circumstance justifies members in displacing a Government for proposing a measure, and immediately hurrying, when they themselves get office, to place that measure on the statute-book.

MR. TAYLOR: Against the wish of their electors.

MR. DAGLISH: I have no desire here to discuss the relations of Ministers to their electors. I leave them entirely in the hands of their electors, and I hope that the electors will deal with them as leniently as is possible in the circumstances. But I was much struck yesterday afternoon, after hearing the able and eloquent speech of the Leader of the Opposition, by the fact that both the Premier and the Minister for Mines refrained from rising to reply, and that the Attorney General, a subordinate member of the Ministry, was put up for that purpose. But it was easy to fathom the reason. It was not because the Ministry or the Premier believed that out of the mouths of political babes and sucklings we should learn wisdom, but because of the fact that the Attorney General could speak with all the confidence that a want of knowledge of this State's parliamentary history can confer. The Premier himself, or the Minister for Mines, who have sat in previous Parliaments, could not possibly have risen to make the statements that were fathered by the Attorney General. Those Ministers could not possibly have attempted to reply to the Leader of the Opposition. Either of those gentlemen must necessarily have risen to cry "peccavi."

THE MINISTER FOR MINES: I was not here.

MR. DAGLISH: The Minister should be happy that he did not hear the very serious and fully-merited accusation

made against the Government by the Leader of the Opposition, an accusation, in effect, the same as that I am now making, that Ministers are to-day holding their seats by virtue of the fact that they are carrying into effect, with the aid of the Opposition and against the will of of a large number of Government supporters, a policy which those Ministers rigorously opposed when they themselves were sitting in Opposition; and that they are carrying into effect, by the help of the Opposition, taxation measures which Ministers formerly opposed, and measures that are distasteful to a large number of their constituents and to a large number of the Ministerial party.

THE MINISTER FOR MINES: Your party did their best to wreck our land tax measures, though you promised to support them.

MR. DAGLISH: The Minister must recognise that in respect of the land tax measures the Government have had the conscientious support of a large number of members sitting in Opposition; but it was not to be expected that we could support a measure of land taxation that should exempt the very largest landholders in the State—the very largest holders of State lands who happened to be absentees. The Opposition have lent no support to that proposal. But apart from these criminal exemptions, and they can only be called criminal, the Government have had a very large measure of support from members on this side of the House in defeating the attempt of some Government supporters to prevent these taxation measures being passed into law. But I do not wish to labour that point. I wish to impress on the Committee that in the ordinary course of parliamentary practice the Premier would have risen to reply to the Leader of the Opposition. The Premier did not rise to reply, because of the fact that the Leader of the Opposition could not be truthfully replied to; his statements could not be combated by anyone who had a knowledge of the parliamentary history of Western Australia in the immediate past; and so the Attorney General, whose absence I regret to note—usually a most modest and diffident member in his manner of addressing the House—spoke yesterday with all the confidence of that American gentleman who announced, "What I

don't know ain't knowledge." And the Attorney General speaking thus, amongst other things quoted from the Treasurer, said that the Colonial Treasurer had pointed out that 255 contracts were let for public works in 1904-5, aggregating a total of £97,000, while in the next year 1905-6 the contracts let were 268, aggregating a total of £220,000, exclusive of the money expended on the light agricultural railways which were being constructed by departmental labour; that in all the expenditure on public works in 1905-6 was £256,000, as against £97,000 in the preceding year. The Attorney General went on to say: "These figures speak for themselves, unless they are absolutely wrong or are not honest figures." I want now to ask the Treasurer, or to ask the Minister for Works in the absence of the Attorney General, a question as to what these figures imply. Do they imply that in 1905-6 twice the amount was spent on public works from revenue as compared with the preceding year? Do they imply that? A member of the Government has made a definite statement—I will use his own words—that "contracts representing twice the amount were let in 1905-6 to those that were let in 1904-5"—or, quoting from the Treasurer—"During the year 1905 we put in hand and let contracts for public works totalling in value £256,000, as against £97,000 during the year 1904-5."

MR. BATH: And I asked him, "Does that include loan expenditure?" and he said, "No; from revenue."

MR. DAGLISH: The Attorney General said this amount was represented by contracts let in 1905-6 as compared with 1904-5.

THE TREASURER: Read the whole of it.

MR. DAGLISH: First I read the Attorney General's statement, and then the Treasurer's.

THE TREASURER: And what have you to say about it?

MR. DAGLISH: The Attorney General said these figures speak for themselves, unless they are absolutely wrong or they are not honest figures.

THE TREASURER: And do they not speak for themselves?

MR. DAGLISH: I want them to speak for themselves. If they do that, they mean that twice the amount was spent

from revenue on public works in 1905-6 as was spent in 1904-5.

THE MINISTER FOR WORKS: Read them again and you will gather the sense.

MR. DAGLISH: I have asked a question. The Attorney General said "these figures speak for themselves, unless they are absolutely wrong or are not honest figures;" and I assert they are absolutely wrong, or they are not honest figures.

THE MINISTER FOR WORKS: Do you assert they are absolutely wrong as far as the amount expended is concerned?

MR. DAGLISH: I contend that the Treasurer used these figures with the desire of conveying to the public and to this Committee the impression that last year a larger amount was spent by the Public Works Department from revenue than was spent in the previous year.

THE TREASURER (in explanation): The hon. member is putting a construction on my words that I maintain they do not bear. If he reads the context he will see clearly stated that these were works put in hand or for which tenders had been called. I did not say this was money expended; I simply said our Government had put in hand a certain number of works totalling a certain value, as against a certain number of works totalling a certain value put in hand by the previous Government. The hon. member has twisted the words. If he will read the whole of the speech again, he will find I made that point perfectly clear.

MR. BATH: Now you wanted to twist the figures so as to convey a wrong impression.

THE TREASURER: I did nothing of the sort.

MR. BATH: You kept out of your statement the fact that a lot of works had been let previously.

THE TREASURER: I made special reference to that. I said our Government had had to complete certain works which the James Government had put in hand.

MR. BATH: The hon. member did not mention that in his speech.

THE TREASURER: Yes; it is in my speech. Read it and you will see.

MR. DAGLISH: I had the pleasure of listening to the speech—[MR. BATH:

So had I]—and of reading every word of it afterwards; and there can be no other impression gathered from the speech than that the Treasurer was arguing that in 1905-6 a larger sum was spent on public works from revenue than in the previous year. And there could have been no other intention in quoting those figures, than to convey that inference.

THE TREASURER: I did not do so.

MR. DAGLISH: I am glad the Treasurer is prepared now to admit my contention.

THE TREASURER: I did not say so. You are now making another misstatement.

MR. DAGLISH: Well I am glad to know the Treasurer will admit my contention that these figures are misleading if they convey the inference I have said they convey, and which every intelligent man in the community understood them to convey. In other words, the Treasurer will admit that if these figures—

THE TREASURER: To put the hon. member right, allow me to read the words I used:—

During the year 1904-5 as compared with last year, we let 255 contracts in the Public Works Department, amounting to £97,000; during the year 1905-6 which has just terminated, we let 269 contracts amounting to £222,000, and this is not including the three light agricultural railways the construction of which by the department (construction only) amounts to £34,440.

Can the hon. member put on that the construction he has tried to put on the words? I did not say we spent that amount; I said the Government of the day let a certain number of contracts in one year amounting to a certain sum of money, and that in the next year we let a certain number of contracts amounting to a certain sum of money. The hon. member knows absolutely that he is putting a wrong construction on what I said, a construction which my words cannot be made to bear.

MR. BATH: Where is the statement with regard to the completion of contracts let by the James Government?

THE TREASURER: Read the whole of the speech, and you will find it.

MR. DAGLISH: I am glad indeed to accept the Treasurer's disclaimer; and I only regret that he did not make his

position more clear when delivering his speech, a speech which is always delivered with a certain amount of care and after full consideration. There is no doubt that the words used by the Treasurer convey the impression—erroneously, as the Treasurer admits—that I put on them, that the present Government had been doing far more than its predecessor; that the present Government, or the Rason Government—I conclude they are *particeps criminis*—had been doing far more than the Government preceding.

THE MINISTER FOR WORKS: Yes; they initiated more works.

MR. DAGLISH: We will take the statement of the Minister for Works, who now says the present Government initiated more works. Is the Minister prepared to tell the Committee how many of those contracts let during 1905-6 were initiated before the Daglish Government left office?

THE MINISTER FOR WORKS: I am not prepared off-hand.

MR. DAGLISH: The Minister for Works has made one of his usual statements, which he is not prepared to substantiate.

THE MINISTER FOR WORKS: Yes, I am.

MR. DAGLISH: He has made a statement which he is not in a position to prove, a guess-work statement on a matter as to which he admits now that he has no knowledge; and in that he is merely following the example of his colleague the Treasurer, his predecessor in the Works Department. The Minister for Works is entirely wrong in his statement. A great deal of credit was taken for the Government by the Attorney General last night for the fact that in the present Budget we find the Government are getting the proposed expenditure for the year—if the Treasurer's estimate of revenue be realised—within the estimated revenue by some £3,000. The Attorney General made a great feature of that statement; and I want to point out that the Government do not deserve any credit for getting the expenditure that much under the revenue as estimated. They may in fact be entitled to a certain amount of censure for showing an excess this year of revenue over expenditure. For instance, the reign of economy was started during the term of office of the Government of which I was

a member; and therefore there were two years of experience in economising before the present Government took office, and yet the Government have made no single step of importance in the direction of economising. What have the Government done?—and here again I am treating the Rason Government and the Moore Government as being the same Government. In 1904-5 we find that the taxation realised enormously less, as it had been estimated to do, than it is expected to realise during the present financial year; and in making this comparison of the anticipated revenue, I am dealing with the anticipation for 1904-5 and the anticipation for 1906-7. It is obviously unfair, in dealing with a Budget, to quote actual revenue received as against revenue anticipated, because the revenue anticipated for this year may not in any sense be realised. But it may be fairly assumed in both instances that the anticipation was a fair and reasonable estimate to put forward. In 1904-5 the dividend duty was expected to realise £115,000, for 1906-7 the dividend duty is anticipated to realise £137,500, an increase of £22,250. Stamp duty was expected to realise £57,000 in 1904-5, but owing to the increase in stamp duty assented by this Parliament it is expected to bring in £65,000 in the present financial year, an increase of £8,000. Probate duty brought in £15,000 in 1904-5, and is expected to realise £18,000 in 1906-7, an increase of £3,000. The totalisator tax, not in force in 1904-5, is expected to bring in £11,000, an increase of £11,000. Licenses, which have been increased during the present session, were expected to bring in £32,575 in 1904-5, and are expected to bring in £44,740 during the present year, an increase of £11,865. The land tax, not in force in 1904-5, is expected this year to bring in £60,000. The total increased revenue from taxation—and I want members to bear this in mind—is expected this year to amount to £116,115; and in addition to that, it is expected there will be realised from land sales this year £135,000, as against £26,000 anticipated in 1904-5. But in this connection I want to point out that the Colonial Treasurer this year is adding on to sales annual rents for conditional purchases, which in 1904-5

were treated as rent, and as nearly as I can judge from the statement by the Treasurer we may fairly estimate the proceeds of these rents at £60,000 in 1904-5. Adding on this £60,000, that would make the anticipated revenue in 1904-5 from land sales £86,000, as against £135,000 for the present financial year, showing a difference of £49,000. Then again in 1904-5 the then Government had to establish smelting works, and the cost of their establishment amounted to £74,650. The present Government so far from having to provide for the purchase of smelting works and the purchase of ore, are selling the smelting works, thereby realising £18,000. Add on this £18,000 realised for the sale of the smelting works, £49,000, the difference in the proceeds of land sales, and £116,115 to be realised by additional taxation, and we have a total of £183,115. Add again to that the expenditure of 1904-5 for the purchase of the smelter and ore £74,650, and the difference is £257,750. It will therefore be seen that the Government during the present year are in a far more favourable position—and would be so even if expending the same amount of money on public works—than they were during the year 1904-5. But it may be urged against this that there has been a substantial reduction in the amount received from the Commonwealth, and this of course must be conceded at once. In 1904-5 there was received from the Commonwealth £1,027,898. It is estimated that in 1906-7 there will be received £770,355, a difference of £257,542, but the net difference is in favour of the present Government, allowing for every reduction in the amount received from the Commonwealth, to the extent of £208.

MR. TAYLOR: Have you added sales of property acquired out of loan funds?

MR. DAGLISH: No; I am dealing entirely with the question of revenue, and allowing for the reduction of £257,542 the present Government will still be in a better position than were the Government in 1904-5 to the extent of £208. The Government having this advantage, a very small one I admit, and having also the advantage of the policy of economy inaugurated by the Daglish Government, it might fairly have been expected that instead of being within £3,000 of the revenue this year in expenditure, the



Government should have made some substantial saving in expenditure as compared with the revenue. And here again I want to point out that the policy of the Government of which I was a member was to as far as possible retain the assets of the State represented by the Crown lands of the State. I do not to-day intend to go into the merits of that policy, but at the same time the effect of it was shown on our revenue, because there was no land offered for sale during the time the Government were in office except such land as had been advertised as available for purchase during the term that our predecessors held office. The present Government, instead of following that policy and as far as possible preventing the sale of Crown lands, intend rightly or wrongly—and here again I wish to refrain from an expression of opinion—to increase the amount of land to be sold, and thereby derive during the present financial year as much revenue as possible by the sale of public estate.

MR. TAYLOR : It is not revenue at all.

MR. DAGLISH : I want to point out that it is wrong for the Government, or any other Government, to treat as revenue for the year the proceeds of the sale of Crown lands. And I have pointed out that the amount should be capitalised and treated—

THE TREASURER : Did not you treat it as revenue ?

MR. DAGLISH : It should be treated practically as a loan made to particular departments. A sinking fund should be established in regard to that capital. The net proceeds of the sale of these Crown lands should be set apart to be perpetually used for the benefit of the people of the State, and if that were done a great many of the arguments used against the alienation of the public estate would be met. And at all events we should not be gradually parting with our assets and having no compensating advantage left when the year during which these assets were sold had passed away. But the present position is that for the temporary advantage of a Government we are to meet a time of financial stress by increasing as much as we can the sale of our Crown lands, and as quickly as the land is sold parting with the proceeds of those sales. The public

thereby are poorer 12 months after an area of Crown land has been sold. That is a policy this House is unwise in perpetuating. The Treasurer asked me if I changed the system, and I readily admit that I did not; but I would like to point out to that hon. gentleman that I only had the advantage of submitting one Budget Statement to Parliament, and that Budget Statement had to be prepared immediately I took office. Seeing that the financial year had already begun when my Government assumed the reins of office, I had no time, and they had no time, to deal with any revenue measures at all. Before they had an opportunity of doing so unfortunately they left office. I may add here that the then Government were in a very different position from that in which the present Government stand, because we did not have an Opposition which we could play off against our own supporters when circumstances required it; and also because we had an Opposition numerically so strong that the Government had every day of existence to practically fight for a continuation of that existence. The present Government really have the power by the number behind them to take any measure of reform they desire. They have shown that power in taking retrogressive steps, and I hope the Treasurer will induce his colleagues to utilise the same power for the purpose of taking some progressive steps before he finishes his term at the Treasury. There is one very unfortunate feature in regard to the Budget Statement, and that is that the policy of spending money from loan on public buildings is to be continued; a policy which the Government can rightfully claim to have initiated, the only new proposal which is initiated. [MEMBER: A bad one.] A very bad one. Still I am pointing out to my friend the member for Katanning (Hon. F. H. Piessé) that the present Government can take the sole credit of that new policy. It is the one policy for which they can take the sole credit. The Treasurer when delivering his Budget Speech spoke with pride of the fact that provision will be made on this year's Loan Estimates to practically complete the lunatic asylum. I hope there is nothing in the Lunacy Department likely to be reproductive, because I think that is a sort of reproduc-

tiveness which we do not want to witness. He said :—

I think it is a mistaken policy to keep this magnificent structure, with the large sum of money we have invested there, in an incomplete state. We hope that the patients' blocks, the isolation hospital, the mortuary and machinery blocks will all be practically completed during the current year.

And then he goes on to point out the amount of accommodation which will then be available. I hope it will not be needed, by the way. In reply to the Treasurer I wish to quote a few remarks that were delivered in a House of Parliament by a gentleman of the name of Mr. Keenan in the year 1905. I am quoting from *Hansard* :—

It was not sufficient excuse for one to advance, that a similar step had been taken by other parties. Instead of finding some justifiable reason for charging to loan, expenditure in connection with roads and bridges and public buildings, and the rabbit-proof fence, the only argument put forward was that preceding Governments had done it. If it was wrong before, it was not less wrong because others had done it. Surely a Minister who wished to gain a position of greater respect than his predecessors would take the opportunity to correct a mistake made by others. It was lamentable that the House and country should be asked to be patient in a course of conduct admitted to be wrong, merely because it was in accordance with precedent. He hoped that there would be some man strong enough to resist the example of an evil precedent.

