

A MEMBER: After issue.

HON. A. P. MATHESON: Every person who does so is subject to a penalty, and that is very fair. I take it that after six months a person is at liberty to put his advertisement on a note. I think that is the objection to the clause. The clause says that any person or any bank that within six months of the issue of a bank note defaces it will be subject to a penalty. Is not that so?

HON. F. T. CROWDER: The note is stamped, and may not be issued for two years afterwards.

HON. A. P. MATHESON: Oh, I see, that is the trouble. Of course it is possible that banks do keep their notes in reserve for a long time. My opinion is that if a bank note gets currency for six months in this colony, it is almost certain to be afterwards in such a condition that the bank should retire it and issue a fresh note. Everyone knows the way these bank notes pass from hand to hand, and the condition they get into. I intend to support the second reading.

Question put and passed.

Bill read a second time.

#### ADJOURNMENT.

The House adjourned at 5:56 until the next day.

## Legislative Assembly,

*Tuesday, 17th October, 1899.*

Petition: Peppermint Grove, etc., Water Supply (private) Bill, in opposition—Papers presented—Question: Breaksea Island New Light—Question: Transvaal, Civil Servants Volunteering—Harbour and Pilot Services, Joint Committee's Report—Midland Railway Company, Joint Committee, postponement—Cottesloe Lighting and Power (private) Bill, Select Committee's Report—Peppermint Grove, etc., Water Supply Private Bill, Select Committee, extension of time Motion: Leave of Absence—Statutory Declarations Amendment Bill, first reading—Supply Bill (No. 2), third reading—Annual Estimates: Debate on Financial Statement, second day (adjourned)—Motion: Draft Commonwealth Bill, Joint Committee's Recommendations, debate resumed, fourth day (adjourned)—Dentists Act Amendment Bill, in Committee, reported—Excess Bill (1898-9), second reading, in Committee, reported—Noxious Weeds Bill, discharge of order—Adjournment.

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

#### PRAYERS.

PETITION—PEPPERMINT GROVE, ETC., WATER SUPPLY (PRIVATE) BILL.

MR. RASON presented a petition from the Cottesloe and Peppermint Grove Roads Boards, in opposition to the Peppermint Grove, Cottesloe, and Cottesloe Beach Water Supply (private) Bill.

Petition received, read, and referred to the Select Committee appointed to report on the Bill.

#### PAPERS PRESENTED.

By the PREMIER: Transvaal, resolution passed at Cape Town acknowledging sympathy of Australian colonies with demands of Uitlanders.

By MINISTER OF MINES: Geological Survey, Report for 1898.

By COMMISSIONER OF RAILWAYS: Fremantle Water Supply, Correspondence as ordered.

Ordered to lie on the table.

#### QUESTION—BREAKSEA ISLAND NEW LIGHT.

MR. LEAKE asked the Premier, Why provision was not made upon the Estimates for the erection of the new light on Breaksea Island, as promised by the Director of Public Works on the 6th September last.

THE PREMIER replied:—Provision was not made on the Consolidated Revenue Estimates, because it was the

intention of the Government to provide for the work from loan funds.

**QUESTION—TRANSVAAL: CIVIL SERVANTS VOLUNTEERING.**

Mr. CONOLLY, for Mr. Robson, asked the Premier, Whether civil servants who volunteered and were accepted for the Transvaal Contingent would be reinstated in their positions in the service on their return from the Cape.

THE PREMIER replied:—Yes; officers in the permanent civil service will have their present positions reserved for them on their return.

**HARBOUR AND PILOT SERVICES—JOINT COMMITTEE'S REPORT.**

Mr. HIGHAM, for Mr. George, brought up the report of the Committee, with evidence.

Report received, ordered to be printed, and to be considered on the next Tuesday.

**MIDLAND RAILWAY COMPANY—JOINT COMMITTEE, TO REPORT.**

**POSTPONEMENT.**

Mr. ILLINGWORTH moved that the Order of the Day be discharged.

THE SPEAKER: This was not an Order of the Day, and therefore the hon. member could not move that it be discharged from the Orders. The Joint Committee having been appointed, he did not know what means there were of getting out of the difficulty of their not reporting.

Mr. ILLINGWORTH: To get out of the difficulty, he moved that the bringing up of the report be postponed for two months.

Question put and passed.

**COTTESLOE LIGHTING AND POWER (PRIVATE) BILL — SELECT COMMITTEE'S REPORT.**

Mr. JAMES brought up the report, which was received, ordered to be printed, and to be considered on the next Tuesday.

**PEPPERMENT GROVE, ETC., WATER SUPPLY (PRIVATE) BILL.**

**SELECT COMMITTEE.**

On motion by Mr. DOHERTY, the time for bringing up the report was extended till the next Tuesday.

**MOTION—LEAVE OF ABSENCE.**

On motion by Mr. ILLINGWORTH, leave of absence for one fortnight was granted to the member for Plantagenet (Mr. Hassell), on the ground of urgent private business.

**STATUTORY DECLARATIONS AMENDMENT BILL.**

Introduced by the ATTORNEY GENERAL, and read a first time.

**SUPPLY BILL (No. 2).**

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

**ANNUAL ESTIMATES.**

**DEBATE ON FINANCIAL POLICY—SECOND DAY.**

The Financial Statement having been made by the Premier and Treasurer in introducing the Annual Estimates, 26th September, and the first item moved, the debate was now resumed. Sir J. G. LEE STEERE (in the absence of Mr. Harper) took the Chair.

MR. ILLINGWORTH (Central Murchison): It is now some time since the Budget Speech was delivered, and the space has somewhat abated the interest which arises out of so important a deliverance. At the outset I desire to express regret that the most important utterance of the year should have been delivered to a House of never more than 25 members and often of only 23 members. It does seem to me that whatever may be the neglect shown to other speakers in this House, and to other themes presented for consideration to this House, when the Premier rises in his place to deliver the greatest speech of the year on the most important subject that Parliament can take into consideration, he is deserving of a better House than 25 members. However, this is just in passing: hon. members are free agents to do as they please, and I am simply expressing an opinion. The Premier began by saying that this was the tenth Budget speech which he had delivered to the House during responsible government. I may just follow that point by saying that this is the sixth time it has been my privilege to criticise the hon. gentleman's figures and the Budgets which he has delivered to this House. On former occasions I have had

to complain somewhat of the inaccuracy of the estimates which have been given, and the difficulties which have arisen from time to time, first in one way and then in another, in consequence of the inaccuracies. This time I think I may congratulate the Premier on having approached more nearly to the accurate figures which this year is likely to produce than on any former occasion. Some may say, as this is the tenth time, the hon. member ought to be able to estimate the revenue; but a change has been going on in this country which is somewhat unusual, and perhaps there have been difficulties. Notwithstanding the difficulties that have arisen in the way of development, and which have interfered with the Premier in estimating the revenue of the country, one thing is certain: greater difficulties and greater complications have arisen in consequence of the increased development than ought to have arisen, and this country has done some suffering, as a result. The Premier did not seem to be so completely at home this year as on former occasions. I do not know that he ever had so good a tale to tell, yet he did not seem to rise to the occasion, as has been his wont on former occasions — that may be simply an incident; but after all, although the Premier occupied a considerable amount of time in discussing the financial position of this country, he sat down without telling the country many important things which ought to have been told, and I was somewhat sympathetic with the leader of the Opposition when he asked the quaint question, "When does the Premier propose to deliver his Financial Statement?" There are a great many points of interest which this country desires to know something about and upon which the Premier never touched, and upon which he gave no information; consequently it falls upon members to hunt up that information from the records and the books that are printed, the *Government Gazette* and other documents that may be available. While that information is of course available always to hon. members and the country, I take it we expect from the Premier some information, some clear and condensed account at any rate, of the general affairs of the country when he delivers his Budget speech. Of course

there was a deal of matter in the speech that possibly might have been left out. I was touched when the hon. member spoke in a somewhat pathetic way of people who had sat with him on the Treasury benches, and looking back with something of a lamentation in his voice, he reminded me of a very old prophet called Elijah, who on one occasion said, "I, even I, only, am left," and that wicked Opposition are seeking my life to take it away. Notwithstanding that I congratulate the Premier on the expectation of obtaining a revenue of £2,795,480, I still venture to suggest that the estimate is exceedingly optimistic, and it will not be quite safe for the Committee to commit themselves to the full expenditure of the money which is supposed to be available out of this estimate. It is expected, I notice, to get £94,000 from dividends. This may be obtained possibly, and I hope it will. Dividends have already been paid for the first six months amounting to £1,000,000 in dividends from gold mines alone, and if the latter half of the year increases, as we hope it will, possibly the Premier will get the £94,000 from dividend duties; but I think the estimate is somewhat optimistic.

MR. A. FORREST: I think it will be more than that.

MR. ILLINGWORTH: From dividends?

