

I should like to know where Perth would be if we did not have our primary producers.

Hon. P. Collier: You are not inferring that anybody is opposed to them?

The PREMIER: We ought to protect them and assist them.

Mr. O'Loughlen: They are protected all right.

The PREMIER: We did not protect them too well when wheat was being sold locally at 7s. 8d. with the export price at twice that figure.

Hon. W. C. Angwin: Don't forget you told us last night that most of the wheat was still here.

The PREMIER: No, I said the railways had not earned all that they expected to earn, because we had considerable wheat at country sidings still.

Mr. O'Loughlen: If there were ten times as much wheat, the people would not get cheaper bread.

The PREMIER: If they counted on some people for it, they would not get any bread at all. However, I will see that these reports are presented to the House as soon as possible.

Question put and passed.

Resolution reported and the report adopted.

Bill introduced.

Supply Bill introduced, passed through all stages, and transmitted to the Council.

*House adjourned at 8.9 p.m.*

## Legislative Council,

*Thursday, 4th August, 1921.*

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

### COMMITTEES FOR THE SESSION.

On motions by the MINISTER FOR EDUCATION (Hon. H. P. Colebatch), sessional committees were appointed as follows:—

Standing Orders: The President, the Chairman of Committees, and the Minister for Education.

Library: The President, Hon. A. Lovekin, and Hon. J. Nicholson.

Printing: The President, Hon. Sir Edward Wittenoom, and Hon. A. H. Panton.

House: The President, Hon. J. Cornell, Hon. J. Duffell, Hon. J. Ewing, and Hon. J. W. Hickey.

BILL—SUPPLY (No. 1) £1,640,320.

All Stages.

Standing Orders Suspension.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [4.33]: I move—

That so much of the Standing Orders be suspended as is necessary to enable a Supply Bill to be received from the Legislative Assembly, and to be passed through all stages in one sitting.

It is customary to move a motion of this description during the first week of the session. I might at this stage inform Mr. Nicholson that his suggestion has been anticipated and that the Supply asked for covers a period only until the end of the present month.

Hon. J. NICHOLSON (Metropolitan) [4.34]: It is pleasing to hear that the Supply asked for is restricted to a certain extent. We know from the published reports that certain discussions took place elsewhere with regard to this measure. It is not my intention to allude to those discussions, but in view of the protests which have been made by members from time to time, it is our duty to get some assurance from the Leader of the House that the Estimates will be laid before us at an early date. I should like to hear from him some definite date as to when the Estimates will be presented, because this may have considerable weight in deciding as to whether the Standing Orders should be suspended.

Hon. V. HAMERSLEY (East) [4.35]: I do not wish to delay the House, but in view of the fact that the life of the last Parliament was extended, presumably with the idea of calling Parliament together earlier in the year, the Government might reasonably have been expected to summon Parliament at a stage sufficiently early to obviate the necessity of having to rush through a measure of this nature.

The PRESIDENT: There is no measure at present before the House. The question is the motion to suspend the Standing Orders.

Hon. V. HAMERSLEY: I have no desire to oppose the motion; in fact, I shall support it and reserve any remarks I have to make until a later stage.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East—in reply) [4.36]: It is, of course, impossible for me to give the hon. member a positive assurance as to the exact date when the Estimates will be sub-

mitted to this House. I would remind members that last year, in spite of the fact that the civil service strike started on the 1st July and delayed the presentation of the Estimates, they were brought down in another place at an earlier stage than had been the case for many years past. It is the intention of the Premier, as expressed in another place, that the Estimates shall be presented there at the beginning of September, but it is quite impossible for me to say how long it may take for the Estimates to be discussed in another place and sent on to us.

Question put and passed.

#### First Reading.

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

#### Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [4.39] in moving the second reading said: I desire to repeat the statement I have already made that, whereas at this stage of last session a Supply Bill covering a period of three months was asked for by the Government and passed by Parliament, the Supply Bill now asked for is for a period of two months only. The reason is that the Premier expects to be able to submit the Estimates at an earlier date than was the case last year. The amount is based on the actual expenditure of last year, plus the increase of salaries and wages. The particulars of the advances are fully stated in the Bill. There are one or two outstanding facts with regard to the financial position of the State that I think it my duty to bring under the notice of members in asking them to pass this Supply Bill. During the last financial year the revenue of the State amounted to £6,789,565, but included in that total was no less than £3,758,689 being the revenue from business undertakings. To earn that £3,758,689 cost £3,145,175 and the interest on the money invested in these business undertakings was £1,300,000, making a total of £4,445,175, so that the amount received from the business undertakings fell short of the amount required to pay their working expenses and interest on invested money by the sum of £686,486 which is practically the amount of the deficit for the year. The actual revenue of the State apart from business undertakings was £2,843,534 and there can be no doubt that this would have been ample for the requirements of the State but for the losses incurred on our business undertakings. The actual result of the position was—ordinary collections, £2,843,534, ordinary expenditure, £1,914,353, leaving a surplus of revenue, taking into account only the ordinary revenue and expenditure, of £928,981. The business undertakings on the other hand collected £3,758,689 and spent in working operations £3,144,175, leaving a surplus towards meeting interest and sinking fund obligations of £613,514. The trading