I would like to ask the Attorney General if the strong man referred to by Mr. Keenan has yet been found. I would like to ask him whether in the present Ministry that strong man exists. There is a popular impression abroad that the Attorney General himself is the strong man of the present Ministry, and I should like to ask him if he has yet used this strength he possesses on his colleague the Treasurer. I would like to ask him why he did not when speaking yesterday justify this expenditure of loan funds on a lunatic asylum. I would like to ask him why he has allowed the expenditure of loan moneys on public schools and roads and bridges; why he has allowed this expenditure so strongly condemned only ten months ago to go on, and why, not only allowing it, he has actually taken upon himself the duty of justifying it; because the hon. gentleman must recognise that as a member of the

Ministry he is bound to justify as an advocate of the Ministry whatever that Ministry has done, even though his conscience and his words as a private member may condemn it. There can be no more sweeping condemnation of the present policy of the present Ministry than that uttered by the Attorney General only ten months ago. Has the Attorney General recanted, or does he still hold the view that he expressed ten months ago without having the courage to put it into practice, recognising himself to be not the strong man the country was calling for, but recognising himself as the weak man who was prepared to bow his will to his colleagues, and to concur in a wrong he condemned ten months ago, and which, if he spoke candidly, he must condemn at the present moment? I know the Attorney General would like now to plead the precedent that on his own words it is wrong to plead, and that on his own words he has no excuse for pleading—

THE ATTORNEY GENERAL: I would like to say something; but, as members know, I have already spoken and may not speak again. That is the hon. member's main comfort.

MR. DAGLISH: That must be the main comfort of the Attorney General, because otherwise the hon. gentleman would have to wear the penitent's gown, would have to recant his words, or admit that he is holding his present position at the sacrifice of his honest opinions and principles. Let me, however, pursue the hon. member's remarks. He said :—

At the last election it was made a distinct charge against the Labour Government that they constructed rabbit-proof fencing out of loan moneys. He (Mr. Keenan) had legitimately used it as an argument that he looked upon it as absolutely unwarrantable, and he was able to point out that the James Government had always insisted on the expenditure for the rabbit-proof fence being made out of revenue. [MR. SCADDAN: And they had to build two fences in consequence.] If we had to build half-a-dozen fences, it did not justify charging the expenditure to loan funds. The charge had very properly been brought against the Daglish Government that, having come into office to find that their predecessors had done the work out of revenue, for the purpose of making the ledger balance they then turned to loan moneys to carry out the work; but it scarcely lay in the mouth of any man who had condemned that attitude to now defend the expenditure of loan moneys on the work. For

that reason he dissented from the use of loan moneys for the rabbit-proof fence.

Now the hon. member has entirely changed his attitude; now he is prepared to justify the starving of public works from revenue, and to justify the charging of public works such as lunatic asylums, schools, bridges, and roads, and all sorts of public works to loan moneys, although he so strongly condemned it a few months ago. It has been pointed out by the present Treasurer time after time, while he was a private member in Opposition, that it was an outrage on the people of this State to propose to tax them while administrative expenditure was not reduced. It has been pointed out by the Minister for Mines that we must have reduction in administrative expenditure, and that there was no justification for any Government to impose increased taxation before this reduction in administrative expenditure had taken place. What have the Government done? Those members spoke with a voice that reached from one end of the State to the other while they were in Opposition; they opposed taxation strongly, while they were in Opposition; they advocated administrative economy, while they were in Opposition. But they have entirely sacrificed their opinions since they have been in office; they now carry into effect taxation they had denounced; and they are not exercising that economy they had recognised as so practicable. I have here a few figures culled from the Estimates which will entirely justify what I have said. In this I am dealing with administrative expenditure, and I intend to deal with the principal heads of expenditure serially:—Lands and Surveys, expenditure in 1904-5 £62,211, in 1906-7 £53,455. decrease £8,755—and the Treasurer will recognise that I am quoting one of the few decreases at the very outset. Woods and Forests, £3,999 in 1904-5, as against £3,868 in 1906-7—another decrease, of £130. Agriculture in 1904-5 £10,739, in 1906-7 £22,864, an increase of £12,125. Agricultural Bank, an increase of £120. I am dealing right through with salaries as representing administrative expenditure. Treasury, £8,640 as against £8,353, a decrease of £287. Taxation, in 1906-7 £2,750, and this being the amount of increase under this head it should really be

set off against the saving of £287 in the Treasury. Audit, £8,430 in 1904-5 against £6,621, a saving of £1,809; but this saving, although I have given the Ministry credit for it, is nominal rather than real, because in 1904-5 the Audit Department was doing work for the Commonwealth and receiving an annual recoup for that work, but since that time the Commonwealth has taken over the performance of its own work in Western Australia, the recoup being thus abolished; therefore the saving shown is nominal, as I said, and not a real saving. General Stores—I need not give the figures—a decrease of £6; Lithographic, a decrease of £94; Government Savings Bank, a decrease of £232; London Agency, an increase of £452; Printing, a decrease of £2,691; Education, an increase of £22,644; Mines generally, an increase of £293; Geological Survey, an increase of £255; State Batteries, an increase of £20,735; Mines Water Supply, an increase of £698; Mining Schools, an increase of £230; Explosives and Analytical, an increase of £395; Inspection of Mines, an increase of £909; Railways, an increase of £5,366; Tramways (Roebourne-Cossack), a decrease of £130; Crown Law Offices, an increase of £83; Electoral Offices, an increase of £213; Lands Titles Office, an increase of £186; Stipendiary Magistracy, an increase of £252; Supreme Court, an increase of £111; Public Works and Buildings—and here the figures are somewhat confusing—show salaries provided for in 1904-5 £60,482, salaries provided for during the current year £54,131—a decrease which is due largely, I may say almost entirely, to the efforts of my late colleague Mr. Johnson, while he was Minister for Works—[MINISTER FOR WORKS: No]—a decrease, I repeat, mainly if not entirely due to the efforts of the late Minister for Works, Mr. Johnson.

THE MINISTER FOR WORKS: How did he bring about the reduction?

MR. DAGLISH: The Minister will get all information, if he wants it, when the Works Estimates come on for discussion; there will then be opportunities.

THE MINISTER FOR WORKS: You make general statements; why do you not particularise?

MR. DAGLISH: While I am quoting these various departments, it would be unfair to the Committee if I were to particularise now, merely to gratify the curiosity and want of knowledge of the Minister in regard to the Works Department. Let the Minister exercise his knowledge as to details, and I will give him the particulars he wants if he still needs them when the Estimates of his department are brought forward. But apart from the question of salaries in the Works Department, there is another line in the Estimates—"Less on the Loan Estimates;" and it shows that for 1904-5 a sum of £30,482 was set aside for salaries of officers engaged on loan works; also in 1905-6 the reduced amount of £28,329 was set aside for this purpose; but for this year, 1906-7, with a lower estimate of expenditure by £6,000 than that for 1904-5, an increased amount of £39,131 is devoted to salaries of officers engaged on loan works. By this means the Government show a nominal saving of £15,000 on the Public Works salaries, but the saving is entirely nominal, as I have said.

THE MINISTER FOR WORKS: It does not show that. Read your figures.

MR. DAGLISH: It shows a saving of £15,000 as compared with the provision made in 1904-5. I will repeat the figures for the information of the Minister. [Figures repeated.]

THE MINISTER FOR WORKS: I thought you were quoting 1905-6. I beg your pardon.

MR. DAGLISH: I cheerfully admit that the Minister will be anxious to beg my pardon for some of his previous interjections, before this debate is over. However, I have credited the Ministry with this nominal saving of £15,000 on the public works salaries. To go on with my comparison in the expenditure on salaries, the Colonial Secretary's Office shows for this year an increase of £2,588 as compared with 1904-5. Charities show an increase of £553 for salaries, and this increase does not justify the statement made last night by the Attorney General that things were so much better now, or were not worse now than they were in 1904-5; for if they are not worse now, why is this larger sum necessary to pay the salaries of officers of the Charities Department—is it simply an indication

of incapable administration on the part of the Government, or was the statement of the Attorney General last night unwarranted? I give the Minister for Works his choice between the two theories; and I will not contradict him, no matter which of the two he adopts. In the Fisheries Department there is a decrease of £245; in Friendly Societies and Arbitration a decrease of £870—due to the fact that the former department of my friend the member for Roebourne (Dr. Hicks), the Department of Commerce and Labour, has been abolished. In the Gaols Department there is an increase for salaries of £905; in Harbours and Lights an increase of £773; in Lunacy, like the Gaols, there is an increase of £95.

MR. BATH: The whole policy savours of lunacy.

MR. DAGLISH: In Medical and Health there has been an increase for salaries of £1,393, despite the amalgamation of the two departments; in the Observatory, a decrease of £10; in Police an increase of £2,266; in Public Gardens a decrease of £33; and in the Registry Department an increase of £50. These increases in salaries—I am dealing solely with salaries—after giving the Government credit for a saving of £15,000 in the Works Department, which is only a nominal saving, and giving them credit for a saving in the Audit Department, which is again only a nominal saving, show a total increased expenditure for salaries as compared with 1904-5 of £56,640, against decreases amounting to £30,292, thus leaving a net increase on the cost of administration so far as is represented by salaries of £26,348 in the two years. I have taken simply the headings on the Estimates and dealt with them, but I have given the Government credit even for items like those on Public Works and like those on Audit, even where they did not deserve it. I am anxious to render to Cæsar not only that which is Cæsar's, but 500 per cent. more in order to give the Government a decent show; but I am afraid that even this liberal allowance will not place them in a favourable position. Like the previous Minister, he is able to effect a substantial saving, and when effecting a substantial saving could show an increase on salaries instead of a diminution. These

are the gentlemen who complained two years ago because of the fact that the then Government had not in two months been able to do what they up to the present date have been unable to accomplish. There is another point in connection with the attitude of the present Government as a Government, compared with the members of the Government while in Opposition, which is worthy of attention, that is in regard to the public works policy. Members like the Treasurer, the Minister for Mines, and the Premier and certain members of the Government following, practically stumped the country against the Daglish Government and the public works policy, and complained in every town and hamlet where they could gather together half a dozen individuals to listen to them that the Government lacked confidence in the State; that the Government ought to develop our resources by a public works policy; they ought to launch out on a bold public works policy. A mere public works policy was not enough; it required to be bold. They complained at what they called the "mark-time" policy, and they announced that the conditions of the State did not justify this. They attacked my colleagues and myself very bitterly for the fact that we had spent so little on our public works. What have the present Government done? If we economised on public works, they have absolutely starved them. If we were economical, they have been parsimonious. If they have been parsimonious in the past they propose to adopt a policy of absolute starvation in the future. Let us again compare a few of the votes for public works provided on the Estimates with those of 1904-5, with those of ordinary works of what was called the "mark-time" Government. In 1904-5 there was provided for roads and bridges £120,000, in 1906-7 there is provided £73,264. I ask the country members to bear these figures in mind and remember they have always been told in the past that Codlin is their friend, not Short. I want them to be aware of the wonderful Codlin, and I want them to consider these figures, because I am quite satisfied that they will absolutely disbelieve the information of this Codlin if once they believe the figures I present to them. I will deal

with the expenditure while the Treasurer was in office as compared with expenditure while the member for Guildford was in office, and still I will do it in a non-party fashion, because I want again to impress the Ministry that I am anxious to teach them a lesson in political morality. I am speaking as the friend of the Government this afternoon, but I am endeavouring to be candid. I have quoted the roads and bridges figures. The next item is Harbours and Rivers. The Government of 1904-5 provided £18,956 and the Government of 1906-7 provide £14,449. Water Supply and Drainage, 1904-5, £21,138; 1906-7, £20,586; Railway Construction, 1904-5 £7,167; 1906-7, nothing. I am comparing estimate with estimate. Anyone but the Minister for Works knows that I cannot compare the expenditure of 1904-5 with the expenditure of 1906-7 yet, and I will have no chance of doing it while the Minister is in office.

THE MINISTER FOR WORKS: Everything depends on the Government that make the estimate.

MR. BATH: Yours will come out pretty badly, then.

MR. DAGLISH: I am quite prepared to compare the expenditure of 1904-5 with the expenditure of 1905-6, and justify my Estimates of 1904-5 with the Estimates of the member's late leader for 1905-6, and I have nothing to fear from the comparison. The only trouble my Government suffered from was the fact that we told the country the truth and became unpopular in consequence, and the members who succeeded us, while professing the confidence which they alleged we did not possess, while professing to carry on a bold public works policy, did very much less than those they maligned; misled the country and obtained the support of the country under false pretences, and to-day they are condemned in the country from end to end because of their failure to fulfil the promises they made. Where is the gentleman who was the prime maker of the promises; where is the leader?

MR. TAYLOR: The little man with the big heart.

MR. DAGLISH: I do not want to make any anatomical allusions. I leave that to the member for Roebourne (Dr. Hicks), who knows more about large

hearts and swelled heads because of his experience with a lot of subjects. I feel justified in pointing out that the principal party to these promises felt so uncomfortable after making them and his failure to fulfil them that he took the earliest opportunity of getting out of reach of the public criticism which was being hurled against him and his Ministry. No doubt the Minister for Works will be anxious to follow in the footsteps of his leader. In Miscellaneous Works, in 1904-5 £1,110 was provided, while £2,890 was provided in 1905-6. I am not quoting the items in which there is a difference in favour of the Government of 1904-5. I am quoting every item of public works expenditure. I am anxious not to make credit for one side or the other, but to give full expression to the facts before the public and the Committee. I am anxious to have the Ministry judged not on my statement but on their merits. For Buildings Generally, in 1904-5 £39,652 was provided, and in 1906-7 £38,871. Buildings for the Lauds Department, £3,100 in 1904-5, £2,700 this year. Buildings for the Education Department, £41,311 in 1904-5 and £11,616 this year. This is the first instalment of the promises of the present Government in regard to the new steps for the extension of the education system. There is provided for Education Buildings a quarter of the amount which was provided two years ago under what they called the "mark-time" Government. Buildings for the Attorney General's Department, £17,568 for 1904-5 and £370 in 1906-7. Buildings for the Mines Department, £2,819 in 1904-5 and £2,312 in 1906-7. Buildings for the Colonial Secretary's Department, £55,413 in 1904-5 and £26,347 in 1906-7. Buildings for the Agricultural Department, nothing in 1904-5 and £287 in 1906-7. Here again I am giving the present Government credit for proposing to spend £287, an item on which the Government of 1904-5 spent not a penny. Members will recognise my absolute fairness to the present Government to quote statistics in their favour when I get a chance. Buildings not classified, £13,706 in 1904-5 and £1,245 in 1906-7. There is the bold public works policy in a nutshell, boiled down to concrete figures. I have no doubt the Minister for Works is proud

of it. Now the Minister for Works wants to deal with the accuracy of the estimates. I cannot deal with the accuracy of his estimates because we have not yet seen them put to the test, but with the Works estimates of his immediate predecessor, the Treasurer. In 1904-5 there was voted by Parliament for public works from revenue a sum of £337,497, and there was expended during the same year £337,927, and the expenditure, therefore, represented 87 per cent. of the amount voted. I think that was the largest percentage ever reached in Western Australia, and it was due to the efforts of my then colleague Mr. Johnson, the then Minister for Works. In 1905-6, when the present Government were in office, there was voted £309,985 and there was expended £238,151, or something under 77 per cent. In other words, the accuracy of the estimates submitted by my Government was 10 per cent. greater than the accuracy of the estimates submitted by the Government of Mr. Rason, of which the present Government are the natural heirs and successors. Perhaps the Minister for Works will claim that he is going to beat the record of the member for Guildford; but until he has done something perhaps it will be advisable to talk a little less. My complaint against the gentlemen who occupy Ministerial offices at the present time is that all through this session the Government have talked of promises; they have criticised those sitting on the opposite side of the House, and then when taking office have stolen their programme, have paraded before the public in the stolen clothes, and at the same time while talking of a bold public works policy have reduced the public works estimate from £337,499 in 1904-5 to £309,985 in 1905-6 and to £287,931 in 1906-7. And still he talks of a bold public works policy, still talks of developing the country, and still attacks the mark-time policy. I ask Ministers to show some justification for their action. I could understand it if they were working on a diminished revenue; but they are showing for the current financial year a revenue to exceed that for the last financial year, and they are reducing the public works vote by £81,000. This is the bold public works policy for which the country has been waiting, and this is

the Ministry of strong men recommended to the people as men with confidence in the resources of the State, men who were not hesitating and halting and timid. men who were not afraid of the future of the State, and were therefore willing to launch out on some bold and progressive policy that would provide employment and draw thousands of people to our shores. That was the promise, and this is the realisation—the lowest expenditure on public works that Western Australia has yet seen; and this in comparison with the expenditure of a Government that they called the mark-time Government, and that they denounced as a timid Government that had not the courage to launch out on a public works policy, that doubted the resources of the country, and that did not provide employment for the people by incurring expenditure on public works and buildings urgently called for by our citizens. But there is another class of public works that may likewise fairly come into the comparison. At the time the Daglish Government were being denounced throughout the State for a failure to spend money on public works, I pointed out that though the expenditure of the Public Works Department was lower than that of my immediate predecessors, the difference was practically counter-balanced by the expenditure on public works connected with the Mines Department; and so members may imagine the same justification can be shown by the present holders of office. In order that there may be no misunderstanding on that point, I will quote the figures. In the Mines Department a State battery vote of £60,100 was provided in 1904-5. In 1906-7 there is provided £37,200. For mines water supply in 1904-5 £28,410 was provided, and the provision for 1906-7 is £9,500.

