

of the by-products. In the mining industry we have the sad spectacle of about 18,000 men employed in 1911 dwindling until at the present day the industry employs only 11,000. In my judgment it is an anomaly that while it is compulsory for all public companies to submit accounts properly audited, accounting for every penny, yet mining companies while doing this are under no obligation to provide full and reliable information with regard to their true assets—the tonnage and value of ore reserves available for treatment. It would, in my opinion, tend towards the establishment of the confidence of the investing public if mining companies were compelled to furnish data in their half-yearly reports—in the form of assays and sections—in such a way that any trained mining engineer could check the valuation of the mine. Every endeavour should be made to encourage the mining industry, particularly to encourage the prospector. In regard to agriculture, I hold that every effort should be made to increase production. All the industries should be given the greatest possible encouragement by the Government in order that we may have an increase in profitable productiveness. That is a point I wish to stress—production should be profitable; it is useless to expend large sums of money to increase production which is not profitable. We want to reduce our cost of production without reducing, but rather increasing, the standard of comfort of the general members of the community. This will aid to further productiveness. In the mining districts for example it would help in the development and working of propositions of low grade, and in the agricultural district I would favour assistance having for its object an increase in the output of wheat and sheep. One way of helping production would be by seeing that in our industries methods of greater efficiency be adopted. I intend that all our primary industries should have the advantage of the best assistance in the way of machinery, tools, and supplies, *e.g.*, mining and agricultural, and that in this State of the Commonwealth these should be admitted free of duty, or duties rebated to that class of consumer.

On motion by Hon. J. E. Dodd, debate adjourned.

*House adjourned at 5.48 p.m.*

## Legislative Assembly,

*Tuesday, 24th July, 1917.*

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

### ELECTION RETURNS—BROWNHILL-IVANHOE, PERTH.

The SPEAKER announced the return to writs issued for the election of members for Brownhill-Ivanhoe and for Perth, showing that Mr. John Thomas Lutey and Mr. Robert Rivington Pilkington had been duly elected for the respective electorates.

Mr. Lutey and Mr. Pilkington took and subscribed the oath and signed the roll.

## PAPERS PRESENTED.

By the Premier: Report of the Royal Commission on the transactions between the Government and Mr. S. V. Nevanas in regard to the Wyndham freezing works.

By the Attorney General: 1, Report of the Royal Commission on charges against Doctor Innes-Stephen, Resident Magistrate and District Medical Officer in the East Kimberley district. 2, Arbitration award in the Perth Electric Tramways Employees' Union of Workers and Federated Engine-drivers' and Firemen's Industrial Association of Workers. 3, Rules under the Service and Execution of Process Act 1901-1912 (Federal). 4, Amendment to the Local Court rules. 5, Report of the Mining Conference, 1917.

QUESTION—RAILWAY BRIDGE,  
ROCKY BAY.

Hon. W. C. ANGWIN asked the Minister for Works: 1, When will a commencement be made with the construction of the new railway bridge at Rocky Bay, Fremantle, tests for which were completed in 1915-16? 2, Have there been any reports from the Railway Department *re* strength of existing Fremantle railway bridge during the present year?

The MINISTER FOR WORKS replied: 1, The tests referred to by the hon. gentleman are still proceeding, but even if completed, the present state of the finances restricts action, and with the extremely high prices of material it would be inadvisable to enter into the construction of a work of this magnitude either by tender or otherwise. 2, No.

## QUESTIONS (5)—WHEAT MARKETING SCHEME.

*Bulk Handling.*

Hon. W. C. ANGWIN asked the Premier: Before a commencement is made with the erection of silos, etc., or any work in the direction for the bulk handling of wheat, will full estimates of cost, etc., be given to the House, and Parliament's approval obtained?

The PREMIER replied: The erection of silos in connection with the wheat marketing scheme is now under consideration by the Western Australian Government in conjunction with the Federal Government. Any silos erected on behalf of the wheat pool, which may be in positions suitable for a system of bulk handling of wheat, would have to be proceeded with without undue delay, in order to be of any material assistance in the handling of next season's crop. If Parliament is sitting at the time, the estimates of cost will be made available.

*Federal Storage Scheme.*

Mr. CARPENTER asked the Minister of Industries: 1, Is it correct, as stated by Press report, that the Government of this State are not acting with other wheat-producing States in the proposed Federal scheme of wheat storage? 2, If so, for what reason?

The MINISTER FOR INDUSTRIES replied: 1, No. 2, Answered by No. 1.

*Loss on Damaged Grain.*

Hon. W. C. ANGWIN asked the Colonial Treasurer: 1, Will the State Treasury have to meet the monetary loss on the thousands of bags of wheat lately brought to Fremantle from the country districts, such wheat being in a bad and rotten condition? 2, If not, who will?

The COLONIAL TREASURER replied: 1, No. 2, Any such loss, which would be more in the nature of deprivation of profit than any direct monetary loss would be chargeable either to the Government Acquiring Agent or the Wheat Marketing Scheme, according to the factors occasioning the damage.

*Contract Wheat.*

Hon. W. D. JOHNSON asked the Premier: 1, Has any settlement been made in regard to the contract wheat, which was the subject of investigation and report by a select committee? 2, If so, will he place all papers concerning matter on Table of

House? 3, If not, how does the matter stand?

The PREMIER replied: 1, No. 2, See No. 1. 3, The matter is at present under consideration by the Hon. Attorney General, as counsel for the Advisory Committee, and the Solicitor General, with particular reference to the legal obligations of the scheme under the contract wheat clause No. 14 of the agency agreement with millers for the 1915-16 harvest.

#### *Agency Agreement.*

Hon. W. D. JOHNSON asked the Premier: Has the new agency agreement under the wheat marketing scheme been finalised, and if so, will it be made public?

The PREMIER replied: Yes.

Hon. W. D. JOHNSON: I want the agreements made public. Will they be laid on the Table?

The PREMIER: Yes.

#### QUESTION — FORESTRY DEPARTMENT, CLAIM FOR TIMBER.

Hon. W. C. ANGWIN asked the Minister for Works: 1, Has a settlement been effected by the Forestry Department and payment made from the vote of that department to Mr. W. N. Hedges for claim lodged by him with the sawmill department for timber which he alleges has been taken by Government employees from timber areas held by him? 2, If so, what was the amount paid?

The MINISTER FOR WORKS replied: 1, No. The matter is one for the Works Department only, and although there have been negotiations, no result has at present been arrived at. 2, Answered by No. 1.

#### QUESTION — HARBOUR DREDGING PROJECT.

Hon. W. C. ANGWIN asked the Minister for Works: What is the result of the inquiries ordered to be made early in 1916 *re* procuring a new dredge for the purpose of dredging the harbours to provide water to the depth of 40 feet to enable large steamers to call at West Australian ports, as recommended by the Dominions Commission such recommendation being brought under

the notice of the Premier in conference in 1916 by Sir Rider Haggard, a member of the Commission?

The MINISTER FOR WORKS replied: From inquiries made no dredges could be constructed under existing conditions, and no second-hand dredges suitable for the work are known to be available.

#### QUESTION—AGENT GENERAL, APPOINTMENT OF HON. J. D. CONNOLLY.

Mr. CARPENTER asked the Premier: 1, On what date did the Hon. J. D. Connolly accept the appointment to the office of Agent General? 2, On what date did he tender his resignation as a member of this House? 3, Were the Government aware, when appointing Mr. Connolly to the above-named office, that he did not intend resigning his seat in this House immediately on accepting the office? 4, Has any previous occupant of the office of Agent General for this State continued to retain his seat in Parliament after accepting the appointment? 5, What reasons, if any, were given by the Government for allowing a member of this House to hold an office of profit under the Crown contrary to the provisions of the Constitution?

The PREMIER replied: 1, On the 4th April, 1917, the Hon. J. D. Connolly accepted the appointment of Agent General, to have effect, together with the profits of the office, on the retirement of Sir Newton Moore, which has not yet taken place. 2, 30th June, 1917. 3, The Government were aware that the Hon. J. D. Connolly did not intend to resign his seat immediately, but that his resignation would be received before taking office. 4, Yes, in similar circumstances as in the case of the Hon. J. D. Connolly. 5, The Government did not consider that, in the circumstances, any office of profit was held for the time being.

#### QUESTION—FREEZING WORKS, WYNDHAM.

Mr. CARPENTER asked the Minister for Works: How many of the men employed by the Government at the Wyndham freez-

ing works have died since the work was begun?

The MINISTER FOR WORKS replied: Seven.

#### QUESTION—RABBIT POISON.

Mr. E. B. JOHNSTON asked the Honorary Minister (Hon. F. E. S. Willmott): 1, Has the free distribution of poison to settlers, for use in connection with the rabbit pest, been discontinued? 2, If so, when and why?

The HONORARY MINISTER (Hon. F. E. S. Willmott) replied: 1, The indiscriminate distribution of poison free has been discontinued owing to difficulties in getting supply. Each case will be dealt with on its merits. 2, Answered by above.

#### QUESTION — RAILWAY FREIGHTS.

Mr. E. B. JOHNSTON asked the Premier: 1, Do the present Government intend to honour the promise of the late Premier that railway freights should be carefully reviewed, with a view to their re-adjustment on lines that would encourage production and assist decentralisation? 2, If so, when will the results of this review be announced?

The PREMIER replied: 1, I am not aware of any such promise. The question of freights and fares is being considered. 2, The result will be announced in due course.

#### QUESTION—EDUCATION, COUNTRY SCHOOLS.

Mr. E. B. JOHNSTON asked the Premier: 1, Are the Government aware that a large number of country schools are at present closed owing to the difficulty in obtaining qualified teachers? 2, What steps are being taken to overcome this difficulty?

The PREMIER replied: 1, It is not a fact that a large number of country schools are at present closed owing to the difficulty in obtaining qualified teachers. When a teacher resigns there is sometimes a short gap before his place can be filled, but the only schools that have been closed for any length of time are those where no proper accommodation can be found for the teacher, and the school at Whim Creek, where there

has been considerable difficulty in obtaining a suitable man. The Whim Creek vacancy has now been filled, and by the end of the month the only schools closed will be two or three at which difficulties with regard to accommodation for the teachers have not yet been overcome. One very small country school has been waiting to be opened for the first time owing to the difficulty of procuring a teacher, but this vacancy also has now been filled. 2, Answered by No. 1.

#### QUESTIONS (2)—INDUSTRIES ASSISTANCE BOARD.

##### *Crop Returns.*

Mr. E. B. JOHNSTON asked the Minister for Industries: 1, Under what authority is the Industries Assistance Board withholding from the distribution of crop returns a sum of one pound per acre for the area each assisted farmer is cropping this year? 2, What is the total sum so withheld from the farmers and their creditors at the present time?

The MINISTER FOR INDUSTRIES replied: 1, The Industries Assistance Act Amendment Act, 1917, Section 14, Subsection 2 (b). 2, Nil. *Note.*—The Board's advances under the above Act, at the option of the Board can be capitalised and repayments spread over five years. Only one-fifth of such capitalised account is recouped from the 1916-17 crop proceeds, plus the £1 per acre to be set aside for the 1917-18 cropping costs. The retention money will not in any case exceed the remaining four-fifths of the board's outstanding advances. In some few cases the capitalising of the board's advances has proved less advantageous to creditors, and in some cases the board decided to treat such settler's account on the yearly basis, that is to follow the policy laid down in the old Act and recoup the board's advances in full. In such cases the £1 per acre retention money will not operate.

##### *Farm Wagons.*

Mr. SMITH asked the Minister for Industries: 1, What is the number of farm wagons being made for the Industries Assistance Board since 1st June last? 2, The names of the persons or firms to whom con-

tracts for the supply and delivery of same have been let? 3, The number of wagons allotted to each tenderer, and the price to be paid per wagon? 4, The prices to be charged and the terms on which clients of the board are to be supplied with same?

The MINISTER FOR INDUSTRIES replied: 1, Fifty-two. 2, Elliott & Raymon, Cuballing; W. H. & J. Mouritz, Katanning; W. H. Halliday, Midland Junction; W. J. Flear, Perth; Bolton & Sons, Fremantle; F. R. Moore, Wongan Hills; J. Burke, Tammin. 3, From five to 10 at an average price of £63 5s. 4, Clients will be charged the actual cost to the board, plus interest at the rate of six per cent. per annum until the advance is repaid. *Note*.—All wagon builders have been invited to submit prices, and the most favourable have been accepted. At the request of the Hon. Minister for Industries, the Hon. C. F. Baxter, the officers of the department are now making inquiries with a view to adopting a standard wagon. When they have arrived at a decision a public announcement will be made by the Hon. Minister for Industries and suggestions invited.

#### QUESTION—LAND ACT AMENDMENT ACT.

##### *Pastoral Leaseholds.*

Mr. E. B. JOHNSTON asked the Premier: 1, In order to check monopoly, will the Government ask Parliament to amend the provision in the Land Act Amendment Act, 1917, which permits one holder and his wife to hold one million acres of pastoral lease in each of the five pastoral divisions, or five millions of acres of pastoral land in this State? 2, If not, why not?

The PREMIER replied: 1, It is not intended to ask the present Parliament to amend the Land Act. 2, The legislation of the Eastern States does not prescribe any limitation of the area that may be acquired under pastoral lease by one or more persons, nor did the legislation of Western Australia prior to this year. The Land Act Amendment Act of 1917 not only fixes a maximum, but gives power to the Governor to reduce the maximum in any particular district or locality, and prescribes stringent stocking and im-

provement conditions. These conditions, together with the power that the Minister has to refuse any transfer, are deemed sufficient to prevent any unduly large areas being acquired by one person or firm.

#### QUESTION—PERTH TRAMWAYS.

##### *Cheaper Fares and Workmen's Tickets.*

Mr. SMITH asked the Minister for Railways: 1, Now that the Perth tramways are being supplied with current from the new power station, will he grant cheaper fares, as promised in this House on the 9th December, 1914, and the 27th January, 1915? 2, Has any loss been occasioned by extending workers' tickets on the trams to 8.30 a.m.? 3, If not, will he now further extend the time for workers' tickets to 9 a.m., so that a large number of junior workers may participate in the privilege?

The PREMIER, for the Minister for Railways, replied: 1, When the new power house is complete and in a position to supply current at a lesser rate than is now charged, and the additional rolling stock which would be required is available, immediate steps will be taken to keep faith with the promises mentioned. At present, in view of the loss of revenue which would result from the introduction of cheaper fares, it is considered that it is not opportune to make the alteration. 2, Yes. 3, Please see reply to No. 2. If the concession were extended to 9 a.m. the loss would be further increased.

#### QUESTION—ROAD MAINTENANCE AND MILITARY TRAFFIC.

Hon. W. D. JOHNSON asked the Minister for Works: 1, Is he aware that the York-road, leading from Midland Junction to Blackboy Hill camp, which was, previous to the establishment of the camp, in a good condition, is now almost impassable and dangerous to traffic? 2, In view of the fact that the destruction was solely caused by the enormous traffic to and from the camp, from which the local authorities get practically no revenue, will he immediately approach the Federal Government and endeavour to get them to extend to this road the same consideration as has been granted

to similar roads leading to military camps in the Eastern States?