concerns transferred to revenue account an amount of £187,342 and that was approximately sufficient to meet their particular obligations in the matter of interest and sinking fund. I am not going to suggest that the whole of the trading concerns paid their way—some of them showed profits and some of them showed losses—but the amount actually transferred to revenue was approximately sufficient to meet interest and sinking fund obligations. The grand total of the surplus revenue over and above the ordinary requirements of the State was £1,729,837. Out of that we had to meet interest and sinking fund obligations under special Acts amounting to £2,416,563, which left a deficit of £687,726. The estimated deficit for the last financial year was £399,413. That was arrived at in this way: It was expected that the ordinary collections would amount to £2,706,036 and the ordinary expenditure to £1,737,239, leaving a surplus of revenue towards meeting interest and sinking fund obligations of £968,797. It was also expected that the business undertakings would collect £3,733,826 at a working cost of £2,831,749, leaving another £902,077 towards meeting interest and sinking fund liabilities. It was estimated that there would be a transfer to revenue from the trading concerns, apart from business undertakings, of £166,542 and that item was realised. That would have meant a total transfer to revenue of £2,037,416 towards meeting interest and sinking fund obligations totalling £2,436,829. As a matter of fact, the Estimates so far as ordinary collections were concerned, proved to be accurate. There was an increase over and above the estimate of £137,498 resulting from increased taxation that had been deliberately imposed in order to meet awards of the arbitration courts and of boards which we knew were coming, but which had not been finalised when the Estimates were presented to Parliament. That increased revenue was realised, and the expected increase in expenditure resulting from awards of the Arbitration Court and boards also materialised; so that, as far as the estimate for ordinary expenditure was concerned, it turned out practically in accordance with the figures submitted by the Treasurer. Business undertakings, however, fell short of the estimate; that is to say, in some cases there was excess of expenditure, and in some cases decrease of revenue, totalling £287,000. And there we have the extra amount of the deficit. The principal factor was the Railway Department. There was heavy loss of revenue in that department owing to the strike in January of this year. The railway results, compared with the Estimates, showed a revenue £36,000 less than the estimated amount, and this in spite of the increases in freights and fares; and they also showed an expenditure exceeding the estimate by £237,000; or a total deficiency, as compared with the estimate, of £273,000. There we have practically the increase in the deficit. I quote these figures in order to show the difficult position the Government have had

to face. During the last couple of years there have been increases in wages and salaries to the amount of no less than £837,000, the principal item being in connection with the railways, £550,000. The grand total of the increases in wages and salaries to-day, as compared with the year 1918-19, is no less than £837,000. The actual loss on the railways for the year, including interest and sinking fund, was £594,964, or within a comparatively small sum of the total deficit for the year. The ordinary expenditure was £2,427,000, the interest £716,000, and the sinking fund £140,000, making a total expenditure of £3,283,000, against a revenue of £2,688,000, resulting in a loss on the year's operations of the railways alone of £594,000. This loss was mostly incurred in the latter half of the year. As a matter of fact, at the end of December, 1920, the railway results were almost exactly in accord with the estimates; and it was expected that after the strike was over the lost revenue would, at all events to some extent, be recovered. But instead of that, there was a further shrinkage in revenue. Undoubtedly this was due to circumstances over which the Commissioner of Railways had no direct control, because the railways have been extended all over Western Australia with a view to providing facilities of transportation to the whole of the industries of the country, and it is well known to hon. members that a number of those industries are at the present time, if operating at all, operating on a very reduced scale. A lot of our wheat—and wheat growing may be perhaps described as the most prosperous of our industries to-day—is still lying at the country sidings, and railway revenue from that source was not nearly as much as was expected. Hon. members need only glance at the decrease in the gold yield in order to see to what extent the railway revenue must have been affected by that factor. So far as base metals are concerned, the industry has been almost suspended for some time. But perhaps the greatest surprise the Commissioner of Railways received was the enormous falling off in goods, merchandise, carrying the highest rates of freight. That was due to the fact that throughout Australia—certainly in Western Australia, and I think the other States are having practically the same experience—there has been an enormous decrease in importations, because of the falling prices. It has been the object of every business man to cut down his stocks. It has been quite a common thing to find in country towns business men telling you that during the last two or three months they have cut down their stocks by £1,000 or £2,000, or £3,000, owing to the falling prices. Thus there has been an enormous drop in the most profitable class of freight that the railways carry. There has been also a decrease in expenditure on the railways, but I suppose it is impossible to make that decrease balance the decreased revenue, when one has a full service provided on the understanding that the whole of the indus-

tries of the country are to be carried on at their top speed. Now, the total loss on the business undertakings was, as I have explained, £686,000, which is practically the amount of the deficit. So far as the trading concerns affect the position, I hope to have the whole of the balance sheets for those trading concerns placed before hon. members at a very early date. The State Trading Concerns Act provides that the balance sheets shall be made up by the 30th September, and I know of no reason why they should not be. At the present time an effort is being made to have the whole of the balance sheets presented—

Hon. A. Lovelock: But you have them now. You must have taken them into account when preparing those figures.

The MINISTER FOR EDUCATION: No, not the balance sheets; but the figures are roughly known, and those figures indicate—although, I repeat, I am not speaking after having had an opportunity of perusing the balance sheets—that the loss on the State trading concerns was not very heavy. True, there was a particularly substantial loss on the Wyndham Freezing Works; but on most of the other trading concerns there were small to substantial profits. I have no doubt that when the final figures are presented, it will be shown that the loss on the State trading concerns for the year 1920-21 was not very great. I am not in a position to commit myself to any further extent than that. Now to return to the railway position: in March 488,000 train miles were run; in June this was cut down to 358,000 miles, or a decrease of 130,000 train miles in June as compared with March. That reduction was made in order to endeavour to meet the losses of revenue; and since then further reductions have been made, both in the country and in the metropolitan services. The loan position to-day is as follows:—Gross public debt at the end of June last, 49 millions; sinking fund, £7,600,000; net public debt, £41,398,000. The public debt increase for the year was £2,217,000, as against which the sinking fund amounted to £792,000, leaving a net increase of, roughly, £1,400,000. This loan money was expended, on business undertakings, to the extent of £431,000, on providing capital for trading concerns to the amount of £137,000, on loans in connection with soldier settlement to the amount of £1,500,000, and on the Agricultural Bank, assistance to settlers, loans for wire netting, and so forth, to an extent making a total, with the advances for soldier settlement, of £1,690,000. So that of the total loan expenditure a sum of £2,283,000 was spent on undertakings that are supposed to be remunerative, revenue-producing. The remainder of the expenditure was on matters which are not directly reproductive: harbours £29,000, water supply £43,000, development of goldfields £35,000, development of agriculture £11,000, immigration £10,000, roads and buildings and sundries