**THE MINISTER FOR MINES:** Did your provision include the £20,000 you borrowed from the Savings Bank, calling it revenue and using it for the Day Dawn water scheme?

**MR. DAGLISH:** I am dealing entirely with the money provided on the Estimates. The hon. member is now trying to confuse the issue, and I do not wonder at it. If I were a member of the present Government I should be anxious to draw as many herrings as I could across the

trail when I was criticised. I should feel that the sooner I stopped criticism, the better for myself and for my reputation in the country; and I do not at all blame the Minister for trying to draw a strong herring across the trail.

**THE MINISTER FOR MINES:** I am simply asking, are you calculating that sum of £20,000 in those figures; because if you are the comparison is not fair.

**MR. DAGLISH:** If the hon. member asks me to dissect the Estimates for 1904-5, I confess I cannot do so; but I shall be happy, if the Minister will bring them round, to give him the particulars of which the items are made up. I am quoting the totals in the Revenue Estimates. The same applies to the vote for development of mining. In 1904-5 £7,000 was provided from revenue; in 1906-7 nothing is provided from revenue. These figures again speak for themselves, and show that the same bold public works policy exhibited by the Estimates of the Public Works Department is exhibited by the Estimates of the Mines Department, and that the present Ministry can therefore be commended at all events for consistency in their treatment of two of our most important spending departments. One phase of our finances must awaken some degree of timidity in the minds of every member who considers it. I refer to the relation of Western Australia to the Federation, and of the Federation to Western Australia; and because of the fact that the present financial relations between the Commonwealth and Western Australia are so uncertain, there is now much more need for care in the administration of our finances than there ever was before. I do not intend this afternoon to launch into a discussion of the Federation question; but I wish to point out that now, under the partnership agreement which Western Australia in conjunction with every other Australian State has signed, the Commonwealth Parliament can at any moment abolish the book-keeping system, and can dispose of the surplus Customs revenue in any fashion that it pleases, after 1906. The book-keeping period was a period of five years from the date on which we federated. That five years has now expired, and therefore it is within the power of the Commonwealth to vary the method of dealing with the surplus

Customs revenue; and Western Australia does not really know the position in which it may at any moment be placed by a decision of the Federal Parliament on this question, arrived at without consulting this State or its Government. In this state of uncertainty as to our financial relations with the Commonwealth, there is need for the Treasurer to display the utmost economy, and if possible to manage our financial affairs so that instead of showing a slightly increased deficit he may show some substantial reduction, with a view to entirely wiping out the deficit at a very early date. I believe there is no serious danger that the Commonwealth Parliament will adopt so unfair, unjust, and inequitable a course as to distribute the surplus revenue on a *per capita* basis; but I desire to point out that the people and the Parliament of Western Australia have already authorised the Federation to do so, and that the Federal Parliament is therefore within its strict constitutional rights as a Parliament if it chooses to act on the authority which the people of Western Australia have conferred. [Interjection.] It is not a question of what our representatives did, but of what the people in this State did when they adopted the Commonwealth of Australia Constitution Bill. I do not wish to discuss at length this Federal issue, but I do desire to impress on the present Government, and particularly on the Treasurer, the need for exercising the utmost care in attending to our finances, whether our Loan Fund or our Consolidated Revenue Fund; to give the utmost attention to all financial questions at the present moment, because of this risk that we run from any action by the Federal Parliament. I do intend to refer to the fact that the Treasurer quoted a few figures relating to the progress of our pastoral and agricultural industries; and I was glad like other members to obtain the satisfactory information he has furnished. But here again, like other facts and figures supplied by the Treasurer, the information was only partial; and when I asked for statistics of the progress of our manufacturing or town industries, I could get none at all from the Treasurer. He did not touch our manufactures; and I desire briefly to point out that the adoption of the Com-

monwealth Constitution has practically killed town industries in Western Australia for a generation at least. I can quote only a few figures, because we never had in our towns a large number of industries; but we had every reason to hope, as our population was growing year by year, that new industries would come into existence and would grow with the population. Taking the figures for a few of our town industries, I find that in 1901 1,737,292 pounds of candles were made in Western Australia, as against 1,626,000 pounds in 1905, or a substantial decrease in spite of our substantial increase of population. In 1901 115,855 pounds of tobacco were manufactured, none being made in 1905. Of cigars 1,140,611 were made in 1901, as against 587,200 in 1905. Of boots and shoes 264,768 pairs were made in 1901, as against 186,703 pairs in 1905. Practically the only increases shown are increases of natural products or of the output of manufactories which treat our natural products, such establishments as flour-mills; and the only other increases our town industries show are in bricks, lime, aerated waters, and beer. Outside these there is no increase whatever. I recognise, and I believe the Committee will pretty generally recognise, that when we signed the Commonwealth Constitution as a people we practically made Western Australia the dumping ground for Eastern manufactures; we practically provided that for all time there should be no possibility of building up local industries in Western Australia; and in doing that we did in my opinion a bad thing for the Commonwealth of Australia, because the prosperity and the strength of the Commonwealth depend not upon the population of the Eastern States, but on the prosperity and the population of the whole area of the Australian continent. Especially is that the case if we fear an attack on us from any Eastern country. If the Western shores of Australia be occupied by a thrifty and prosperous population, it will be easily possible for Australia to arrange for the defence of the Western coast. If, on the other hand, the Western coast be populated but sparsely, the difficulties of the protection of the coast, devolving as it will on the Eastern part of Australia, unconnected with the west by any line of railway, are



so great as almost to present an impossibility. While I recognise the fact that the movement for secession is practically impossible, at the same time I likewise recognise the advantages of Australia—and I am speaking now not only from a West Australian standpoint—would have lain and still lie not in building up a cast-iron constitution governing almost all the powers, controlling almost all the powers of the individual States, but in a loose federation that should control, say, our defence system, that should control perhaps our post office administration, and outside these two subjects would leave the control of local affairs practically or entirely in local hands. A Customs union would follow later. This course would not only be satisfactory to every State, but would have likewise prevented the necessity of building up a big legislative machine, either in Melbourne or in some other part of the Eastern States. It would have prevented the construction of a costly capital in the near future, and would have prevented all the expensive ramifications of government that have already surrounded the Parliament of the Commonwealth, which each year are becoming larger and wider in their ramifications. I desire to touch on a matter that should be considered by the people of the State during the forthcoming Federal elections, a matter of vital interest to the Treasurer of the State: the advocacy by a certain section of the Commonwealth representatives and candidates of a Federal land tax. Here again the members of the Federal Parliament who propose to impose a Federal land tax are acting strictly within the powers conferred on them by the Constitution Act. But if the people of the Commonwealth once adopt their ideas and these ideas are translated into practice by the Federal Parliament, they will very largely indeed whittle away the powers of taxation, so far as the powers of the State Parliament are concerned; because there is no limitation in regard to direct taxation by the Commonwealth Parliament, as to the channel in which they should spend the funds, as there is in regard to the Customs taxation. Assuming, for example, at the outset that the Federal land tax is collected for the purpose of breaking up large estates, there would be a strong danger indeed of

those members advocating, and succeeding in carrying, a tax for the purpose of breaking up large estates, of driving farther in the wedge inserted with the object of working in the direction of that unification of governmental control which a very large number of the Federal members openly advocate. If that were done, it would mean that the amount of taxation available to the State Treasury would disappear, and ultimately the powers of local control would vanish. As regards the local Parliament, its importance may be placed very low by any of us except so far as it serves a very important purpose, that is the purpose of developing the sources of the State it represents. And we can and will take our stand against the encroachment of the Federal authority by any new line of taxation on this ground, that every penny of taxation available to the State Treasury may be used, and should be used, in the direction of developing some of our industries, while at the same time there is no limitation whatever in regard to the methods by which the Federal Treasurer expends the money he draws from the State. Therefore, every penny drawn from our people by direct Federal taxation becomes a tax drawn from our people, and therefore is made unavailable for the development of the State; a tax that would otherwise be imposed by the State authority, and the profits of which could be made available for developmental purposes. I think this is a consideration that should not only be borne in mind by members of the Committee, but by the people of the State. They are not interested in the relative dignity of a State Parliament or a Federal Parliament, but every man and woman is directly interested in maintaining all the powers of the State Parliament in regard to taxation, with a view to seeing that the money raised from the people of Western Australia is expended for the benefit of the people from whom it is raised. It is not only a matter for the electors of the Commonwealth, but it is a matter for the representatives of the electors of the Commonwealth. I contend we as members who have enjoyed the confidence of our electors should fail in our duty to the State if we did not set before the people of the State, inside Parliament and out-

side Parliament, any point that deserves their consideration. [Interjection.] I know no Opposition candidate. I know only those candidates in favour of the retention of all the powers of Western Australia or those candidates in opposition to the retention of the powers by Western Australia. As a citizen of the State, I know of no question on which I shall cast my vote, except the question of the retention of all the rights and powers and the retention of large powers of local government by the State. I do not care what label the candidate bears for whom I vote. I contend when the election comes, and before it, on the platform I shall do all I can to help the candidate, regardless of party, who is most earnest and faithful to do his best to maintain the powers and privileges and secure our local government to us. We have parted with too much already. We have parted with some which we may ultimately recover; we have parted with much we can never recover; but in my opinion the man who advocates any farther encroachment of the Federal authority is an absolute enemy to the State of Western Australia, no matter what his other political opinions may be. I desire to say but little more. I have already trespassed rather lengthily on the indulgence of the House; but the Treasurer, however, made several important omissions. I pointed at the outset to the fact that the Treasurer absolutely failed to announce in the Budget the financial policy of the Government. There has been no time when the financial policy was more important than now. There was no time in our history when the financial policy has been so vaguely hinted at, because the speech only hinted at it. Previous Treasurers have thought it necessary not only to present a printed volume of Estimates with printed returns, but it has been incumbent on them to outline the full financial policy of the Government. To do that it is necessary not only to show precisely the amount of revenue to be received as the Consolidated Revenue, but the loan programme of the Government should be outlined. We have a hint in the Treasurer's Speech of the loan policy of the Government, but nothing more than a hint; not a single line of railway has been mentioned, and we are told there are to be several. There

is, to be railway development. The mining and agricultural resources of the State are to be developed. We are told there is to be boring; we are told the general welfare of the community is to be looked after by a wise expenditure of loan funds, but we have no definite policy whatsoever; and it is the first occasion in the history of this Parliament when the House has been asked to discuss the Budget without being made aware of the financial proposals of the Government who submitted it. I cannot understand why the financial proposals have been kept back. Why has not a loan policy been unfolded? We are within two months of the adjournment, and we have yet to have Railway Bills and a Loan Bill, and we are going to have some trouble. We are going to have one or two Railway Bills thrown at the House on the eve of prorogation, and we shall be told there is no time to discuss them, no time to submit the facts and figures that ought to be submitted, and therefore the House will be asked to accept the assurance of the Minister in regard to the circumstances under which the House is asked to authorise the construction of these railways. The House did that last year. We had reasonable grounds to expect that this session we would have an early intimation of the loan policy of the Government. They have been talking of railways ever since they came into Ministerial experience. They make promises to deputations time after time. In fact, every district that has a possible terminus to a possible railway is expecting not only a probable, but is relying on a certain railway. Yet we have not seen one of these railways given as a tangible proposition to the House. The Armadale railway we have as yet no figures in regard to. We only have the promise of it. The Bill has been introduced and dropped. Long before these Estimates were introduced we ought to have had the loan policy of the Government. The question should be properly discussed. The Estimates of Revenue and Expenditure we have before us, but we have not the Loan Estimates. We find £11,000 is provided for State schools, and many of us think that £11,000 is insufficient. We may find when the Loan Estimates come down the schools we desire to be erected are pro-

vided for, but we have no hint of it. The whole loan policy of the Government so far has materialised only the completion of the lunatic asylum. The State batteries are in the same position as the railways. The mines development generally is in the same position as the railway question and the State battery question.

At 6-30, the CHAIRMAN left the Chair.  
At 7-30, Chair resumed.

MR. DAGLISH (continuing) : My endeavour during the remarks I have been offering has been to be absolutely generous to the Government, and in pursuance of that desire I wish to mention that whilst I was speaking in regard to the mines water supply the Minister for Mines interjected a question in regard to the expenditure of 1904-5 which was provided for, as to whether that included an amount that was subsequently recouped from the Savings Bank. On looking up the facts I find that it did ; but it does not affect the fact that provision was made for a water supply at Cue and Day Dawn. The cost of this provision was somewhere about £20,000, and that amount was included in the vote for mines water supply provided on the Estimates of 1904-5 subsequently, in accordance with the terms of the Water Boards Act. This sum was recouped by the issue of the loan from the Savings Bank to a board which was established for the Cue and Day Dawn water supply. In the year 1904-5 provision for this work was made during the expenditure of such estimates, and was taken as an item of revenue on the other side. When I got the figures I looked at the Estimates generally, and did not look at the details. I rejoice at the opportunity of giving the Minister the information he suggested should be supplied. The question has been asked and probably will be asked again as to why, believing in a land tax, I did not introduce a measure providing for one ; and that is answered very briefly by the statement that when I delivered a policy speech in 1904 I pointed out to the electors that there would not be an opportunity, owing to the time it would take to collect the necessary data, to introduce a tax in that year. In the year 1905 such a measure was one of the items in the Governor's Speech on the opening of Parliament, and the

figures were complete and were used by the Treasurer when introducing the Land Tax Assessment Bill as the basis of his estimate of revenue under the Bill he has introduced. No more satisfactory information I think could be given as to why, holding the opinion that such a tax was justifiable and believing in its necessity and advocating it, it was not introduced. If it had been introduced in 1905 instead of 1906, assuming that £60,000 is the amount which would be returned by means of such a tax, members will at once see that the current year's Estimates instead of showing a deficit of £119,000 would have shown a deficit of £59,000, and the Treasurer would find the advantage of that when approaching the money market for the purpose of securing those millions of loan funds it is proposed to apply for and expend at the end of this year. Assuming that £60,000 to have been raised last year and £60,000 again this year, there would be an apparent surplus shown on the current year's Estimates, speaking in round numbers, instead of a deficiency as estimated. This evening in one speech on the general question I am endeavouring to cover ground relating to all departments, because I intend, unless circumstances necessitate another course, refraining from speaking on the individual departments. On one question affecting the Public Works Department the members of the present Ministry were very emphatic when in Opposition in regard to the advantages of the contract system of carrying out public works over the departmental system of construction. This was particularly advocated in connection with the pipeworks at Fremantle as an argument against the establishment and maintenance of Government pipeworks, and it was particularly advocated against the Jandakot Railway and the Collic-Narrogin Railway ; but the present Government have not had the courage to follow out the convictions of their members.

THE TREASURER: Have you?

MR. DAGLISH: I had the courage to take the responsibility attached to the establishment of pipeworks and to carrying out by departmental labour two railways ; but personally -and I challenge the Treasurer on this—time after time in this House and outside it I have taken up

the position that the question of contract or departmental labour is one of expediency and not of principle, and that the Government have the right to consider in any particular work that form of construction which the circumstances of the case most readily lend themselves to, and to adopt that form of construction.

**THE TREASURER :** We have done that, too, have we not ?

**MR. DAGLISH :** But the Minister when in office took up a different position. He will not trouble me to quote *Hansard*. I hope. I can do so. The Minister's argument then was that departmental labour was unnecessarily expensive and inefficient.

**THE TREASURER :** As a rule.

**MR. DAGLISH :** The hon. gentleman made statements, and now he is introducing qualifications.

**THE TREASURER :** Oh no. Quote *Hansard*.

**MR. DAGLISH :** If I were anxious to take up the time of the Committee unduly I would quote *Hansard*; but I will make this definite statement, and I will appeal to members in the House who were in the House at that time as to whether the hon. member was not repeatedly an advocate of the contract system, a consistent and persistent advocate.

**MR. TAYLOR :** In season and out of season.

**MR. DAGLISH :** There was a resolution condemning the departmental principle in regard to public works and condemning day labour generally, which was sent down to another place from this House two years ago. I think the Minister for Mines was the sponsor of that, and I am sure the Minister for Mines will not argue that he was not an advocate of the contract system. [Interjection by the MINISTER FOR MINES.] The trouble was that before the hon. gentleman came to have an inquiry, the facts were so overwhelming against the Minister that he did not persist in his demand. Does the Minister still desire the inquiry ?

**THE MINISTER FOR MINES :** We have had it.

**MR. DAGLISH :** Yes. What sort of an inquiry, and what has been done in consequence ? Will the Minister for Mines tell me whether that inquiry

justified the pipeworks and the Government establishing them, or not ?