The MINISTER FOR WORKS replied: 1, The condition of the road is known to the department, and it is a matter for the attention of the local governing bodies, to whom it is considered the Federal Government should accord assistance. 2, A communication has been received from the Premier of New South Wales, where similar conditions are apparently existing. Local information is being collated and will be forwarded to him. Representations will also be made to the Prime Minister.

#### QUESTION—RAILWAY WORKSHOPS, MIDLAND JUNCTION.

Hon. W. D. JOHNSON asked the Premier: 1, What number of men, apart from administrative staff, were employed at the Midland Junction workshops during (a) 1914-15; (b) on the 30th June, 1917? 2, The total administrative staff for the same period? 3, Taking the costs for the same period, what was the percentage of administrative costs to the wages paid?

The PREMIER replied: 1, (a) 1,241 on the 30th June, 1915; (b) 1,044 on the 30th June, 1917. 2, (a) 34 on the 30th June, 1915; (b) 28 on the 30th June, 1917. 3, (a) 5 per cent. on the 30th June, 1915; (b) 4.4 per cent. on the 30th June, 1917.

#### SITTING DAYS AND HOURS.

On motion by the PREMIER (Hon. H. B. Lefroy) ordered: "That the House, unless otherwise ordered, shall meet for the despatch of business on Tuesdays, Wednesdays, and Thursdays, at 4.30 p.m., and shall sit until 6.15 p.m., if necessary; and, if requisite, from 7.30 p.m. onwards."

#### GOVERNMENT BUSINESS, PRECEDENCE.

On motion by the PREMIER (Hon. H. B. Lefroy) ordered: "That on Tuesdays and Thursdays Government business shall take precedence of all Motions and Orders of the Day."

#### COMMITTEES FOR THE SESSION.

On motions by the PREMIER (Hon. H. B. Lefroy) sessional committees were appointed as follow:—

Library Committee—Mr. Speaker, Mr. Green, and Mr. Smith, with leave to sit during any adjournment and during the recess, and with authority to act jointly with the Library Committee of the Legislative Council.

House Committee—Mr. Speaker, Mr. Nairn, Mr. Mullany, Mr. Griffiths, and Mr. O'Loughlen, with leave to sit during any adjournment and during the recess, and with authority to act jointly with the House Committee of the Legislative Council.

Printing Committee—Mr. Speaker, with Mr. O'Loughlen and Mr. Allen to assist Mr. Speaker in all matters which relate to the printing executed by order of the House, and for the purpose of selecting and arranging for printing returns and papers presented in pursuance of motions made by members, and all papers laid upon the Table, whether in answer to addresses or otherwise, and with leave to sit during any adjournment and during the recess, and with authority to act jointly with the Printing Committee of the Legislative Council.

Standing Orders Committee—Mr. Speaker, the Chairman of Committees, the Attorney General, Mr. Carpenter, and Mr. Thomas, with leave to sit during any adjournment and during the recess, and with authority to confer upon subjects of mutual concernment with any committee appointed for similar purposes by the Legislative Council.

#### BILL—SUPPLY £2,226,000.

##### *Standing Orders Suspension.*

The COLONIAL TREASURER (Hon. J. Gardiner—Irwin) [4.57]: I move—

*That so much of the Standing Orders be suspended as is necessary to enable resolutions from the Committees of Supply and Ways and Means to be reported and adopted on the same day on which they shall have passed those committees, and also the passing of a Supply Bill through all its stages in one day, and to enable the business aforesaid to be en-*

*tered upon and dealt with before the Address-in-reply is adopted.*

Hon. W. D. JOHNSON (Guildford) [4.58]: I trust that the Treasurer will not insist on the carrying of this motion, more particularly in regard to the passing of a Supply Bill in one day, because I understand that the Supply Bill—I have only obtained this information by the courtesy of the Treasurer—is for five months, which is a long term, covering large figures which should command some attention from members. It is true that members speak glibly about the necessity for giving attention to the financial position, but when an opportunity occurs for giving close attention to the details of finance it generally happens that least consideration is given inside this House to those matters on which most is said outside. I venture the opinion that we cannot, on a Supply Bill which asks Parliament to vote money to cover expenditure for the next five months, do justice to the position by one day's debate. Possibly we might do justice to it in that short space of time had we been placed in possession of the Bill a few days before the debate was to take place. Not one member of this Chamber is in full possession of that information; and yet this House is asked to vote five months' supply on the eve of a general election, and members are asked to pass the Bill immediately, to suspend the Standing Orders so that we may rush it through. I claim that this is a matter on which we should give the House an opportunity for debate. It is true we have had a change of Government and that the question of finance is supposed to be the main consideration of that Government. We have had from the Premier an alleged policy speech, but in that speech no details are given on this all-important question of finance. We were told that by the exercise of retrenchment, economy and taxation much could be done; but that was immediately afterwards contradicted by a statement by the Premier that economy and taxation never yet made a country prosperous. I do not think that the Premier is likely to introduce anything into this House that will not have the effect of making Western Australia prosperous. Consequently we can only assume from those remarks that he in-

tends trusting to retrenchment for the purpose of bringing about a better state of things in our financial affairs. If we are to have retrenchment, I maintain that this House should be given the details of it. Personally I want to know exactly what is proposed to be done. It is on a Supply Bill that we should get this information, and I venture the opinion that members cannot get that detailed information which is necessary unless we are given an opportunity of debating the Bill without undue rush. Again, we have an hon. member—whom I heartily congratulate—the newly elected member for Perth, who was elected solely on the all-important question of the financial position of the State. I venture the opinion that the hon. member would be sorry if on the first opportunity of voicing his opinion on this all-important question he were denied full scope of first studying the Supply Bill—possibly the first he has had the pleasure of going through—and of then at his leisure viewing the proposed expenditure for the purpose of outlining what his opinions are in regard to it, opinions that have been endorsed by a huge majority of the electors of the capital city. I notice some hon. members are smiling as they always do when this question is under discussion. They usually talk outside, and in a number of cases they talk with their tongues in their cheeks. They talk of the financial position of the State and of how they are going to put it right; but we never get anything like a concrete illustration of what is proposed to be done. Instead we have a Supply Bill introduced for five months and we are asked to pass it without having an opportunity of debating it. I have no wish to harass the Treasurer. He knows that I am as anxious as any man in this Chamber to give him all the assistance I can in putting the finances of Western Australia on a sounder basis than they are to-day. But I am not prepared to say that he knows all about the subject and that his methods will necessarily be endorsed by this Chamber. Therefore I say the House should have an opportunity of reviewing the Treasurer's proposals with at least a degree of leisure so as to be sure that we will not arrive at any wild conclusions such as would not be arrived at upon more mature con-

sideration. There is no need for haste. The 30th June has passed, and we have got along all right, and for the matter of a few days longer I do not think there is any need for pushing the Bill through to-day. I appeal to the Treasurer in all seriousness to postpone the final passing of the Supply Bill until Tuesday next at least, so that members may know exactly what the figures are and may have an opportunity of comparing them with those of last year and the previous year, with a view to giving members an opportunity of placing their views on this most important question. I trust the Treasurer will not persevere with the motion to pass the Supply Bill at this sitting and that he will give an assurance that it will be left over until Tuesday and that the House will have an opportunity of debating it on Tuesday.

The COLONIAL TREASURER (Hon. J. Gardiner—Irwin—in reply) [5.4]: This House and the hon. member knows that I am merely following the established practice of the House in asking members to pass the Supply Bill at one sitting. I give the hon. member every assurance that so far as I am concerned I will, so far as possible, give him all information, all details as well as I can. Some of the details which he has asked for it would be utterly impossible for any Treasurer to give; but I give the House this assurance that the fullest possible information will be given to show members where economies can be made, and the member for Guildford will have every opportunity or discussing the proposals.

Hon. W. C. Angwin: Ministers have been in office for the past twelve months.

The COLONIAL TREASURER: I have no wish to refer to what is past. My duty concerns only the present, and as I have said I shall endeavour to give the member for Guildford every information I possibly can. In adopting this course I am not getting away from the established custom of this House which has been followed by every Government.

Question put and passed.

Message from the Governor received and read recommending appropriation in connection with the Bill.

### *Committee of Supply.*

The House having resolved into Committee of Supply, Mr. Holman in the Chair,

The COLONIAL TREASURER (Hon. J. Gardiner—Irwin) [5.10]: I move—

*That there be granted to His Majesty on account of the service of the year ending 30th June, 1918, a sum not exceeding £2,226,000.*

I desire to say for the information of those members who may not have a complete knowledge of the procedure that the debate is not usually taken at the committee of supply stage but when the House is considering the Bill. The amount which I am asking for will cover supply for five months of this year, one month of which has already gone. The amount now asked for is to carry us to a date at the end of November of this year, when the new Parliament will meet. The expenditure is at the same rate as the expenditure for the same months of last year. It includes £1,456,000 from revenue. That is of course to meet the ordinary disbursements during that time; £400,000 from loan, which will be necessary to finance the Industries Assistance Board, the Agricultural Bank, and other works which are financed from loan expenditure; £70,000 from the Property Sales Fund—this is to provide any necessary services or expenditure properly chargeable to that fund and to assist the copper industry at Ravensthorpe; £200,000 for the temporary advances to be made by the Colonial Treasurer. I may say that this temporary advances account of the Colonial Treasurer is used to a great extent as an adjustment account in connection with the trading concerns until proper debits are made, and also for the purpose of meeting any unforeseen expenditure. I give the House the assurance that it will not be used for any other purposes than those which this House will approve.

Hon. W. C. Angwin: We do not know that.

The COLONIAL TREASURER: I give the hon. member that assurance. I realise exactly the position which the member for Guildford (W. D. Johnson) raised a few moments ago. I realise that in asking for this sum to cover expenditure for five months the Government is practically ask-



ing this House to give us a blank cheque. That is quite clear to me. In asking the House to place this implicit trust in the Government, I give the assurance that I shall, so far as possible, endeavour to see how little and not how much of this money shall be expended.

Hon. W. D. Johnson: Previous Treasurers have said the same thing.

The COLONIAL TREASURER: What I am now stating is my honest desire and not a political expression. My honest desire is to assure this House that so far as those items are concerned I shall see not how much but how little can be expended. The habit has grown up in this House for the estimates not to be passed until the session is well advanced. Estimates are not passed until the new Parliament comes in, and if the hon. member (Mr. W. D. Johnson) refreshes his memory he will find that the Estimates in 1911 were not passed until the 11th December of that year.

Hon. Frank Wilson: Don't forget we did not meet the House.

The COLONIAL TREASURER: In 1914 the Estimates were not passed until the 22nd December, so that so far as the present Bill is concerned I am not violating any precedent in not producing the Estimates for the current year. If I know what the House and the country wants, it is that I shall examine every avenue of expenditure so as to see what curtailment can be done. But it will be utterly impossible for me to do this unless I am given time to do it. Therefore, even though I could produce the Estimates for this year, had I done so they would be as misleading to this House as they would be to the public.

Hon. W. D. Johnson: You deserve to get time if you do not do it.

Mr. Thomson: You deserve time for getting us where we are.

The COLONIAL TREASURER: Following development and extravagant borrowing—I am not attaching any blame one way or the other—we had duplications of departments right throughout the service. Hon. members know that.

Hon. P. Collier: Where are they?

The COLONIAL TREASURER: Are there not duplications of engineers and of architects?

Hon. W. C. Angwin: There is not a duplication of architects.

The COLONIAL TREASURER: Are there not duplications of inspectors and are there not duplications of statistical registers all over the place? Every member knows that.

Hon. P. Collier: You are reflecting on your colleagues for not having altered that system during the past 12 months.

The COLONIAL TREASURER: The hon. member knows that I am not reflecting on anyone. The departments must, as far as possible, be amalgamated if we are going to get a decent service, a service that will bring about efficiency. We all know of the existence of this state of affairs, and if we are going to bring about an alteration honestly and favourably, it will require time to go into it thoroughly. I do not think any Treasurer since the late Sir George Turner assumed his duties in Victoria under similar conditions, has undertaken so difficult a task as that which faces me at the present juncture. The country has to be told that ours is a fixed determination that we must live within our income. The country has to be told and re-told this. Members of Parliament also have to be told it and they will have to tell it to their constituencies that for the good government of the State the question of finance is all important. Heads of departments will have to be told this also and told it emphatically. So far as the administration of this State is concerned it has to consist of the barest necessities until we are well enough off to pay for anything extra.

Hon. P. Collier: There are big files in every department conveying instructions to that effect.

The COLONIAL TREASURER: That is absolutely so. Outside of that we have to tell the administrative departments that the economies are going to start with the pence and end with the pounds. We have to do our duty and that is what the State expects of us. I came out of the Speaker's chair through no inclination of my own because I thought I would try to do it. I even offered to do it without pay but I do not want a halo for that. As soon as I start, I know that I shall be assailed with criticism not

only from inside, but outside the House. Every member knows that what I am saying is true, but even if it means my political extinction I will have had the satisfaction of knowing that I tried to blaze the track in the way of economy and reform. I do not pose as a financial genius and believe that I can evolve from the present position and at a few hours' notice a practical solution of the whole financial difficulty which is facing this State, but I can promise the House that I will put into this work every energy and whatever little ability I possess. I want members to realise this, however, that if I am to succeed, it will not be by virtue of my own ability, it will not be by virtue of my knowledge, it will be because I am going to lay tribute to every member whether he sits on this side of the House or on the other, because I realise it is only in that way that I can really succeed. It does not matter who sits on these benches, this difficulty will face all of us, and therefore I do not hesitate to exercise that right. That is the position I want Parliament to take up and I may inform hon. members that I am not going to confine myself to Parliament. If I know men of financial ability outside this House, I am going to see if I can gather from them something which we may have missed here, because I think the House realises distinctly and emphatically that whilst putting the financial position of the State on a proper and sound basis is the direct concern of the Treasurer and the Ministry, it is equally the direct concern of every man outside the House, and if those outside give the assistance which they may be asked to give, it will mean that they too will be putting their businesses or avocations on a secure basis for all time. Rightly or wrongly hon. members understood when they passed the last Estimates that the then Government would devote its energies towards investigating the administration and see if economies could be effected, and they practically gave to the public a promise that until that position had been fully examined no taxation measures would be introduced. I regret to say that so far as I can find, outside the work of the Public Service Commissioner, there has been no material result from those investigations.

Hon. P. Collier: What do your colleagues think of that?

The COLONIAL TREASURER: I am fair enough to say that in my opinion, so long as we have a Treasurer who is also Premier in this State, so long as the demands of the Premiership are such as they are, it is hardly reasonable to expect that the Treasurer shall go into every department with his Ministers.

Hon. W. D. Johnson: The Premier should be the most popular man in the State and the Treasurer the most unpopular.