MR. A. FORREST: Yes.

MR. ILLINGWORTH: Perhaps it will, but I would remind the hon. member that we shall only have half a year of it.

MR. A. FORREST: The whole year.

MR. ILLINGWORTH: Only to the 30th June next year; therefore we shall only collect duty on dividends for half the year.

THE PREMIER: The Act commenced from the 17th July.

MR. ILLINGWORTH: I think it is an optimistic estimate; I hope it will be realised, but I doubt much if it will. Again I notice that the estimated increase of £316,000 on the amount of money actually received last year is made up of this £94,000 of dividend duty, £142,000 supposed increase in railway returns, £26,000 in mining, and in other general matters £54,000; making a total of £316,000. I said I thought that these

figures may be realised; I hope they will; I hope the country is now on the up-grade; I think it is, and I think the Premier may reasonably expect the maintenance of the present revenue for the next year or two. There may be changes, which take place and which one can never forecast; but if population does not increase, the revenue will not continue, it will fall. If the population increases we may cover other matters which go to reduce the revenue to something like two millions and a half, or perhaps a little more. Hence I say safety demands that our expenditure for the present year should not exceed £2,600,000. I would strongly urge the Government to endeavour to keep the Estimates within these bounds.

THE PREMIER: We are paying off a lot of the deficit.

MR. ILLINGWORTH: I am aware of that. I am saying that the expenditure, for safety's sake, should not exceed £2,600,000, and I hope it will not.

THE PREMIER: Does that include the deficit?

MR. ILLINGWORTH: No; the expenditure.

THE PREMIER: Our expenditure is not so much.

MR. ILLINGWORTH: As far as the estimates are concerned, it will have to be expenditure, or there will be a debit balance carried over to next year. The Premier was very emphatic in his remarks on the reductions which had been made in the expenditure during the year. There are two ways of looking at this question. Certainly the Government are to be praised for having had the nerve, the courage, to cut down their Estimates and to provide against a very large deficiency; but the complaint I have to make against the Government is an old one from last year, and it is that they had no data and had no right to come to this House with an estimate of £2,905,350. The effect of so estimating was that, had the Government expended on the lines of their estimate as passed by the House, the deficiency would have been £426,539 on that year alone. What have the Government done? They have saved this money, it is true, but they saved it by their own will and on their own motion; and they have not expended moneys that were voted by the House, while

they have expended moneys, as the Excess Bill shows, upon things that were not voted by the House. What I complain of is that if the estimate is over-rated, it places in the hands of the Government a power which no Government ought to have or to exercise. The Government have no right to come to the House and say, "We estimate our revenue at £2,900,000," when they know or ought to know that the revenue receivable cannot exceed  $2\frac{1}{2}$  millions. They then put on the estimate a number of items of expenditure which they, at their own will and without consulting the House, take on themselves to leave out, or alter, or shift, as they may require.

HON. H. W. VENN: Conditionally on the two things being equal.

MR. ILLINGWORTH: If the Government come with an estimate of £2,900,000 when they know or ought to know they cannot get more than £2,500,000, and if they then put estimates on the table for an expenditure of £2,900,000, they have £400,000 to be dealt with by the Government and not by the House. I say, all expenditure ought to be under the direction of the House, and while I am here to express my congratulation to the Government in having had the courage, and exercised it, to cut down the expenditure as they did, yet I say this cutting down ought not to have been required, as far as the Estimates are concerned, but that the Government ought to have said, "We shall not receive more than two and a half millions, and we ask the Committee to confine the requirements of the country and the votes to be passed within that sum." So that while congratulating the Government in not going wildly and expending the money which was passed by the House, I say the unevenness of the estimate gives an indefinite power to the Government which ought not to be given to or exercised by any Government; and I say it is a kind of thing we must guard against as much as possible. A good many things we expected to hear from the Premier in his Financial Statement were not contained in it, and consequently we have to find out these things from State documents. Dealing with such information as I can gather, I want first to analyse the last year's revenue. The actual revenue brought to book was

£2,478,811 9s. 7d., equal to £14 12s. 6d. per head of the population; and what I have to say is that it was a brilliant revenue, and as much as this country ought to expect, and it was more than any of the other colonies ever dreamt of obtaining. A revenue of £14 12s. 6d. per head is more than double the revenue of five of the colonies, and nearly double the revenue in Queensland. This kind of expenditure and of revenue has its limitations, and we must make our preparations accordingly. I would like, for the information of the Committee and of the country, to give the figures which are represented in this revenue. I will first take our trading concerns, those parts of our revenue in which we give value for the money we take from the people, and I find that our railways and tramways yielded £1,010,936, equal to £6 per head of a population of 170,000. When those estimates were laid on the table, the Commissioner of Railways estimated a revenue of £1,200,000, and I at once challenged his figures; therefore we shall have to be careful in dealing with the estimate from railways for the present year. The Railway Department expect an increase of £142,000, and I hope they will get it, and possibly they may get it; but we have had experience of over-estimating, and I say that care is required. The next branch of revenue is the post and telegraphs and telephones and money order services, which yielded £197,170, or £1 3s. 2d. per head; while our Lands and Mining Departments yielded £216,240, equal to £1 5s. 6d. per head. The general revenue, such as harbour dues, licenses, fees, water charges and other items of that character in which we may fairly say we give value for the money received, amounted to £71,810, or 9s. 10d. per head. So that of the grand total of £2,478,811 9s. 7d., equal to £14 12s. 6d. per head of taxation, £8 18s. 6d. per head is for services rendered by the State; and consequently this ought not to be treated as taxation. When we come to the actual taxation, we find that the contribution from customs and excise revenue was £867,520, or £5 2s. per head; whilst the revenue from stamp duties was £105,135, or 12s. per head. So that the actual taxation amounted to £5 14s. per head, of which

customs and excise taxation was £5 2s. per head. I want also to show the comparison which exists between this colony and the other colonies in regard to customs. The amount obtained in Queensland is £2 19s. 10d. per head, in Victoria £1 18s. per head, in South Australia £1 13s. per head, in Tasmania £1 10s. per head, and in New South Wales £1 4s. 6d. per head. When we ask ourselves, how did we get this £5 2s. per head in this colony, when New South Wales had only £1 4s. 6d. per head and Queensland only £2 19s. 10d., we shall find from an analysis of the taxation that we obtained from liquors and narcotics £404,351, being £2 7s. 6d. per head; that we obtained from food duties and produce £208,266, being £1 4s. 6d. per head; while from general merchandise we obtained only £254,903, or £1 10s. per head. Here, in passing, I would suggest to the Premier that with these figures he need have no fear, from a financial standpoint, in regard to going into federation, for it is one of the most certain things in the world that with uniform taxation we shall get double this amount of £1 10s. per head from general merchandise; and as £1 4s. 6d. per head is obtained from food and produce, we may rely upon it that this amount will be very easily made up from general merchandise. In regard to the revenue from food products, in which I include hay, chaff, and other such articles, we find that from flour, wheat, oats, bran, chaff, pollard, hay, potatoes and onions, maize and other grain, also oatmeal, the total revenue received last year was £208,266, being equal to £1 4s. 6d. per head of the population. On dairy produce alone, including butter, cheese, eggs and milk, we received £65,397 2s. (I am giving the Custom House figures for last year); on meat foods, cattle for slaughter, sheep, pigs, poultry, we received £30,972 10s. 9d.; on preserved meats, such as bacon, extracts of meat, fresh bacon, hams, fresh and preserved meats, pork, tongues, and things of that sort, £43,832 11s. 9d. The total revenue received from agricultural produce, dairy produce, meat foods and preserved foods, was as I have said £208,266 10s. 9d.; and I think it is worthy of note that this is a very large decrease as compared with the preceding year, and shows that our agriculturists

are, in some measure at any rate, over-taking the local demand. I do not intend to occupy much time in dealing with these Estimates, for the reason that, to a large extent, they are what Carlyle calls "dry sea sand—there is nothing in them"; I now come to the deficit and the loan account. On June 30th of this year we had a debit balance of £247,349; we had unpaid accounts, particulars of which have been laid upon the table, amounting to £47,458.

THE PREMIER: We always have those: remember that.

MR. ILLINGWORTH: So that our actual debt—

THE PREMIER: Oh, no; that will not do. Those items always overlap, everywhere in the world.

MR. ILLINGWORTH: Yes; but they might have overlapped a quarter of a million last year. I am dealing with the actual figures.

THE PREMIER: How much did we take over last year?

MR. ILLINGWORTH: If the Premier objects to this £47,458, we can leave it out of the calculation. It will not affect the issue.

THE PREMIER: We are always overlapping in this way.