**THE CHAIRMAN :** The hon. member is not in order in interrogating members across the floor of the House.

**MR. DAGLISH :** I was simply asking, sir, if the Minister would tell me but the Minister seems to have no desire to supply the information. The Minister must admit that the inquiry justified the establishment of the pipeworks, or that his Government have shown either a lack of courage in refusing to close down the pipeworks if their establishment was not justified, or else have shown a leaning towards a particular locality. In any case the attitude of the Government is peculiar. I set out to show that although the Treasurer was a very strong advocate of this contract system in season and out of season, he has continued the railways with day labour that were started with it last year, and it has been decided to construct the three new railways on the departmental principle. If the Minister believed in the contract system as he said then, he should not have done that. I admit at once that there was a form adopted of calling for tenders. But what did that form mean ? The essential principle of the contract system is that if a man tenders to do a certain work he puts up a deposit as a guarantee of his good faith, as an evidence that he has means to carry out the work, and if he fails to carry out the work he loses that deposit. If he fails to carry out the work for the price he quoted, he has pinned his reputation to the statement, he has handed in his deposit with the assurance that he can carry out the work at the price named, and he is the loser, and sacrifices the difference between his estimate of the cost of the work and the actual cost. [Interjection.] I do not want to deal with specifications at all at present, but I desire to point out that in the system the Minister has adopted he has called tenders and has obtained tenders from private individuals, and has put in a departmental estimate as against those tenders. If a contract had been let and the work cost more than the contractor bargained for, if in other words he made a mistake in his estimate, he would have stood to lose, and the Government would have got the work done at the price quoted. If, on the other

hand, a departmental estimate be put in as a tender, and the work costs more than the departmental estimate, the Government pay the additional money. That is, in one case there is a tenderer who takes the risk, and in the other case a departmental estimate is put in as a tender and no risk is taken by anyone except the department which accepts the tender. There is no contractor and no engineer who is infallible in his estimates, and no Minister, Government or Parliament would expect such infallibility. [Interjection.] No officer's reputation would be injured by either under-estimating or over-estimating. If persistent errors of large amounts were made, the officer's reputation would ultimately suffer; but it is absolutely impossible, in a work of any magnitude, for any officer, no matter how capable and conscientious, to draw up an estimate which can be accepted as absolutely indisputable; and consequently, on small works as well as on large, additional sums are frequently voted on the Estimates, which are in some cases found to be too high and in others too low. In some instances we have additional votes, in others we have what are called savings. I am not objecting to Ministers following the policy of their predecessors by constructing railways by departmental day labour.

THE TREASURER: You did not follow it with regard to pipes. You let a contractor.

MR. DAGLISH: We did not construct departmentally vertical pipes. The Treasurer knows well that there was not a plant sufficient to carry out the work required. But I have repeatedly told him and the Committee that I do not regard it as a vital principle to support either the contract or the departmental labour system. Which should be adopted is in my opinion purely a matter of expediency; but the Minister, on the other hand, until he attained office, has always taken the opposite standpoint, and made contract labour of vital importance throughout his political career. At the same time he has not the courage to adopt the system, nor to adopt day labour straight out. He has hedged by adopting the so-called principle of tenders open to the department and to the private contractor alike.

THE TREASURER: That I have always advocated; and the system is adopted in the other States.

MR. DAGLISH: I do not mind where it is adopted. I have pointed out the weakness of the principle, and the common sense of the Committee will enable them at once to see the difference between the person who submits a tender and backs it with his deposit, and the person who submits an estimate which is merely regarded in the light of a tender. However, I do not wish to labour this point. I desire briefly to touch on the concession in the carriage of timber for export over our railways. I wish to know definitely whether it is a concession, if the timber is being conveyed over our railways at less than the haulage and handling cost.

THE MINISTER FOR RAILWAYS: No.

MR. DAGLISH: Then in other words, I take it the carriage is still profitable at the reduced rate. Then why is that rate not applied to timber for local use? Why penalise the man living in the State and wishing to build a jarrah house? Why is the small timber-miller penalised by being charged higher rates than the big timber-miller who is living entirely on the export trade? Why a specified rate in favour of the big man, or why should the consumer in London pay a lower price than the consumer in Western Australia? Had the Minister not denied that the concession involved carriage at a loss, I should perhaps have been slow to speak; but when it is admitted that the railways can still carry this timber at a profit, charging the rates quoted, surely the local consumers and the small mill-owners should share to some extent in the advantage of the reduced freight. In view of the condition of the finances I think the Government might well, before introducing their new railway proposals, have introduced also a proposal for a betterment tax, so as to make the landowner benefited by the construction of a new railway pay something more than the ordinary taxpayer towards the cost of maintenance, upkeep, and working expenses of that line. A light tax on the betterment principle would at all events be a particularly fair charge.

HON. F. H. PIESSE: Would you not make it retrospective?

MR. DAGLISH: That would be impossible.

HON. F. H. PIESSE: You would then make some land-owners pay while allowing others to escape.

MR. DAGLISH: Why did not the hon. member raise that point when it was proposed to increase the price of Crown lands? Why not make that increase retrospective? Why should not every man who has bought conditional purchase land at any time be made to pay £1 an acre, though he originally bought it for 10s.? The hon. member will I am sure recognise the impossibility of making betterment legislation retrospective. If he has any land for which he paid 10s. an acre, he will be the first to recognise the unfairness of raising the price retrospectively to 20s., even if that were practicable.

HON. F. H. PIESSE: You do not understand the subject.

MR. DAGLISH: I think I understand the hon. member's opinion of retrospective payment for his land.

HON. F. H. PIESSE: I felt some diffidence in making the suggestion.

MR. DAGLISH: I am not accusing the hon. member of being unduly diffident. If I charged him the increased price, there would be no hope of collecting the money. There is another question the Government should consider before introducing any new railway proposals. I refer to the establishment of an advisory board which I recommended two years ago to report on new railways. The proposal was carried out, though no Bill was passed for the purpose. The Labour Government adopted that course with the proposed Norseman Railway, which was being considered by the Government. We appointed a board of three officers to report on the route, on the possibilities of the district, and on the traffic; the board consisting of Mr. Montgomery, State Mining Engineer, Mr. Douglas, Chief Traffic Inspector of the Railway Department, and Mr. Thompson, Engineer-in-Chief representing the constructive branch. We instructed these gentlemen to report as individuals. The result was the submission to this House of a detailed report such as was never submitted on any other railway proposal brought before Parliament. Last session we found that exactly the opposite plan was followed.

We had railways submitted with no information whatever, and the House was asked to vote on them blindfold. And the majority voted blindly in favour of those railways. Some of us voted against them simply on the ground that information was not available to enable us to form a fair judgment. But what do we find now? Though there was then a majority in favour of each of those lines, some members who helped to carry the Bills are now repenting; and if the votes were taken again with the added information members have acquired, several members who assisted to carry the Bills through Committee would reverse their judgment. It is very unfortunate for the country that those railways were adopted with so little consideration as was given to them last year.

HON. F. H. PIESSE: The same statement would apply to many other proposals; but if members who opposed these railways had been able to see the country, they would have regretted their opposition.

MR. SCADDAN: The Minister for Agriculture repented after seeing the country.

MR. DAGLISH: Members do not need to see the route of every proposed railway. A large number of members are not competent to form a judgment on some classes of country. Some are not qualified to judge of a gold-bearing district, nor are others to judge of an agricultural district. In respect of some particular country, each individual member has some disqualification as a judge; and even if we could adequately estimate the value of the country for productive purposes, we should still be unable, as laymen, to form an accurate estimate of the engineering difficulties, the cost of the line, and likewise unable accurately to estimate, without skilled advice, the traffic likely to result from its construction. If the House were advised independently by officers such as I have indicated, and if in the case of agricultural lines we substituted for the Chief Mining Engineer some agricultural expert or agricultural land expert like Mr. Paterson, the manager of the Agricultural Bank, or a skilled officer of the Lands Department, the Committee would be able to form a good and reliable judgment, instead of being unduly influenced by the opinion of a Minister

which may sometimes be honest and wrong, which may sometimes be unduly influenced by the views of the member for the district if he happens to be a Government supporter, and which may sometimes be too unfavourable if the member representing the district happens to be not altogether in sympathy with the Government. Though the session is somewhat late, and though they have much work to do in submitting their financial policy, I would strongly urge the Government that when introducing any new railway proposal, they should give the House the benefit of expert advice on the country it is proposed to serve. I have noticed with regret one feature affecting the Ministry. The Government are not united and not prepared as a Ministry to lead this House on all occasions. No more vital division could probably be taken than the division on such a subject as the relations between this State and the Commonwealth; and yet, when a motion is proposed which if passed and if it could be given effect to would mean the possible secession of this State from the Commonwealth, we find that though the Premier and some of his colleagues voted on one side, other representatives of the Ministry took the opposite side. I contend it is the duty of Ministers to lead the House as a body on all public questions, and that especially on a vital question such as secession they ought not to speak with two voices, ought not to flatter supporters whom they are anxious to conciliate by telling off one or two Ministers to vote one way, while the others vote in opposition with a like object. I have nothing more to say except this. I hope the Ministry at an early stage will submit their loan proposals, and allow the Committee an opportunity of forming a fair judgment on their financial policy. I hope that when they submit their loan proposals they will give the Committee full opportunity of discussing them, and that there will be no request that they be rushed through because of the lateness of the session. I hope that every member will do his duty in insisting on full and impartial consideration of all such loan proposals; and I ask the Ministry in this and all other questions to bear in mind that the fact that they have so large a majority as they have at present is one

that should make them more careful in the exercise of their powers and responsibilities than they would otherwise be, because that great majority gives them so great a power that they should be very careful in satisfying themselves that they are absolutely right before they utilise it. I hope that the Treasurer's anticipation in regard to revenue will be fully realised, and I trust that the financial year on which we have already entered will be as prosperous a year as Western Australia has ever experienced, and at the same time that the Ministry will be more successful during the present year in finding means of curtailing administrative expenses and lopping off every superfluous expenditure than they have been to the present. I desire to thank hon. members for their kind forbearance towards me during the time I have been discussing these Estimates.

HON. F. H. PIESSE (Katanning) : I regret that I did not have the opportunity of listening to the able speech delivered by the Treasurer. I have listened to, I think, the whole of the previous 16 Budget Speeches delivered in this Parliament, and I regret that circumstances prevented me from being present on the last occasion. I have however, taken the opportunity of reading the speech delivered by the Treasurer, and I desire to offer him my hearty congratulations on the manner in which he appears to have delivered that speech, and also for the information he has given to the country, and for the instructive way in which he placed before this Committee and the country all facts in connection with the interests of the country to date. With his usual characteristic of optimism tempered with prudence, the Treasurer has given a statement which, I take it, has been read by the thousands of people in this country with great interest. At the same time he has also conveyed to the people through the words he uttered the need for looking at the serious side of the question in regard to the position of this State. There is no one who recognises the responsibilities of a position such as the Treasurer holds more than one who has held office as Treasurer; and I take it that the member for Subiaco (Mr. Daglish) in his speech to-night, which I am sure we have all listened to with great

interest, in which in a masterly way he analysed many of the past acts of the Government while giving instances of the acts of his own Government by way of comparison, fully recognised that there is a great responsibility resting on the holder of so important a position as that of the Treasurer; and I am sure that in making his criticisms the hon. member has, as far as he could do it consistently with the position he occupies, given credit to the Treasurer for the best intentions in the interests of the country. Also I am sure that the hon. member fully recognised that we are now at a stage in this country's history—perhaps more so than we have ever been before—when the country needs the exercise of the greatest caution, and when it is necessary that the greatest assistance should be given to those in power. Knowing as I do the difficulties that have to be faced, I say that although these difficulties may be apparent, at the same time I am so satisfied with the buoyancy of the country in regard to its capabilities and in regard to its people, that although we have to exercise this caution, we may be perfectly satisfied with the administration of the Government as far as they are able to help in the direction which has been indicated. I am sure they will do their best, and there is no one more desirous than I am of seeing them successful; at the same time I am quite in accord with other members who have spoken, that fair criticism is necessary at times, that objection is also necessary and that we should without fear, raise our voices when there is necessity for it in the direction of advocating not only caution and prudence, but also the avoidance of the difficulties into which we see the Government may get. It is in this way that we may assist; but it seems to me that at times there is a growing tendency on the part of some to unduly criticise without giving a measure of help when perhaps help may be more justified than criticism. It is refreshing to find that reference has been made to those who in the past did so much to build up the affairs of this State. Reference has been made to the hardy pioneer, and to those who followed, those who have been nation builders, and who have done their best in the various Parliaments of this State during the years of Respon-

sible Government; but we cannot speak of them without referring to those who preceded them in the old days of our Legislative Councils, and who did equally well. With regard to the Financial Statement presented to us, and with regard to the figures alluded to so frequently, and especially by the member for Subiaco, I do not intend to deal with them. I prefer to leave them in the hands of those who have perhaps been able to give much more time than I have to the subject. My object to-night is more to deal with matters generally, and more particularly in regard to one or two things which I think are of sufficient interest to members to lead me to ask them to listen to my remarks to-night. I desire first of all to allude to a question already referred to, that of the importation of produce, one of the particular questions affecting us to-day. It is gratifying to find that we are making steady progress in producing that which we require from our own land, and also by means of our own industries. We find that in 1902, as shown in the Treasurer's speech, the imports were £8 10s. 11d. per head of population, and that in 1905 they had decreased to £6 5s. 3d., or a difference of £2 5s. 8d., which means roughly an amount of £600,000 per annum raised in this country and spent within this country, and kept in the pockets of the people of the country. This is an encouragement to trades and industries, and I shall refer to it later in connection with the exhibition that is to be held of the State's manufactures. It is to me most gratifying to find that these figures are such an evidence of progress in one direction, that we are producing more than we were in 1902, even to the extent of £600,000 a year. Reference was made to this by the member for Subiaco in his speech when he said that in consequence of Federation there had been a great reduction in the outputs of our various industries. No doubt this may be the case if one may take these figures as being correct and we accept them as they are; yet it seems to me that we are making steady progress in other directions. As I said, I intend to deal with this matter when dealing with the exhibition matters, and when speaking in regard to our industries. In



ference to the estimated revenue and the estimated expenditure, two very important matters, on which hinges the whole of this debate I take it, I do not intend to deal very closely with them, but I intend to deal with one or two matters arising out of them, and I hope to be able to show later on that we could have saved, perhaps, a little in regard to our expenditure, and avoided the increase of our burdens in regard to taxation. If we take our primary industries and connect them as we must do with our lands—though gold-mining is not perhaps to be classed in the same category as agriculture, still after all, it all pertains to the lands of the country, and it is from the lands, after all, that we are receiving our wealth—minerals have been the chief factor in bringing about the good results we have experienced in the past, and in bringing us to the position we are occupying to-day, a proud position I may say is compared with our State some 15 or 16 years ago; but the results from our lands are most satisfactory. Settlement has gone on apace. No one, I take it, can speak with greater authority in that respect than myself, because I have watched it very closely and have been so closely associated with it; and I feel sure that we still need great assistance in the direction of settling people on the land. A statement has been made by the Government that it is their intention to carry out a bold works policy, which has been alluded to by the member for Subiaco, perhaps in critical terms, rather humorous at times. The need for assisting land settlement indicates that there is need to carry out such a policy. Many Governments have come forward with such a policy. Those in preceding years were in a better position to carry out public works with greater advantage because of the greater amount of money available in those days than we are able to obtain to-day, and because they had not so many obligations on their shoulders as we have to-day. However, it seems to me that the Government should take in hand these works. There is a necessity for carrying out these works; and though we have been criticised in so many directions for having passed during the last session three Bills for the construction of certain railways, yet I am confident that the action of the Govern-

ment in that instance will be proved to be fully justified. Later on I would like to touch upon the board of advice which has been recommended, and to mention some other particulars in reference to these railways. It is similar work we are now asking for, the farther extension of railways throughout the country; therefore I think a bold policy of public works under these conditions, and for the purpose of carrying out works in the way I have suggested, is fully justified, and I am sure that the country would support any Government in that work and would assist them by justifying any action in regard to the raising of sufficient funds. There is also necessity, I take it, in connection with the building of these lines to advertise our resources. My recent visit to the Eastern States convinced me that we should take steps to do our best to advertise our State in the other States of Australia. I have for a long time been of opinion that it would be unfederal to take such a course. However, I am satisfied now, having seen what I have seen in the Eastern States and the advertising carried on by New Zealand. They have adopted a practice which seems to me to be one that might be followed, of opening offices in Sydney and Melbourne where information can be given, where people can see notices exhibited. The New Zealand office states, "This is the New Zealand office, the bureau of information, where particulars are given with regard to the conditions of the country." Although it is said often that we agreed to obtain immigrants from outside the Commonwealth, at the same time if people are leaving the shores of Australia with the object of going to South Africa or Canada, or to other places, and if we offer better inducements so that they be retained in Australia, under these circumstances if we can by giving information induce these people to come here, and if we have on view exhibitions of produce to give all the information that may be necessary in regard to settlement, showing what our lands are like, showing what our laws are like, and by maps and photographs and pictures showing what our country is like, we should do much good in farther inducing people to come here. It may be looked on as somewhat unfederal; at the same time we have to look at the question from our own standpoint, and it is by