The COLONIAL TREASURER: The hon. member has summed up the position. Whilst Parliament has no right to expect that from the Treasurer, who is also Premier, it has the right to expect it from me. That is why I left the Speaker's chair, and I give my honest word to this House that until the new Parliament meets I will personally go into every item of expenditure with Ministers with a strict and stern determination to cut out from expenditure every item that suggests itself as being a luxury. Many items which in the past we have looked upon as necessities will have to be done without at the present time, the same as people outside are doing without them. I also realise that until I have done that and can honestly say to the people of the State that I have tried, and I hope successfully, to make big savings in every direction, it is unfair to suggest taxation. I say that quite candidly, but I want the public to clearly understand, no matter to what extent we may make reductions, these will not take effect in the present financial year so much as in future financial years, and I do honestly believe that if we convince the public that this is not political talk but honest intention, and go in for economy faithfully and in the interests of the State, and let the people know the worst, and let them see what we and they are up against, then they will realise their obligations, and as far as legitimate taxation is concerned they will pay because they will know after all we have only been trying to put their heritage on a fair basis. I know that the people have a right to understand what form of taxation we propose to introduce. The hon. member for North Perth, the leader of the Country party, the Colonial Secretary, and I went

into the question of taxation, and I believe that our proposals met with acceptance from the late Government. At any rate, with the altered circumstances such as we have, those taxation proposals require to be reviewed, more especially as we find that the Federal Government are taking to themselves almost every avenue of taxation. These taxation proposals will be submitted to the country, and if they are acceptable to the country, then the Government which may come back will put them into force. The hon. member for Guildford is the last man who would remark that I am saying this merely as claptrap. I am saying this because, whether I am in this chair or not when the Government come back, I promise that, so far as those economies are concerned, and the taxation measures are concerned, they will be ready to be introduced as soon as the next Parliament meets. It would be idle for me at the present juncture if I told hon. members that I clearly and distinctly understood to the fullest extent our financial position, but I am gradually getting the reins in my hands, and when that is done I shall be prepared, if Parliament is not sitting, to put a clear and definite statement before the people of the State. I am going to have the people realise the position as it is to-day. It must be brought home to them. In going into this matter it is not my intention to waste time and energy in trying to find out whether I can blame any previous administration. I am honest enough to believe that if any Government previously in power wanted to bring about economies and did not do so, it was possibly the fault of the people.

Hon. W. D. Johnson: The people have not had much chance of late.

The COLONIAL TREASURER: If in the future there is to be any blame cast on anyone I will take my share and hon. members will have to take theirs. Are we more concerned about getting our constituencies properly served than attending to the best interests of the State? Many of our leading people are making complaints of extravagance to-day. They were content to have a big expenditure going on because it gave a fictitious prosperity. We are not suffering from that yet, but we are going to suffer

from it in the future. What we all want to-day is to forget who is responsible, and who is to blame for the past, and try to rectify the position by our own work in the future, relaying the foundation stone of the financial stability of the State. The financial year ended with a deficit of practically £700,000, and our deficit now totals an amount of £2,060,000. This deficit is being financed from loan and trust funds, and the consequence is that the people are paying something like £110,000 per annum interest upon it, on which they are getting practically not the slightest return. Looking at the future, so far as one can judge now, one finds that for the first six months of the present year, it appears that we must have a further deficit of £400,000 for that term. If, after that, we can show a saving and bring in our taxation proposals operating for the balance of the year, I do hope to bring the deficit for the total year's expenditure to an amount considerably below that of the past year. What I say of revenue expenditure I am going to say more emphatically of future loan expenditure. Borrow and let prosperity pay has landed us where we are. Posterity is the day after to-morrow in Australia, and we are pretty near the to-morrow. In future there is going to be no talk of borrowing millions. There cannot be, and there must not be if there can be, any talk of borrowing millions. Hundreds of thousands will have to satisfy us.

Hon. P. Collier: That will not satisfy your farmer friends.

Hon. W. C. Angwin: Another mark time.

Hon. P. Collier: It is interesting perhaps, but I do not know how the Treasurer is going to do it.

The COLONIAL TREASURER: It is better than another spend and forget.

Hon. W. C. Angwin: Sometimes.

The COLONIAL TREASURER: The expenditure will require to be scrutinised just as carefully as if we were investing Trust funds, and our present position must be used in a productiveness which will at least suggest the payment of our interest bill. Since December, 1914, this State has borrowed something like £6,000,000, the interest on which would probably amount to £300,000 per annum roughly speaking. I very much question if, at the present junc-

ture, we receive as a result of that expenditure more than from £75,000 to £100,000 directly in the way of interest. Consequently this State has to make up the deficiency from loan on something like £200,000 interest per annum.

Hon. W. D. Johnson: That is a low estimate.

The COLONIAL TREASURER: I am trying not to exaggerate. How could we, in a community such as this, expect by any taxation measures to make up deficiencies like that? Therefore I say that we have to scrutinise this loan expenditure as carefully as if it were trust funds, not in the same manner as we spend our own funds. Let us look at the present position fairly and squarely in the face. It does not matter about political differences. Our present position is infinitely more difficult to deal with than any position that the State has ever had to face before. We have to face the prospect of a depletion in the output of our industries. I think that is admitted. This is due to the fact that we have sent to the front the men who constituted the material necessary for our production. That is one of the tributes we are paying for the war.

Hon. P. Collier: Which makes your hope of increased production, so much talked about, almost hopeless.

The COLONIAL TREASURER: I do not want to get hopeless yet. This applies, I think, more particularly to our gold mining industry than to any other industry. On the fields the other day, I think from one centre alone, I learned that 6,000 men, the prime manhood of Australia, had been sent to the war. The timber industry is going to give us a reduced output owing to the absence of freights. This freight question is hitting us on the chin every time we look at it. Owing to the exceptional rains which have fallen during the last two months, I venture to say there will be a considerable reduction in the area under crop. Of course we hope that there will be increased production as a result of these rains, but there is no disguising the fact that a very much less area will be placed under cultivation this year than was the case last year, due, perhaps not only to the rains, but to all the surrounding circum-

stances. We have to face this possibility, because it is in front of us. I have looked into almost every avenue of revenue, and every avenue of revenue seems to contain the germ of depletion. We cannot lose sight of the fact, if we are sane men, that every day's prolongation of the war means loss of production and unprofitable production. So long as we cannot get our produce away, so can we not look for that production which ought to be ours if we were able to ship that produce away. I am trying to tell this plain tale in a straightforward way, because I want the people to realise that from now onwards they have to rely upon their own individual efforts more than they have done in the past, and that their own individual work will be required in order to make their own prosperity. They cannot lean and will not be allowed to lean upon the Government, and if they could lean upon the Government we will not let them lean so much in the future, to do many of those things which in the past they ought to have done for themselves. I have placed the position before the House, giving members the fullest confidence, and grave as the position has been it has become intensified by the action of the Commonwealth Government. I ask members to bear with me whilst I try to place before them exactly the position which the Commonwealth Government are taking up, and what a persistence in that attitude means to the State, as well as how much more difficult it has made the position of the Treasurer. I have one expression of regret to utter at this juncture. I do not want to go to the Eastern States. I have taken up a man's twelve-hour job, and want to be in it all the time, if I am to do any good with it. But both the late Premier (Hon. Frank Wilson) and Mr. Scaddan told me that if the State was to get a fair deal we had to go to the Eastern States to battle for our lives, or we would not get that fair play.

Hon. P. Collier: And Sir John will come in there.

The COLONIAL TREASURER: Let me as clearly as I can give hon. members the position of the Commonwealth and the State in regard to loan matters. When the war broke out the question of financing the States became one of the greatest concern

to the men who were looking after those States. It was generally thought that it would be a good idea if they approached the British Government to get them to finance the whole of the States so as to prevent each State going for separate loans, as would have been the case otherwise. It was thought, and as after events have proved, thought quite wisely, that the Imperial Government could obtain money at a cheaper rate for the States than they themselves could do. Apparently the same thought was in mind of the Imperial Chancellor that was in the minds of the Agents General of the States. I find that on the 1st October Mr. Holman wired to Mr. Scaddan—

Understand Imperial Government has approached Government with a view raising loan for benefit of States.

Hon. P. Collier: That was in 1914.

The COLONIAL TREASURER: Yes. The telegram continues—

From 10 millions to 15 millions, and asking us to state our requirements.

In view of the position taken up by the Commonwealth Government now, I want the Committee to realise that this was the genesis of the whole transaction. Mr. Holman had wired to Mr. Scaddan that the Imperial Government were taking action to help us. Apparently various suggestions were made as to the methods of approach, and interviews between the Agents General and the Chancellor of the Exchequer on the question took place. Our own Agent General advised us on the 8th October that after a general talk which he and McBride had with Harcourt, the latter would be prepared to consider applications from Australian States. Eventually, on the 14th October, Mr. Holman wired to our Premier as follows:—

Prime Minister willing to communicate with Imperial authorities with view to raise loans for States guaranteed by Commonwealth. He will request High Commissioner for Australia invite Agents General to discuss before he waits on His Majesty's Ministers.

The matter was finally decided when, after a conference of Premiers, an agreement dated 5th October, 1914, was entered into, whereby the Commonwealth Government

agreed (presumably as agents for the States) to borrow and lend to the States the sum of 18 million pounds, made up under the following allocation: New South Wales, £7,400,000; Victoria, £3,900,000; South Australia, £2,600,000; Western Australia, £3,100,000; Tasmania, £1,000,000. It will be noticed that 18 million pounds crops up so repeatedly that it is as well to bear it in mind. In view of the circumstances which led up to the transaction, and with that wisdom which is wise after the event, I think such an important agreement is loosely drawn, and takes too much for granted, because Clause 1 of the agreement reads as follows:—

The Treasurer of the Commonwealth hereby engages to lend to the applicant States, and they hereby agree to borrow from the Commonwealth, etcetera.

Whereas the real position was that the Commonwealth was to borrow for the States guaranteeing the loan. Another vague condition which is now causing all the trouble is Clause 4, as follows:—

The States shall issue to the Commonwealth inscribed stock, bonds, or Treasury bills, for such periods as may be arranged with the Federal Treasurer for the sums borrowed.

The States Premiers and Treasurers now contend, and quite rightly too, that the arrangement was to give bonds or Treasury bills of short currency, merely to close the transaction, and these were to be renewed from time to time to at least some period after the war, which would enable them to arrange a satisfactory conversion to be made. Anyone who made an agreement outside of that under existing conditions would have been fit for a lunatic asylum, and would not have been a Premier or a Treasurer of one of the States.

Mr. O'Loughlin: Have you any idea of the discussion which led up to that agreement?

The COLONIAL TREASURER: It took place *in camera*. Supporting the States' view that the transaction was for the States' requirements and not for the Commonwealth, the Imperial Treasury minute of 17th November, 1914, is headed, "Advances to His Majesty's self-governing Dominions—amongst others Commonwealth of Australia to receive 18 million pounds."

The minute states amongst other provisions—

That this advance is made with a view to avoiding the disadvantages of the separate allocation by each Dominion of the loans required to meet the heavy expenditure entailed by the present crisis.

The States contend that this 18 million pounds was theirs, borrowed for them by the Commonwealth, and that the rate of interest and term should be theirs. Portion of the loan matures in 1925, and portion in 1925 and 1945, and the interest with discount averages £4 2s. 6d. per cent, which is what we are paying at present. The Commonwealth Government, however, now say, evidently with an eye on the low rate of interest payable and the easy terms for repayment, "Oh no, this was our loan, the terms and conditions are ours, and have nothing to do with you. You were advanced your money from the bank note issue, and your terms are that the Treasury bills given by you at two years and renewed for a year must be paid at maturity." So that, instead of this State having till 1925 as a minimum term in which to make arrangements for £3,100,000, portion of that loan, the Commonwealth practically say—

You shall commence to pay in December, 1917, and thence monthly to 1918, and if you do not, we will stop your supplies arranged for this year.

Unfortunately, however, for the Commonwealth, correspondence shows that although the first payment was made in December of 1916 the rate of interest was not fixed until January, 1918, and the letter fixing the interest at £4 2s. 6d. per cent. clearly establishes that the loan was the States. If it had been made from the bank note fund the interest could have been fixed straight away. This is a letter from the Prime Minister dated Melbourne, 8th January, 1916, and is as follows:—

In connection with the loan of eighteen million pounds made to the States in pursuance of the agreement dated 5th November, 1914, I have the honour to inform you that His Majesty's Government has advised that advances made by the latter up to the 31st March, 1915, were made from the Imperial War Loan of 1914 at 3½ per cent., which was issued at 95 per

cent. and is re-payable in 1925. All advances made after the 31st March, 1915, were made from a 4½ per cent. loan issued at 99 per cent. and which is re-payable 1925-1945. The effective rate of interest to be paid by the Commonwealth on advances made to it by His Majesty's Government after the 31st March, 1915, would appear to be about 4⅝ths per cent. It is considered advisable that during the period of the loan issued by the Commonwealth to the States the latter should continue to pay the Commonwealth at the rate of 4⅝ths per cent. An adjustment will afterwards be made when full particulars are ascertained.

If, as now claimed, it was made from the bank note issue, would there have been any necessity to waste all the time in fixing the rate of interest? A further agreement was made for 1916 and under this agreement Western Australia was to receive £2,080,000. We have received £1,790,000, leaving a balance under that agreement of £283,000 still to be paid us. In January, 1917, the agreement to finance the States was continued under which this State was to receive £1,466,000. So far £690,000 has been received, leaving a balance to come of £776,000, which, with the balance of £283,000 due under the 1916 agreement, means that the Commonwealth would have to provide us up to the 31st December of this year with £1,059,000, less about £16,000 costs, bringing it down to that much less. It is a strange thing that under all these agreements we were kept absolutely off the English market. Had there been no interference with these arrangements the ex-Treasurer estimated that, with the exercise of the greatest care, the State could finance her obligations including the deficit until March, 1918, but on 1st June, a bombshell was thrown at the ex-Treasurer by the Prime Minister in the following communication:—

I have the honour to forward herewith a statement showing what will be due by the several States to the Commonwealth Government in respect of a loan of eighteen millions paid out of the Australian notes fund. On the 6th November, 1915, the Commonwealth entered into an agreement with the States under which the

Commonwealth undertook to raise certain sums of money each year until twelve months after the end of the war. The Commonwealth is doing its best to fulfil its undertaking for the year 1917. Since the loan agreement was entered into circumstances have very considerably changed owing to the prolongation of the war. It is now found that the London market is closed against us and that probably it will not be re-opened during the period of the war. Enquiries in America show also that it is impossible at present to borrow there for the requirements of the States. The position now is that on the one hand the Commonwealth has undertaken to raise money for the States, and on the other hand there will shortly be large sums due by the States to the Commonwealth. My colleague the Treasurer considers, therefore, that these two equally binding obligations must be set against each other, and I shall be glad if you will be so good as to make your financial arrangements accordingly.

That is what Mr. Wilson got. This letter is signed by somebody for the Prime Minister—I think it is “E. T. Russer.”

Hon. W. D. Johnson: Did the Prime Minister sign the other letter?

The COLONIAL TREASURER: Yes.

Hon. W. D. Johnson: They are contradictory.