£60,000, plant suspense £50,000; making a total expenditure on undertakings which would not be considered directly productive or interest-earning of £241,000. The last loan floated in London was floated on the 26th January, 1920, for an amount of £1,500,000. It was floated at a discount, at 98. The rate of interest was 5½ per cent. The loan is redeemable in June of 1940, with an option to the Government to redeem in 1930. The net cost of that loan at maturity would work out at 6¼ per cent. The Government's overdraft in London at the end of June of this year was £1,805,000, divided in this way: for sinking fund, £630,000; on general account, £1,175,000. It was for the purpose of meeting that overdraft that Treasury bills amounting to two millions were recently disposed of in London.

Mr. R. J. Lynn: What rate of interest do you pay on your overdraft in London?

The MINISTER FOR EDUCATION: The rate varies. There was an arrangement made by a former Colonial Treasurer that the rate of interest should be five per cent. on the overdraft required for financing the sinking fund. Different rates were paid, I believe, for a short time. Some portion of the overdraft bore interest up to seven per cent. The arrangement was that a loan should be floated as soon as possible in order to redeem the overdraft.

Hon. J. Nicholson: The sinking fund, then, was paid out of that loan?

The MINISTER FOR EDUCATION: Yes. As hon. members are aware, the Imperial Government prohibited the flotation of any Australian loans in London pending the placing of certain loans of its own; and consequently we were advised to raise this money by the sale of two millions of Treasury bills. When the Bill to authorise the Agent General to sign these Treasury bills was before the House, expressions of opinion were uttered by various members as to the cost of the bills to the Government. Now, the actual cost of these Treasury bills to the Government was as follows:—The bills have been discounted at the rate of 5½ per cent. per annum.

Hon. R. J. Lynn: By the bank which advanced you the overdraft?

The MINISTER FOR EDUCATION: That is equal to £2 15s. per cent. for the six months. In addition, there are three charges each of 1s. per £100, making a total of 3s. per £100. So that the total cost to the Government of that two millions of money is £2 18s. per cent. for the six months. That is to say, the Government receive a sum of £97 2s., and six months hence they have to pay back a sum of £100. If hon. members choose to work it out for themselves, they will find that this comes to 5.973 per cent., or practically six per cent. Now, the flotation of those Treasury

bills relieves our position in London, and pays our overdraft.

Hon. R. J. Lynn: It provides you with another start in the bank.

The MINISTER FOR EDUCATION: On the 30th June, 1921, the Government had a credit on general account of £428,000, and a credit in the form of wheat certificates of £314,000, making a total of £742,000. There was due to the Government by the Commonwealth a sum of £236,000, making a total of practically a million pounds. There was cash in the Treasury to the amount of £155,000. So that the Government have upwards of £1,000,000 available in cash, or as good as cash, and there are also fixed deposits held on behalf of the Savings Bank to the amount of £477,000. These items make a total credit balance of £1,611,000. The Premier, as I have already stated, is at present engaged in the preparation of the Estimates, and hopes to submit his Budget speech to the Legislative Assembly in the beginning of next month. It is expected that far better results will be shown as the effect of economies which are being practised. Moreover, increased revenue is expected from land rents. As the result of the amalgamation of the State and Federal Taxation Departments, there will be a saving of £20,000. Moreover, every effort is being made to bring about a saving in the cost of administration generally. In 1916 this State had 1,669 public servants, who were receiving an average salary of £218 per annum. To-day that number has been reduced by fully 200. There has been an actual reduction in the number of persons in the public service by upwards of 200 officers. The number is now 1,465. But, as the result of Arbitration Court awards, the average salary has increased from £219 to £287. When I speak of that reduction of 200 officers, I am not including the officers of the Taxation Department. There we had another 93 officers. So the actual reduction is nearly 300 officers. However, that would not be a legitimate argument to use, because the service has been taken over by the Commonwealth and a saving of £20,000 per annum effected.

Hon. R. J. Lynn: Could we have a list of the officers of the respective departments, showing those reductions?

The MINISTER FOR EDUCATION: The Public Service List will show that. It is now in course of preparation. At the same time, there has been an increase in the payment to wages men from 9s. to 13s. 4d. I mention that by way of showing the difficulties of the position with which the Government have been confronted. I trust that the Bill will be passed and that, at a very much earlier date than in any previous session, the financial policy of the Government as outlined by the Estimates of Revenue and Expenditure will be submitted for your consideration.

Hon. R. J. LYNN (West) [5.1]: I move—

That the debate be adjourned until the next sitting of the House.

Motion put and a division taken with the following result:—

Ayes	..	..	..	8
Noes	..	..	..	10

Majority against	..	2
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# AYES.

Hon. R. G. Ardagh	Hon. R. J. Lynn
Hon. J. Cunningham	Hon. T. Moore
Hon. J. W. Hickey	Hon. J. Nicholson
Hon. A. Lovekin	Hon. F. A. Baglin

(Teller.)