the building up of population in our State, thus equalising our conditions in that respect, we shall be able later on to more successfully uphold our own in the encroachments levelled against us from the Eastern States in some particulars. This bureau of information could be carried on without much cost to us. It must be in a prominent position and provided with the most recent information, and that information should from time to time be increased and kept up to date. I may say on the whole it seems we can do some good in this direction. We can say that we have land available for settlement, because we hear it said all through Victoria and the other States of the Commonwealth that land has to be obtained by the repurchase of estates. In Western Australia we are not in that position, for the Government offer on first hand under most favourable conditions land for settlement. The terms which the Government offer are more advantageous than the terms offered by the Eastern States. I am sure if people knew as much of the country as they could know, we should see a larger number of people coming here than there are going outside the Commonwealth. They would make Western Australia their home rather than places that do not benefit the Commonwealth. I am satisfied that we can produce equally as good fruit, equally as good grain, and equally as good wool in this country as is produced in any other part of Australia. We ought to show this and give some evidence of it. It is surprising how ignorant people are of the conditions of Western Australia. As an instance, I found on going into a telegraph office in Victoria to send a telegram to another State, and that State was South Australia, the adjoining State, that one of the large towns in that State was not known by the clerk at the counter. He said he would have to look up the information, to see whether the place was in the guide-book before he could accept the telegram. And this place contains 5,000 people, is situated in a district which has been a mining district for years, and yet this man of 25 was ignorant of it. That shows how necessary it is that information should be given, and if information is given in the direction indicated it will be of

great advantage to Western Australia and place us more favourably before the people and show what we are capable of doing. With regard to the Federal financial proposals and the relation of the Commonwealth to the States, I may say I was in the Eastern States at the time our representatives were there, and I would like to offer my congratulations to the Treasurer and the Leader of the Opposition for the part they took in protecting our interests. I heard it from outside sources that their speeches, delivered in our interests, were listened to with the greatest attention, and they were spoken of as being fighting speeches. I am sorry the result was not more satisfactory to us. However, we have this in our favour, notwithstanding all that may be decided upon by the States Governments and the Premiers of those Governments, and the representatives of those States, we must rely eventually on the good sense and judgment of the Federal Parliament itself. It is that which will protect us in the end, and I feel we should expect and we should receive from that Parliament that justice which is our due. We have joined this Federal Commonwealth, we have joined it under conditions which I said long ago would be most unfavourable to us. We entered the Federation, and having entered it, as I said when speaking on the Address-in-Reply, it seems to me to be impossible to retract from it. I am in accord with those who have expressed their opinion in the direction of discontent; there are good grounds for the action taken in many quarters, resenting strongly the treatment we have received in certain directions from the Federal Parliament, and not only from the Federal Parliament, but from the other States. However, I am satisfied it is no use talking of undoing Federation just now, in fact not at all. We have entered into it, and although we can complain and must complain, and do all we can to voice our wrongs, yet at the same time we must rely eventually on the good sense of men to do justice to this State. There must be justice done. We may have good grounds for complaining, at the same time the grounds which are now brought forward do not appear to be sufficient to enable us with any measure of success to carry out the object which those bringing

forward the secession movement have in view. If one looks at the constitutional aspect of the question one sees that we should have great difficulty in convincing the Imperial Parliament as to the justice of our claim in the direction we speak of. We may have alleged wrongs, but we must show conclusively those wrongs are of such a character as to justify the Imperial Parliament in agreeing to our request.

MR. UNDERWOOD: Why not specify the wrongs?

HON. F. H. PIESSE: They have not yet been specified. One of the wrongs that has been stated is that the Commonwealth has not kept faith with us in the building of the railway. That is a moot point. It is one that can be discussed from all standpoints I am assured in my own mind, because I know of the compact made through the authorities in South Australia as I was present at the time, that there was a distinct and definite promise. It was not embodied in the conditions entered into, but it was agreed that certain measures should be taken to obtain for us the railway to connect us with South Australia.

MR. UNDERWOOD: What power had they to agree?

HON. F. H. PIESSE: It rested with them to introduce a Bill to construct a line of railway through their territory and it rested with us to introduce a Bill for a line connecting with that railway. But because of the delay that took place, while waiting for them to commence, certain things occurred that changed the aspect of affairs and brought about some of the complications from which we are suffering to-day.

MR. UNDERWOOD: Did not Mr. Vosper oppose Federation because the railway was not in the Constitution, because there was no promise of a railway? Certainly he did.

HON. F. H. PIESSE: I say this. I am entirely in accord with the protection of our interests, that is that we shall not give away any more of our rights. We must protect our State rights in every way possible. If we refer to the Constitution we will find that there are many other rights that can be given up and that we provide for in the Constitution but which depend on the concurrence

of the State Parliament. It is within the province of the Federal Parliament, and we should see that the State Parliament does not relinquish any more of the rights than we have done. A great deal of harm in the country has not been done; at the same time as an anti-federalist of that day I say that having once entered Federation we cannot advocate or strongly put forward claims for secession under the present conditions. I am prepared to say that I have enough faith in Western Australia, and I am prepared to stand here as one Western Australian and fight my way out of the difficulties. We can do that. And with a country like this, with the potentialities this country possesses and the advantages we have and the attractions we can offer to people, it is not many years, not many in a country like this, before our population will take us out of the difficulty and we will be in a position to retaliate if need be; but I am not one to speak vengeance. I will do what I think is right, and what I expect from others is fair play. Although there are difficulties before us to-day, I am as certain of this as anyone can be, that the time will come when justice must be done to Western Australia and I am sure we shall see it done. I have been near the scene of operations lately, I have been close to the difficulties, have seen them and faced them and have talked with a good many people in the Eastern States. There is certainly a cry of selfishness at times, but on the whole one cannot but admit that the people in the Eastern States, with their larger populations and tremendous interests and great and growing power in regard to commerce, have a position which they will try to hold, and if we were in the same position, we would do the same thing. It is our duty to rise as men and do our best, and now that we have entered into a compact to see that we get justice by some other course than crying out for secession. In reference to the periods of commercial depression which are said to exist in this State and for which many remedies have been suggested, I say that although commercial depression is felt in many directions, still it does not indicate that the country is in a worse position than it was some years ago. It has lost some of

its trade in certain directions, but it is growing in others. As one conversant with the commercial life of this country I assert that we have not far to look for some of the causes of depression. We have a population smaller in comparison with the Eastern States, and a trading community larger in proportion than that in any other part of Australia. Those people are endeavouring to do trade here, but the population is small and their large warehouses are full of goods they are trying to sell. There is depression in certain directions apparently because the business is not so good; but after all, taking the general development of the country, we can point with pride to the picture placed before us of our progress in regard to the agricultural, pastoral, and mining industries and say that although there may be depression in some directions, there is not sufficient to be serious about. We have recently found in our mineral belts of country another territory, I take it, in our Ravensthorpe discoveries. We have there an immense copper field together with gold and with resources in agriculture which will help to build up a community that must become a most important centre in this country. That is another instance of our great capabilities, and therefore I say that with all this before us, with the great evidence of the wealth that exists there, we should not for one moment be depressed with regard to our position. Let us be up and doing. Let us try to make things move and help in every direction to increase the output of our mines and to foster our own industries. I can see that if we do that and work manfully we shall in the future obtain equal success with the Eastern States in those directions. In regard to the question touched upon to-night by the member for Subiaco in connection with the public works policy, I will now deal with the subject, and I want to say here that I am in accord with the hon. member's proposal in relation to that board of advice. I am satisfied that we can obtain information which will be useful, and I would like to say on this occasion—although I believe there will be an opportunity later on—in relation to these railways which have been so much talked of, there is no doubt they were brought down too late in the

session; but members had an opportunity of hearing the information placed before them in regard to the capabilities of this country, and saw the map indicating the line of route. They had information as to what the future of these lines will be; and I say the building of those lines is most desirable, notwithstanding all the criticism which has been levelled against them and more particularly against that line of railway which is being built from Katanning to the west *via* Kojonup and then onwards, I take it, to connect with the South-Western line. This line was disparaged by those who do not know the capabilities of the country and who yet uttered those words, condemning as they did the men who have a reputation at stake, and who risked that reputation in placing before members of this House facts which will be fully justified when they have an opportunity of seeing the character of the country and the prospects which must follow in the wake of a railway such as this. What do they do in America? They build such lines out into the country to effect settlement and to open the country up. When this subject was under discussion it was said that we intended carrying out a vigorous immigration policy, that we intended opening up a new part of Western Australia, a part upon which we could place these immigrants; and I say that to-day fruit is being borne from the results of the decision of that time. I have to-day had an opportunity of talking with a gentleman who has been in that neighbourhood, and he tells me he has decided to recommend that there shall be formed a colony of 100 people who will go on that land as soon as arrangements can be made. It is there we find a new settlement springing up. Knowing the country as I do, and satisfied with it as I am, I assert that we shall see splendid results following the settlement which must come, induced by the construction of such a line of railway. I say fearlessly that if people condemn the men who urged this line forward, the men who have endeavoured to build this country up, who have done as much as any people have ever done on the mining fields to make it prosperous, who have staked their whole existence and their means, and have worked all their lives in such work, in such a country, they will

yet regret having disputed the facts those men placed before them, and having questioned their honesty. The building of these lines is to mean immense wealth to this country; and I have been pleased to bear remarks in relation to another part of the country not affected by this railway, that South-Western corner which is going to carry the greatest population in Australia, with its unequalled climate and its unequalled advantages geographically, with its splendid wool and its magnificent timber, with that wealth which will be the envy of the whole of Australia. I have been convinced by the remarks made and from my own knowledge that the portion of the country I refer to is capable of great development, and 25 acres or 30 acres will be sufficient for the maintenance of a man and his family. Admittedly it will take time to bring about those results, but they will be achieved. Then why should we who are fearless of the future cavil over the expenditure of a sum of money which, as I have said before, I have expended myself in the development of a part of this country, and for which to-day I am carrying bigger burdens than perhaps many men know exist on the shoulders of some who are trying to do their best for the country? With that before us, why should this country, with its 17 millions of public debt, with its capabilities, complain or call out because of a paltry expenditure of some £30,000 in the direction of opening up the country?

MR. JOHNSON: Who has complained?

MR. PIESSE: It has been complained of. I am not speaking of the Opposition side of the House.

MR. WALKER: You bumped the book.

MR. PIESSE: I have to bump the book. I have been bumping the land long enough, and I am going to bump it still further. That country will be a source of wealth to us. A few weeks ago I sailed from Fremantle, and whilst passing along those shores a picture came to me of the future. I may not live to see it, but in the future we shall have ports all along that coast, and we shall see it intersected with railways. We shall see an enormous population upon it, and we shall see the great wealth that will come to build up Western Australia, and place us in that position which will make this

land the envy of those States that to-day do not recognise our standard and our importance. I am not going to detain the House very much longer, but I wish to say this. I recognise in regard to these Estimates which have been placed before us that there is great necessity for economy in expenditure. We have heard it said that this has been preached for 16 years in this House. It is preached every day, but although we recognise the necessity for economy, still at the same time we must not be parsimonious. We must rise to the responsibilities cast upon us and do our best for the development of our industries. I could occupy much time in criticising the individual Estimates and showing that here there is an increase of £10 and there £50, and £30 has been dropped there, and something else has been done somewhere else. I could do that equally as well perhaps as some other members who have done it; but we have to look at the matter from the larger standpoint. Criticisms are good, as I have already said. They help perhaps to make men cautious. They do a good deal, yet at the same time we can go too far even in that direction, and we can, as it were, strain at a gnat and swallow a camel. I wish to mention in regard to these economies, that I think the Government have gone too far in one or two directions. The one I particularly want to mention is the roads vote. I have been expatiating on the benefits derived from opening up the country, speaking of its great resources, and telling of the people who will be on the land; but we can speak also of the vicissitudes of the people on the land, what they have to suffer, the isolation in which they are placed, and the great drawbacks they have to fight against; and I look at the reduction of that vote with great dismay and disappointment. I have always fought for that roads board vote, and my first speech in this House, made in 1890, referred to the building of roads. I said then that I looked upon roads as of equal importance to railways. The railways are factors in the opening up of the country, but without the roads we cannot get the feeders; that is, the product is not brought to the line with that economy which is so necessary to make farming and pastoral pursuits or

anything else pay. Not only in farming districts, but other districts as well where roads are so necessary, this applies. I am sure that when the Minister for Works speaks he will explain the reason why this vote has been reduced. At the same time, he cannot quite explain away the reason for its being reduced by such a large sum, whilst the municipal vote is only reduced by a small sum. Although we feel that much is being done by the opening up of the country by railways, after all it is important that our arteries, our roads, should be provided for the people, and so much that can be done with a little money as compared with a large expenditure is very much appreciated. I have talked this matter over with the Minister for Works, and I agree with him in regard to taxation in districts which on account of having been so long settled are able to bear the extra burden cast upon them, without its militating against the success of the people. I am with him so far as those districts are concerned, and I have advocated that, where I considered it necessary; but there are some instances where such a course should not be resorted to, and especially when we have passed a Land Tax Bill and a Land Bill whereby an extra burden will be imposed. Before urging people in a measure to bear an increase of taxation in the direction adopted, we should look into the matter from every standpoint. If we are going to insist upon a tax on the capital value or the rental value, and the tax on the capital value can be  $1\frac{1}{2}$ d. in the pound, and if the roads board can impose a rate of 2d. or  $2\frac{1}{2}$ d., knowing what these people have to face in those outlying districts and new districts the Government will, I am sure, see the justice of meeting the case in a liberal way. I feel that a mistake has been made in cutting down this roads board vote to the sum which appears on the Estimates to-day. On looking through them I see there are specific items for specific works, but the Government have placed an amount on the Estimates which is smaller than any which has appeared on them within the last four or five years. I am sure settlers have been in some respects liberally treated. In the newer districts certain assistance has been given.

At the same time, the reductions in the grants are regarded with some dismay, and have been a source of discouragement, being considered a backward step. In regard to our industries, I say we should help them by every possible means. We have greatly assisted our mining industry, and reference has been made to-night to the recent reduction in the railway freights on exported timber. The member for Subiaco (Mr. Daglish) has said such a reduction should be made general; and none would be better pleased than I to see it made general, knowing how badly sawn timber is needed in some country districts. Yet after all the practice followed is customary in all the States; and though we were assured some time ago, after the railway conference in Sydney at which our Commissioner of Railways was present, that the railway rates would be made uniform throughout Australia, I have in my hand conclusive evidence that the arrangement has not been adhered to. Our Commissioner, I am sure in good faith, has carried out that compact. But though I brought under his notice the fact that other States have broken the compact and that our agricultural industry has suffered in consequence, and though I have strongly represented the matter to the Government, the Commissioner remains obdurate. Why? Because he said he felt he must carry out the compact entered into. What has happened? I bought as many as possible of the railway rate books of the Eastern States, but this newspaper cutting, published in the Melbourne press on the morning of my departure from that city, is better evidence than all the rate books. It is as follows:—

The Victorian Railway Commissioners have received such a shock by the publication of the reduced railway freights recently scheduled by the New South Wales Railway Commissioners that it is really likely that they will be induced to do something by way of protest, if not of actual reprisal. Their astonishment at such extraordinary action arises not only from the unpleasant comparison the new rates afford, as compared with the high rates of Victoria, but they cannot understand why such important executive action should be taken on the very eve of the retirement of the present New South Wales Commissioners. Advertisements are now appearing in newspapers throughout the world enticing railway experts to come and take charge of

the New South Wales railways at a salary of £3,000 per annum; yet while the present heads of the department are "working their notice," they commit the most vital act of their entire official existence. However, those are considerations that do not concern the Victorian producer. All he has to contemplate is the pregnant fact that the new rates will enable his New South Wales rival for the world's trade to considerably undersell him in the Sydney market, while business that should and does naturally flow to Melbourne from the Riverina will inevitably be transferred to the capital of the mother State. In a recent article we showed the following differences in the then rates by distance to Sydney and Melbourne.

I will not read all the figures, but will select a few. The New South Wales charge for 155 miles carriage to Sydney is 10s. 2d., and for the same distance to Melbourne, 11s. 8d.; for 362 miles to Sydney 13s. 4d., to Melbourne 16s. 4d.; for 461 miles to Sydney 14s., to Melbourne 18s. The article continues—

The advantage the New South Wales farmer derived under the old rates as compared with what the Victorian farmer has to pay is sufficiently obvious.

Some of the reductions are as follow: For 100 miles, from 8s. 4d. to 7s. 6d. a ton; for 500 miles, from 14s. 2d. to 12s. a ton. The writer proceeds:—

Competition will not stand this. The revised schedule of New South Wales is undoubtedly a derogation of trade, and therefore against the Federal Constitution. The Victorian Commissioners, it is said, propose to take immediate action to protest against the flagrant violation of an agreement entered into twelve months ago. Let us hope that action will be in the direction of bringing the railway rates of the two States into absolute line.