MR. ILLINGWORTH: Whether the amounts overlap or not, they will have to be paid some time. One item of which we have had no mention, and of which it would be very interesting to know something, was the Stores Account—that everlasting Stores Account. That is the trouble in all this financing. What was the Stores Account? I estimate it, just roughly for the sake of calculation, at, say, £306,000. I suppose it amounts to that sum at least, and perhaps to half as much more; but at all events, £306,000, we will say, for stores, and £294,807, the actual deficiency in cash, make £600,000. My reason for mentioning this is that these amounts seem to have been drawn, as far as the figures show, from the Loan Account: those loan moneys appear to have been used to make up the deficiency, and also to cover the Stores Account. Bearing that in mind, and looking at the Loan Accounts as they stand according to the published figures as given to the country, I find that the total authorisation for loans up to date, that is, up to 31st December last, was £12,170,994 11s. 3d.;

I find that we have actually raised £8,972,908 6s. 11d., and that we have raised by Treasury Bills £1,550,000: so that we have raised altogether £10,522,908 6s. 11d. There is a disturbing figure of £56,300 which has relation to the paying of some of the old items, and which I have not been able to thoroughly understand. Now to what does this bring us? We have available, under authorisation, £1,648,000, but we have a liability against that of £600,000; so that all we have practically available at the present moment for public works is a million of money, and that million is not yet raised. One item we might reasonably have expected the Premier to have at least mentioned, and to have given us some light upon, was the fact that two days after he delivered his Budget Speech he had £300,000 of Treasury bills to pay, and also that on December 1 of this year, he has £500,000 of Treasury bills falling due. The question is, What does he propose to do? We have had an intimation that he has already renewed £300,000 worth of Treasury bills.

THE PREMIER: That is only a book entry. I hold the money.

MR. ILLINGWORTH: And we may reasonably presume that the right hon. gentleman intends to renew the other £500,000; because there is no hint, no indication, of an intention to raise a loan to pay off those Treasury bills. There is a hint of asking for more authorisation, and hence the necessity for this Committee's taking note of the facts which are before us. We are to be asked for further authorisations, when we still have authorisations of £1,648,000, and when we have outstanding £1,550,000 of Treasury bills.

THE PREMIER: Not so much. I think you are wrong there.

MR. ILLINGWORTH: I think those are the figures.

THE PREMIER: £1,450,000.

MR. ILLINGWORTH: Well, there is a disturbing figure which I cannot quite make out from the figures supplied to me.

THE PREMIER: What do you call a "disturbing figure"?

MR. ILLINGWORTH: By a disturbing figure I mean there are some items, or amounts, which have been paid off—small amounts, £20,000 here, and £22,000 there, the meaning of which I

cannot quite understand. I am not so complete a financier as to be able to understand all these figures in the form in which they are placed before the country; but I now wish to say that £800,000 of Treasury bills fall due this year, for which the Government have made no provision whatever.

THE PREMIER: Oh yes! We have renewed £300,000 worth, as I told you.

MR. ILLINGWORTH: If that be providing for bills, I should like to provide for some of mine in the same way. There are some bills of mine falling due for which I should like to provide in an exactly similar manner. But when we talk of the finances of the country, it is simply idle to say that Treasury bills are provided for because they have been renewed. We are not talking here as children; we are talking as men who have the interests of the country at heart, and who are not dealing rashly, or who ought not to deal rashly, with the problem.

MR. A. FORREST: That was a very good provision to make.

MR. ILLINGWORTH: A very good provision to renew bills? Of course we know—it came out the other night—that this is Savings Bank money. Very well; we hope it will not be wanted, but it may; and the Government of course will have to provide for it.

THE PREMIER: That will be done.

MR. ILLINGWORTH: That is all very well; but I am coming to a point which the right hon. member will perhaps allow me to reach presently, if I can. We have £1,550,000 of Treasury bills outstanding, some of them at  $3\frac{1}{2}$  per cent., and some at 4 per cent. When the Bill authorising such securities was put upon the table of this House, and was passed through this House, I protested against the power which was then given to the Government to raise such large sums upon Treasury bills. This House has been going along from day to day, engaging in large public works that were passed by this House more than three years ago; and the basis of the Acts upon which those public works were to be conducted was the raising of loans at 3 per cent.; and the Government have been carrying on these loans—

THE PREMIER: Not 3 per cent.

MR. ILLINGWORTH: The loans were to be raised at 3 per cent.

THE PREMIER: Not necessarily.

MR. ILLINGWORTH: Three per cent. was the basis on which the whole calculation rested.

THE PREMIER: Yes; if we could have got the money at 3 per cent.

MR. ILLINGWORTH: Three per cent. was the basis on which the whole calculation rested. This House authorised loans at 3 per cent.; but the House did not intend, and it was never a part of the scheme, that money should be borrowed from the Savings Bank and from other sources at  $3\frac{1}{2}$  per cent. and 4 per cent.

THE PREMIER: What is the good of paying interest to the Savings Bank depositors if we do not invest the money deposited? Perhaps the hon. member will answer that question. Are we to keep the depositors' money in a napkin?

MR. ILLINGWORTH: I certainly would not lend it to the Government.

THE PREMIER: You would not?

MR. ILLINGWORTH: No; that I would not; and I will undertake to say that a sound principle of finance would not place these trust funds in the power of any Government. If we had proper commissioners over the Savings Bank, as they have in other colonies, that money would not have been lent to the Government.

THE PREMIER: Why, in the other colonies, Savings Bank money is lent to farmers, and is also lent on the security of station properties.

MR. ILLINGWORTH: That has been done here.

THE PREMIER: Surely Government security, the security of this country, is as good as that of those private individuals I have mentioned?

MR. ILLINGWORTH: You have lent the money upon lands which were given away. You have first given away the land, and have then taken the same land as security for the loans. That is financing!

MR. A. FORREST: That was improved land.

MR. ILLINGWORTH: You give away what is worth nothing, and then take nothing for a security: that is the financing of the Government. If the Government want to know, we can tell them about where they live. They have given away about £100,000, and have asked for

another £100,000. What is the security? Why, land they first gave away for nothing; and, after giving away the land, they hold the land as security for advances for its improvement. Of course the improvements are so far good if they are maintained; but improvements of that character very speedily disappear if the land is vacated. But we are not discussing the Agricultural Bank question. I say that I object—of course hon. members can do as they please; but while I have the honour of a seat in this House, I shall protest, with all the earnestness in my power, against the Government—this or any other—keeping up continuous renewals of Treasury bills. The Treasury bill is only intended, or ought only to be used, for temporary purposes. [THE PREMIER: Hear, hear.] Years are passing by, and the Government have had opportunities of floating loans; and now there have come times when, I admit, they cannot very easily float a loan.

THE PREMIER: Tell us when we ought to have done so.

MR. ILLINGWORTH: Well, other people could get loans if you could not; and the hon. member has always told us that the credit of this colony is superior to that of any other colony in Australia. Of course I am in the habit of believing the Premier when he makes statements. It seems to me rather questionable whether I ought to do so. I am in the habit of believing him, and he has told us on every platform, and in every place where he has opened his mouth, in the House and out of the House, in season and out of season, that the credit of this country, and its resources, were better than the credit and the resources of any other Australian colony. I want to believe that; I hope it is absolutely correct: and if it be absolutely correct, then, as other colonies have raised loans, it ought to have been possible for this colony to have raised loans. Our public works are still going on; and we have to remember the fact that the Government have power to raise by Treasury bills, I think altogether two and a half millions of money; so that it is possible to raise another million, or £950,000 of it, by Treasury bills. But the effect of raising money for these works upon Treasury bills is, first, that we must pay a larger

interest than we anticipated we should have to pay; and next, that we are called upon to pay the money at short dates, instead of in 40 or 43 years. This is a kind of financing that is dangerous, to say the least of it; and it is the kind of financing which, if the country desires, or if the Committee desire, they certainly ought to be acquainted with; and my complaint is that the Premier did not take the House into his confidence in reference to this question, although the sum of £300,000 was payable within two days from the date on which the right hon. member delivered his Budget Speech. Though this fact must certainly have been in his mind, he never said a single word about these Treasury bills which were falling due so soon after the date of his Financial Statement.

THE PREMIER: I forgot all about it, to tell you the truth.

MR. ILLINGWORTH: Three hundred thousand pounds is not much for some people. It may be interesting at this point to note that we have of old debentures £362,500 at interest varying from 4 to 6 per cent.

THE PREMIER: Only £35,000 at 6 per cent., I think.

MR. ILLINGWORTH: We have inscribed stock £4,850,000 at 3 per cent.; that of course is satisfactory, and I think we may take credit—the Government may take credit—at any rate we can give the country credit for raising the first 3 per cent. loan above par in the Australian colonies. Then we have inscribed stock of £750,000 at 3½ per cent.; we have inscribed stock of £2,848,594 at 4 per cent., and Treasury bills, as I said before, of £1,550,000 at 3½ and 4 per cent. What is our position in relation to the individual population of the colony? Our gross debt is £10,522,908, and if we take off, as the Premier is in the habit of doing, £417,310 for the sinking fund, then we have a net debt of £10,105,598.