The COLONIAL TREASURER: Hon. members will see how clouded the concluding paragraph is. The wording, in intention, means that the Commonwealth are demanding the commencement of the repayment of the £3,100,000 borrowed for us under the 1914 agreement to be paid in December, 1917, and it looks as if it may be their intention to hold the £1,059,000 that was coming to us to complete the 1916-1917 arrangement against such re-payment. Now if this is correct this State is faced with the following grave position:—We must either agree to raise £3,100,000 to meet the Treasury bonds as they mature or the Commonwealth will not only retain the £1,059,000, but will, I assume, refuse to finance any further loans during the currency of the war. To do the first seems to me to be impossible, but if it could be done

it would have to be done on a market at 6 per cent. as against £4 2s. 6d. per cent. of the original borrowing, which would mean an addition of about £55,000 per annum to our interest bill for the term for which it could be raised. To contemplate such a transaction would, in my estimation, be criminal to the State. That leaves us to face the alternative, namely, the retention by the Commonwealth of the £1,059,000 which they undertook to provide up to December, 1917, and if they intend to do this with any future loans until the end of the war and allow us the same sum as under the 1917 arrangement, it will take something over two years to pay the £3,100,000 alone, so that for that term we will have no loan money at all to finance with, and if the Commonwealth's contention is maintained we will be paying quite 6 per cent. for our money instead of £4 2s. 6d. per cent., at which rate the loan was originally legitimately obtained for us. I will read to hon. members the latest telegram which I have received. Directly after Mr. Wilson's protest I thought I would try to get something definite by wire, so I wired them this—

There is due under the 1915 agreement two hundred to eighty-three thousand pounds and under 1916 agreement seven hundred and seventy-six thousand pounds a total of one million fifty-nine thousand pounds. Stop. We require every penny of this sum to meet our engagements entered into. Stop. Please advise if we can rely upon receiving this amount between now and December thirty-first urgent and definite reply will oblige.

I sent that wire on the 3rd of July and followed it up every day until I got a reply on the 20th, which is as follows:—

Referring your telegram 3rd July Commonwealth Government will endeavour to borrow balance of moneys undertaken to be raised to end of 1917 at present London and other markets are closed for State requirements. Advances will be furnished as soon as this Government sees definite opportunity to issue further loans for States. Stop. Balance remaining to be raised for West Australia to 31st December next is one million forty-three thousand pounds not one million forty-nine (fifty-nine) thousand as stated

by you. Difference is due to fact that six hundred and seventy-nine thousand pounds was advanced to your State in anticipation of issue of three million five hundred thousand loan whereas your State's proportion of estimated net proceeds of that loan is six hundred and sixty-three thousand pounds. Your State's share of three million pounds recently obtained by Commonwealth was seven hundred and six thousand but as amount previously advanced exceeded net proceeds of loan issued by sixteen thousand pounds latter amount was deducted from seven hundred and six thousand pounds. Under these circumstances while anxious to do the best possible think Western Australia should reduce its requirements for this calendar year and that under the difficult circumstances that exist for next calendar year the views set out in the fourth paragraph of my letter to you dated 1st June, 1917, should be earnestly considered and acted upon.

When I read that I felt like the man who had swallowed a shilling. I did not know whether I was a shilling in or a shilling out—I do not know if the money is mine or not. I want to point out exactly the financial position if they adhere to that. It is just as well that the House should know every detail. We have on hand in cash locally £151,433; in the Eastern States £25,000, and in London £350,000. We have wheat certificates amounting in value to £403,000, making a total practically of £910,000. Estimating that we will have to stop public works, stop advancing to the Industries Assistance Board, stop advancing to the Agricultural Bank at the end of August, and still have to face a deficit of £400,000 for the next six months, this will be the position—that it will leave us to face the expenditure of £130,000 on account of loan funds, £100,000 Industries Assistance Board advances, £50,000 for the Agricultural Bank, and out of Consolidated Revenue Fund £400,000 to meet the deficit up to the end of the year, and sundry Treasury bills £16,000, making a total of £696,000. That will leave us with, roughly, £214,000. It means that either immediately or nearly immediately, I should have to float a local loan of £250,000 or £300,000 to ensure a

continuance of even that position. I want the House to realise, and the country to realise, what it will mean if we have to get as close to bedrock as this. We will have to put the knife right into the bone in administrative and other expenditure with a callous indifference to sentiment, and without fear, favour, or exception. Every avenue of taxation must be exploited in spite of all indignant protest. The Government, and more particularly the unfortunate Treasurer, must accept crucifixion as their daily routine.

Hon. P. Collier: That would have to be done before the session closes.

The COLONIAL TREASURER: We can neither retrench or tax a community into prosperity, but we shall have to save, beg, or borrow sufficient money to give every encouragement to primary production and the necessary secondary industries for their assistance, because that is the only rectification for this position from which we hope to emerge. I have put the position both from revenue and loan and the difficulties before hon. members, just as if I were the steward of Parliament. There is no politics in this. So far as the position of Treasurer is concerned, if I do not think I am doing it justly I will get out; I will not wait to be put out. I have a right to demand from every member his heartiest co-operation, and I believe all members in this House are big enough to realise that this is a necessity which we must face. The member for Sussex (Hon. Frank Wilson) was good enough to say before he left office, "I will help you every time." The leader of the Opposition has also said that he will help me in every possible way he can. I want that assurance not only from this House but from the people in the State, and I want everyone to realise what it means to try to battle through in these circumstances with everything against you. I have every reason to ask the House, knowing the difficulties, not to stand on technicalities of whether I am asking them for two or five months Supply, but to realise that a man who is faced with this position would be an utter fool, if nothing else, if he did not see how necessary it was to conserve the financial interests of the State.

Hon. P. COLLIER (Boulder) [6.5]: I am sure there is no one in this House or out



of it who will not extend the greatest sympathy and support to the Treasurer in the position he finds himself faced with at the present time. I am sure also that the Committee has listened with a good deal of interest to the statement made by the Treasurer relating to Western Australia's position in connection with the Commonwealth Government at the present time. The position requires no elaboration, because it appears to me simply a statement of fact, that this State cannot comply with the request which has been placed before it by the Commonwealth Government at the present time. No matter how desirous we may be of meeting them, setting aside altogether the terms and conditions of the contract entered into by the State with the Commonwealth Government—and I venture to say in that respect that the Commonwealth Treasurer must be fully aware of the fact that no State Treasurer with common sense would have entered into an agreement such as he claims has been made between himself and the States at the present time—I believe it is quite clear that the Federal Government will have to back down or give way from the position they have taken up, unless they desire to lend money to the States again at the current rate of interest, 6 per cent. I hope we shall not have the spectacle of the National Government of the Commonwealth of Australia adopting Shylock methods of that description. I listened also with a good deal of interest to the opening remarks of the Colonial Treasurer in asking for Supply on this occasion. I must say they had an old and familiar ring about them. We rejoice that the Colonial Treasurer is rather optimistic regarding the possibilities of effecting economies by the amalgamation of various offices, which have not been specified, but I want to remind the Committee that general statements of that description have been very common in this House for many years past, and I wish also to say this, having some knowledge of the facts, that the Treasurer, I am afraid, is doomed to a good deal of disappointment with regard to the saving that can be made by the proposed amalgamation or the economies he has in mind. It must not be forgotten that the Treasurers of the State for many years past, certainly since

the time when the Scaddan Government took office in 1911, have been faced with the same difficulties, though perhaps not so extreme as they are at the present time, but nevertheless there have been extreme difficulties in financing the State's affairs, and as I remarked by way of interjection when the Treasurer was speaking, the files of the various departments contain no end of minutes and instructions to the various responsible officers insisting upon economies or reductions. These instructions were followed too, having regard for the policy announced, and I believe were pursued by the late Government during its 11 or 12 months of office. That Government came into office especially to improve the financial position of the State, and one of the main items of their policy was an early reduction in expenditure.

The Colonial Treasurer: Can I get any hints from you?

Hon. P. COLLIER: I shall be only too pleased to assist the Treasurer, because I agree with my late leader that finance is, or should be above party politics, and I feel sure I speak for every member on this side of the House when I say we recognise the difficulties which the Treasurer is faced with at the present time. Therefore any assistance or advice that can be given by this side of the House will be gladly given. All the same there is an implication that past Treasurers have been unduly extravagant. The word "extravagant" has been used very freely, and the result is that there is in the public mind at the present time an idea that the Government of this country has been run on unduly extravagant lines for many years past, and that in order to retrieve our position it only requires some sort of business man or men of common sense to set it right.

Hon. W. C. Angwin: There is one saviour in Mr. Garner.

Hon. P. COLLIER: That seems to be the general belief.

Hon. W. C. Angwin: If Garner cannot do it we will get Gardiner.

Hon. P. COLLIER: I want to dissipate that idea and to give an emphatic denial to the statements which have been made, and are being made to the effect that the government of this country has been run on

unduly extravagant lines. It is true that part of our trouble at the present time is due to the large amount of interest and sinking fund which we have to meet, altogether £1,700,000. It is also true that this has been largely increased during recent years. This sum of money of course is a big drain on current revenue, but I want to deny that a big proportion of loan money expended in this State in recent years has been squandered recklessly and without regard to sound investment. The fact is to-day we are suffering because of circumstances over which Parliament has no control. The greater portion of our loan money has been spent in railway construction, in opening up agricultural areas, and that has been the developmental policy pursued by all Governments in this State. It was necessary to follow that policy if we were to people our vast empty spaces. The position to-day is that we are over-built with regard to railways. Western Australia has a mile of railway constructed to every 86 of its population.

Mr. E. B. Johnston: One hundred is it not?

Hon. P. COLLIER: It was 95 when I was Minister for Railways and I think it has been further reduced. In New South Wales there is a mile of railway for every 470 people, while in Victoria the number is even less—I think 360. We are faced with the position of making our railways pay with such a comparatively small population to provide the necessary traffic. Our railways are unprofitable, not because the policy of construction was carried on, but because of the fact that the State has met with two or three seasons of drought, the equal of which had never before been experienced.

*Sitting suspended from 6.15 to 7.30 p.m.*

Hon. P. COLLIER: Before tea I was dealing with the financial position of the State as we find it, and endeavouring to point out some of the reasons which, in my opinion, are responsible for the existing conditions. In this connection I was dealing with the expenditure of loan moneys on the construction of developmental railways, more particularly agricultural rail-

ways. I pointed out also the handicap, if I may so describe it, which the State is suffering under, namely, the fact that we are over-built in the matter of railways. I do not attribute that, however, to any want of foresight on the part of the Governments of the past, but perhaps mainly to the fact that the agricultural areas have not developed in the manner in which it was anticipated they would, principally because of the failure of the harvest in the two or three bad seasons we have had. In dealing with figures at a moment's notice, as I am forced to do, I am speaking entirely from memory, not having anything prepared; yet I hope the figures I use will be found to be approximately correct. During the time the Scaddan Government were in office, nearly 50 per cent. of our expenditure of loan funds went in the construction of railways and the maintenance and improvement of existing lines. This refers also to all Governments that have held office during the past ten years. It has been due to the fact that, some ten years ago, the State deliberately set out on a policy of development of agriculture. If we were going to pursue that policy to success, it was essential that large sums of loan moneys should be expended on the construction of railways to provide necessary facilities for the settlers going out to open up the agricultural lands. In pursuance of that policy it was essential, also, that a substantial amount should be expended on the improvement of the various harbours on our coast. The Governments of the day have had to provide costly harbour facilities at Fremantle, at Bunbury, at Albany, and at Geraldton. It was a concomitant to the policy of agricultural development and the building of agricultural railways. It should not be forgotten either that a considerable amount of loan funds has been expended in assistance to farmers, in the earlier days through the Agricultural Bank and in more recent years per medium of the Industries Assistance Board also. But will anybody say that the expenditure of those moneys could or should have been avoided in the interests of the State? Also, following on those lines, a large sum from loan funds has been expended in the development of our mineral resources. There is the position. Practically, to sum it up,

it appears to me that our financial difficulties are due largely to the huge increase in our interest and sinking fund bill—some 13¼ millions. This has been necessitated by the expenditure of loan moneys on agricultural development, on harbours and rivers, on railways, and on the development of mining. Although we are suffering at present, it was essential that the State should have embarked on the development of those resources. If we go back beyond 10 years we find the State enjoying a measure of prosperity, mainly because of the rapid increase in the development of the goldfields and the output of gold; but anyone looking to the future, as is the duty of the representatives of the people in Parliament, must recognise that it would be a false policy for any Government to depend entirely for the State's prosperity upon the development of its mining areas. We know the history of mining all the world over. It has ever been the same. Whilst mining serves, as no other industry does, to develop a State by the attraction of population, nevertheless the time has to come when, from the very nature of the industry, it must wane. And in order to make provision for the day when Western Australia should be suffering from the decline of its gold yield, it was essential that the State should embark upon the development of its other resources. I urge this as a justification for the large increase in the expenditure of loan moneys during the past eight or 10 years, in comparison with the eight or 10 years which preceded that time. If the State was going to be in any way prosperous in the future, and if our various industries were to be permanently developed, it was essential that the State should have embarked on that expenditure. And I say to the critics in the street, who declare that the position is due to the incompetency of those in charge of affairs during the last eight or 10 years, that it is not so, but that it is due to the causes I have pointed out, and that even so we would not have been in the present deplorable position but for the extraordinary circumstances through which we have passed. During the last five years we have had three failures of the harvest. We know what that means, coming immediately after the expenditure of huge sums

in railway construction, coming at a time when we expected a return for that expenditure. By reason of the failure of the seasons, that return, of course, did not eventuate, and so the effects of those failures were felt throughout the various departments of State. Then, on top of that, we have been struck by the war, the worst in history, and its effects on the State. Immediately the war broke out one of the best sources of revenue to the railways, namely, the timber trade, almost completely ceased. I need not enumerate the many directions in which the war has operated detrimentally to the finances of the State. So, in reviewing the position as we find it to-day, and criticising those who, it is alleged, are responsible for those extraordinary and, we hope, non-recurrent circumstances, it is only fair to bear in mind that the real causes of our trouble have been largely beyond our control. As indicating the effect of the war on the mining industry, I notice that the returns for 1916, as against 1915, show that the value of our gold output has fallen by £648,000. This in one year! And even that is following a long series of years, nearly ten, since we reached the zenith of our gold output and commenced to go down hill. There has been a steady decrease in the output year by year, but the drop last year was staggering. This was largely due to the fact that so many men previously engaged in the industry have gone to the war. Three years ago the industry employed some 12,000 men; to-day only 9,000 men are working at mining. This represents a drop of 3,000 men in three years. That, of course, has reacted throughout the various departments of State. It is well to remember these facts when we are considering the existing position. But while it is the duty of Parliament to make provision for the position as we find it, I have no doubt that, with the return of good seasons—we have every justification in hoping for that—and the close of the war, the State's recuperative powers are such that it will quickly get on to the high road to prosperity. We have sent to the war 30,000 of our best men, previously employed in our mines, in our forests, in agriculture, and in pastoral pursuits, active able-bodied producers. It is easy to imagine what the loss

of these men means in a total population of 300,000. Whilst I say with the Treasurer that it is our duty to effect economies wherever possible, yet, having exhausted all possibilities in that direction, undoubtedly we shall have to call upon the people of the State to submit to increased taxation. We cannot go on drifting financially in the manner we have been because, although it is due, as I say, to circumstances over which Parliament and the people have had little or no control, nevertheless it is our duty to meet the existing position, and the taxpayers will have to be prepared to contribute a very largely increased amount to the revenue by way of taxation. Whilst large sums of loan moneys have been expended and the State has had to meet a largely increased interest bill, it must not be forgotten that there has been practically no increase in direct taxation. Parliament has refused to concede to the Governments of the day the increased taxation which those Governments considered to be necessary in order that they might meet their increased financial obligations.