# NOES.

Hon. C. F. Baxter	Hon. J. Mills
Hon. H. P. Colebatch	Hon. E. Rose
Hon. J. Ewing	Hon. A. J. H. Saw
Hon. V. Hamersley	Hon. F. E. S. Willmott
Hon. C. McKenzie	Hon. Sir E. H. Wittenoom

(Teller.)

Motion thus negatived.

Hon. A. LOVEKIN (Metropolitan) [5.5]: I am sure no member, not even those who voted for the adjournment, would wish to harass the Government in any way, especially since the Government find themselves in a somewhat difficult position. But the Minister has just made a short financial statement and it is difficult for any of us, without the necessary data, to offer any opinion on that statement. I do not intend to oppose the Bill. I only rise to ask the Minister to let us have the trading concerns' balance-sheets and the balance-sheets and profit and loss accounts of the other State instrumentalities when the House next meets. Because then, if the Treasurer delivers his Budget Speech next month, we need not wait till the actual Estimates come here; we can read in "Hansard" what the Treasurer has said, and if we have the balance-sheets and necessary data we can be quite prepared, when the matter comes formally before us, to offer some opinion on the subject. Anything I may say will be directed towards helping the Government, rather than embarrassing them. The other day I moved what I conceived to be purely a formal motion asking for these balance-sheets. From what the Minister has said, he must have had those balance-sheets, otherwise he could not have made the statement he made to-day; because the mere profit and loss account and statement of receipts and expenditure of those trading concerns would not have enabled the Government to carry the balances forward into the statement they issued for June; nor would they have allowed the Minister to tell us that profits have been made on some concerns, and losses on others. We do not want to wait till the Auditor General has audited those accounts. We shall be quite satisfied

to have the data the Minister himself has had. The audit can make very little difference. Suppose the auditor finds something wrong in any of the accounts. Whatever is wrong must re-act upon the whole of the statement for June; so if one has to be corrected, the other also must be corrected. Therefore, if we can get those balance-sheets at this early stage of the session, when we are not very busy, we can consider the whole financial position and see to what extent we can help the Government; and in helping the Government we shall be helping the country and doing our duty as members of this Chamber. Mr. Lynn, the other day, said that we must concentrate upon finance. I, too, think that is the subject we ought to concentrate upon this session.

Hon. T. Moore: We have very little say in that matter.

Hon. A. LOVEKIN: We are equally responsible with another Chamber for the affairs of the country, and it seems to me it is our own negligence if we fail to do our duty. The Government gave a lead, as Mr. Lynn suggested, by putting the question of finance right at the beginning of the Governor's Speech. In the interests of the State I am rather sorry that the statement was put forward in so bald a form, without any explanation. I am not able to sit down quietly and analyse the figures of the various trading concerns, but my view is that the condition of the State is not anything like as black as it is painted, and unless it be absolutely necessary, I do not think we should hold out to the world that we are in straitened financial circumstances when, in my opinion, we are nothing like as badly off as appears from the way in which the figures are presented. Let me illustrate: Most things go by comparison. Take our indebtedness per head. We show that it is £41 in this State. It is abnormally high as compared with that of other States. We let the bald statement go that our indebtedness is so much, and we say that Victoria's indebtedness is so much less. They are both facts; yet it is not a fair comparison, inasmuch as this State is carrying on a number of concerns, the capital cost of which is debited to the State indebtedness, whereas in Victoria the State indebtedness is not so debited because the concerns are there under boards and trusts. In that way the comparison is not fair, and does not do justice to this State. On consideration, we may see that this State is in a better financial position than appears from the figures as put forward. Take another example: From time immemorial successive Governments have kept their accounts in a certain way. They produce statements of receipt and expenditure, and that ends the matter. That system was quite right, and fully demonstrated the position of the country, when Governments filled only the functions of government; that is to say, maintained law and order and saw to it that justice was administered. But that system of accounts seems to me entirely wrong to-day

when Governments go beyond what we consider to be the ordinary functions of Government and embark upon trading. These trading concerns involve the country in losses, more or less. Therefore if we want to get at the true state of the country's finances, we can only do so by keeping our accounts as an ordinary business person would do, and bring in the balances to a common fund. As traders we cannot show the true position of the country by a mere statement of receipts and expenditure for the 12 months. Any private concern would be declared insolvent if that kind of thing were done. At one time I had fairly large engagements in connection with paper. Had I been asked in that particular year for a statement of receipts and expenditure it would have been said that I was insolvent, and that I had spent £60,000 that year more than I had earned. That was not the true position, because I had a lot more than £60,000 in my cellar. I was not only not insolvent, but in addition to being solvent I was showing a good balance. We need time in order to look into the financial position. We may well consider whether we should not change the system of keeping our accounts, and prepare our statements in such a way as to show to the world what our true position is, instead of showing what is really a false position created by the present system of merely issuing statements of receipts and expenditure. I do not care to speak upon financial subjects unless I have the data before me, when I can speak with some degree of accuracy. Mr. Nicholson attempted the other evening to discuss the railway business. He had to go back to the year 1919 in order to get some data. Data concerning the year 1919 is no good to us to-day. We have a deficit of practically five million pounds. I do not think, however, we are in that awful position, and no such position would appear if we kept our accounts on business lines. Seeing that we are no longer merely administering the affairs of State but have become traders, we ought to show our accounts on trading lines. If we did so I do not think it would be found that we have a deficit of five million pounds or anything like it. It is wrong to send it forth to the world that we are in a parlous financial condition and so impair our credit, which this undoubtedly must do, without explanations of any kind. I am going to ask the Leader of the House to let us have this data at the earliest possible moment so that if we do make any suggestions to the Government we can put them in a form that will give them some value. I do not intend to offer any opposition to the Bill.