MR. BATH: There is nothing against that in the compact.

HON. F. H. PIESSE: But we were told the reason why our railway rates were recently raised was that we should not carry our local products on our railways at a rate which would unduly compete against products imported from the Eastern States.

MR. BATH: That is not the present point. You cannot impose a lower rate for local products than you impose for imported products; but there is nothing to prevent your reducing the freights on local products carried to your own port.

HON. F. H. PIESSE: I agree with the hon. member; and if I am right I shall ask for that assistance to be given

to certain of our local products, which we shall soon be shipping out of this country. I say our products should have the same facilities for carriage to the port of shipment as are given in the East to the local products of our sister States.

MR. TAYLOR: There is nothing to stop it.

HON. F. H. PIESSE: Then let us carry it out. I read this extract to disprove the fallacy which many people entertain in respect of the reduction of the freights on exported timber.

MR. BATH: There is nothing to prevent the State from charging lower railway rates than are charged by another State, so long as there is no discrimination in favour of local products as against imported products.

HON. F. H. PIESSE: With that I agree; but here is an instance when one State reduced rates on its own products when carried to its own port, and another State complained of that as a violation of the Federal Constitution. If it is not, then why should we conform to a similar restriction imposed upon us?

MR. HOLMAN: Who was the writer of the letter you read?

HON. F. H. PIESSE: It is an article headed "Cutting Railway Rates—the New South Wales Reductions," and I mentioned it to show what is being done in the Eastern States, and to show how necessary it is for us to conserve the interests of this country; for after all it is not altogether a question of profit to the producer, it is a question of a lower price to the consumer, and of the exporting industries of this country being able to compete with similar industries of other States. When we consider that we can to-day bring to this country from the Eastern States one ton of produce landed, all charges included, for 12s. 6d. to 13s., according to the nature of the produce, and that to bring one ton of produce from certain of our country districts to Perth and Fremantle costs 18s. or 19s., we can see the disadvantage under which our producers labour, and how necessary it is to take some steps similar to those taken in New South Wales, though our doing so may be considered a contravention of the conditions imposed by the Federal Constitution. Though the hon. member (Mr. Bath) has rightly stated the provisions of the Con-

stitution, we can nevertheless assist our local producer in this way. Suppose him situated at a point a certain distance from the goldfields line along which imported products travel from Fremantle, we can give him a reduced rate to the goldfields line; we can give him to the point of junction the conditions of the zone system, so long as between the point of junction and the goldfields his goods and the imported goods are charged the same rate. Thus we are not differentiating unduly against the imported article, though our producer will be able to get his goods to market at a price which will enable him to compete, thus opening a part of the country which will otherwise lie dormant.

MR. BATH: But you will have to go to the taxpayers for the money.

HON. F. H. PIESSE: No; for the reason that the settler who is thus assisted will pay the ordinary rates on all other produce, and will himself become a taxpayer. He will open up country practically worthless under present conditions, and will increase our natural wealth by creating a new agricultural or pastoral centre. By encouraging the distant settler we shall only follow the recognised rule in other parts of the world, provided the assistance is not unreasonable. In other parts of the world goods are frequently carried long distances at low rates to encourage the distant man, and similar consideration should be extended here to settlers who are developing our industries remote from centres of population. The rebate on exported timber is fully justified, because it enables us to send timber out of the country to compete against the timbers of other countries; and by this slight concession we afford employment to a large number of people in our own country, and build up an industry which will be of benefit to the State. At the same time, we must consider the question of providing that cheap timber to people living in distant parts of our own State; but the need for that is not so urgent as the need for fostering an export trade. I have practically concluded my remarks, but I should like to say with regard to the task the Treasurer has undertaken that I sympathise with any Treasurer and any Government, and shall give them all

possible assistance to make their task as light as possible.

MR. JOHNSON: You do not agree with the policy of loan expenditure on unproductive works?

HON. F. H. PIESSE: Yes; provided they can be justified in the interests of the country. We must recognise after all that though we may criticise and find fault with the Administration, men who come after us will doubtless do better work than we, and men who have gone before us have done better; but show me any man who is faultless and free from blame. I speak with knowledge when I say that men who have occupied important Cabinet positions know the responsibility cast on the shoulders of Ministers; and knowing each of the Cabinets which have preceded that now in office, and knowing the men who have composed preceding Cabinets, I believe that, irrespective of party or circumstances, they tried honestly to do their best for the country. They had differences of opinion and different methods of working; but I feel that in every instance they have done their utmost. There is now, however, one great drawback, a drawback from which the Forrest Government did not suffer. Since that Government relinquished office there have been so many changes that no Cabinet has so far had what is popularly termed a fair show. No sooner did a Cabinet make a start than there was a change. We have all been striving for Responsible Government. I feel that the salvation of this country to-day would be stable Government. Unless we have an assurance that the Government will be able to carry on, and can be given some reasonable span of life, we shall find the same troubles arising from time to time that have arisen within the past six years.

MR. WALKER: Will you give this Government a span of life?

HON. F. H. PIESSE: Yes; we must do the best we can in the circumstances. I do not wish to be misunderstood. [MEMBER: Do not qualify.] When I say "in the circumstances," I mean that while there are men in that Cabinet to-day desirous of doing their duty to the country and capable of doing it, there are men following them who are equally capable and equally desirous of doing their duty to the country. While, as I



said before, there are differences of opinion, at the same time it is necessary that we should do our best for the country. What I did wish to say, and perhaps did not say, was that this unfair criticism and fault-finding, this desire to turn the Government out, and all that sort of thing, is derogatory to the best interests of the State; but I say without fear, as I have expressed it in the House before, that there are matters brought forward by the Government with which I do not agree, of which I have expressed my disapproval, and against which I have voted. I disagreed with the land tax because I consider this an inopportune time to bring it in. I am a supporter of the Government which brought it in, in their main policy, but I take it that I have the right to disagree with them in this specific policy in regard to a land tax; and so I did disagree, and I still disagree with them upon it, because I contend it is a most inopportune time to bring it in, and that it is a most injudicious step and one which will bring in its train much trouble. Nevertheless I am ready to help the Government. I have every confidence in the Cabinet in their efforts and desire to do good, and I am here to generally support the Government, but also to raise my voice if I see fit in the interests of the country against the Government, and this I shall do whenever I consider it necessary. That I am not strong enough to-day, that I have not sufficient following to successfully deal with the Government on their land taxation policy, has been proved by the support given to me and others on this side as opponents of the land taxation Bills. Members on the Opposition side of the House stated that they would be ready to support the land taxation proposals of the Government if we were not; but I take it that my friends on the Government bench are not ready to accept that assurance from hon. members, because they are ready to act for themselves, and because they have sufficient strength behind them to carry out their policy in this direction, irrespective of the discontents and men who expressed disapproval. [Opposition dissent.] So I say that in the circumstances we have to accept what is placed before us now. The member for Guildford referred to the day-labour system on public works, and

I desire to say straight out that although there has been so much credit taken for the initiation of such a system by the Labour Government, followed up by the present Government, yet after all I think the Forrest Government were the first to introduce the system in connection with the harbour works at Fremantle, and in connection with the reservoir works at Mundaring. I wish to qualify that. I am entirely in accord with the building by contract of great public works which can be safely and securely guarded or protected in certain directions by conditions; but I say that such works as the Fremantle harbour works and the Mundaring Weir, and others which may be placed in the same category, can be equally well carried out under the day-labour system, with proper administration and proper control, as they can by contract; and that has been proved, because I think the work has cost no more than it would have cost by contract. I think the hon. member, though he is such a strong advocate of the day-labour system, will agree with me that there is greater difficulty in the supervision of day-labour work than there is in the supervision of contract work, because more machinery for supervision has to be provided, and because we must place at the head men who are unimpeachable and who will treat fairly as man to man. Sometimes there is difficulty in finding such men. However, when we get them we can make a success of the system. Before I sit down I should like to say that we are at a stage in our history when we require every care and judgment to be exercised. No Government will be perfect. Some have had greater advantages and opportunities such as the present Government do not enjoy. At the same time, I am certain there are to-day, on this side of the House backing up the Government, men who will stick to them, and I am sure the Government will do their best in the interests of the State. I am sorry the Minister for Works was not present when I spoke on the roads board question, for I am sure there is no one more earnest in trying to do justice to the roads boards; but I am sorry to see the roads board vote cut down so much. The Minister will be able to explain. I am sure he is trying to do justice, and when he comes

to know the country better he will see how necessary it is to foster the roads boards in the agricultural districts in the matter of constructing roads. I know he has a scheme in that direction, and I shall not criticise it until we have had experience of it, and until we know the results that will follow the experiment. I hope for the best; I hope everything will turn out satisfactorily; and I am sure that with such a country as we have, with so many advantages, and with so much in our favour, it is the duty of both sides of the House, irrespective of party, to help in every way possible. If members are to criticise, let them criticise fairly. There may be jocular allusions sometimes, but encouragement does a great deal of good, and we have had examples lately of how our civil servants have suffered from criticisms and from charges that were made against them, which break the hearts of good men, and which have taken to the grave many a man who would have given years of service to the State after gaining his experience—years of beneficial service. We should temper our remarks and do our best to help others up by way of encouragement.

MR. T. WALKER (Kanowna) : After listening to the hon. member, I am not sure whether he has delivered a funeral oration, or whether he has been ringing a wedding peal. The hon. member has lectured the Committee with his accustomed suavity, and has taken us all under his wing. I will not labour the House again with the illustration of the dejected rooster. I think the illustration to-day is just the opposite: the member for Katanning is the motherly hen. He expects us all to go under his sheltering wing. The hon. member is not quite consistent. He has told us that had he the power he would have defeated the Government on the land tax. The only thing that has held him in check is the fact that the Government had a sufficient majority behind them to maintain their position in spite of him.

MR. BATH : With the help of the Opposition.

MR. EWING : Without the help of the Opposition.

MR. WALKER : No matter; that does not affect the point. The point is that if the hon. member could have

sacked the Government on the land tax he would have; yet he tells us that it is our duty to encourage the Government, to keep them going, a perpetual Government; a lease of life to them he would grant; he would do his best for them in the circumstances. When I find the hon. member so inconsistent as that, I for one refuse to follow his advice; and in spite of that very doleful note he sounded when he concluded his speech about some hon. members being so overcome by criticism that they have departed this life—

HON. F. R. PIESSE : I was dealing more with officials.

MR. WALKER : The hon. member applied it generally to criticism; he almost quoted Scripture. I was wondering whether he was a farmer, a politician, or a prelate, as he went along. He made it clear that it was our duty not to criticise, but to stop our criticism, to let that all go; and yet when the hon. gentleman desired to criticise something, the furniture in this Chamber was not safe; he was bumping, bumping everything within his reach and glaring at this (Opposition) side of the House enough to wither the life out of every one of us. However, badinge aside, I for one refuse to forfeit my right of doing my duty as a member of the Opposition. It is our duty to criticise to the utmost. [HON. F. R. PIESSE : But be fair.] The hon. member never heard me otherwise. Under the circumstances, his warning is unnecessary and his advice purely gratuitous. I intend to do my duty, and I say frankly that if I had the power I would turn the Government out to-morrow, and I will show why. In the first place the Government have not been honest to their pledges. They have in every way played with the patience and credulity of the House. A promise was made at the close of last session. I know the predecessors of the present Ministry made it, but the present Ministry have assumed that they are the lineal descendants of the last Government, and that the last Government's policy is practically their policy. If so, then how do we stand? At the end of last session we were promised distinctly that if we would swallow those railways, which are going to make some corner near Katanning the hub of this universe,

f we would swallow these railways holus-bolus without questioning even the character of the axle-grease, then they would meet this House early in May and give us the Estimates so soon after the financial year had closed that it would be almost simultaneously with it. That was a distinct understanding, as solemnly pledged as was ever made by a Government. When the House met we were still promised that as speedily as possible, within a month or so, early in August at the latest, we should have the Financial Statement and should know how the country stood. Now here we are close upon Christmas again, and we have just had the Financial Statement given to us. Where is the truthfulness of a Government of that kind? I know that they have been met here and there with difficulties, but the fact still remains that the solemn pledge given to this House, on which the Government got concessions, has been broken; and moreover, we were told in the Financial Statement preceding this that there should be no resort to taxation, that all that was necessary was economy in administration, that there was to be a long recess in order that there might be this economy in administration, that the offices were to be got in order, and that civil servants were to be culled here and culled there and expense saved at this spot and at that spot. We had a long recess. What economies were effected? What has been done to save money to this country by means of skilful administration? Not a fraction has been saved to the country. False pledges! Playing with this House! That is the way the Government have acted. Then we were to have spirited enterprise. Work was to be found for the people. We were to have progress. Not only were these new spur railways to find work for the unemployed of the country, but in all other directions help was to be given to find work for the people. What work has been found for the people? What has been done to inaugurate success, to make this country more prosperous? True, as usual in such cases the Treasurer tried to make it appear that he had done more than the Labour Government had in the way of inaugurating public works or carrying on public works. He made a statement that during the year 1904-5 the Government

let 255 contracts in the Public Works Department amounting to £97,000. During the year 1905-6, which has just terminated, he said "We let 268 contracts amounting to £222,000, and this is not including the three light agricultural railways to be constructed by the department. The construction amounts to £34,440, so that during the year 1905-6 we put in hand and let contracts for a total of works to the value of £256,000 as against £97,000 during the year 1904-5." I would like to know what did the Treasurer mean by that, if he did not mean this, that more money was spent on public works employing labour in this State by his Government than had been the case by the preceding Labour Government. What could he mean if he did not mean that? The words bear no other possible construction. He said, to repeat again, "So that during the year 1905-6 we put in hand and let contracts for a total of works to the value of £256,000 as against £97,000 during the year 1904-5." The member for Katanning talked about fair criticism. Is that fair presentation of fact? Is it just to his predecessors? Is it not an absolute misleading of the country which depends on these figures? Is it not done for the purpose of making the people outside believe there is no "mark-time" Government, but they are going ahead letting out contracts, doing as much more good for the country as £256,000 means as compared with £97,000? The Treasurer knew far better than I can tell him when making up these figures, that the Labour Government spent more on public works in one year during their term of office than the present Government have ever done. That is the point. They spent more money on public works and in furthering a policy of public works than the present Government have done. They did not let new contracts, it is true. Why? Because they found some in hand when they took office, contracts in course of completion. They took over the responsibility of the contracts let by their predecessors, spent money on them, and to the utmost of the funds available new contracts in addition, as these figures show, so that they carried on the old contracts and also let new contracts. These contracts were partially completed,

and entirely so when the present Government came in; and now with a little bit of money compared with what in years gone by has been spent on public works, they are boasting of their wonderful liberality to the country. They have done nothing but works of necessity, excepting these spur lines. They have done nothing to open out the country. There is not a town or village of any extent throughout the length and breadth of this State but where you will find men begging for work, and no prospect, no sign of work coming to them. And what is being done to get these few paltry contracts? Ministers are stopping, as the member for Katanning said, the grants to municipalities; they are stopping the grants to roads boards, and calling it economy. What does it mean? There are miles and miles of roads in my electorate where it is absolutely necessary that they should be kept in good order or the mining industry suffers; and say what the member for Katanning will, his little favourite corner in the South-West of this State and its agricultural development depend on the success of the mining industry. It is that which has made the State, and now what are the Government doing?

MR. SCADDAN: Exploiting it.

MR. WALKER: Exploiting it by every means in their power, stopping the means of making roads between mining township and mining township. I know of roads that were promised and absolutely pledged, but they do not appear on the Estimates; they are wiped out. But around Fremantle where the Minister for Works has a reputation to uphold because of the exaggerated inflation of promises made by the Minister for Works and every member of the Government at his election, there enormous sums are to be spent on old roads that ought by this time to be supported by the municipalities through which they run, taken over by the municipalities, and the Government are expending money on them to an enormous extent. No road where it is needed, as say between Kauowna right up to Pingin, a promised road, a road which the Minister for Mines had surveyed a little while ago: not a penny on the Estimates for that. But around Busselton they are making roads right over the tops of the hills

into the depths of the sea. [MEMBER: Who is the member for that district?] The man who has the purse and can spend the money, the Treasurer. A system of corruption—what else can it be called? How can we define it? A rank wrong is done to the distant municipalities who are fighting to make this country habitable in the desert wilds. They are cut down. The Minister has often said, let them tax themselves, let them raise from their own own residents rates in order to construct these roads—the high roads of the State, whilst between the townships that must be traversed for the ordinary mining business it is expected that small settlements of miners will keep the highways. They are the highways of the State where railways are not and traffic must be, and there is nothing on the Estimates for them. The municipalities that have exhausted themselves in keeping these roads for the good of the whole country are to have their little allowances taken from them. This, mark you, in the name of economy, making both ends meet in order to make it appear they are wiping out the deficit. We can all wipe out deficits of that kind, if we pay nothing as debts fall due. These roads to some succeeding Government will cost tenfold what they would cost now to put in repair, getting themselves out of the possibility, so to speak, of being brought into good repair. They will cost immense sums by-and-by. They must be attended to, and the Government must attend to them. They are national matters. The Government are penny-wise and a pound-foolish. They are pawning to-morrow in order to have a feast to-day. They have no policy at all except that of drift, letting things swim on without regard to ultimate consequences, so long as they get through their term of office. They will hang on until members, like the member for Katanning, get thoroughly sick of them; then they will die their natural death, ruining the country in the meantime, altogether unscrupulous of the way they do it. All is working, in every possible instance, not for the people of this State. They have plenty of time to consider those who are exploiting the country, but for the people who are to live in the State they have no time. The Treasurer only to-night denied, now

making a virtue of necessity, that he had ever been very strongly against day labour and departmental work.