THE PREMIER: At what date are you taking these figures?

MR. ILLINGWORTH: I am taking them from the 31st December and 30th June.

THE PREMIER: On the 30th June the amount was £10,062,451.

MR. ILLINGWORTH: That is a difference of £120,000; we will not quarrel over that.



THE PREMIER: You are including the amount due to the Agricultural Bank, which will make it a little more.

MR. ILLINGWORTH: The Premier left that amount out. The net debt is £60 11s. 11d. per head for 170,000 people. If we complete our authorisations without any new loan, our debt per head will be £70 8s.

THE PREMIER: Our population may not be the same though.

MR. ILLINGWORTH: When we passed seven millions of money in one year the Premier told us that before one half of the money was raised the population of the colony would be 250,000 people, but we have only got 170,000 people, speaking in round figures. I want these facts to be in the minds of hon. members, because we have a hint of further loan moneys, and we have already appropriations of a million and a half of money, which means, as I have told the Committee all along, another loan of some sort. But even if we borrow all the money now authorised the indebtedness per head will be brought up to £70 8s.

THE PREMIER: That is if there is no increase in population.

MR. ILLINGWORTH: On the top of this £70 8s. we have re-appropriated a million and a half of money, which means another loan, and we have railways projected, which may mean another million of money, so that the country must face the fact, at a near date, of the Government raising two millions and a half of money beyond the present authorisation, and the present loans now amount to over £12,000,000.

THE PREMIER: Oh no.

MR. ILLINGWORTH: Why did you not dispute the figures before.

THE PREMIER: Because you are always misrepresenting. The amount does not come to £12,000,000 now, all the lot.

MR. ILLINGWORTH: My figures are taken from the published documents of the Government, which show the authorisations to be £12,170,994 11s. 3d.

THE PREMIER: You do not take credit for the sinking fund.

MR. ILLINGWORTH: I have taken that off since. I am not trying to attack the Government. The Government always consider if an hon. member makes an announcement, that an attack is being made on them. I am trying to be as fair

as I can, and I am as well acquainted with my facts as the Premier is aware of his.

THE PREMIER: The authorisations do not come to £12,000,000.

MR. ILLINGWORTH: The authorisations amount to £12,170,994 11s. 3d.; will the hon. member dispute that?

THE PREMIER: Yes.

MR. ILLINGWORTH: Then the Premier must dispute the statements of his own officers, statements which are published in the *Government Gazette*. I have a return here signed by Malcolm Fraser, Registrar General, and he says distinctly the amount is £12,170,994 11s. 3d. If I am not to believe that what am I to believe? The Premier has not given us any figures in his Budget Speech and we are compelled to accept the figures which are published, or figures from other sources.

THE PREMIER: The Auditor General's report is here, I think.

MR. ILLINGWORTH: Schedule No. 9 of the Auditor General's report brings out exactly the same result, therefore the accuracy should not be impugned and nothing can be gained in impugning it. My main concern on this question lies just here; there are two things in the Budget Speech that really concern the interests of the country, and these two things I want to emphasise; one question is loans and, the other railways, which I will come to presently. I want the Committee to grasp the fact that we have £1,550,000 of Treasury bills now due and that the Government are not prepared to go to the loan market to raise that money. The Government want another million of money under the authorisations, which there is no prospect of getting except by further Treasury bills, and in the face of that the Government have, by appropriations, committed the country to the expenditure of a million and a half of money in round figures, which is to be provided from some source, and which cannot be provided for from Treasury bills, because the present authorisation for the Coolgardie Water Works will absorb the two millions and a half, and before the money, which has been re-appropriated can be re-authorised there must be a loan of a million and a half raised. Although the Government take

full advantage of the powers they possess under the Treasury Bills Act, still they will have to raise a million and a half of money before they have the money to complete the Coolgardie Water Works. In the face of that the Government will want another million for railway purposes.

THE PREMIER: The colony is going ahead is it not?

MR. ILLINGWORTH: I want to speak of the reason of the colony going ahead, and the hon. member has given me the suggestion; I will give the reason why the country is going ahead despite the bad financing of the Government.

THE PREMIER: Then you admit the country is going ahead.

MR. ILLINGWORTH: I was surprised the Premier did not tell us how the country was going ahead, but I am going to try and do so. I wish to speak for a moment or two of the imports and exports. During the two hours of the Premier's speech I was absolutely silent, but during the time I have been speaking I have been interrupted all round the House.

THE PREMIER: There is more room for interruption in criticism.

MR. ILLINGWORTH: I want to speak now for a moment or two on the imports and exports. The imports for 1898 according to the published figures were, merchandise £5,106,246, coin and bullion £241,719, so that the total imports amounted to £5,247,965. For 1897 the total imports came to £6,418,565, so that the imports have fallen this last year by £1,171,600. From my standpoint I am very pleased to see that is so, because the previous export was largely of gold, which gold we were losing. Now I want to show we are gradually overtaking the drain which has been very severe in this country for some years past. Taking the exports of merchandise in 1898, the amount is £954,308; an increase on the exports of merchandise for 1897, which amounts to only £749,042. Of coin in 1898 we only exported £15,000, while in 1897 we exported £626,080; of gold and bullion we exported in 1898 £3,990,698, and in 1897 we exported £2,564,976, so that the exports for 1898 were £4,960,006, and for 1897 only £3,940,098, so that there is nearly a million increase of exports for the year. With the million increase in exports and the £1,176,600 decrease

in imports the accounts of the colony are beginning to draw towards a balance. The effect of that I want to show. The exports come nearly to covering imports; they come within £281,959. We have to add something to make up our exports. If we add interest £417,310, and take the estimate which I have made, accurate or inaccurate, of £200,000 from companies other than gold-mining companies, and if we take the dividends actually paid by gold mines for the last year at £575,691, we have £1,674,960 as the total difference between imports and exports for the present year. The total deficiency on the amount, after paying £417,310 as interest on the public debt, also paying £203,000 as interest on banks and other financial institutions, besides £575,691 in dividends on investments in gold mines, I say this is a result that cannot be anything but satisfactory to those who are watching the finances of this country. I have endeavoured to watch them with such little ability as I have, since I have had a seat in this House, and I say this year's results are the most satisfactory I have yet had the pleasure of analysing. I was a little surprised that the Premier seemed so cold and heartless in the delivery of his Financial Statement, and yet, as I said at the outset, he never had a better tale to tell, and I think he never told it worse. When we come to the gold returns, and hon. members, I am certain, will be glad to have these figures recorded even though they are well understood. The total of the gold returns from 1886 to 1898, the last completed year, was 2,692,803oz., which at £3 16s. per ounce show a value of £10,232,654. The point I want to make here is that we have exported from this colony in gold just about the same value as has been imported into the colony in the shape of public loans.

THE PREMIER: More. About three millions more, or nearer four.

MR. ILLINGWORTH: What is the use of the Premier contradicting these facts and figures?

THE PREMIER: I have told you all that, myself.

MR. ILLINGWORTH: I said hon. members knew the figures, but I want to make a point in connection with them. I am not proposing anything new, and I do not think the Premier gave anything new in his Financial Statement. I am

dealing with public facts, and am concentrating them for a specific purpose. In the present year, during the six months ending June, our exports of gold were 847,728oz., valued at £3,206,366; and the dividend paid for the half-year amounted to £996,600. We have to deal with many complicated questions in this House, and by and by we will have to deal with federation; and these are figures which will have to be taken into account in considering that question. On the basis of the dividends which have been paid this year, we may reckon on two millions a year paid in dividends; and added to this amount we have the interest on the State debt amounting in dividends to £417,000; and say we have £203,000 in dividends for banks and financial institutions, these figures bringing up the total to £2,620,000, which we have to provide out of our gold returns to cover that which goes away and does not return. At the present rate, the gold returns for the year will yield over six and a half millions sterling in value; so that after paying £2,620,000 in dividends, we have about four millions left to deal with in the import question—four millions sterling of gold after paying for all our interest and paying over two-and-a-half millions in dividends! If we only export as much general merchandise as we do now, the accounts for imports and exports will balance; and I say this is a very satisfactory position, when in a country with 170,000 people the imports and the exports balance, and when we yet send away £2,620,000 in interest. The position of this country must be deemed completely satisfactory. In the face of all this, we have to deal with the fact that there is a general feeling in the country of distrust and dissatisfaction, and there is some amount of distress. The cloud which the Premier spoke of has not yet passed away from commerce, and one of the difficulties I have to contend with, in my mind, is to account for the cause of this feeling that undoubtedly does exist in and regarding this country. I say the feeling is in existence, and the depression has not yet gone off this country; and one of the things we ought to try and find out is why, in the face of the fact that we have sent out of the country up to the end of last year as much as we borrowed on account of the public debt,