Hon. R. J. LYNN (West) [5.20]: I have no wish to hamper the Government in connection with their supplies. We have heard so often from members that an opportunity was desired by them of considering various aspects relating to finances that I did consider,

after the speech delivered by the Leader of the House, and after hearing the figures supplied by him, that an opportunity would be given to us to fully consider his remarks. He went into many of those matters which are of great interest and which would have led us to offer, perhaps, some criticism of a nature which may or may not have been of service to the Government. It would, however, be quite impossible, and I think members will agree with me, to offer any intelligent criticism on the figures given by the Leader of the House to-night unless we had time in which to consider them. I also assume that this will be the only opportunity the House will have of offering any remarks upon the finances of the State. The Supply Bill will be passed to-day, and I understand the Estimates will reach us on the last day of the session as usual. It is reasonable to assume that this will be the case.

The Minister for Education: There would be another Supply Bill if that were the case.

Hon. R. J. LYNN: And the money would have been spent before the Supply Bill came before us. This Bill is asking for an expenditure for two-twelfths of the year which have already gone. I was anxious that ample opportunity should be given to members to offer that criticism in connection with the finances which they should have been enabled to offer to this Bill instead of waiting for the Estimates. That opportunity has been offered to various members to-night, but in their wisdom they considered the finances of the State all right and that the supply should be granted. I remember when Mr. Sanderson was speaking last session he referred to Nero fiddling. I see by to-night's paper in connection with the furnishing of the Agent General's new mansion in the Old Country that he could have had the accompaniment of a Wendover grand piano at a cost of £139 while Nero was fiddling. I see from this paper that the State has spent lavishly in connection with the furnishing of this London house, and amongst the items mentioned is this grand piano at a cost of £139. If the State can afford to enjoy luxuries of this kind during this financial stress members will probably be satisfied to support the Ministry when they bring along the next Supply Bill for the provision of a pianola as well as the grand piano. We also see from the paper that someone else's room is furnished in more lavish style than another person's room.

Hon. A. Lovekin: The house was bought furnished.

Hon. R. J. LYNN: We should have an opportunity of considering the remarks of the Leader of the House—it would be futile to attempt to criticise them unless an opportunity is given us to go fully into the figures. The Leader of the House has told us that we have plenty of money. In reply to my interjection asking where the money was to come from he said, "We have plenty of money."

The Minister for Education: I said we have no difficulty in regard to money.

Hon. R. J. LYNN: I tried to follow the figures but that was impossible, especially when we are talking of millions. The Leader of the House said that these Treasury bills were being discounted at roughly 6 per cent. in order to reimburse the bank for their overdraft in connection with the amount which has been advanced. Shortly after, the Minister said we had a credit of £1,600,000.

The Minister for Education: Locally.

Hon. R. J. LYNN: It is very bad finance to my mind to carry a credit here of £1,600,000.

The Minister for Education: You must remember the form that it is in. It is money owed upon wheat certificates. It is not as if we were carrying that amount of idle money.

Hon. R. J. LYNN: That amount would be worth practically  $1\frac{3}{4}$  per cent. in London. It would pay the Government to hand that money to someone else here in Australia and get the exchange upon it, which would pay the total amount of the discount charged on the two million of Treasury bills. If this £1,600,000 is simply a credit in connection with wheat scrip and other matters—

The Minister for Education: The money can be obtained by the Government when it is wanted.

Hon. R. J. LYNN: If it can be obtained by the Government when it is wanted then they have no right to stand out of the money, and no right to discount their Treasury bills in order to pay their overdraft in London. With this £1,600,000 they could make practically  $1\frac{1}{2}$  per cent. on the total amount. If they did make  $1\frac{1}{2}$  per cent. on the total amount they would make a fine profit to go towards reducing the deficit. I am sorry the Minister refused to adjourn the debate. In view of that I do not propose to offer any further criticism, except to say that it would be quite impossible for any member, irrespective of whether he was a financial expert or not, to criticise intelligently and with any degree of accuracy the figures quoted to-night by the Leader of the House. I am pleased I called for a division. It will show that I was anxious to give consideration to what I consider is a most burning question in connection with the prosperity of the State to-day.

Hon. J. W. HICKEY (Central) [5.27]: I am astonished and disappointed that this Bill should be passed through to-night without a protest from those members who, year in and year out, have raised protests against Bills being brought down late at night or at the end of the session and all that sort of thing. We are called upon to-day in a few moments to pass a Bill involving an expenditure of £813,670.

Hon. J. Nicholson: And the rest.

Hon. J. W. HICKEY: I appreciate very much the criticism offered by Mr. Lynn, and I regret the Leader of the House did not

agree to adjourn the debate in order to give members the opportunity they are so anxious for of going into the multitude of figures propounded to us. It is almost impossible to follow the Leader of the House in his remarks. Although no doubt he put up a good case from his standpoint, he put it in such a way as to make it impossible for us to follow him. Naturally we are anxious to have an opportunity to discuss these figures and see whether they are correct or not. I do not doubt the accuracy of the Leader of the House, but one is anxious at times to look at these things for oneself. Protest after protest has been raised in this Chamber for years past against the attitude of the Government in connection with hurried legislation. We are supposed to constitute a check on hurried legislation, but for an example of that kind of legislation commend me to the Bill that has been introduced to-day. There are some members who are very ready with their criticisms, but who have their tongues in their cheeks. They are not prepared to stand up against the Government and say what they think and by their votes give a practical illustration of where they stand. The Government are, no doubt, anxious to get their Supply through as quickly as possible, and they tell us that the Estimates will be down in three months. They are asking for a three months supply.