THE TREASURER: I did not.

MR. WALKER: The member was challenged on that. He was accused of having been in favour of contract work in every instance as against departmental work, and he said "Where is *Hansard*? where can you prove it?" Well here is *Hansard* for 1904. During the Estimates the member said, "If we wanted work done expeditiously and economically, the best way was to let it by contract."

MR. TAYLOR: Who said that?

MR. WALKER: The Treasurer. "The best way was to let it by contract. In the same connection let him briefly refer to the action of the Minister in connection with the wharf at Fremantle. It was understood that work would be controlled by the officers of the department, and carried out departmentally, notwithstanding that the contractor finishing the contract had a clause in his agreement whereby he believed he had a legal claim and was entitled under schedule rates to carry out the work of raising the wharf also. What was the reason for departing from the contract? The Minister had never yet shown that works carried out departmentally could be carried out at less than the cost of contract work. The very reverse had proved to be the rule in this and in other States." There is the *Hansard*, strong enough. Ask for *Hansard*!

THE TREASURER: Read more.

MR. WALKER: Why read more? The member denied anything could be read, and here is *Hansard*. I cannot waste more time in reading the member's speeches all night. I have one of my own to deliver. Let us go a little farther. I have said that this Government have obtained office and maintained their position under false pretences. I have said that they claimed, that is their immediate predecessors did, to be able to do without taxation. The Government come down afterwards with taxes of a pettifogging order, neither fish, flesh, nor fowl, and I venture to think now that it was not for the purpose of raising revenue that the land tax was brought down. I venture now the opinion that the sole reason the land tax was

brought down was this. They were not quite sure of their position; they knew there was a certain tinge of democracy on both sides, and therefore they imagined that if they brought in a land tax they would compel this side of the House to keep them in. That was a dodge. Undoubtedly it was trying to appear democratic. The Attorney General sneers at what I am saying; but there is no man in this room, no man in this Committee, more anxious to pose as a democrat than the Attorney General; and if we knew the ins and outs of it I venture to say it was not the Treasurer who proposed this land tax. He has been dead against it; he has always fought it bitterly, strongly, I was almost going to say ferociously and when the Minister for Works and the Attorney General were able to dictate terms as to the formation of that Ministry—

MINISTER: Oh!

MR. SCADDAN: The Attorney General boasted of it.

MR. WALKER: Not only he, but the Minister for Works also boasted of it. The Minister for Works was trotting around with the police at his heels to keep him safe.

THE MINISTER FOR WORKS: Tell me where I boasted of it.

MR. TROY: In the Corridor.

THE MINISTER FOR WORKS: It would be quite up to the hon. member to mention it, if it were said in the Corridor.

MR. WALKER: I have heard it from a dozen members.

THE MINISTER FOR WORKS: Give us some evidence, not hearsay.

MR. WALKER: Does the hon. gentleman deny he ever said it? does he deny he boasted?

THE MINISTER FOR WORKS: I have no recollection of having said anything of the sort.

MR. WALKER: And it is of this stuff that Ministers are made—members who cannot recollect the most conspicuous thing they have told nearly every member on this side of the House!

THE MINISTER FOR WORKS: Bring out your evidence.

MR. WALKER: If the hon. member wants a select committee, I will move for one, and I would get it in these circumstances, too. It has evidently struck

right home to the heart of my hon. friend.

**THE MINISTER FOR WORKS:** Give your authority.

**MR. WALKER:** The Leader of the Opposition has volunteered to get it; he is a witness.

**THE MINISTER FOR WORKS:** Does the Leader of the Opposition say I said it?

**MR. BATH:** I say the hon. member was always talking about a third party.

**THE MINISTER FOR WORKS:** It is absolutely false.

**MR. WALKER:** It is not worth arguing about. I know the Minister for Works intends to follow me. I do not intend to take an advantage; I am just going to tell him, so that he can give a clear statement as to the facts, that he and the Attorney General, when they went into the Cabinet, dictated terms, that is they were to have a say in what kind of programme the Government were to bring in. And amongst other things they said, as a democratic promise, that we should have a land tax. I do not know whether the Attorney General also said we must have a Police Offences Bill; but the land tax and one or two other measures were promised before they accepted office.

**THE MINISTER FOR MINES:** Your imagination is surprising, this time.

**MR. WALKER:** I have no doubt the hon. member thought he was dictating terms all the time; but the whole thing was fixed up and arranged while he was away up the country. It was settled before he got the telegram: he came in afterwards.

**MR. SCADDAN:** It was not a matter of choice.

**MR. WALKER:** Certain it is that the Land Bill was not suggested by the Treasurer; and if he had had his way it would not have come into this Chamber. I only mention this, and the excitement on that (Government) side of the House shows there is some foundation for it—I am only mentioning it to show clearly that the Government are, if I may use the term without being offensive, hypocritical. The hon. member in charge of the Bill which has passed this Chamber did not believe in it; and it is in this way that the country is humbugged. It is in the way that the present Government, by acquiescing in what they do not

believe, drowning their conscience in particular matters, have become thoroughly unpopular in the country. And in spite of this professed liberality and democracy, they always help the fat man, if I may use the term. Allusion has been made to-night to the concessions which have been made to the Timber Combine. Does it not strike one as exceedingly inconsistent that the Government should claim that they aim at economy, that economy is an absolute necessity, that we are faced with a financial abyss, that we are making the deficit larger as we go along, that our difficulties in finance must be keener as the years go on, and yet whilst that is happening, whilst we cannot give to the municipalities their accustomed allowance and cannot help the roads boards to do absolutely necessary work for the country, they can make a present of £16,000 to a Timber Combine? Is this honest; is it fair? It is against all their precedents, and against all the sacred promises and pledges of the Government. Let us just see a moment. In 1904 a Royal Commission was held with regard to this industry; and amongst others who were on that Commission was the Premier himself. What did the Premier say, if his sentiments are embodied in the report? I am speaking of the first report when he was a member of the Commission; therefore I take it that these are his words—his name is to them, at all events—as much they are the words of Mr. Harper or anyone else. There the Premier said:

Your Commission is of opinion that in the interests of the State it would be a wise policy to discourage any increase in the rate of timber cutting till the consumption of scantling is fairly apace with the export of the larger sizes. State acquiescence—

And here is the warning—

in the destruction of good timber only because the export trade demands it, is a crime against coming generations; and any attempts to increase the export in the interest of foreign companies, or with the object of inducing more men to join in timber getting at the expense of posterity, need wise resistance.

It is not long since the Premier gave his assent to this report which designates this cutting of timber for foreign export as a crime against posterity, as a crime against the State. Yet he and the other

members of the Government are the first to give the lie to this honest expression of opinion, and to lower the freights on timber in favour of this company. What excuse can they make? They say they must tax the land; they must tax even the totalisator and the children attending schools. They have made even that paltry tax of a school fee, and yet they are able to make presents of this kind to a timber company. And that it is done in favour of the fat man is certain, because I asked a question in this House only last week whether they knew that the Timber Combine was using the concession that had been granted to it in the way of reduced freights for the purpose of cutting out and crushing the smaller wood-cutters all along the Swan.

MR. EWING: They could not do it.

MR. WALKER: Why?

MR. EWING: They could not apply the reduction in the railway freights to the firewood trade.

MR. WALKER: How apologetic these men are for these rich companies. Supposing I am earning a sum of money in my export trade and have also a retail trade, or a small trade there, and I get £10,000 to help me in this trade of export, do you not think I can hand a little over to crush my rivals in this smaller trade? It is all one company; it is the company that gets it. The mere fact that that there is a loss on one item does not prevent its saving on another phase of the business. It is all one trading concern, and it does not matter whether the company is dealing in firewood or exporting larger forms of timber, it is the same thing; it is the one company that does it. The money comes out of the company's capital, and if the company gets a concession in one branch of business it can push on another branch of the business.

MR. GORDON: You are a concessionist.

MR. WALKER: I did not catch the remark of the hon. member. I want to draw attention to the fact that coincidentally with the reduction of freights and wharfage to this company the company commences under-selling in its firewood business on that area around the Canning. And it is selling at such a rate that I was assured by a deputation which waited upon me that old firewood-cutters, men who had been years at work upon the business,

would now have to give up their work, not being able to stand against the Combine because the Combine is selling at rates which would not pay these men. That is to say, the Combine sells for less than the actual work costs, taking the average wages. These woodcutters were employing some 600 or 700 hands, and they have been paying wages of eight to nine shillings a day. In the face of the rates at which the Combine is selling firewood, they could not possibly pay those wages and make anything at all out of it; in fact the rate of wages they were paying came to more money than the Combine was charging for firewood.

MR. GORDON: Are not the other States landing stuff cheaper here than they can make it for?

MR. WALKER: That is not the question.

MR. GORDON: It is; it is only a broader view.

MR. WALKER: I never allow the hon. member to tell me what is a broad view. He is incapable of making any analysis or deduction.

MR. GORDON: Why not answer?

MR. WALKER: Do not bray here; I do not want to be interrupted by these inanities and asininities. Let me again refer to the fact, and I intend to go farther and show the facility with which this company has gained these concessions from the Government. No sooner does it get these concessions than it is crushing out these small men and obtaining a monopoly; and if it can afford to sell its firewood at the rate it is selling at now, under-selling those who have been in this work for years, why need it talk about lower wages for the workers up the country? The action taken shows the company has money and to spare, and can use it to run out rivals and crush their opponents, as all trusts have done. But the Government have fallen right into the hands of the trust. As this subject has been mentioned, and it is an important part of the Ministerial policy, let us go one step farther in our investigation. When the Arbitration Court was sitting, members who have studied the evidence will be aware that Mr. Teesdale Smith contended that without a reduction of wages the capital invested by the company could not possibly yield interest. He distinctly took the

ground that the company had invested money which was legitimate capital sunk in the industry, and that for this capital pound for pound was given; that, therefore, every pound put into the business represented a genuine substantial asset at the time, and that there was thus no watering, in any sense whatever, of the shares. The contention had been, and I submit the contention now is, and it is provable, that the interest wanted by this voracious Combine is interest upon watered stock, not upon solid assets or actual capital put into the business.

MR. EWING: Can you tell us what is the actual capital?

MR. WALKER: I am about to show you that there is water in the stock, anyhow; and I wish to show that the country, the court, and the Government have been hoodwinked by Mr. Teesdale Smith. The following is an extract from his evidence:—

Who valued the assets of the company?—I did.

Do you consider you received full value in the capitalisation?—When I valued the company and took it over, we got pound for pound. Good commercial value was received.

That is substantial, good commercial value was received. The evidence continues:—

Was any provision made for goodwill?

That is often a fine opportunity for "watering."

MR. GORDON: Do you say the stock was "watered?"

MR. WALKER: Yes.

MR. GORDON: Water will do harm to no man.

MR. WALKER: It would not do you any harm, inside or out. The evidence continues:—

Was any provision made for goodwill?—No.

I wish members to recollect that answer. I have here a copy of a printed document issued by Millars' Karri and Jarrah Forests, Limited—"Proposed reconstruction with enlarged capital for the purpose of purchasing the assets and businesses of other West Australian Timber Companies." It gives a list of the companies which have since been merged in the Combine, namely the Jarrahdale Jarrah Forests, Ltd., the M. C. Davies Karri and Jarrah Company, Ltd., the Canning Jarrah Timber Company, Ltd., the Gill-

McDowall Jarrah Company, Ltd., the Jarrah Timber and Woodpaving Corporation, Ltd., the Jarrah Wood and Sawmill Company, Ltd., the Imperial Jarrah Corporation, Ltd., and Millars' Karri and Jarrah Forests, Ltd. We have in the evidence of Mr. Teesdale Smith, as managing director, a distinct and emphatic denial that anything was paid for goodwill. This is what the statement issued by Millars' Company asserts:—

Forestates, including freeholds about 32,477 acres, and leaseholds 220,964 acres, total 253,441 acres, together with business and goodwill as fixed between the seven companies and Millars' Company, £200,204.

MR. GORDON: This is a rehash of the speech delivered by the member for Leonora (Mr. Lynch).

MR. WALKER: It is nothing of the sort. The member for Leonora had not this information.

MR. GORDON: Your speech is a rehash of his.

MR. WALKER: Is this extraordinary animal to be allowed to exhibit his peculiarities at the expense of the Committee? He should never be allowed here without a keeper. The document continues:—

For estates, including freeholds, about 57,135 acres, concessions about 442,840 acres; leaseholds about 279,460 acres; total, 779,435 acres, together with business and goodwill as fixed between the seven companies and Millars' company, £302,867.

There can be no question whatever that in his evidence Mr. Teesdale Smith misled the court. This document proves his statement that the goodwill was not involved, to be a falsehood.

MR. GORDON: You are protected when you call it a falsehood.

MR. WALKER: I shall ignore the hon. member and let him rave. The best means of curing a madman is to let him alone.

MR. GORDON: I have never had a keeper, but you have.

MR. WALKER: But there is more than the fact that I have mentioned. There are statements which I think ought to alarm any Government which contemplates giving a concession to a company. I shall not take the evidence of outsiders, or mere statements that are floating about amongst the public; but I shall again take the evidence of Mr. Teesdale Smith himself. What are the facts with regard to this company that is



clamouring for concessions, that is asking the men to reduce their wages in order that the company may make a profit? This is another extract from Mr. Smith's evidence at the court : -

You have a large area in the vicinity of Pin-jarrah?—Yes; 19,000 acres.

Have you any idea what rent has been paid?—£20 per square mile.

For how long?—For three years.

Any timber cut?—No.

Have you got a mill on it?—Yes.

It has never been worked?—No.

Observe : 19,000 acres, with a mill on the spot, and not an axe has been heard in the vicinity. The property is entirely untouched, and the rent, according to this, has been paid for three years. The evidence proceeds :—

What advantage have you received?—As soon as we know an area is cut out we will be extending up there, and we will have on that 20,000 acres eight years' cutting. We will have to pay rent for the next 12 years and cut it out during the last eight years. The absolute advantage in holding the areas is that you have some chance of getting a return for your wasting as-et.

Observe again, there is 19,000 acres, according to his own statement, not one tree cut or likely to be cut for the next four years, to be held for the next 12 years, for what? For the sake of a final advantage, the good timber left untouched. And what does it mean? That this company is paying £12,000 per year for the rents of its properties, including of course the concessions and leaseholds to which I have referred. For the concessions all the rents paid amount to about £1,000; for these leaseholds £11,000 per annum is paid. These are the leaseholds that are not touched; these are the leaseholds in respect of which rent is to be paid for the next 12 years; and when the gentleman was asked in court if the profits represented when the properties were taken over were shown in a balance-sheet which allowed for all expenses, the answer was "Yes." These leaseholds are included in their expenses, and they expect to get from the workers enough to pay £11,000 a year for years to come. That is the position.

Mr. GORDON : The company is trying to get the timber for the workers.

MR. WALKER : And it is making the workers pay for it. We shall go on a little farther :—

You have a large area at Balingup?—Yes.

Any mill?—Yes.

How long have you been paying rent?—Three years, ever since the company started. We have cut piles and sleepers there.

Are there any other people engaged in the industry who are disposed to get possession of the area for active operations?

He means people who will employ the present workers. Mr. Smith replies :—

If it was opened, I dare say there would be half a dozen people.

That is to say, if these leases were not held by Millars, then according to Mr. Teesdale Smith's statement half a dozen people would make application for the use of the leases, which could at once be put to the service of the State. The evidence proceeds :—

You know the Kirrup people were anxious to get it?—Yes, because their own area was cut out. They had not the foresight to see that they would want more country when their own lease was cut out, and they got a lot of people to agitate to have this land forfeited.

This land which Millars' company holds, and is getting from the workers and the Government the money to hold, has already been the subject of an agitation by people who want it declared forfeited; and Mr. Smith naturally thought :

It was a scandalous piece of work, in my opinion. As you cut out you are allowed to drop the lease. We take up sufficient area to warrant us in erecting plant and so on, and as you cut out a square mile so you can drop it.

Is there any cutting on the area at Quindalup?—It is held under special license. We pay a small annual rental.

This block at Jarrah Woods?—They are in the same category as the others. We are not working any lease except in one particular spot which would be covered by an area, say, between here and the Post Office and the Gardens. That is about what we operate every day. All the area outside that is absolutely idle.