and that including the portion of this year for which we have returns we have sent out £3,000,000 worth more of gold than all our loan moneys amount to, seeing also that our imports and exports for the present year must balance and ought to be in our favour: in view of all this, how is it there is any feeling of anxiety, any distress, in regard to the future of this colony? And how is it that we have not a large influx of population coming to these shores? Looking at our population, we find that at present nearly two to one are males. We are increasing steadily our population of women and children, but what I want to call the attention of the Premier to is that if we increase the population of women and children, and if we lose grown-up males, the effect on the revenue will be very material, and will have to be provided for. I come now to one item on which I want to say a few words. I have great pleasure in turning up the Auditor General's interim report, and finding that for 1898-9 the amount in the Excess Bill has fallen to £80,807. For the previous year we had to pay excess amounting to £399,204 15s. 8d. I protest here as I protested in reference to over-estimating, that the Government ought not to ask the House to give them control of large sums of money for expenditure according to their own will and without the authority of this House. In regard to the excess in previous years, I find that in 1895-6 the Government expended in excess of the votes passed by Parliament, a total of £493,378 out of general revenue, and £84,866 out of loan funds; in 1896-7 the excess expenditure was £619,399 out of general revenue, and £92,149 out of loan—in 1897-8 the excess was £399,204 out of general revenue, and £336,643 out of loan without the authority of Parliament. But of course when manipulations are included the over-estimating of the expenditure in one year to the extent of £400,000 becomes a very material question. There are items in the report of the Auditor-General which are peculiar, but we can deal with these when the report comes on for consideration; though I notice that a good deal is put down as having been expended on whisky and champagne. I have said my principal anxiety in regard to the finances of this country is comprised in two

points: one, the financing by means of Treasury bills, a Micawber system of financing; and the other, the question of our railways. We have now come to the parting of the ways on this question, and I want to express my opinion for what it is worth. We have come to a time when the railways are paying only 4 per cent. on the capital expended; and I have shown that the bulk of the money expended comes to very nearly 4 per cent. Three millions of it has been borrowed at 3 per cent., and the other loans have ranged from  $3\frac{1}{2}$  per cent. to 6 per cent., the average being something like 4 per cent.; and the inevitable result of our railway extension is that we are in danger of reducing this 4 per cent. to  $3\frac{1}{2}$ , or, as in other colonies, it may be to  $2\frac{1}{2}$  per cent.; so we have to consider the question whether we shall restrict our expenditure on railways to something like a paying basis. In previous years we have had the satisfaction of knowing that the Railway Department was absolutely paying the interest on the whole of the loans of the colony; but this year the report of the Railway department shows that they have succeeded in paying only 4 per cent. on the actual money expended by the Department. If we add to existing railways those new lines that will not pay, it is inevitable that the paying lines will have to bear the burden, and that the 4 per cent. will come down. This is a question that ought to be taken into consideration by this Committee in reference to what is outlying. I have spoken of the financial phase of the question, that the Government are going on spending and proposing to spend without making proper provision for the money they are expending, for it cannot be said that the floating of Treasury bills is a proper provision for carrying on large public works. It is not a proper thing to rely on Savings Bank moneys and trust moneys for carrying on such large schemes as that of the Coolgardie goldfields water supply and the Fremantle harbour works; and if these works are to be carried on, they should be done on a proper system of finance. While I make every allowance for the peculiar circumstances of the last 18 months in reference to finance, we have to face the facts, whether the market be for or against us. To increase this system of issuing Treasury bills for completing large

works is a dangerous piece of finance; and if we are to be asked to supply a million of money for extending railways, I say that unless it can be shown those railways will not increase the burden of the State, and unless this House be fully satisfied that the money can be invested in a profitable manner, if we are to continue adding to our railway system, and the consequence is to reduce our returns to 4 per cent. or less, then it is time we considered this question. The Premier has told us in his Financial Statement that the railway returns have come back to 4 per cent.

THE COMMISSIONER OF RAILWAYS: Not so low as that; 4·63 per cent.

THE PREMIER: Say 5 per cent.

MR. ILLINGWORTH: Decimal '63! I say that if our railways are going to continue to decrease in their average returns, we have to face the grave difficulties which the other colonies have already faced and struggled with, and are still struggling with. Hon. members know that all the deficits of the other colonies have arisen out of the failure of the railways to pay expenses and interest upon the money expended. I say we have now come to the parting of the ways; we have now come to a point beyond which it is not safe for railway construction to proceed. If railways will not produce 4 per cent. on the money expended on them, then it is not safe to extend the system; and that is a question we shall have to discuss at a later period. But, looking at these finances as they stand, I have said that, as far as the country is concerned, I can see that we were never in a better position than we now occupy, and are likely to occupy in the years that are coming. I have said that the Treasury bills, and the re-appropriations, and continuing to expend without making proper provision for the funds, constitute a dangerous style of financing; and I have said that the railways have now come to a point in which we must carefully consider whether it is, or is not, safe to extend construction; and the test point must be whether proposed railways will pay. The Premier, in closing, spoke of those who have supported him through the long years he has held office. Well, I contend that when a Treasurer has £24,313,349 to expend in a period of years—two and a half

millions a year—if he spend that money wisely, he is bound to make friends; and it is not surprising that, after 10 years, with such a marvellous expenditure—because such expenditure has never been heard of in the history of this colony—it is not so much of a marvel that, with 24 millions of money at his disposal, the Premier should have been able to retain office and to make friends. I think any of us could have done so if we had only had the money. But the question of taxation and expenditure is a question which the Committee ought to keep clearly before their minds. We have heard so much about giving this and doing the other in connection with public moneys, just as if the Government were expending money out of their own pockets, instead of expending the public funds, that for myself I have got about weary of it. When hon. members seek for a proportion of the State funds, and when expenditure is spoken of, the Ministry talk as if the Government gave the money out of their own pockets. But I say that the moneys which have been placed in the hands of this Government—24 millions. 13 millions of revenue and 10 millions odd of loan moneys—I say that these moneys are the moneys of the people, placed on trust in the hands of the Government of the day, to be properly expended on behalf of the people, and that the people have the right to know through their representatives how their money is being expended, which, as I have shown, the Government have, to a very large extent, prevented them from knowing. For six or seven years, 20 per cent. of the revenue of the country has been spent without the control of Parliament. I say that during this last year we were looking for better things, but it was time we looked for them, and it is time we had them. It is time that this system of spending money without the authority of Parliament shall cease. These are trust funds; if they are properly used they are to the credit of those in whose hands they are placed. If they are used for personal purposes, or personal ends, or for maintaining a Government in power; any man who understands financing would say that such a use of those moneys was dishonest. If, on the other hand, the moneys were wasted, then a financial expert would say

that the Government were incompetent. Hon. members have not said either the one or the other. If this House as a whole had thought that the Government were so incompetent as to have misspent the public funds, they would have replaced this Government by other men; if the House had thought the Government dishonest, the House would have done the same thing: but surely, as members representing constituencies, and as members who are just as much imbued with the desire to further the interests of this colony as hon. members on the Treasury benches, we, of the Opposition, have a right, not only to a portion of the public expenditure, but a right to a voice in the manner of that expenditure; and it is not an answer to say that a majority of this House have voted the money. The question is, has that money been expended as trust money ought to be expended, for the benefit of the country at large? If there is to be an expenditure of public moneys in certain specific directions, and for certain specific purposes; if the only system is one of spoils to the victors, then I say that honour and discretion pass away from the control of this Parliament; and I trust that it is the duty, and that it will be felt to be the duty, of every hon. member in this House, to earnestly examine, to carefully criticise, and to honestly report upon, what they find in the public finances of this colony, not only now, but from this time forward. I conclude by saying once again, because of its importance, that I think we never had in this colony, as far as I have been able to judge, brighter times ahead; that we were never in a better position to face the world than we are at the present moment; that this country can show that it is paying the outside public in respect of local investments two and a half millions in round figures—and I should like hon. members to carry it away in round figures, which are simple and easily remembered: I say that 170,000 people, a small handful, are paying to London and to foreign places two and a half millions of hard cash, which has been obtained out of our gold-fields; that we have turned out of those fields three and a half millions more than we have ever borrowed from abroad; and that this year we have come within £265,000 of balancing our accounts, after

paying dividends to mining companies, and to outside places, and paying interest on our national loans; and that this year we shall send away two and a half millions of money; and still, when the year ends, I contend, from the figures I have placed before hon. members, that our balance sheet will be even.

MR. MORGANS (Coolgardie): It is certainly refreshing to members on this side of the House to listen to a speech such as that just delivered by the member for Central Murchison (Mr. Illingworth).

MR. ILLINGWORTH: Then I tell you the truth sometimes?