The Minister for Education: For two months.

Hon. J. W. HICKEY: If that is so then they could do with a less amount of money. It is absolutely hopeless to offer any word of criticism when we find members who will criticise in the Press and in this Chamber, but who when they get an opportunity of demonstrating their opinions, are not prepared to do so. Members should have shown by their vote to-night that they desired to have more information in order to understand what is happening and I very much regret the vote which was taken a little while ago. Here we have a Government going to the bad to the extent of millions and we have but little voice in protesting against it. The Leader of the House gave us reasons for the deficit but these reasons have been given ever since the Government have been in power. Mr. Lynn has raised his protest year after year, but he has been fighting a forlorn hope. I admire him for sticking to his guns. Few members have shown any willingness to assist in maintaining that effort. The Leader of the House has again made use of the railways as one of the excuses for the deficit. The railways are always advanced as one of the big contributing factors and that being so, the Minister for Railways should endeavour to find out what is wrong. One of the forms of economies is retrenchment. I agree that something has to be done when the staff in connection with the Railway Department is shown to be over-manned. We do not claim that is the case with the railways to-day. At the present time, the Supply Bill should have been

cut down when it was being discussed in another place and, as it was not cut down, we should raise a strong protest in this Chamber. The Government are not using the funds voted to them in a proper direction. We have heard of agitations in different parts of the State in advocacy of immigration. On the other hand, we have heard rumours—I hope they are not substantiated—and with a view to ascertaining the position I have asked questions regarding the curtailment of work in the Railway Department.

The PRESIDENT: I asked the hon. member to confine himself to the subject of the second reading of the Bill. I do not think he is justified in proceeding as he is doing.

Hon. J. W. HICKEY: I am opposing the granting of Supply because of the absolute failure on the part of the Government to make a proper use of the money voted to them. They are expending money in many directions which are really the worst avenues from which to secure returns. Reasons for the present position and for the downfall of the financial administration of the Government have been placed before us, but I do not know whether the people can grasp the position from the details which have been furnished to them. Reference has been made to the State steamers as, in the words of a former Treasurer, the only bright spot in connection with the trading concerns.

The Minister for Education: There was a loss on them.

Hon. J. Ewing: And a serious loss, too.

Hon. J. W. HICKEY: I do not know whether the losses are serious or not. There is need to protest against the financial position because of the centralised administration of the Government and the tendency to spend the funds voted to them in the metropolitan area. Take the expenditure in connection with the metropolitan tramway service. One has only to walk round to see the manner in which the money is being expended to-day. I take an interest in this matter because coming from the back country I naturally take notice of the expenditure within the metropolitan area. I have hung on to straps in trams at certain times of the day, but at other times one can find trams which are running constantly almost empty. I refer to the loop line which runs down Barrack-street. I had no intention of mentioning this matter this evening, but in view of the statements which have been made. I cannot refrain from referring to it as an evidence of the useless expenditure that is going on. I took the opportunity on more than one occasion to go round the loop line and I found that on many occasions I was the only passenger. I suppose that four or five hundred trams go round that loop line every day and they are almost empty. They go down there to meet the boats from South Perth, and I have seen about four or five trams meet every ferry boat which arrives at the jetty.

The PRESIDENT: In my opinion the hon. gentleman is not in order.

Hon. J. W. HICKEY: I am sorry, but I am simply expressing my opinion as to the useless expenditure in which the Government are indulging. The instance I have given may not be one of major importance, but it gives an indication of the lack of thrift and economy exercised by the Government. We are asked to grant supplies, and I do not think we have had sufficient information put before us. The instance I have given of useless expenditure furnishes one reason why the Government should not be granted the supplies which have been asked for and constitutes one of the reasons for which I regret the vote taken to-night on Mr. Lynn's motion to adjourn the debate. Had the debate been adjourned, it would have given members an opportunity of going into the mass of figures supplied by the Leader of the House and help us to determine whether supplies should be granted or not.

Hon. J. CUNNINGHAM (North-East) [5.37]: In common with Mr. Hickey, I regret the decision which the House arrived at upon Mr. Lynn's motion. The Leader of the House submitted a mass of figures to members, but it is impossible to grasp all that is contained in such a speech through merely listening to it. The object of the Minister's speech should be to enlighten members regarding the conditions under the Bill and the necessity for the supplies. It is all very well for the Leader of the House to reel off such a mass of figures and expect members to understand them straight away. It is necessary that members should have an opportunity of sifting the matters mentioned by the Minister in his speech with a view to enabling them to get a grasp of the subject. The Leader of the House pointed out that every effort would be made to effect economies so far as the financial administration of the Government is concerned. We have heard that statement before, for it has been repeated almost every session since I have been a member of this Chamber. When we look at the record of the Government, with which the Leader of the House has been identified for the past five years or so, and endeavour to find out where the economies are, I admit that I have been unable to put my finger upon any such evidence. No information which the Leader of the House has submitted to-night has assisted me to understand where any economies have been effected. True, the Minister pointed out that an increase had been made in the wages paid to men working in the Railway Department and that the increase was from 9s. to 13s. 4d.

The Minister for Education: That is not only in the Railways; that increase is to all wages men.

Hon. J. CUNNINGHAM: In mentioning that point, it is only right that I should mention that increases have been made in the charges for services rendered in connec-



tion with the railways, as for other services as well. We have had several increases in railway freights, and one could hardly mention avenues in which increases for services rendered have not been made. These things were omitted by the Leader of the House.