Hon. W. C. Angwin: There would have been no deficit if that had been so.

Hon. P. COLLIER: No. If Parliament—and I say this without reflection upon my friends in another place—had conceded a measure of increased taxation year by year in order to meet the ever-increasing demands made upon the Treasury in the manner that I have indicated, the position would not have been so acute. Whilst Parliament has refused taxation consistently for years past, it is now faced with the position of being obliged to concede a measure of taxation, and instead of this taxation being imposed gradually, as should have been the case, the people of the State will probably have to be faced with heavy increased taxation during the next year or two. With regard to supplies, I was going to say that the Treasurer is following the lead of his predecessors in that Parliament is not being afforded an opportunity of controlling the expenditure of the country. I am prepared to admit that Parliament has in recent years practically allowed the control of the expenditure to pass out of its hands. Invariably the Estimates come down to the House when three, four, or five months of the year have passed by and the money has been ex-

pended. Parliament, therefore, has had little control over the expenditure, except that Parliament has had control of the Government who were responsible for and had been controlling the expenditure. We are faced with a similar position on this occasion. We are now asked to grant supplies for five months, due to the fact that we are faced with a general election. I do not suppose it would be possible for the new Parliament to assemble before the end of November, or say, early in December. The Treasurer estimates that he will have a deficit on his Revenue Account of £400,000 by the end of December. That, it will be observed, is an increase in the deficit in proportion to the deficit for the last year. If the deficit were based on that of last year, it would be something like £350,000. I do not know how the Treasurer arrived at his figures. Whilst he is anticipating to effect economies from month to month as he goes on, at the same time he estimates an increase in his deficit for this half year. No doubt the Treasurer has good reasons for arriving at these figures. I am not so optimistic as he is regarding the end of the financial year, in that he expects to close the financial year with a smaller deficit than existed at the end of the year which has just gone by. We hope, however, that his expectations will be realised. Probably he expects to bring this about as a result of the assistance he will obtain from new taxation. Even if these taxation proposals are introduced when half of the year has gone by, they will be of a retrospective character, and will, therefore, operate from the beginning of the financial year. I have no opposition to offer to the passing of Supply, for I recognise that it must be granted. I hope, however, it will not be taken unkindly if I say that Parliament should have met earlier in the financial year, so that we should have been given an opportunity of dealing more fully with the expenditure of public moneys. The fact, however, that Parliament has only now been called together, is due to the altered circumstances as represented by the Treasury bench—we have a new Government in office. The reason why this new Government was only formed on the 29th June is because our National friends did not wake up as early as they might have done. They had been

slumbering so soundly that they only woke up early in June. If the impulse which drove them to form a National Government had been overcome at an earlier date, we should have had Parliament meeting early in June. I wish the Treasurer every success. In the matter of the financial administration of the State he will need all the assistance that can be rendered to him by members of this Chamber and by the public. I hope he will keep a stiff backbone, as it has been said he will do. No doubt many of us have got into the habit of sitting on the doorstep of the Treasury, and it is to be hoped that we will overcome this tendency, and assist the Treasurer to resist expenditure which the State cannot afford for the time being.

Hon. FRANK WILSON (Sussex) [7.50]: I have not the slightest intention of keeping the Committee very long this evening in discussing the subject now before members. I hope, however, that the good intentions of my successor will be thoroughly backed up by his colleagues. It does not matter one iota what the Treasurer's intentions may be with regard to going through the departments and cutting down the Estimates. If his colleagues who are in charge of the administration of the different departments do not follow up these good intentions, he will not get the desired results.

Hon. W. C. Angwin: That is the position in a nutshell.

Hon. FRANK WILSON: The responsibility is not entirely on the shoulders of the Treasurer. The responsibility of the finances of the State must be borne by every member of Cabinet according to the amount of money expended.

Hon. W. C. Angwin: If the Treasurer took the whole lot upon his shoulders he would be a dead man in twelve months.

Hon. FRANK WILSON: I only wanted to say a few words to express my regret that the Treasurer has thought it necessary to suspend the Standing Orders in order to put through a five months' Supply Bill at a single sitting, and after a speech, which was an admirable one, of about an hour's duration, to put this Bill through on the spur of the moment when we cannot possibly digest this speech and bring a proper de-

bating faculty to bear upon it. I should have thought that it would have met the occasion if the Treasurer had introduced and asked us to carry to-day a Supply Bill to last for the next five or six weeks, and that when the Address-in-reply debate was finished, had then brought down his measure to cover the period of the interregnum between this and the holding of the general elections. We should then have had an opportunity perhaps of dealing with the finances of the State to a fuller extent. The leader of the Opposition has pointed out that we have not received the benefit of increased taxation during the past year to any great extent. This is perfectly true, and apparently from the remarks of the Treasurer he does not anticipate receiving the benefit of any increased taxation during at any rate the next twelve months, or perhaps well on into the year following. I think that is a wrong policy. I for one am not going to hold the threat over the head of the Government that I should object to reasonable taxation before they had been able to put into full being their scheme of economy. I take it that all these things are run side by side, that we should economise all the time, and that at the same time we should be imposing what Parliament might think is reasonable taxation in order to augment our revenue. That was the attitude I took up months ago, as hon. members will recollect, and it was the attitude I was perforce obliged to abandon much against my will, hence the deficit which the Treasurer has announced of £700,000 for the last financial year. I would remind my hon. friends on the Opposition benches that a good proportion of that is represented by debts carried over from the previous year. They must not, therefore, be too jubilant because of the fact that I, as Treasurer, during the last financial year, and my successor, were not able to make a better announcement so far as the finances were concerned. Speaking from memory, I should say that the striking feature of the finances of this State is that during recent years, whilst our revenue has increased, until perhaps twelve or eighteen months ago, our deficit has always gone up with it. That is financially unsound.

It is what I was attempting to remedy, but was not permitted to have the necessary time in which to do it. I ask hon. members to turn to the figures of my previous years' administration of the Treasury, some five years. They will there find that this principle is amply in evidence, that as the revenue increased the deficit decreased, and vice versa, which is a true indication of sound finance. I would also point out that when we take a five months' Supply Bill at one sitting of the House, we ought to have very good grounds for being asked to pass such a large supply, without being given due time for thought and consideration in connection with it. The Treasurer referred to previous years, and mentioned 1911, when I happened to be in office. It is quite true that in that year we did take a four months' supply into the new year, but we took it, as hon. members will know, immediately after the Estimates had been passed. In February, 1911, we took that supply to carry us over the first four months of the following financial year, exactly on the basis of the Estimates we had just fully discussed, and had passed in order that I, as Premier at the time, might visit London and attend the Coronation ceremonies and get back in time for the general elections without having to call Parliament together to grant supplies. The circumstances here are quite different. To-day we might, I think, have followed out what I have intimated, namely, the plan of taking sufficient supply to carry us on for a few weeks, and then come down with the main Bill to see us over the general elections. I am not, however, going to put up any grave opposition to the course which has been adopted. With other hon. members, I readily realise that supplies must be granted, that the Treasurer must pay his way, and perhaps, after all is said and done, a lengthy debate at this stage is hardly desirable. It is true, as the leader of the Opposition has pointed out, that we have suffered considerably from the loss of our manhood owing to this terrible war. Because of the fact that some 30,000 of our main producers, our young manhood, have left our shores to fight for this country and for us and the Empire, we have very largely depleted our industries. It is also perfectly true, as he pointed out and

as has been emphasised by the Colonial Treasurer, that until we can get that manhood back into Western Australia and until in addition we can get a pretty considerable augmentation of our population, only by this means and a wise policy of public expenditure for the encouragement of our industries can we hope to increase production in Western Australia. Until we can do this we cannot hope to effectively grapple with, and find a solution for, the financial difficulties which the State is faced with to-day. Our timber industry, of course, has been pretty well brought to a standstill. It is practically closed down so far as export is concerned. Our harvest prospects unfortunately are to some extent marred by the excessive rainfall which we are experiencing. I hope and believe that, notwithstanding the troubles our settlers are passing through, the harvest will eventually be satisfactory and successful, although not to such a degree as we might have anticipated. To some extent the war has closed up almost every avenue of revenue. Hence the Colonial Treasurer undoubtedly has a pretty difficult task before him. We need not, however, be over-pessimistic regarding the ultimate result. Our financial trouble is like the war—it is going to take several years to adjust satisfactorily. Only by the greatest efforts of Parliament and the people can an adjustment of the finances be made. But that it will be made, there cannot, in my judgment, be the slightest doubt. In this great country of Western Australia we have untold possibilities, and it is quite patent to everyone that the people, if only they are given wise administration, are bound to achieve the results outlined by the previous speakers. I rose for the purpose, more particularly, of touching on the question of the agreement between this State and the Commonwealth, and on the proposal now made, the astounding proposal, that the Federal Government should take money which they have engaged to supply to Western Australia—I refer to Western Australia because it is the State we are concerned with—in order that they should meet the Treasury bills for the money advanced to this State in 1915 and later, while Mr. Scaddan was Premier and Treasurer. Early in December last I went over to Melbourne, because

it was essential that some definite understanding should be reached regarding the money to be advanced by the Commonwealth to the States in the future. As may be remembered, the Prime Minister had made an urgent request that we should cut down our requirements extensively; and he called the Premiers together in order to go into ways and means as to how the States should carry on. I have refreshed my memory by reference to *Hansard*. After some considerable amount of negotiation an arrangement was arrived at as outlined in an announcement I made to this House on my return from Melbourne. That arrangement put the finances of the State, so far as actual cash requirements were concerned, on a sound and proper basis, at any rate up to the end of the present calendar year. I must own that I was immensely surprised, and indeed astounded, when I received, prior to my resignation, the first intimation from the Prime Minister that the Federal Treasurer had suggested to stop payments under the agreement which was ratified at that conference, until such time as Western Australia had paid off the £3,100,000 which the Scaddan Administration had borrowed, commencing in 1915. In a long letter to the Prime Minister, of which a copy is before me now, I pointed out that at the Premiers' conference the main theme of discussion and negotiation was as to the cutting down of the amount which the Commonwealth had undertaken, by the previous agreement, to raise for the States, and that never under any circumstances had it been suggested that the £3,100,000 borrowed some two years ago would have to be repaid on the due date. I quoted from the agreement itself, and from correspondence on the files, showing that the intention was that the Commonwealth should borrow the £18,000,000 to which the Colonial Treasurer has referred this evening from the Imperial Government, lending it out in specified sums to the various States, Western Australia's portion being £3,100,000 on exactly the same terms and conditions as the Commonwealth received the money from the Imperial Government. There cannot be the slightest doubt that that is the position and that that was the intention; and I have not the slightest hesitation in saying that it is an

act of repudiation if the Federal Government insist on that money being repaid, or if they insist on retaining, for the purpose of meeting Treasury bills which became due in December last and monthly thereafter, money which they have undertaken to supply for Western Australia during the balance of this calendar year. The understanding undoubtedly was that in the interim we should give our Treasury bills at 4½ per cent., but that as these Treasury bills became due they would be renewed until the war had ended, until financial matters became nearer normal and the States themselves could go on the market and raise money in order to redeem the bills. The whole history of the negotiations with the Commonwealth Government supports that attitude. Otherwise, where would be the sense in coming to an understanding with the Commonwealth that we should refrain from exercising our undoubted right to borrow? Otherwise, where would be the sense of my going off to Melbourne post haste to readjust the agreement which my predecessor, Mr. Scaddan, had entered into as regards loan moneys? If it had been for even a moment considered possible that the Federal Government would go back on any arrangement they had made, we should have stood out of the agreement altogether and taken our chance in the money markets of the world, in the same way as New South Wales is doing at the present time; although, I admit, the difficulties would have been extreme. I thought that we had made a very satisfactory arrangement with the Commonwealth Government to see us through this difficult period, when it is very hard indeed to raise money for small nations and when all the great nations are floating huge war loans.

Hon. P. Collier: The Commonwealth Government's own argument was that they could borrow better than the States could.

Hon. FRANK WILSON: The argument was, "Since war has broken out, we must keep a number of borrowers off the market; we require all our financial resources for war purposes; if you States will undertake to keep loan expenditure down as low as possible and not to go on the market yourselves, we on our part guarantee to raise a certain sum of money each year for you."

That was the fundamental principle, and a very sound principle too. In my letter to the Prime Minister I pointed out that the reason why the Treasury bills had been given at  $4\frac{1}{2}$  per cent. was that the Commonwealth Government could not ascertain exactly what they had to pay the Imperial Government.

*The Colonial Treasurer:* It is all in the correspondence.

Hon. FRANK WILSON: Yes; and, further than that, it is perfectly clear that these are the conditions upon which the money was lent to the States, because the loan was one specially put on the market to raise moneys for the various dominions, and the amount raised for them was 18 millions, exactly the amount which had to be distributed amongst the various States in the aggregate. I am not committing a breach of confidence when I say that at the Premiers' conference with the Prime Minister at which the requirements of the States were cut down from  $7\frac{1}{2}$  millions which the Commonwealth had undertaken to raise for the States this year, to £5,400,000, I pointed out to Mr. Hughes in very emphatic terms—when he instanced the difficulty about raising money and urged that certain markets were closed to him—that we had the agreement there, and that so far as I was concerned I was quite prepared to stand by that agreement and, in addition, to accept the reduced amount, but that he on his side must also be prepared to stand by the agreement and raise the money under the agreement, as required for our necessities. I pointed out to Mr. Hughes that it was not of any concern to me how or where he raised the money, because he had undertaken to raise that money. I said I looked to him to keep his part of the bargain, just as he looked to us to keep our part of the bargain by not going on the market and by paying the cost of the money when it had been raised by the Commonwealth. I hope the Government will not treat the financial position in this respect too lightly. I hope they will arrange for either the Colonial Treasurer or the Premier—the Treasurer preferably—to go to Melbourne and see that this thing is fought out to a finish. I am convinced that the Government, or the

Treasurer, will get no satisfaction by telegraphing or by correspondence.

Hon. P. Collier: How are the other States accepting it?

Hon. FRANK WILSON: They are not accepting it at all.

*The Colonial Treasurer:* They are in the same position.

Hon. P. Collier: Are they co-operating with you?

*The Colonial Treasurer:* No. The member for Sussex is suggesting that.