MR. MORGANS: I do not think any better testimony could have been given to the good conduct of this Government than that which has been given by the hon. member; and I am sure that my friend the Premier must be pleased to hear such remarks from that quarter. The only difficulty I see in the position as regards the hon. member (Mr. Illingworth)—

MR. ILLINGWORTH: Never mind me: take the Budget.

MR. MORGANS: No; I will take you. The difficulty is that the hon. member's opinions are entirely at variance with those of his friends on the other (the Opposition) side of the House.

MR. ILLINGWORTH: Not on the Budget.

MR. MORGANS: We have heard the leader of the Opposition (Mr. Leake) denounce the extravagance and the expenditure of this Government. We have heard various hon. members of the Opposition side of the House tell us, directly and indirectly and by innuendoes, that the finances of this Government are conducted in a scandalous manner, that they are not conducted on the lines that sound business men would conduct them; and yet we have the financial authority on that side of the House getting up in his place and telling this Committee that the finances of the colony are in a flourishing condition, without uttering a word of complaint against those who administer those finances. I think this is a very satisfactory position as regards the Premier and hon. members on this side of the House, and I beg to congratulate the member for Central Murchison (Mr. Illingworth) on the position he has taken up, and on his perfect frankness in deal-

ing with this question; because in the position he has taken up he has shown this Committee that, above all things, he is just; he has shown that he is prepared to recognise the fact that the Government have administered the funds of this country well; and he has admitted that the country is in a state of prosperity: so it is.

MR. ILLINGWORTH: In spite of the Government.

MR. MORGANS: No one will doubt this fact; and I am sure it has been emphasised by the hon. member, and we on this side of the House ought thoroughly to appreciate the fact. With regard to the increase of exports touched upon by the hon. member, it is quite true; and I suppose we all admit that this increase of export has come about through the extra production of gold. What the hon. member said with regard to the exports is no doubt quite true—that next year the exports will exceed the imports; and that will be due to the increase in the export of gold from this colony. That is certainly a very satisfactory position for the colony to occupy; and I think we are to be congratulated on the position in which we find this colony to-day. With regard to watching the finances, that is quite correct: we all agree to that. The hon. member said the finances of this country must be watched. That is perfectly true; nobody objects to that; nobody objects to the principle that the expenditure in this country in the hands of any Government must be watched. I have never heard anybody say anything to the contrary, and I suppose we all agree to the principle. There is one thing certain, so far as the expenditure of this Government is concerned; that the Government get well criticised in this House. I have noticed, on all former occasions when any question with regard to finances has come up here, and when the Estimates were before this House, that hon. members are always ready to criticise them.

MR. ILLINGWORTH: We always pass them.

MR. MORGANS: Yes, and criticise them very severely, and very often unfairly, too, I am bound to say; so that really I do not think any complaint can be made that the finances of this colony do not receive proper criticism. The

member for Central Murchison said the Premier had told his financial tale badly; but that is a matter of opinion, and as far as I am concerned I thought he told the tale very well; I thought the Premier showed what the hon. member has shown in his speech, that the colony is in a prosperous condition, and if he succeeded in showing that, what more do we want? The Premier had a happy tale to tell, and he told it well. He convinced members on this side and I suppose he convinced members on the other side, and I am sure he convinced a majority of the people in the country, that the colony at the present time is in a very prosperous condition; and he gave facts to show that. Having done so, nothing more is required. The explanation given to us was full and complete, and as far as I understood it the Premier's explanation certainly showed that he and his colleagues have exercised very good care over the finances of the colony during the last year. Our position at this moment is far better than our position was this time last year, and I am glad the member for Central Murchison supported that idea. In giving his opinion to-day the member for Central Murchison referred to a feeling of distrust. I do not know quite what he meant; I could not follow him in that; I do not know any particular distrust in this country of the Government or of the administration of affairs. I do not know whether the hon. member pointed out any particular incident over which there was any distrust. I think the position of the Government is stronger, and that the Government are more trusted now than they were last year. The elections which have taken place have shown that. We see that a member who sat on the other side has been replaced by another member.

MR. ILLINGWORTH: Who also sits on this side.

MR. MORGANS: That does not show any particular distrust in the Government of the country; therefore I do not think there is any ground for such a suggestion as that which was made. What better evidence have we had than the election at North Murchison, where a late respected and honoured member of this House has been replaced by a gentleman who will take his seat on this (Government) side of the House? That is a

proof of the confidence in the Government: it shows that the confidence in the Government is not waning, but is more firmly established than it was last year.

MR. ILLINGWORTH: You know better than that.

MR. MORGANS: The fact which I have instanced shows that to be the case. As to the £80,000 of unauthorised expenditure, it is true in years gone by unauthorised expenditure has been great, and I do not think anyone can say that the principle is a good one, that any Government should be allowed to expend large sums of money without the authority of Parliament; but it is satisfactory to find that in two years the excess expenditure, which amounted to half a million, has been brought down to the small figure of £80,000. I think that is satisfactory, and I quite expect to hear the member for Albany (Mr. Leake), when he speaks, congratulate the Premier on having succeeded in bringing down the unauthorised expenditure from £600,000 to £80,000 this year. With regard to the expenditure on railways, that is a matter which interested me very much in the remarks of the hon. member for Central Murchison. I think it is perfectly clear that any Government is justified in expending money on railways if it is shown that those railways will pay, and the hon. member admits that. What reason is there to suppose that any railways the Government intend to propose this session will not pay? We know it is the intention of the Government to bring forward some scheme for the extension of the railway system this session, and I am sure the Government will be prepared to show that any expenditure in this direction will be justified; they will be prepared to show that any expenditure in the extension of railways in the northern goldfields which may be projected will be justified.

MR. LEAKE: Bonnie Vale?

MR. MORGANS: Yes; I think the money for the construction of a railway to Bonnie Vale would be fully justified; the railway would more than pay the interest on the money spent in construction; but I was referring to the northern railways, as it is proposed to extend the railway north from Menzies to Mount Malcolm and other places. There is no

doubt at all that any Government will be justified, if they can borrow money at  $3\frac{1}{2}$  per cent., in expending money in the construction of railways: if the Government can show that these railways will pay 4, 5, or 6 per cent. it is a perfectly safe investment; and I go further and say not only are the Government justified, but it is their duty to construct railways, for without railways the colony cannot be developed, especially in the north-east districts, where every mile further back makes it more difficult to exploit the mines there. It is true, as the member for Central Murchison (Mr. Illingworth) told us, the average interest on loans is about 4 per cent., but this colony can now borrow money much cheaper than that.

MR. ILLINGWORTH: Are you sure of that?

MR. MORGANS: I am quite sure.

MR. ILLINGWORTH: I am not.

MR. MORGANS: When the money market is steady, this colony will be able to borrow all the money we require for a little over 3 per cent.

MR. ILLINGWORTH: At par?

MR. MORGANS: I say a little over three per cent.: we shall be able to place a 3 per cent. loan at about 95.

MR. ILLINGWORTH: The Government certainly cannot.

THE PREMIER: The Government cannot now, it is certain.

MR. MORGANS: We cannot have a better authority than facts, and the Government have already done this. The Government have placed one loan at 3 per cent., and they can do it again. It is not quite fair for the hon. member to state that it should be shown that the railways will pay 4 per cent. on the outlay. If the hon. member had said that the construction of railways was justified when it could be shown that the railways would pay 3 per cent. on the outlay, I should have been with him, but there is no ground for saying that the Government are not justified in constructing railways, especially into districts where it is proved there are rich deposits of gold, unless it is proved that the railways will pay 4 per cent. I do not think a statement like that is justified, especially when we have an opportunity of extending the railway system of the colony into a district where it is known

resources in gold and other minerals are numerous. I say the Government are not only justified, but it is their duty to construct these railways, and I am quite sure if to-day we were to take the opinion of the public on the goldfields with regard to the extension of the railways in the north-east, the Government or anyone would receive an overwhelming majority in favour of the extension of the railways. No one in the House knows the feeling on the goldfields better than myself, and I am certain in any expenditure the Government propose in this direction they will not only be justified, but they will receive the sanction and support of the public. With regard to the Treasury bills, I do not quite agree with the hon. member, although I did not hear what he said, but I have been told that he objects to the renewal of Treasury bills.

MR. ILLINGWORTH: I object to Treasury bills altogether.

MR. MORGANS: With regard to the Treasury bills that now exist, there are now Treasury bills out, and how can you expect any Government to attempt to convert these Treasury bills into a loan with the money market as it is at the present time? It is an impossible thing to expect.

MR. ILLINGWORTH: I told the Government at the time that they should float the loan.

MR. MORGANS: The bank rate at the present time is 5 per cent., and it would be utterly impossible at present for this or any Government to float a loan on the London market. The Government would have to take a favourable opportunity for placing a loan on the market. It does not matter how strong the financial position of the Government may be, a Government must float a loan when a favourable opportunity occurs, and the hon. member knows that.

MR. ILLINGWORTH: Why did the Government not do it?