The Minister for Education: I mentioned them as well.

Hon. J. CUNNINGHAM: I will not dispute the Minister's statement but I did not hear him mention them. We should not be asked to pass the Supply Bill without being in a position to know just where we are. Mr. Hickey has pointed out that one of the excuses for the existence of this Chamber is that it is a check upon hasty legislation; yet here we are asked to rush this Bill through within a few minutes. It is not fair to the members of this Chamber and it is not fair to the people as a whole. It is not a question of withholding information but, to my mind, it is apparent that the Minister's speech was prepared for publication in the newspapers and not for members of this Chamber. I do not know that the protest which I am voicing will do much good even if I continue taking up the time of members, but I regret that we have not received the information necessary to enable members to make a few intelligent remarks in connection with the Supply Bill. Reference has been made to the State trading concerns, and are asked to accept the statements made on the floor of the House without having any check upon them. We have had no financial statement or balance sheet before us for some time although we have been promised them from time to time. We know that the statements were made up to the 10th July and these statements should be made available. I contend that we should be in possession of all the financial statements regarding the State trading concerns before now. The Leader of the House informed us that, apart from Wyndham, there was a fair profit on the trading concerns. Yet I have heard members say within the last few days that the financial difficulties of the present Government can be traced to the losses in connection with the running of these concerns. I do not think it is fair to place members in such a position that they are able to make such statements. They are forced into that position, however, because they cannot get the necessary information; they cannot get the balance sheets and other documents enabling them to know exactly what is the position in connection with those concerns. I would like to see more time devoted to the consideration of this Supply Bill, and I certainly would like members to reconsider their decision of a few minutes ago, with a view to enabling us to defer further consideration of the measure, that we may go further into the matter and perhaps bring forward something which may be of benefit to the Government as well as to the people of the State.

Hon. T. MOORE (Central) [5.45]: I cannot allow the occasion to pass without protesting against the hurried method of putting a Bill such as this through the House of review. One of the reasons why this House exists is that it shall review all legislation that comes from another place, but if we go on like this hon. members will never have an opportunity of exercising that right which is theirs of reviewing measures that are sent to us. I assure hon. members that I was not able to follow the Leader of the House in his explanation of the Bill. I do not think one could be expected to do so without being a skilled mathematician. It seems ridiculous that such a Bill should be brought along and rushed through at a time like this. Why is it always necessary to rush through the Supply Bill at one sitting in the early period of the session? Why should it not be left over for at least one sitting, or as in the present instance, for two or three days, until the early part of next week? Members would then have an opportunity of finding out what they were doing. We are supposed to take an intelligent interest in what is happening, but it is impossible for us to go before those who sent us here and tell them what we have been dealing with to-night. I have taken the trouble to look into the finances of the State, and particularly in regard to the trading concerns which are always advanced as a reason for the State's financial position. From what I have been able to gather from the public accounts, there has been a transfer of cash from the trading concerns to revenue of £276,000. If hon. members will take the trouble to look up the matter they will find that that is the case. That amount covers the period from 1917 to 1921 inclusive. We have to accept the information which has been published in the "West Australian," and we have been told by the Premier in another place that while he supplied these figures to the newspaper in question, he does not declare that they are correct. But the Leader of the House to-night was not emphatic about the position of the trading concerns as he put it before hon. members. He stated that there was a loss on the Wyndham Meat Works, but that on the other concerns there were profits. All the information that we are given, however, is that which has appeared in the Press. If what we are told was transferred to revenue was not profit, then I want to know what it was. Interest is interwoven with other payments, and there are also what are called recoupa. For instance, an officer in one department may be working for another, and the amount of time he has devoted to that work may be charged against that particular concern so that the department to which he belongs may be recouped. The amount transferred, as I have stated, must be profit.

Hon. J. Ewing: Nothing of the kind.

Hon. T. MOORE: Quite a number of people believe, when they read a statement such as that which appeared in the "West Australian," that they get a correct account of the position. Mr. Lovekin has told us to-night that such statements are misleading. It is certainly misleading when statements such as those which have been published disclose that the trading concerns are responsible for a big loss. Everything that is being revealed to-day in connection with the trading concerns, is put forward in such a way as to make those concerns stand condemned in the eyes of the people. I trust that there will not be much further delay in getting out the balance sheets. I understand that last year's balance sheet has not yet been produced; at all events it has not been seen in this building. It is ridiculous, as I said before, that we should be asked to offer any comment on the financial situation with a view of assisting the Government, and as Mr. Lynn stated yesterday, strive to assist in straightening the finances. Even though Mr. Lovekin believes things are better than they are, it must be admitted that they are pretty bad. But if members are not given an opportunity of carefully looking into what is put before them, and will not agree that a debate of this kind should not be concluded at one sitting, then it is not much use our being here at all. Government by regulation appears to be the order of the day. The Minister just makes a statement and we are expected to swallow it at a gulp. The Minister is a very fast speaker and he handles his figures very rapidly, so rapidly that it is not possible for us to have a clear understanding of their meaning. To my mind this is reducing our work to a farce.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East—in reply) [5.52]: I wish merely to point out that the procedure in connection with this Bill is identical with that which has always been followed in this House in connection with the granting of Supply pending the presentation of the financial statement, and the Supply Bill has always been put through the House in one sitting. I also remind Mr. Lovekin that the reason why I could not accept his motion about the trading concerns as formal was that it included the presentation to this House of trading concerns accounts that had not been audited. All I said was that I was not prepared to commit the Government to that course of action. I would suggest to hon. members that as soon as the balance sheets of the trading concerns are presented—and I will get them down as soon as possible—a substantive motion be submitted and then a debate may be carried on concerning them. That is the proper course that should be followed. I do not see that any good purpose can be served by holding up what is purely a formal Supply Bill the object of which is to enable the affairs of the country to be carried on until the Estimates are passed by Parliament. Hon. members are aware

that it is not competent for the Governor to sign vouchers until Supply is granted, and that is all the Bill is intended to do.