Hon. FRANK WILSON: I can quite understand that the treatment which the Commonwealth might be inclined to mete out to New South Wales might, in fairness, be very different from that which they should mete out to Western Australia, because New South Wales is not a party to this contract. At the time when Western Australia borrowed the £3,100,000, New South Wales received some seven millions out of the 18 millions raised by the Commonwealth. So that the Commonwealth Government is making a demand in New South Wales for the repayment of over seven millions of money. But they have no opportunity under an existing agreement of seizing money as in the case of Western Australia. They are under no special obligation to New South Wales. I do think that we should take into consideration the suggestion that the Treasurer should go to another conference in Melbourne in order to have this matter finalised. When the Federal Government enter into that agreement, they must clearly understand that it is intended that it be carried out. When the Treasurer states that the agreement is not quite clear and explicit, I agree with him that it would have been better if a little more care had been taken in the drawing up of the agreement. But it has to be remembered that that agreement was drawn up in 1914, whereas the agreement of last December refers only to the amount agreed upon to be raised by the Commonwealth Government. Referring to the figures the Treasurer has given us with regard to the actual finances of the State, it seems to me that the State's immediate requirements are amply provided for. There is a sum of £909,000 in hand; £500,000 in cash, and £400,000 in wheat certificates which are



equivalent to cash. Provided the arrangements made with the Commonwealth Government are carried out, this money will carry us well into next year and will suffice for all our requirements if care be taken. It is also satisfactory to note that the Federal Government have pledged themselves to find the money required for the repatriation of soldiers. That is satisfactory, provided the Treasurer can see to it that the amount is made available. Prior to my leaving office, although repeated application was made, I could get no response and the State has received nothing on account of the quarter of a million which the Commonwealth Government had undertaken to find for Western Australia up to the end of June, if we required it. That is the position I rose to explain.

Hon. P. Collier: You are the Treasurer who had a deficit of £700,000 in one year.

Hon. FRANK WILSON: I should like to remind the leader of the Opposition that it is easy enough to say there were so many hundreds of thousands of pounds of a deficit. The hon. gentleman had some responsibility in connection with the world-wide famous meat works estimated at first to cost £200,000 but the cost of which is to-day placed at over £500,000. Then again the Wooroloo Sanatorium was estimated to cost £70,000 and to-day has cost £140,000. Again, the agricultural railways constructed by his Government cost £2,500 per mile and should have been completed for £1,500. The same thing occurred in connection with all their undertakings, everything was done at an increased cost. Making every allowance for increased prices and increased wages, under the day-labour policy adopted five years ago the cost of all the public undertakings was increased by at least 25 per cent. During that period a total of fourteen millions of public money was expended, with the result that the interest and sinking fund bill went up between £600,000 and £700,000 as a result of the extravagance then practised. I am satisfied several millions of money belonging to the people were wasted during those five years and that it will take some time for the State to bridge the gap.

Mr. Munsie: It was much the same as in the case of the Dowerin line where the La-

bour Government had to spend £800 per mile. That is one of the lines you built cheaply.

Hon. FRANK WILSON: It is not my intention to take any notice of observations from the hon. member. I trust that we shall conclude the present session as early as possible so that Parliament may go back to its masters, the people, and receive their orders as to the carrying on of the administration of the country.

Hon. J. MITCHELL (Northam) [8.26]: I desire to say a few words touching the remarks of the Colonial Treasurer, covering his observations after three or four weeks in office. But before doing so, I should like to suggest to the Treasurer that he take the advice of the late Treasurer and make a trip East as soon as possible. We in Western Australia must always remember that we are dependent on the Federal Treasurer, who is located 2,000 miles away, involving probably a month to make the trip. From my experience, I am convinced that if this State wants anything from the Federal authorities we must go to the fountain head and stay there until our wants have been attended to.

Mr. Thomson: There are people who say we should cease borrowing.

Hon. J. MITCHELL: I dare say there are, but I do not agree with them, as, in my opinion, loan money is essential for the development of this State. I have no doubt at all but that the money needed to carry on the development of this country will be found and that the arrangements entered into by the Commonwealth Government will be carried out. I have sufficient faith in the Federal Treasurer, Sir John Forrest, to believe that he will realise our necessities.

Mr. O'Loughlen: God bless John Forrest.

Hon. J. MITCHELL: Yes, God bless John Forrest. It is not the first time that the Federal Government have come to our aid; they have done so time and again. They did it when my friends on the right were in office. We must realise that on many occasions since the war began the Federal Government have been of assistance to this State, although it is true that they have been assisted by the Imperial Government. The whole of our last season's wheat will

be paid for, and we shall also be paid for our wool. It has to be remembered that money has to be found for the War and also for the purpose of financing the State, but much of our money comes from the sale of our products, which has been increased by several thousands of pounds per month. I do not fear that the Treasurer will have any difficulty in financing this State. I desire to place the position of the State before the House as it appeals to me. I do not think there is any need for half the fear the Treasurer has. If he will turn to the past he will see that it has been a record of deficits. We have never lived in times such as we are passing through now. Even in 1898 there was a deficit of £500,000 on one year's operations, and so it has been all along the line. Since 1903 we have had surpluses on two occasions only. Of course the position now is much worse than it has ever been before. If the loan moneys spent during the past five or six years had been earning as they would have been earning had there been no war, and if the industries had continued to prosper and agricultural development had gone on, we should not have been in the position we find ourselves in to-day. It is owing to the war, and the increased interest bill of £719,000, that the deficit has been brought about. I do not know that anyone in this country is responsible for the war. I do not say that all the money has been wisely expended, but I am glad to hear the Treasurer say that he intends to see that it is wisely expended in the future. When these conveniences straighten themselves, and can be put into full use, we shall again come into our own, and there will be no longer any difficulty about the financial position. These public works are necessary for the development of the country. We have not one mile of railway too much in this State, no matter what the leader of the Opposition may say about the number of people to every mile of railway which we have. This is a country of long distances, and we have to travel long distances before we can get to good land. These railway lines must be run and we have to remember that we charge much higher freight in this country than is charged in Victoria or New South Wales. When these conveniences can be used,

and development proceeds again, it will not be found that the revenue will be called upon to contribute one penny towards interest and sinking fund; we shall return again to the happy position of 1911. If hon. members will turn to the figures of the past they will find that ever since we federated we have been in financial trouble. The Treasurer will remember that in 1902-3 the Commonwealth returned to this State £1,200,000. In 1903-4 which was, I believe, one of the years when Mr. Gardiner was Treasurer, there was a deficit of £148,000, the revenue having been £3,515,000. A considerable sum of money was spent in public works that year, £140,000 I think. The Commonwealth revenue was over a million in that year, as against £600,000 now. Here again we can account for some of our present difficulties. If hon. members will go into these figures, they will find that year after year the position was grappled with, and although we had a falling revenue, the revenue and expenditure were made to balance up to 1910-11. In 1910 we managed to produce a surplus of £209,000, and in the following year there was a surplus of £115,000. The Treasurer to-night made one feel almost as if it were the intention of the Government to put up the shutters. I am sure this is not their intention, and I venture to say that the only hope for this country is in development. It is the duty of the Treasurer to finance the country, and I am sure he will endeavour to do so. It would be criminal folly to close down on the advances by the Agricultural Bank. So far as the Industries Assistance Board is concerned, the money needed by that board will only be needed temporarily. When the Treasurer goes into these matters he will find that the farmers under the Industries Assistance Board are being financed largely from moneys obtained from their last year's crop proceeds.

The Colonial Treasurer: I am aware of that, but we still have to finance them for the next crop, and provide, probably, £200,000 or £300,000.

Hon. J. MITCHELL: I know we shall have to find a small sum.

The Colonial Treasurer: I will admit that £200,000 or £300,000 is only a small sum.

Hon. J. MITCHELL: The Treasurer has in his hands to-day £400,000 in wheat certificates. With regard to the question of using our railways and other conveniences, I would like to point out that in good years our railway earnings have leaped up considerably. In 1910-11, which was a good year, we had an increase in our earnings of £207,000, and in 1913-14 the increased earnings were £335,000, while the increased expenditure was only £60,000. It is unfortunate, where railways are concerned, that whilst increased earnings do not mean largely increased expenditure, a decrease in the earnings does not mean a large decrease in expenditure. The reason is that the railways have to be kept at work as they would be ordinarily. We had a drop last year of £220,000 in the railway earnings, whereas the expenses fell only £60,000. Under normal conditions, such as we have enjoyed, there would have been an increase in the earnings of £300,000. By this means alone we would have saved a considerable portion of our deficit. That would have come about if we had been able to ship our produce. The Treasurer talks of economy, but he will find it difficult to economise to a large extent. Will he tell the House where he proposes to start?

The Colonial Treasurer: I will start in this House by doing away with *Hansard*. There will be £5,000 saved.

Hon. J. MITCHELL: There can be some cheese-paring done, but there cannot be any considerable reduction of expenditure in connection with the civil service. The service is not, to my mind, overpaid. Many members of it have gone to the war. The salaries of those who have gone represented £60,000, and their places have been temporarily filled by men who are drawing £16,000, so that there has been a saving of 10 per cent. in that connection. Every Minister has endeavoured to economise during the past 12 months. It was laid down long ago that if the finances were to be straightened, every Minister would have to endeavour to keep down expenditure. The Treasurer will, no doubt, be able to save £40,000 or £50,000, but he will find it difficult when he comes to dealing with the Education Department to bring about a reduction there. I venture to say he will not do it. Again, in regard to

the medical and health vote, amounting to £265,000, the Treasurer will find that that is not one penny too much for this country. There may be a possibility of saving a little in connection with the railways, but I suppose, even there, a material alteration cannot be made. I do not say that the Treasurer can expect very much in the way of economy; of course there will have to be some. It may be possible to name this or that which may be cut down by a few thousands, but that will not be much towards a deficit amounting to £600,000 a year. There is another side to the question and it is that our necessary developmental works in this State are nearly completed. We have borrowed a large sum of money for that purpose, and I believe that money has been wisely spent. Our railway system is almost completed; I suppose another million of money, which need not be spent just now, will complete the construction of all the lines that we require to open up the agricultural lands of this State. I believe, if Western Australia is to be kept out of financial trouble, it will have to be by the development of its vast areas, and particularly that land between Bridgetown and Albany and Bridgetown and Mt. Barker. There cannot be any great development in the South-West without railway facilities, because adjacent to the existing lines the land is selected to a large extent, and to some extent also held up by the Minister for Woods and Forests for timber purposes. I believe that the building of lines to cost a million of money will complete the railways required to open up the agricultural areas.

Mr. E. B. Johnston: It cannot be done under the present abnormal conditions.

Hon. J. MITCHELL: I do not mean that a mile of these lines should be built while the war is on. Our harbours are fairly complete.

Hon. W. C. Angwin: They require a very large expenditure.

Hon. J. MITCHELL: However, we have not a very extensive public works policy ahead of us for some time to come.

Mr. Green: What about the country to the east of Ongerup?

Hon. J. MITCHELL: I do not know much about that, but I know that the rail-

ways to open up the South-West must be built. We have agreed to find land for a large number of soldiers. When the late Premier was at the Melbourne conference he agreed to settle 4,000 of them. Then there is every probability of getting a large number of British immigrants to come here. I am sorry that the Government are not appointing an immigration agent at once, because it will take some time to secure immigrants in England, and to get an immigration policy going.

Hon. W. C. Angwin: Anyone who endeavoured to bring immigrants here now would be exceedingly foolish.

Hon. J. MITCHELL: Still, I want to see the policy arranged for before the war is over. We have invested some 39 millions of loan money, of which 34 millions is represented by solid developmental work. It is only necessary that we people the country to make all those developmental works worth far more than 34 millions. During the five years 1907-1911 we spent £1,050,000 per annum. During the five years following that period the late Government spent £2,500,000 per annum. Last year the expenditure was something like £800,000, a very considerable drop. I am not going to quarrel with that expenditure because, notwithstanding what the leader of the Opposition has said, I believe that it has more than justified itself. In respect to that gentleman's remarks concerning our agricultural railways which showed a loss of £30,000 on those lines last year, I say that if those lines had not been constructed the loss on our general system would have been several times greater than it was: because the bulk of the wheat carried over the main lines is traffic provided by the agricultural railways. The existing system of crediting the spur lines with its portion of the traffic is, to my mind, unfair; under it the spur lines are not likely to be profitable for some time to come. Nothing can help this country so much as the building of railways and the settling of people along their routes. I believe the future of the State depends entirely upon the small freeholder. Another thing often forgotten is the question of our sinking fund. In 1915, when we had borrowed 37 millions,

our sinking fund amounted to something over four millions. The Eastern States have raised an aggregate of 305 millions by loan, and their aggregate sinking fund stands, or did in 1915, at a little over four millions, practically the same amount as the sinking fund we have here. This money set aside for the purpose of paying off our debts, is money taken from revenue. There has been a deficit of two millions in the product of six years, and during 5½ years our sinking fund has increased by £2,170,000. I believe the sinking fund payments should be kept up, but when we are making comparisons between the finances of the East and of the West, we should have regard to the fact that in the East they pay practically no sinking fund, whereas here we thus contribute a very large amount indeed. When we are engaged on a vigorous public works policy we cannot expect those works to earn very much during the first two or three years, and before our works could be got into full swing war was upon us, and trading stopped. I must confess that, as compared with the previous six years, this does not make very good reading. Whilst I have no wish to excuse the finance of my friends on my right, I desire to acknowledge the fact that they experienced some very bad seasons, on top of which came the war. This State practically contributed from revenue £330,000 per annum to the sinking fund during the five years Mr. Wilson controlled the Treasury. It is too often forgotten that in this State we put up year after year a large sum of money from the earnings of our investments to wipe out our indebtedness. It certainly makes the position a little difficult during a time of war, for the Treasurer has to contribute £330,000 per annum whilst the works in which the borrowed money is invested are practically lying idle. I repeat that the position in this State is not nearly as bad as the Treasurer seems to think. I do not believe that he can tax the people to a sufficient extent to make any very material difference to the £400,000 which he expects to be short of during the coming six months. But I do think we might cut down very considerably loan expenditure on works. Since rails cannot be procured, there is very little to spend money on in connection with public

works. Works in hand must be completed, but we cannot build railways or spend money on any other public works requiring imported material. Therefore, the Treasurer might well consider whether it would not be better to face the situation as he finds it, to use borrowed money temporarily to meet the requirements of the people. It is not a good thing for the Government to tell the people that they must not expect anything, to tell the farmers of the State that there will not be any money for them. It is the duty of the Government to see that the wheels of industry are kept going. I do not wish the Minister for Industries to imagine that the farmers have been told that no money will be available for them, but I notice from the speech of the Premier that he seemed doubtful whether we should be able to get money to carry on works in future. To my mind we cannot get out of our financial trouble until this invested money is put to its proper use, until industry is re-established. I do not propose to suggest how the Treasurer is to raise his money, except to repeat that I believe it is not altogether wrong to use loan moneys at the present time to, at any rate, the extent of our contribution to the sinking fund. Of course there will be no chance of a revival of trade for some time, because even after the war is over, the shipping trouble will be very acute. In consequence of the shortage of shipping, unfortunately there is over a million tons of old wheat still in the Eastern States. It is a serious matter, because we must go on producing wheat. We know that there is a shortage throughout the world. The reserves of wheat have been used up in the old land and on the Continent, and there will be short supply for years to come. We need to prepare for the time when the war will be over and our men returning. We should then be quite ready to go on with public works. We will require to spend money in connection with surveys and generally in preparation for the return of our men. If they were to come back to-day in any large numbers it would be difficult to find work for them. We ought not to fear the future, as the Treasurer to-night would have us fear it. I hope we shall see a very largely increased

population after the war, with greatly increased activity on every hand. When we remember that we are importing about four millions pounds' worth of manufactured stuff from the Eastern States, it will be seen that the future of this country, if we are true to ourselves, need cause us no alarm. When I look into the financial position and see how much more we have done in the way of setting aside money to pay off our loan than has been done by the whole of the Eastern States, and when I remember that all these works have to be maintained and that our railways are becoming more valuable every year, I have no fear for the future. I will, at all events, do all I can to help him in any way that is possible to me, and I hope that hon. members too will render that assistance to him which was offered I believe to Mr. Scaddan when he was Treasurer, though unavailed of. The finances of the Commonwealth, the bank balances, and the high price of produce will make it possible for moderate sums at any rate to be raised in this State for some years to come. I am hopeful that the war will not last very long, and that when it does end the prosperity that we shall then enjoy will enable us to wipe out this deficit, if it be still a deficit of two millions, and will again return to the time when we shall be active developers of this part of the British Empire.