MR. MORGANS: We have not had a favourable opportunity for floating a loan; the money market has not given that favourable opportunity. Perhaps there is another reason why loans cannot be floated when there is a favourable opportunity: a loan has to be absorbed gradually, and until a loan is absorbed a Government cannot float another loan.



MR. LEAKE: Then I suppose the Government cannot float a loan for another three or four years yet.

MR. MORGANS: The process of absorption of our last loan is now completed, and if the money market were favourable a loan could be floated.

THE PREMIER: The last loan was all absorbed long ago.

MR. MORGANS: If the money market were favourable, the Government would have no difficulty in floating a loan; but how can the Government be expected to float a loan with the bank rate at 5 per cent.? Such a suggestion is ridiculous.

MR. ILLINGWORTH: It never has been suggested.

MR. MORGANS: The only thing that can be done is to renew the Treasury bills. No blame can be cast on the Government for the condition of the money market: that is one of those things that this or any other Government have no control over, and it is impossible to lay the blame on the Government for that. With regard to the loan, that will be placed when the time comes, so soon as the market is favourable; and when the bank rate comes down below 3 per cent., then the Government can go into the market and float a loan.

MR. ILLINGWORTH: We want three millions.

MR. MORGANS: The Government can float a loan for three millions.

MR. ILLINGWORTH: No; they cannot.

MR. MORGANS: The only question is that of a favourable opportunity.

MR. ILLINGWORTH: You know very well the Government cannot float a loan for three millions.

MR. MORGANS: I am perfectly certain the Government can easily float all the loans we require, and have no difficulty in doing so, when the money market is in a favourable condition. This Government or any other Government cannot float a loan when the market is not in a favourable condition.

MR. LEAKE: You need not elaborate that argument: we will accept it.

MR. MORGANS: If the hon. member is perfectly satisfied, then I hope he is convinced, and I hope hon. members on the Opposition side are also convinced, and that we shall have no further reference to these Treasury bills.

At 6:30, the CHAIRMAN left the Chair.

At 7:30, Chair resumed.

MR. MORGANS (continuing): When I left off speaking, I was endeavouring to emphasise the fact that the question of the Government being unable at the present time, or during the last few weeks, to place a loan on the market had nothing whatever to do with the credit of this colony, but was due entirely to circumstances surrounding the money market. While I was emphasising that fact, the leader of the Opposition (Mr. Leake) seemed to be quite satisfied that it was so, and he requested me not to emphasise it further. Seeing, therefore, that members on the other side understand that, and are in accord with the view I have stated, it is not necessary for me to say more on that point. The member for Central Murchison (Mr. Illingworth) spoke about the Coolgardie goldfields water scheme. I think every member in this House, having heard the various discussions that have taken place on the question in times gone by, have come to the conclusion, from the facts and figures placed before members, that the Coolgardie goldfields water scheme will not cost this country anything at all.

MR. ILLINGWORTH: Do you believe that?

MR. MORGANS: I am as sure as I am of my own existence that the Coolgardie water scheme will be reproductive, and will not cost the country anything; and I say there is no doubt that the consumers will not only be able, but are willing, to pay what is necessary for covering the cost of the scheme. If that is so, and it is my firm conviction that it is so, we need not trouble our minds about the question in a financial sense, because there is no doubt that when a favourable moment arrives, the money necessary to carry out that great scheme and the other public works can be obtained in London; and when we realise that this scheme will not burden the finances of the country, but will pay interest on the cost as well as the upkeep and the redemption, I do not think this House need feel anxiety from a financial point of view in reference to this scheme. With regard to the harbour works at Fremantle, the policy of making a great

harbour there was adopted by this House, which authorised the works to go on; and while those works have cost a good deal of money, yet I believe there is a consensus of opinion among hon. members as well as among the public that the money has been well spent, and that very good results will follow to the country from that expenditure. The harbour at Fremantle was necessary, and was certainly required by the exigencies of trade; and when it was seen that the development of the goldfields was going on at such a rapid rate during the last five or six years, it became quite clear that some scheme of that sort was necessary. No doubt the completion of that harbour will involve the country in some further expenditure, and it may not be like the Coolgardie water scheme, a reproductive undertaking, yet it will be found to have been money well spent; and the scheme having been discussed from every point of view and accepted by Parliament, I do not think this House need feel anxiety in regard to it from a financial point of view. Referring now to the question of the expenditure on railways, which was mentioned prominently by the member for Central Murchison, I contend that the extension of the railways should be the leading policy of this or any Government in this colony, for the next five or ten years; and I venture to predict that should it be the good fortune of hon. members on the Opposition side to change places and take possession of the Treasury benches, this is a policy they will have to pursue—the development of railways on the goldfields. The member for Central Murchison has shown quite clearly that the prosperity of this country depends, and has depended during the last two or three years, on the export of gold; and the fact that our imports and exports so nearly balance each other is on account of the enormous production of gold in this colony. Seeing that this is now the premier gold-producing colony in the British Empire, and is producing more gold than all the other Australasian colonies put together, there seems to be no ground for the Government to refrain from extending these railways on the goldfields; and I sincerely hope that this is a policy which will receive the indorsement, not only of hon. members on this side of the House, but of those on the other

(Opposition) side also. As to anticipating a reduction in the earning power of the railways, I do not see why anyone should anticipate that. Let us compare the railway revenue of this year with that of last year, and we shall find it is now very much greater. I do not see any reason, looking at the enormous developments on the goldfields, why we should anticipate any fall in the revenue of the railways: on the contrary, if the present rates are kept up I should say there is a very good chance next year of the railways earning more than they have earned this year. The hon. member spoke about 4 per cent.; but as a matter of fact, as was pointed out by the Premier, the railways have earned about 4½ per cent. this year; and there is every chance, providing the rates are kept up to those ruling at the present moment, that next year the earnings will be considerably over 5 per cent.; indeed, the figures may reach 6 per cent. The only point is whether the people on the goldfields, who are using those railways so largely, and whose traffic is responsible for the great increase in the percentage earned by the railways, will stand these rates or not for any great length of time. If they do, if no objection be raised to these rates, then I say there is every prospect of the railways earning more money instead of less; and therefore the remarks of the hon. member, indicating a fear that the earning power of the railways may be less than 4 per cent., are not well founded, and I do not think that the hon. member himself has any real fear; on the contrary, I think the hon. member will agree with me that there are no railways in the Australian colonies which are giving such good results as these. I do not believe one could find any railway system on this continent, any system of a thousand miles in length, that is returning such good dividends as these Western Australian railways. If this be so, I think we have every reason to congratulate ourselves and the colony; and seeing that these railways, which have cost a good deal of money, it is true, are now giving such splendid results, what better reason can we have than that for advocating their further extension into a goldfield which is quite undeveloped, but which is known at the present time, that northern goldfield, to be quite equal in value to the Cool-

gardie and Kalgoorlie fields? I think hon. members, when they seriously consider this part of the subject, will find it is a matter deserving their earnest attention, and that they will give their support to the Government when this question comes before the House, and that they will support that policy which has for its object the development of those enormous goldfields to the North and East. Of course the proper test to apply is, will the railways pay? Well, I think we can bring forward evidence with regard to that. These proposed railways will pay, and therefore it will be good policy on the part of the Government to construct them; and as it has been proved that the Government's policy in the past in the construction of similar railways has been good, so it will be with regard to those to be constructed in the future. The hon. member said that the moneys in the hands of the Government belonged to the public. Nobody would think of denying that proposition. We all know perfectly well that every cent which goes into the coffers of the Government belongs to the public. I do not know why the hon. member mentioned this, for I do not suppose there is anybody in the world who could be found to dispute the fact. It is true that the Government have had the expenditure of all this money for the last eight or nine years, and I think we are all agreed that they have expended it well. They have had the sum of two and a half millions to dispose of per annum, and I think, looking around in this colony and realising what has been done by the Government as the result of this large expenditure of money, every reasonable man will be satisfied that the money, or at least the greater part of it, has been well and honestly spent, and that the colony will reap great benefit from that expenditure. The work done upon the goldfields alone, the public works, the extension of the railways, the present condition of the railways and of the rolling stock, the whole of the public works which have been undertaken by this Government, reflect the greatest credit upon the Administration, and no reasonable man can deny for a moment that by far the greater part, if not the whole, of this money—of course every Government makes its mistakes occasionally—has been spent well,

and spent for the benefit of the colony. I shall not detain the House any longer, but must say that I fear it will be rather difficult for members on the other (Opposition) side of the House, after the speech made by the member for Central Murchison (Mr. Illingworth), to criticise the policy of the Government as regards the expenditure of public funds, because, as far as I could understand the speech of that hon. member, it certainly conveyed to my mind the idea that he eulogised in the strongest possible terms, and emphasised in the strongest possible manner, the fact that the Government had done well during the past year in the expenditure they had made; and I again thank the hon. member for the great credit he gave the Government in his speech, as regards their management of the finances; and I can only say I fully indorse the views he has expressed to this Committee.