Question put and passed.

Bill read a second time.

#### In Committee.

Hon. J. Ewing in the Chair; the Minister for Education in charge of the Bill.

Clause 1—Issue and application of £1,640,320:

Hon. A. LOVEKIN: It is only fair to the Agent General that I should make a short statement in reply to what Mr. Lynn has said in regard to the purchase of a residence in London. Mr. Lynn ridiculed the purchase by the Government of a house for the Agent General, and as I was in London this time last year, when the purchase was approved of by the Government, I think I should explain the position as I know it. At that time the Agent General lived at Putney in a house he was renting. That house was ordered to be sold.

The CHAIRMAN: The hon. member is not in order in making such a lengthy explanation.

Hon. A. LOVEKIN: I will be brief. The house was to be sold over the Agent General's head, and there was no house to be had in London. The secretary of the agency, Mr. Rushton, who draws a salary of £600 per annum, was paying £240 for a house 35 miles out of London. The Agent General could not get a house and, with the price of things in London, it was considered that, as the opportunity presented itself to make this purchase, it should be availed of. Mr. Angwin was in London at the time and I do not think I am breaking any confidence when I state that Mr. Angwin recommended that the Government should make the purchase. Subsequently, the house was bought, not for the present Agent General, but for all future Agents General. I, as well as others, supported Mr. Angwin's recommendation and the house, with its furniture, was secured. As things have turned out, a good deal was made for the State.

Clause put and passed.

Clause 2, Preamble—agreed to.

Bill reported without amendment and the report adopted.

Read a third time and passed.

#### ADJOURNMENT—SPECIAL.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [6.0]: I have taken the opportunity of consulting several members with whom I have had a chance to speak, and I understand it will meet their convenience if the House at its rising adjourns till Tuesday week. I wish to meet the con-

venience of members so far as I can, and this being so I move—

That the House at its rising adjourn till Tuesday, 16th August.

Question put and passed.

*House adjourned at 6 p.m.*

## Legislative Assembly,

*Thursday, 4th August, 1921.*

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

### QUESTION—TRAMWAYS, EXTENSIONS AND RENEWALS.

Mr. CARTER asked the Minister for Railways: 1, Is it the intention of the Government to proceed immediately with the South Perth-Como tramway extension? 2, What is the estimated cost of the construction of the line? 3, What proportion of the material ordered and now arriving to be used in extension work would be suitable for renovation and relaying work on present existing lines? 4, Has the department an adequate supply of material for the renewal work on the lines now in use? 5, In view of the repeated accidents and derailments on the Perth system, is it the intention of the Government to proceed with relaying work wherever needed? 6, Does he consider extension work to be more important than that work necessary to safeguard the travelling public? 7, What is the exact number of derailments on the Perth system of tramways during the past two years?

The MINISTER FOR RAILWAYS replied: 1, Yes. 2, £36,160 for track and overhead gear, plus £5,000 for substation building and equipment for the complete scheme. 3, Practically none. 4, Yes. 5, Repeated accidents and derailments are not occurring. Relaying work is being carried out as needed. 6, The extension of tramways does not affect the question of the safety of the travelling public. 7, A statement of derailments and their causes is being prepared.

### QUESTION—OLD MEN'S HOME.

Mr. J. THOMSON asked the Colonial Secretary: Is he aware that the Master of the Old Men's Home (Mr. Rust) has made a claim for 4s. 6d. out of the 5s. per week received by inmates from the Kalgoorlie Mine Workers' Relief Fund, thus leaving only 6d. per week to those receiving the benefit of this fund to buy fruit, etc.?

The COLONIAL SECRETARY replied: A demand was made, as is the usual custom, but upon the whole of the facts being made clear it was withdrawn.

### QUESTION—COPPER EXTRACTION.

Mr. MARSHALL asked the Minister for Mines: 1, Is he aware of the existence of an invention for the extraction of copper from copper ore by means of chemical solutions? 2, If not, will he cause inquiries to be made to ascertain if such an invention is in existence?

The MINISTER FOR MINES replied: 1, Yes. There are numerous such methods of extraction. I am also aware of experiments being made locally. 2, Answered by No. 1.

### QUESTION—SOLDIER SETTLEMENT.

Hon. P. COLLIER asked the Premier: What is the number of single holdings that have been purchased to date for Soldier Settlement purposes, the area concerned, and the total amount of the purchase money?

The PREMIER replied: The number is 1,929. I cannot give the other information because I have not got it. It will mean the preparation of a return. I understand the hon. member will be satisfied with the number.

Hon. P. Collier: If the Premier will get the information later on I shall be satisfied.

The PREMIER: The hon. member will receive the information.

### PERSONAL EXPLANATION.

*Supply Bill and State Trading Concerns.*

Hon. W. C. ANGWIN (North-East Fremantle) [4.35]: I desire to make a personal explanation. When speaking on the Supply Bill in regard to the State trading concerns and the amount of money which was derived from them by the Consolidated Revenue, I find that I took one column wrongly. I took the estimate instead of the actual revenue received. I should like to explain to the House that where I said that the Consolidated Revenue received from these trading concerns was £728,966, the correct figures I should have given were £766,372.

The Premier: For how long a period is that?