Hon. W. C. ANGWIN (North-East Fremantle) [9.2]: I did not intend to speak on the Supply Bill, but feel I cannot allow the remarks of the member for Sussex (Hon. Frank Wilson) to pass by unnoticed. Before dealing with his statements I should like to say that I have every sympathy with the Treasurer, because I am satisfied that he is taking the whole of the burden of looking after the financial welfare of Western Australia entirely upon his own shoulders. We can only form that opinion by scrutinising very carefully the receipts and expenditure for the year 1917 (perhaps I will have an opportunity of dealing with them later on in the Address-in-reply), which showed clearly that at least four of his principal officers, if they are going to follow out the practices of the last twelve months, will be liable to plunge him into greater difficulties than he is already in. I agree with the member for Sussex that it is

a matter of impossibility for the Treasurer himself to take charge of all the offices appertaining to the Government departments. He cannot do it. If he attempted to do this I am very much afraid, as I said by way of interjection earlier in the evening, that he will not be with us 12 months hence. There is not the least doubt that unless the Treasurer has the support of his colleagues, and Ministers also closely scrutinise every item in their votes in order that they may see that the expenditure is warranted, he will not be able to curtail the expenditure in the manner that he desires. I cannot agree with the Treasurer that he is going to find a lot of duplication. The Scaddan Government endeavoured as far as possible to stop this duplication. They altered the positions of offices for the purpose of preventing a duplication of inspection.

The Colonial Treasurer: How many accountancy branches are there?

Hon. W. C. ANGWIN: That is a different matter. So far as the accountancy branch is concerned, unless the Colonial Treasurer will get a building properly suited to house the whole of the Treasury branch and so have the accountants under the one roof, it will be a matter of impossibility for him to do anything that will bring about a saving in that direction. Mr. Scaddan stated repeatedly, when hon. members objected to his putting up offices in Perth, and in fact voiced their opinions in this House that he should not do it, that he would bring about a great saving in administrative costs if he had a proper building for the housing of his officers, and that until he had that he could not bring about any improvement. I am pleased to see that some hon. members at the back of the Treasury benches are very anxious to show their appreciation of the remarks he made when he stated that members must not only consider their constituencies but the State as a whole. The applause with which they greeted those remarks made me think that at last we were going to get some hon. members who would consider the State and not so much their own constituencies. Those hon. gentlemen, however, are the very ones who are continually waiting at the door of the Treasury, but I hope that the Colonial Treasurer has converted them and that in future they will

pursue a different course. The Colonial Treasurer referred to the extravagant expenditure. I did not intend to take any notice of that, because it is only a term which has been used often by politicians in Western Australia, by would-be politicians outside, and by business men who know nothing whatever about the subject, though they profess to know everything and would be on the Treasury benches themselves if they could only get there. It is a term which has been used so often as almost to become a by-word. There has never been an instance of extravagant expenditure so far as the late Labour Government were concerned, and although Mr. Scaddan repeatedly challenged hon. members to bring forward one matter showing where there had been extravagance, there has never yet been a definite instance of extravagance brought forward. There has never been shown an instance of any expenditure which those hon. members would not have carried out on those very works had they themselves been in power instead of the Scaddan Government. That being so, the term "extravagant expenditure" is merely a by-word, and people do not take any particular notice of it. The member for Sussex says, "What about the expenditure at Wooroloo." Undoubtedly the Wooroloo sanatorium cost considerably more than the estimate.

Mr. Thomson: About 100 per cent. more.

Hon. W. C. ANGWIN: There was a mistake made in the estimate, I am certain, There were additions put up there which were never anticipated, but which were found necessary in the interests of the people of the State, and of those people who were suffering from this dread disease, tuberculosis. When we realise that there were between 200 and 300 deaths annually, I think hon. members will agree that no expenditure would be extravagant or too great if we could in any way whatever save the lives of the sufferers from this complaint.

Mr. Thomson: What did you do with the man who gave you that estimate?

Hon. W. C. ANGWIN: The position was that this sanatorium filled a long felt want. I would like to refer here to what the doctor reported last year in connection with the sanatorium. He said—

I am able to record the fact that ex-patients of the institution have been accepted for the expeditionary forces, and that some are now at the front, and others in camp on their way to the front. This shows clearly that the institution has to a large extent filled a long felt want, such as has been necessary to provide the ease and comfort necessary to cure these people, and also to provide a place for those who were too far gone before they went to that institution. I admit being surprised when I found that the cost of the Wooroloo sanatorium had considerably exceeded the estimate that was given for the building. At that time I called for a report, pointing out that the officers of the department had no right to spend £30,000 or £40,000 without first getting the consent of the Minister in charge. I was unable to get that report because I left office, but the present Minister for Works supplied certain information to the Press in regard to the report, which he said he had called for, but which was the report I called for and was very anxious to see, in order to ascertain the reason for the large expenditure. This bears out my statement that thousands and thousands of pounds of the increased expenditure was due to the war, to the additions that were put up there, and to the low estimate. At all events we have to-day a monument to the Scaddan Government which I shall never be ashamed of, and a building second to none in the world for the purpose of trying to save as far as possible the lives of those suffering from this most dreadful disease.

Mr. Thomson: We do not object to the institution, but to the extravagance in connection with it.

Hon. W. C. ANGWIN: The full cost of the institution does not represent an extravagance. The member for Sussex referred to the Wyndham Freezing Works. I said by way of interjection that there has been an increase in the cost since we left office, and we have been told now that the works are going to cost £500,000. When I left office they were to cost £270,000. Who is going to be responsible for the increased cost? I am quoting the words of the Minister for Works. This shows clearly how statements can be made such as were made about these works without there being any facts to bear

them out. The member for Sussex has a tendency to lead the people of the State entirely astray. He also referred to the railways of the State, and said that they cost £2,000 a mile to build under our administration. The Minister for Works knows that many of the railways which were built previously cost the State thousands of pounds to put into order after they were supposed to be completed.

Hon. P. Collier: Tens of thousands of pounds, some of them. Take the Dowerin-Merredin line alone.

Hon. W. C. ANGWIN: In my opinion, the State possesses one of the best engineers in the Commonwealth, as well as one of the most honest and straightforward, in Mr. Thomson. He is an officer who will look after the interests of the State as his first consideration, and exercise every endeavour to carry out his work as cheaply as possible. I am very much struck with the optimism of the member for Northam (Hon. J. Mitchell). I am sorry I cannot agree with him that Sir John Forrest thinks so much of Western Australia. We know that it is his birthplace, and we must give him credit for willingness to assist the State because of that so far as possible. When war broke out and Sir John Forrest, as Federal Treasurer, was approached by the Scaddan Government he was not so sympathetic to Western Australia as the member for Northam would suggest. It was not until the Scaddan Government had an opportunity of interviewing Mr. Fisher that we were able to arrange our finances as required by the position of the State. Sir John Forrest was unable to see how he could assist us—whether or not because the principles of the Government then in power in Western Australia were not in accordance with his, I am unable to say. It was Mr. Andrew Fisher who assisted Western Australia, and it is Sir John Forrest and the Hughes Government that are trying to cripple Western Australia to-day. The Commonwealth Government got 18 millions from England, or possibly the money was left in England to meet Commonwealth liabilities there. Then the Commonwealth Government proceeded to ring in on the people of Australia a lot of notes, which cost the Government only paper and ink, and for this accommodation

they charged  $4\frac{1}{8}$  per cent. interest, in a time of stress and war. The Colonial Treasurer says that the last Commonwealth loan cost about  $5\frac{1}{2}$  per cent. The Commonwealth holds the States in the hollow of its hand. Neither the Commonwealth nor the States can go on the money market. Consequently, the Commonwealth, in my opinion, will adopt the old Shylock practice of the States, "We lent you money at  $4\frac{1}{8}$  per cent. at the beginning of the war; for the last money we raised we had to pay  $5\frac{1}{2}$  per cent.; we will not take from you the money that we lent you, but we will have to raise the rate of interest on that money." We must realise that we are to-day in the hands of, I was going to say an unscrupulous Commonwealth Government; but I will not say that. We are in the hands of a Commonwealth Government with an overwhelming majority; and my experience of Parliamentary life tells me that if one wants a Government to do good work one should have a Government with a narrow majority; say a majority of four in a House of fifty. Our Colonial Treasurer to-day has asked us for a blank cheque, but I have every confidence in our Colonial Treasurer. The Commonwealth Government, too, were returned to power with a blank cheque. For instance, referring to the wheat storage scheme, the Prime Minister is reported in the *West Australian* of the 21st of this month as having stated—

If the State of South Australia stood out of the scheme and did not erect silos, the wheat of South Australia would have to pay its proportion of the general storage all the same.

Mr. Foster interjected—

Pleasant news for South Australia.

She will resent it.

The report continues—

The Prime Minister said the States would not be allowed to play fast and loose with the question. The Government would take its instructions from the Commonwealth Parliament, and proceed with the scheme irrespective of what the States did.

The policy of the Prime Minister, or the dictator, of Australia will involve this State in stagnation and ruin, bringing starvation to the workers and bankruptcy to the busi-

ness people. I do not care even if our Colonial Treasurer goes to London, instead of to Melbourne, in order to remedy this state of affairs. I am sure he is the man to get Western Australia out of the difficulty, if possible. When Federation was brought about, certain rights were reserved to the individual States: but unfortunately the war has brought a Federal War Precautions Act into existence, and by that legislation the rights of the States are taken away. Mr. Hughes's attitude is that he holds us in the hollow of his hand, and that therefore we must do as he tells us. The Commonwealth Treasurer to-day is out to grasp every penny of revenue he can get, either directly or indirectly.

The Colonial Treasurer: The Commonwealth have a million of our Savings Bank funds to-day.

Hon. W. C. ANGWIN: The Federal Treasurer is out to get funds by hook or by crook, no matter how the people may suffer. It is only because the Federal Government are backed by an overwhelming majority that they can carry on as they are doing. The present prospects of this State are calculated to make many of us down in the mouth, because we realise that for many years Western Australia has lived almost entirely on borrowed money. Thousands of our residents have been earning their livelihood on public works; thousands of our businesses are maintained by the expenditure of public money. If the Commonwealth Government adhere to the attitude they are now threatening to take in regard to loan moneys for this State, we shall be in the position of a business man who has paid into the bank every shilling he possesses and has an overdraft at the bank and finds his credit stopped. I am glad the Colonial Treasurer realises the position, and is thereby urged to use his greatest efforts. I have a word to say to my friends of the Country party; that is, if they still belong to that party. A statement which I read in the *West Australian* of the 14th of this month, rather surprised me. No doubt the Treasurer had been talking to the present Minister for Industries; and, in passing, I am glad that the new Government con-



tains a man who will talk to Ministers. My late colleague, the member for Pilbara (Mr. Underwood), when attending a certain meeting at the Perth town hall, spoke straight from the shoulder and told the people there what he thought. That hon. member has not been educated up to the polished level of the Attorney General, who said exactly the same thing but in a different manner. The member for Pilbara said, "Go and get work." That statement was published in every newspaper of Western Australia, and it may even now be seen almost weekly in the *Primary Producer*. The farmers thereupon proclaimed that they could not support a Government of which a member had told them to go and get work. But what does the present Attorney General say His words were—

I feel that a policy of granting assistance to the undeserving, apart from its own demerits, has a tendency to unduly interfere with the agricultural labour market. Some men can never manage for themselves. They are better working for others.

If that is not the same thing as "Go and get work" I do not know what it is. An hon. member has said that it is the duty of the Treasurer to finance the country. No doubt that is his duty, if he can get the money. But it is impossible for the Treasurer alone to perform that task. Then he goes on to say, "What we want is land settlement, to look to in the future. I have no fear," he says, "of what the future has in store for us after the war is over." Other countries, too, have to look to their trade in the future—England, Europe, a great portion of which will have to be rebuilt; and money will be so dear that, in all probability, we shall not be able to carry out that public works policy to which the hon. member refers. No doubt land settlement should be carried on; but where are we to get the money with which to do it? No one was more surprised than I to see recently an advertisement in the Press calling for applications for an immigration officer to be sent to London. Again, I want to say, without intending any disrespect to my friend the late member for Perth, Mr. Connolly, that the Government would have been better advised not to have appointed Mr.

Connolly as Agent General, and to have left the duties if Sir Newton Moore could not continue, to be performed by Mr. Moss. Had that course been taken a saving could have been made. Mr. Moss acted for some time as Agent General for this State, and during that period he saved on the "Western Australia" alone approximately £30,000. I should like to have seen Mr. Moss continued in that position, and while I have the greatest respect for Mr. Connolly, I think a mistake has been made. The Government should have saved the money and retained Mr. Connolly here, allowing Mr. Moss to fill the position until the end of the war. We have been told, not only by the late Treasurer, but also by the present Treasurer, that they applied to the Commonwealth Government for moneys necessary to carry on the repatriation, and that the Government have received none of the money yet. After all the talk, all the flapdoodle told to those men, this State has not up to the present received one penny from the Federal Government of the promised quarter of a million to assist the repatriation of soldiers. We were told to-night by the late Treasurer that, although he made repeated applications, he was no table to secure this money. We have been told the same thing by the present Treasurer, and I hope members will bear that in mind.

The Colonial Treasurer: I am bearing it in mind.

Hon. W. C. ANGWIN: I dare say, but I wish members to bear in mind that the Federal Government have not been true to their promise to those men who went to do battle for Australia, to provide for them on their return. I hope also that the Treasurer will seek money for other purposes than land settlement only. I am afraid there will be considerable difficulty if we seek to place thousands of these men on the land; therefore I wish the Treasurer to see what action is proposed in other directions. Thousands of positions will be required to be found for these men when they come back, and if the Federal Government is as lax in other matters as in this, then I say, God help the men when they do return. The Treasurer has my sympathy in his present position; but I would, at the same time advise him not to

take it too much to heart. It is not always advisable to say you are in a bad way financially, but rather give encouragement, so that the people may have some confidence in the future.