I do not mean per day, but per 12 months?—You go step by step, and as you extend the lines you extend the area on which you operate.

How long have you been paying rent on these leases at Mornington?—For three years.

Millars were paying rent before that?—Yes; ever since they took them up.

How long ago?—I cannot tell from memory.

Eight or ten years?—About five or six years.

They have not cut any timber?—No; I do not think they could.

So long as you are paying rent?—If we were not paying rent and if we wanted to get at the Government or anybody else we would drop them. They are perfectly safe as far as operations are concerned. We do business in a fair and legitimate way, and we took up an area sufficiently large to cut out the amount of money we intended to expend in the form of capital expenditure, and we have accordingly held these leases ever since and paid the rent.

There is a phenomenon, that the company is at the present time paying for these leases £11,000 a year for the purpose of shepherding them—it has no other use for them—and that it is to pay for that shepherding that it comes to the Government to ask them to reduce freights, and that the Government are reducing freights for them to the extent of about £12,000 a year. The company pays £11,000 a year to shepherd these leases in order to keep everybody else from them, so that it can hold for years to come, because these leases are of no value to it now; and it is for that it is asking the Arbitration Court to lower the wages of the men and asking the Government to yield.

**THE CHAIRMAN:** I do not see what this has to do with the Budget.

**MR. GORDON:** No; it does not ask for that. It asks for the freights to be the same as in the other States.

**MR. WALKER:** It has to do with the Budget in this way. Have the Government acted judiciously, wisely, or upon sufficient information in lowering these freights, in making this concession? Was it not the duty of the Government to get the information I am supplying for them to-night?

**THE MINISTER FOR MINES:** You might mention that a motion was fully discussed in the House.

**MR. WALKER:** I care not how it was discussed. I am submitting that these are new facts, and am drawing attention to what should be in the cognizance of the Government. If the Government were aware of these facts, if they were aware that the concession granted by them to this company was simply being used to shepherd leases which were not being utilised and which are not likely to be utilised for some years to come, they are open to the accusation of playing into the hands of the fat man; they are not a Government for the country, they are not governing for

the interests of the worker, but they are governing against the worker, in the interests of this Combine. It is not only that these companies were paid for goodwill, it is not alone in that feature that the Government have neglected to obtain information, but this particular company which has had concession after concession from this country has obtained all the advantage of geographical situation. When Mr. Teesdale Smith was interviewed with regard to a deputation and a certain letter which appeared in the public Press, he said:—

If Millars had been situated up to the 50-mile limit recommended by the board, we would, of course, be quite satisfied. Here, by the way, let me remark that Mr. Ellerton Brown, another timber dealer, in his statement published on Wednesday, together with the public generally, lost sight of the fact that Millars Bros. have paid tens of thousands of pounds for the privilege of getting the geographical position they hold.

Where is the asset represented in geographical position?

**MR. BARNETT:** Have they paid that money to the Government?

**MR. WALKER:** To whom have they paid these tens of thousands of pounds—[**MR. GORDON:** Yearly rental]—for geographical position? Who has received this money? Is this not an absolutely flat denial of the statement that there is no “watering,” that no money was spent except that for which there were visible assets? What visible asset is there in this? It spent tens of thousands of pounds, and then to get an advantage over other citizens of this State, over other timber-cutters and timber companies, it comes to the Government and asks for concessions, and the Government grant them, while the Combine is shepherding lands nearer the coast which would not require these reductions of freight, and leaving them idle, keeping others off them, purely shepherding them.

**MR. GORDON:** Are mining leases ever shepherded?

**MR. WALKER:** I want these facts to be insisted on—I know they are wearisome indeed to the Committee; but while this company, with its advantages, has spent these thousands on goodwill and these thousands on the companies merged into it, while it has watered its stock and spent these thousands in getting

geographical position, and while it is spending this £11,000 a year to shepherd leases, at the same time cutting out and crushing the competition of smaller men, while it can do all this it still yields £90,000 a year. But it does not dare, I submit again, to disclose its real assets to the country; and that being so, it is time we protested against a complacent Government that goes dead against the expressed and avowed opinions of the Premier. When Mr. Teesdale Smith was asked in the Arbitration Court to produce the trading account, what did he say? The president asked for it. This is what the report of the proceedings says:—

Mr. Justice Parker: I must confess I should very much like to see it.—Mr. Vincent: I think that even so far Mr. Smith has given too much information as regards the working of this company. I do not think that it is just that companies or employers should be required to expose the whole of their business dealings in this court. I think it is an injustice to ask them to do it.

That is how it was stopped, because Mr. Smith distinctly stated his objection to producing this trading account. In every ramification of this country we see this kind of thing, this concealment, this kind of disguising the real facts. May I just show perhaps—

THE CHAIRMAN: I hardly see what this company has to do with the Budget.

MR. WALKER: We have the loss of these railway rates. We have to meet a deficit that will be caused by this amount of money. I am showing that the Government have acted not only indiscreetly, but absurdly, foolishly to a high degree, and inconsistently with their past pledges and past promises, and that they now have no consistency whatever in making a reduction purely on timber to be exported, while leaving firewood which comes to Perth to pay the full freightage. There is no consistency whatever but a great injustice done by that course, by the singling out of special companies for special favours.

THE CHAIRMAN: That matter has been discussed earlier in the session.

MR. WALKER: If it has been discussed a million times, it is *apropos* when the finances are under discussion. It is a matter that has been raised within the last few weeks. At the present moment the men are before the Arbitration Court,

pleading for a living wage against this company that has obtained these concessions, and which the Government have assisted. The men are pleading there, for what? Simply for a living wage, simply that they may get bread-and-butter, that they may get their 7s. or 8s. a day. That is the position, and I am showing that the Government have no apparent sympathy for the men, otherwise they would cancel these unworked leases and let other timber-getters go on them. I question whether it is not a matter for the Attorney General. I believe the law states that the timber leases shall only be held to a certain extent; that is to say, only certain acreages shall be allowed to one holder. When these different companies merged into one, most of them held the allotted quantity; but now one company holds the lot, and is keeping the most extensive unused, untouched, shepherded at the expense of £11,000 a year; and the workers now in the Arbitration Court are to make it up to the company in order that it may continue this shepherding. I question whether the law may not step in and split up this company, and compel it to use these large leaseholds which are left unused at the present time. That is a material point as touching revenue, but I will not labour it farther this evening. We will perhaps have another opportunity of discussing it. What I want to do is to show the Government that instead of helping the country and developing the country by their policy, they are denuding the country of its assets; helping the country to become poorer by their narrow policy, depriving hundreds of men of work by virtue of stunting the grants which hitherto were made to roads boards and municipalities. While doing that, all the time they are trying to upbraid the Labour party for their policy in the past and for their professions as to the future. Particularly at this juncture are they always prating against what they call socialistic legislation. I want to draw attention to the fact that the party represented on this (Opposition) side has had exemplified for it the advantages of the policy that is proposed, in the Government of India. Mr. John Morley, speaking in the House of Commons on the Indian Budget, drew attention to the

fact that in India all the lands are owned by the State. There is no such thing as alienation of lands which this Government is proposing on a wholesale principle. The Opposition took up the position against alienation and upholding the leasehold system. We were prated to as being visionaries and fanatics. What is the result in India at the present time. Mr. Morley said:—

Still the most important tributary of the stream so copiously fed from so many affluent is the State railways. I make a present of that fact to my socialistic friends below the gangway opposite. (Labour cheers and laughter.) In India the State undertakes not only railways, but other gigantic operations for the direct development of the economic resources of the country. It constructs railways and canals; it conducts irrigation operations; it conserves forests. The net revenue, under the three heads of railways, canals, and forests, five years ago was only £2,750,000. What is it to-day? £5,000,000. Therefore, there is a large net increase from these socialistic operations. (Labour cheers.) The Indian railway system is really worth thinking about for a moment. It is nearly 30,000 miles in extent, and is growing at the rate of 1,000 miles a year. In the United Kingdom the railway system is 22,634 miles in extent, in Russia it is 40,500 miles, and in the United States 212,000 miles. Of course we must also look to the areas of the countries concerned. The area of India is one million square miles, the area of Russia is 8½ million square miles, and the area of the United States is 3½ million square miles. These are striking figures. But let me quote a few more figures about passengers and merchandise. In 1905 there were 250,000,000 of passengers and 56,000,000 tons of goods. The average charge for each passenger was one-fifth of a penny per mile, and the average charge for goods was a halfpenny a ton. (Cheers.) I would ask my right hon. friend the President of the Board of Trade to try whether he cannot bring about a reduction in railway rates and charges in this country to those low amounts.

And so he goes on. I commend that view to the Government. These millions of people are governed absolutely on socialistic principles. No private ownership of land; no private ownership in railways; canals cut for the people; and not only that, but under the head of "commercial transactions" those who are upon the land are advanced money for cultivation purposes.

MR. BATH: The same thing exists in the Straits Settlements.

MR. WALKER: The same thing, I am reminded by the member for Brown

Hill, exists in the Straits Settlements. Yet we are told the views entertained on the Opposition side are impracticable. The *London Times*, in commenting upon this subject, says:—

Opinions have differed very much in the past upon the amount which private individuals ought to pay for the use of public property. Unbending socialists of the extreme school maintain that, as the land is the joint property of the whole people, private individuals should pay for the use of it an amount equal to the advantage they enjoy. The rigid application of this argument to India would demand that the land revenue should be equivalent to the full economic rent—in other words, that the occupier should pay to the State an amount equal to the preferential advantage which he derived from the use of a certain piece of land. There is no more reason, the socialist maintains, why a private individual should pay less than its market value for the use of a piece of land than there is why he should pay less than the market price for a log of timber from the State forests. After a long controversy, the individualists in the Government of India prevailed; the principle of land nationalisation was not carried to its logical conclusion, and the State in India appropriates to itself something less than a half of the unearned increment. To socialists that is, perhaps, disappointing, but the amazing thing is that, when echoes of this old controversy were raised in the House of Commons on July 20, Sir Henry Fowler's was the only voice raised in favour of land nationalisation; the professed socialists ranged themselves on the other side. Mr. Keir Hardie did, indeed, say that Mr. Morley's account of the profits derived from railways, canals, and forests owned by the State fell like refreshing balm upon the benches upon which he sat; but he made no effort to support Sir Henry Fowler in his gallant attempt to secure recognition of the far more important principle that the unearned increment in the value of land belongs to the State. In the nationalisation of capital the Government of India has also achieved remarkable success. In the first place, the State supplies the capital for gigantic operations, which in the Indian system of accounts are classified without ambiguity as "commercial undertakings." Mr. Morley made it so plain to his hearers in the House of Commons that the railways, canals, and the forests of India are all managed upon socialistic principles, that this portion of his speech was greeted with cheers from the Labour benches.

What is good for a great dependency like India, applied there, governing so many millions, producing a surplus, and which after all beyond all experience of government pays for the flower of the English army, raises a vast sum of which England gets the benefit: an example of that

kind should make Ministers hesitate before falling into a policy of absolute individualism and selfishness, private enterprise and perpetual competition. It is to get something of that kind obtaining in India and producing such good results that the Labour party is formed and the Labour party works. I submit if this principle were put into operation, if we had the capitalisation or State nationalisation of our capital, in other words if we conducted our own banking operations or cultivated our own land and put the peasantry on it assisting them to work, there would be no need for the paltry irritating taxes which the Government inflict on the House and the country. It is for that change we are working. In conclusion, having drawn attention to these facts I again repeat that the Government have rested on this State like an incubus, taking from it its life blood and paralysing it in every aspect. There is no industry but will wither while they last. Work which more or less was plentiful when they came into office is not to be found to-day. Factories which were going are "sacking" their hands. Labour which was well employed has ceased to find its avenue since they have come into office. They talk about a progressive scheme of immigration and land settlement; but where are they going to find work for the workless about us? Families are growing up without hope or prospect. I admit in addition to having an apathetic Government not alive to the dangers around them, not in touch with the people, making no move to help on the struggling in this land, we have that dreadful incubus at Melbourne taking from us our resources and our means of livelihood. I will admit that competition is keen and strong. But what is being done by the Government to counteract it? They know that evil exists. They know that octopus has its tentacles around us. They know we have sacrificed State rights. They know we cannot withstand the competition, that our own enterprise and our own workmen cannot fight against the surplus stocks dumped upon us.

MR. EWING: That is the whole trouble.

MR. WALKER: What are the Government doing to counteract it? [Interjec-

tion.] Am I the Government? The fact that they ask me what shall be done is a proof that they do not know. What is the Minister for Works doing to give employment to the people? He is refusing to give money that has hitherto been granted in order to keep the works of the State in repair, and to find employment. They are cutting down expenses and sacking men, filling or crowding still farther the unemployed market. What is the Minister doing to lift this country up, to find work, to afford employment, to make this land prosperous? What are the Government doing but taxing those who are day by day getting less able to pay taxes? That is the position; still more burdening the country with heavy weights; no sign of life. The Labour party when in office was called a mark-time party. This is a drowning party. Its policy is "Float along as long as you are fat enough to swim; sink afterwards." No effort whatever to preserve one's life or energy. The members of the Government sit in their chairs pretending to rule the country, but accepting the expression of opinion of every Tom, Dick, or Harry, as to what shall be the laws of the country, taking counsel with all their friends upon this side and trying to shape a policy, mixed-up mosaic laws of all kinds of combinations, just to suit their followers, that they may get this vote or that passed. There is something of manhood lacking in a Government which lives on sufferance. There is no manhood, no dignity, no consistency with people who glide with the times, yielding to the popular view, whatever it is. They say "We will bring down a tax on education." But there is a cry outside, and they draw in their horns and immediately back down, without a fight, without an excuse. In all their great measures they have so yielded that none of their measures will be recognised by them when this session is over, or by anybody else, as measures they introduced, the Government being content to allow them to go and showing no spirit, no independence, and no character, but being pulled this way and that with every swerve of the tide. That is the Government we have to-day. Do we wonder that the country is steeped in lethargy, that the dulness of hopelessness exists?

The people are leaving the State by every ship, and emigration is reducing the country to a simple sheep-walk, where no man can live who is not a sort of primitive shepherd. That is the sort of policy of this Government. Against that policy I intend to fight. I want to see a Government that will gain its revenue by increasing employment and setting life flowing throughout the State, and not a Government that locks up its money-chest and sits upon it, when the money should be used for advancing the industries of the land, and should be set flowing for the benefit of the State.

On motion by Mr. EWING, progress reported and leave given to sit again.

#### ADJOURNMENT.

The House adjourned at 10-20 o'clock, until the next Tuesday.

### Legislative Council,

Tuesday, 30th October, 1906.

	PAGE:
Bills : Boat Licensing Act Amendment, 2r. moved	2554
Municipal Corporations, 2r. ....	2556
Agricultural Bank (consolidation and amendment), 1r. ....	2567
Laud Act Amendment, 2r. debate postponed	2567
Adjournment of House ....	2567

THE PRESIDENT took the Chair at 4-30 o'clock p.m.

#### PRAYERS.

#### PAPERS PRESENTED.

By the COLONIAL SECRETARY: 1. Fifth Annual Report of the Caves Board for the year ended 30th June, 1906. 2. Report and Returns in accordance with Clauses 54 and 83 of "The Government Railways Act, 1904," quarter ended 30th September, 1906. 3. By-laws of the Municipalities of Perth and Victoria Park.

### BILL—BOAT LICENSING ACT AMENDMENT.

#### SECOND READING MOVED.

THE COLONIAL SECRETARY (Hon. J. D. Connolly) in moving the second reading said: This is a short Bill to amend the Boat Licensing Act of 1878, which is out of date, and as at present constituted is not workable. The amending measure is brought in principally to give boat licensing boards proper powers to make regulations for requiring that boats shall not carry more than a limited number of passengers, and shall also have life-saving appliances. A little while ago two steamers, I think the "Duchess" and "Dunskey," collided in Melville Water. The "Duchess" was supposed by regulation to have on board a life-belt for every person on board; but when the accident happened there were really no life-belts at all on board. It was found afterwards that they had been taken off the boat and left in a shed. The secretary of the boat-licensing board was directed to prosecute the owners of the "Duchess" for this apparent breach of the regulations; but the board were advised that they really had no power, and were not at all likely to succeed. The results of that accident between the "Dunskey" and "Duchess" might have been far more serious than they were; for the accident happened in the dark, and there were about two hundred women and children on the boat. If the collision had been a little more severe, one boat would have gone down, and the probability is that the great majority of people on board would have been drowned. This Bill gives boards better powers to make regulations as to the number of passengers licensed to be carried on that kind of steamer, and compels such boats to carry one life-saving belt for each passenger. Last week there was a capsizing in the river, and five persons unfortunately lost their lives. If this measure had been in force, and that boat, which was a licensed boat, had been compelled to carry a certain number of life-saving appliances, and had been limited to carrying a certain number of passengers, probably those people might have been saved, and it is pretty certain that some of them could have been saved by this means. Clause 2 of the Bill