Hon. W. D. JOHNSON (Guildford) [9.36]: I desire to offer a few remarks on the Supply Bill, and in doing so possibly I may strike a different note altogether from that struck by some of the speakers I have heard this evening. Unfortunately I have not been able to hear all of them. While I sympathise with the Treasurer in his position, and while I assure him that he will get all the support I can give him towards putting the finances on a more satisfactory basis, I am not prepared to go all the way with him and say that in order to do so we must forget the past. The past is part of the present position—I think it is the most bitter part—and portion of his task to-night is to consider that past. There are associated with him on the Treasury bench to-day those who undertook 12 months ago to do what he is promising to-night, but who put Western Australia in a worse position. Twelve months ago they told Parliament they were going to do something great, to put our finances in order. Had we not a combination of the Country party and the Liberal party—for what? The one argument put up at the conference to justify that combination was that the financial drift of the State compelled something being done, and they said, "Let us bring about a combination, a change of Government, to put the finances straight." What have we before us to-night? We have the Treasurer asking for five months' supply based on Estimates that were worse last year than the year before; no economy, not the slightest attempt at it. I defy contradiction when I say that the financial position to-day is worse than it was 12 months ago. We have had changes of Government and combinations of parties to do those great things we were promised from the change. I want to do the Colonial Treasurer the credit of saying that I believe he is determined to do these things and is not promising them with his tongue in his cheek. One cannot speak on this subject without feeling because one cannot pass

along the street without hearing Parliament referred to with contempt. Men in the trains shrug their shoulders. I suppose I am now one of the oldest members of this House. There was a time when I was proud to show my parliamentary pass, proud to admit that I was a member of the State Parliament of Western Australia. I admit now that I am not so proud of it, not so anxious to parade the fact that I am a member of Parliament. Why? Because Parliament has been humbugging the people for some considerable time, because Parliament has failed to do that which it promised the people it was going to do. Consequently, the criticism levelled at Parliament to-day, and the contempt in which Parliament is held by a large section of the thinking people, are justified. The truth hurts most because it is the truth, and for this reason one feels the position keenly. I do not think it is fair or reasonable for the Colonial Treasurer to ask us to let the past go, seeing that there are associated with him to-day men who were responsible for making the position worse than it was, after having promised just as faithfully as he promises to-night that they were going to apply themselves to the task of putting the finances straight. Despite that promise, those members last year put the State in a worse position than it has ever been in its history. Again, we hear a lot about the unification of departments. I wish to endorse absolutely what the Treasurer has said as to the scandalous duplication of Government offices in Western Australia. I remember the criticism indulged by members now on the other side of the House at the amalgamation of the Water Supply Department. When that amalgamation was brought about we had no fewer than five different departments dealing with water supply, with separate staffs, separate engineers, and separate everything. Yet when the Scaddan Government combined those departments and knocked them into one, they were criticised year after year by members, now sitting opposite, who talk of economy, of doing away with duplication, and of the amalgamation of offices.

The Minister for Works: We have brought them all under the Works Department.

Hon. W. D. JOHNSON: I do not care by what name you call it, so long as you make it one department under one Minister. Previously we had the Mines Department doing a little, the Works Department doing some and the Lands and Agricultural Department also; and in addition there was a separate water supply under a board. I mention this to show that the late Government, of which I was a member, tried to do this for years, and were criticised and blocked by the very men who now say that the only salvation and the only possibility for economy is by the amalgamation of departments. I desire to ask the Premier what has been done regarding the amalgamation of the different drafting rooms, one of the biggest scandals for years. I had a most difficult task to get the departments to realise this, and it was not until I got right down on to the question in the Estimates that I made it imperative something should be done. In order that there might be no misunderstanding or criticism of Johnson's tactics, Parliament was promised that a board would be appointed. That board was appointed and it brought in a definite and distinct report, setting out that there had been a scandalous waste of money. Amongst other things the board showed that while the Water Supply Department had an engineering staff getting out certain plans of the City of Perth, another department at the same time had its engineers getting out similar plans. The board also pointed out many directions in which economies could be effected. During the discussion on last year's Estimates, I appealed to the Minister for Lands to get that report, and not to argue the point with the departments.

The Colonial Treasurer: Which report was that?

Hon. W. D. JOHNSON: The report of the board of which Mr. Simpson was chairman and the other members of which were Mr. Pearse of the Public Works Department, Mr. Bone of the Water Supply Department, and a draftsman from the Lands Department. I think the board was one of the most practical that could have been appointed. The report was presented to us just before we left office, but nothing has been done since. The duplication has been going on for twelve months. I appealed to

the Minister, and if he looks up *Hansard* he will find that he definitely stated he would go into the matter with the view of effecting immediately the economies which were recommended. The position is that we have officers doing drafting and computing work in the Lands Department and in the Taxation Department.

The Colonial Treasurer: There are draftsmen all over the place.

Hon. W. D. JOHNSON: There is another illustration of things having been promised twelve months ago and nothing whatever having been done. There was a good deal of work that the country looked to the Government to accomplish, but it was neglected and, as a matter of fact, the position is worse than ever. In order to bring about a remedy, one has to thoroughly understand what has caused our present position. I agree with the leader of the Opposition who said that the cause of Western Australia's unfortunate financial position to-day is the land settlement policy of a few years ago, combined with the enormous expenditure that had to follow in its train. There was no scientific method of land settlement adopted in Western Australia. We threw open our lands here, there, and everywhere with the result that we got our people scattered all over the place, and every time an area of land was thrown open a special inducement was held out to settlers to select land on a particular block which was supposed to be better than the land previously declared available for settlement. Inducements in the shape of the early construction of railways were also promised. Just before the 1911 election we had a huge number of settlers crying out stating that they were trying to farm under impossible conditions, that they had taken their wives and families on the land, and that they had sacrificed their businesses in towns so that they might become agriculturists, and they were told that they would not remain isolated, that railways would be constructed to their holdings. Up to that time things had gone on fairly well in connection with the land settlement policy. Those who took up areas were able to pay the application fee, and the first two or three years' rent, the result being that the Government did not experience any difficulty. But in 1911 there

came along a drought, and simultaneously a general appeal for railways. The Government recognised that the cry of these farmers was justified, and I think 500 or 600 miles of railway lines were authorised for construction by Parliament just before the general election. When the new Government came into power they were pledged to construct that mileage of railway, and they applied themselves to the task. It will be remembered that the criticism levelled against the then Government was that they had all these railways to build, but they did not have the necessary backing to raise the funds from money lenders with which to carry out the construction of these lines. The Government eventually borrowed, and borrowed freely, and constructed many of these railway lines. The position to-day is that 50 per cent. of our public debt is controlled by the Commissioner for Railways, with the result that, while in the old days from the railways we earned our interest, and to a large extent and in some cases the whole of the sinking fund, to-day the railways cannot earn interest, and consequently we are up against it because the main revenue-earning department, the department that controls 50 per cent. of the public debt cannot pay interest on it. The trouble is that we are not getting any indirect benefit from the railways which were constructed. When we calculate all the expenditure it is idle to say that there has been extravagance. If there has been extravagance and waste, Parliament has been responsible for it, because the railways which were built were built with the unanimous approval of Parliament. All the railways built were absolutely essential, on account of the promises made and the inducements offered to get people to go on the land. We have to realise that that is the cause of our financial position, and we have a Royal Commission inquiring into what more can be done for the agricultural industry. I appeal to Parliament to take another view, and it is not to have a Royal Commission to inquire what the agricultural industry wants, because we all know well what it wants. Most of us have farms. I am glad to see that the Attorney General is on the track of what the State wants to know and what the Treasurer wants to know. He is

inquiring as to whether we can afford to go any further. Above everything else we want a thorough financial investigation of the State's position from the agricultural point of view. I am a farmer, and I appreciate the assistance I have had from the Agricultural Bank. I could not possibly have got through without that assistance, but I am not blind to the fact that the people of the State should know that the money they have lent me and to thousands of others has been wisely spent. I would like the Treasurer to close up the Royal Commission on agriculture as quickly as possible. There has been a scandalous waste of money there. I gave evidence before them, and I appealed to them to break new ground. In the words of the member for Pilbara, it is the same old tripe that we have had for years and years that they have been collecting in the form of evidence. There are departmental files three or four inches thick dealing with every subject that the Commission have been inquiring into. The question of the payment of the water rate on the eastern belt has been investigated by conference after conference, and there have been deputations by the hundred. We all know of this and the other subjects that they have been inquiring into from A to Z. The managing trustee of the Agricultural Bank has forgotten more about many of the things that the Commission have been investigating than the Commission are likely to find out in the next ten years. In fact, on every subject they are gathering evidence about there is a fund of reliable information to be found in the various departments. Therefore, I ask what good is this Commission doing except to waste public money. What we do want is a committee of financial experts to go into the whole question and to let us know exactly how we stand and how much further we dare go. The whole question wants reviewing. One is not a pessimist when speaking in this way. We must take stock of our position.

The Colonial Treasurer: We want to see if the man we are assisting can pull through.

Hon. W. D. JOHNSON: That is exactly the position. If we appoint a committee of experts they will soon sift out the weak spots, and it would then be an easy matter for the State to have a clean up. We are

not casting a reflection on the industry in any shape or form by suggesting that we should follow the lines I have indicated, knowing as we do that an alteration is needed. We never calculated whether we were justified in doing what we did, and whether the asset was there, and whether we were not assisting those who could not possibly win through and in that way perhaps keeping them from following some profitable occupation, and doing harm to the main industry of the State. I introduced the Industries Assistance Act, and I am glad to see that the Attorney General is conducting a thorough investigation in order to see how much further we may go. I urge him to be active, and if he cannot do what is proposed himself, he should get some financial experts to assist him.

The Attorney General: The investigation is going on very well.

Hon. W. D. JOHNSON: I am glad to hear it. The only other matter I desire to refer to is the question of alleged extravagance in regard to our building operations and about which we hear so much. I feel that a grave injustice has been done to some of the officers who have been the principal advisers of the department for years. I refer particularly to Mr. Beasley, who is now out of the department, and to others who were associated with him. I have heard hon. members remark about the gross extravagance in regard to our buildings, and that the departmental officers have not been as economical as might have been desired.

Mr. Thomson: Thousands of pounds are thrown away every year.

Hon. W. D. JOHNSON: The hon. member claims to have special knowledge. I make no such claim, notwithstanding which I have a little knowledge of the subject. If the hon. member will take into consideration our climate, and compare our maintenance costs with those in any other part of Australia, he will find that while the initial outlay has been pretty high, subsequent costs have been very low indeed. Take the Supreme Court building as an illustration. Practically no money has been spent on it since it was completed, yet the building is as good to-day as when first erected. The maintenance costs of our buildings are very low as compared with similar costs in other

parts of Australia, and this fact fully compensates us for the extra capital cost incurred. I trust that before the general elections the Treasurer will definitely outline the financial proposals of the Government, especially in respect of taxation. From the policy speech of the Premier we gathered that the Government proposed to appeal to the electors on the broad policy of financial reform without giving any detail as to how that reform was to be brought about. That is why I took exception to the Supply Bill being pushed through. I wanted to know. I am not going to be a party to an appeal to the country unless some details of the proposals are given. We have had generalities for too long. From the Treasurer's utterances to-night I find that he intends to outline the taxation proposals of the Government before the general elections. In regard to the Supply Bill, I would emphasise the fact that it is the highest the Treasurer could ask for. There is no evidence of economy in it. It is based on one of the biggest spending years in the history of the State. Although we are giving him this five months' supply, if he and I both come back from the general elections I will ask him to render a full account of his stewardship that we may see whether he has spent the full amount or been successful in bringing about some of his promised economies. Last year the Treasurer said, "We have had only seven months; give us a chance." We gave him a chance and fell in. Now the present Treasurer is asking for time. I will endeavour to give him time if he does not carry out his promises.

The COLONIAL TREASURER (Hon. J. Gardiner—Irwin—in reply) [10.5]: I cannot but feel grateful for the criticism of hon. members. I cannot help thinking that they realise, as I do, the difficulties of the present financial position. I know most of them well enough to be convinced that they are quite sincere in offering advice and sympathy. If I do not carry out as far as possible what I have promised, I will not respect myself, and if hon. members do not make me carry it out I will not respect them. We as a Government have to do what we have said we shall do, or get out and let someone else do it. As far as re-

form is concerned, the time of promising has passed. If I do not do it, I do not wish to stop here. In regard to the point raised by the member for Guildford (Hon. W. D. Johnson) concerning the Industries Assistance Board, the Minister for Industries and I have talked it over. In respect of any work this State is doing to assist production I want to feel that the people being assisted are going to benefit; I want to feel that the work makes it an asset to the State and to the men who are assisted. It is strange that the member for Guildford should voice almost in the same words what the Minister for Industries and myself have already said. We do not care who examines this so long as it is a practical man. If we are employing men in a direction for which they are not fitted, we are wasting an economic force which ought to be put into something more profitable.

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

*Supply Bill introduced, etcetera.*

Resolution in Committee of Ways and Means having been passed a Supply Bill was brought in providing for the expenditure of £2,226,000.

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

**BILLS (2)—FIRST READING.**

1, War Council Act Amendment.

Introduced by the Colonial Treasurer.

2, Melville Tramways Act Amendment.

Introduced by the Minister for Works.

**PAPERS—DISMISSAL OF J. FLOOD.**

On motion by Mr. FOLEY (Leonora) ordered: "That all papers dealing with the dismissal of J. Flood from the State Hotel, Gwalia, be laid on the Table of the House."

The Attorney General laid the papers on the Table.

*House adjourned at 10.19 p.m.*

**Legislative Council,**

*Wednesday, 25th July, 1917.*

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

**QUESTION — HOUSE RENTS, FREMANTLE.**

Hon. R. J. LYNN asked the Colonial Secretary: 1, Is he aware that in Fremantle some landlords are attempting to raise the rent of their properties to tenants, even to the extent of 100 per cent.? 2, If so, will the Government bring in legislation to prevent these exorbitant demands being made during the currency of the war?

The COLONIAL SECRETARY replied: 1, No. 2, If particulars of the alleged attempt are supplied, the Government will consider the desirableness of acting in the direction suggested, or of appealing to the Federal authorities to take steps under the War Precautions Act.

**QUESTION — WHEAT MARKETING SCHEME.**

*Allocation of Losses.*

Hon. H. CARSON asked the Colonial Secretary: Does each State bear its own losses in the wheat pool?

The COLONIAL SECRETARY replied: Yes. Up to shipment.

**BILL—SUPPLY, £2,226,000.**

Received from the Assembly, and read a first time.

**ADDRESS-IN-REPLY.**

*Third Day.*

Debate resumed from the previous day.

Hon. J. E. DODD (South) [4.38]: I desire to congratulate the Colonial Secre-