MR. ILLINGWORTH: That is quite satisfactory.

MR. LEAKE: The lion lies down with the lamb now.

MR. MORGANS: Because that speech certainly conveyed the highest measure of praise to the Government for the management of the finances last year; and now I am rather curious to see what line of argument the member for Albany (Mr. Leake) will take when he discusses this question. I am marvelling in my own mind as to whether he will be able to find, after the strong position taken up by that hon. member (Mr. Illingworth), any ground for serious criticism; because I cannot conceive that he will place himself too much in opposition to the hon. member (Mr. Illingworth), who has carried out his duties so well to-day. I congratulate that hon. member, and I congratulate the Government.

MR. ILLINGWORTH: Mine was very faint praise, as you know.

MR. MORGANS: Oh, no; I think the praise was most excellent. When we find an hon. member on the other side, an important member such as you, supporting the position of the Government, and supporting the Treasurer's figures, I do not think the Government require any better praise than that.

MR. VOSPER moved that progress be reported.

Motion put and passed.

Progress reported, and leave given to sit again.

**MOTION—DRAFT COMMONWEALTH BILL, JOINT COMMITTEE'S RECOMMENDATIONS.**

**FOURTH DAY OF DEBATE.**

Debate resumed on motion by the Premier (5th October), for referring to electors the Bill as amended at the Conference of Premiers, and the Bill as amended in the Joint Select Committee's report.

MR. ILLINGWORTH (Central Murchison): I am not responsible for the order of the business, and the Government are responsible; and I do not understand what deep-laid scheme Ministers had in their minds when they contrived to make me deliver three speeches one after the other on the same evening.

THE PREMIER: We did not intend it.

MR. ILLINGWORTH: However, I am always prepared to respond to the call of duty (THE PREMIER: Hear, hear), and if my voice will only hold out, and it is the least vigorous part of my anatomy, I may perhaps be able to say a word on this important subject. In the first place I want to say that the debate on this great question has, up to the present time, been of a very high standard. Of course, there have been differences of opinion, and I suppose upon a subject so vast, it was inevitable that there should be a very wide difference of opinion; and that there is plenty of room for such difference, I think all hon. members will allow. This is a great occasion in the history of the Australian continent; the greatest occasion, I suppose, that we have had, and certainly the greatest subject that the Western Australian Parliament, or any other Parliament of Australia, have had to consider. There have been great speeches all over Australia upon this question, by great men, and we have already had great speeches made in this Assembly on the question now before us; and if there be anything which will excuse hon. members for occupying a considerable amount of time on a subject of this character, the theme itself is an answer and a sufficient excuse. We have had two great speeches, at all events—one from the Premier, and one from the member for North-

East Coolgardie (Mr. Vosper); we have also had thoughtful speeches from other hon. members, and we have had a carefully worked out speech from the leader of the Opposition (Mr. Leake). In these speeches there was exhibited great diversity of view: this great question was looked at from entirely different standpoints, and it is inevitable that it should be so. There is nothing of a party question in this matter: it is a great Australian question; indeed it is a great national question as far as the widespread British nation is concerned, for if we continue this system of federating parts of the Empire, it is inevitable that what many of us desire will at length be accomplished, that we shall arrive at the federation of the Empire itself. There is one main question before this House. The question of federation in the abstract is one on which, I think, we all agree. As far as I have been able to gather, there is no difference of opinion either in the House or out of it, as to the desirableness of the federation of the English-speaking people in the southern seas. The effect of federation is, historically, as far as my limited knowledge shows, to declare this one thing, and from this standpoint I desire to view the question; that is to say, so far as I have read history, wherever a federation has taken place it has been for the benefit, not only of the federation as a whole, but of every individual part that has come within the influence of the federation. It is not long ago that we had to deal with the latest manifestation of the Canadian federation; and there we find certain States which at the time refused to join—Manitoba, British Columbia, Prince Edward Island, and Vancouver Island—and remained out for a time but came in, and each of these States has increased in its prosperity ever since it entered the federation. Newfoundland stood out, and Newfoundland is practically an insolvent State; though whether there is any direct connection between the insolvency and the absence from federation, or whether there are other sufficient causes, is a matter for discussion.

MR. VOSPER: Newfoundland has had corrupt government.

MR. ILLINGWORTH: The hon. member says Newfoundland has had very corrupt Governments. One of the first and primary things I hope for in federa-

tion is to do away with corrupt Governments, and to get the best judgment of the nation to govern us; but that is a remark in passing. If we go from that end of the question to the other end, we can go back in our own history when, in England alone, there were eleven kings of whom King Alfred was the principal; and the federation of Scotland, the breaking down of the clans of Scotland, and the unity of the Welsh, so ably represented by the member for Coolgardie (Mr. Morgans) in this House, has gone a long way to establish the greatness of our race. When we look at the Swiss federation, we know what it did for Switzerland; we know what federation did for every portion of the great German empire; and we may reasonably expect, viewing the question from a historical standpoint, that even for us federation will be good, not only for the whole but for every individual part of Australia. There are benefits which each State will derive in its own particular way from the combination proposed. Coming down to the question distinctly before the House, we have the report of the Select Committee appointed to consider the Commonwealth Bill. I have read the report, and one of the mysterious things to me in that report is that the judgment of the court is entirely contrary to the evidence of the witnesses. The Premier is responsible, I understand, for the drafting of this report to a large extent; at any rate, he is responsible for the amendments on which the report is based. If we look at the evidence of the witnesses, every witness who has been examined, with the exception perhaps of two or three, has declared positively and in the most frank, open, and emphatic terms that it is not a good thing for Western Australia to join federation. That is the evidence; but, strange to say, when we come to the report we find that the Committee, or a majority of the Committee, have drawn up a report which practically says—the evidence, I say, is contrary to federation, entirely and wholly—it is a good thing to go into federation, at any rate it is a safe thing to go in, provided we can get certain alterations in the Bill. Hence even the Committee in their report take upon themselves to say that federation under certain conditions is good even for this State; and we start from this point, that

federation, according to the report which has been given to us, and which is the decision of the Committee, and which has distinctly overridden the evidence which the Committee were called upon to obtain, is entirely at variance with that evidence. We start from this point, that in the opinion of the Committee it is good even for Western Australia to enter the great Commonwealth of Australia if we can get certain alterations in the Bill; so that we stand without any differences of opinion in regard to the question of federation itself, and it is only a question of how, and on what terms, we are to enter the federation. This greatly simplifies the question before the House. The first thing that suggests itself to me from this standpoint is, can we get the terms which the Committee propose? In other words, can we get the alterations at all? That is the first question. The next question that presents itself to my mind is, supposing we can get the terms, are the alterations which are suggested worthy of the effort and labour which is proposed to be put upon them? In the first place, I have my doubts as to the probability, not the possibility, of our getting any change in the Bill at all. Of course we know that the so-called Bill is simply a draft, which is to be submitted to the Imperial Parliament for the purpose of creating the Commonwealth of Australasia or Australia; and as far as power is concerned, the Imperial Parliament have power to alter the Bill from end to end. We do not dispute the power, but the question of the probable action of the Imperial Parliament may be looked at from another standpoint. Australia has collected its best men, has collected during a number of years the best evidence that can possibly be procured; and this Commonwealth Bill is not the birth of a day, it is at least 10 years old in practical working, and it is perhaps 25 years old as far as its conception is concerned. The first manifestation of this Bill we may get from the Sydney Convention: of course there was the Federal Convention prior to that, but the first Sydney Convention gives us this question of federation somewhat in shape. We had the best judgment procurable of the day at that Convention, and that Convention appointed Sir Samuel Griffith to draft a Bill for discussion;

and after that down through the years the question has been discussed by the Press, by the people, and by the ablest thinkers that Australia possesses. This Bill is the product of conference after conference, discussion after discussion; and the latest amendments to the Commonwealth Bill were made at the Conference of the Premiers of Australia. We cannot get very much higher than the premiership of these colonies for representative men, men who understand the feelings of Parliament and understand the feelings of the people. I am not prepared to say or to think that it comes to us even in committee, or in Parliament, or by individual expressions, to say that we are able in the main to improve this Bill; I am not prepared to say we possess the power and the ability to do it. Of course any one of us could draft a Bill that would be more satisfactory to our notion, but we have not to draft a Bill to please ourselves or Western Australia; we have to draft a Bill which is to operate throughout the whole of the Australian colonies practically for all time, and it has taken the calm judgment of all these years to produce this Bill, and it is a little too much for any one of us to come here and say that we believe in federation but we do not believe in federation on the terms of this Bill; that is taking a great deal upon ourselves, more, at any rate than I am prepared to take. It being seen that this draft is the product of all this thought and conferences, is it reasonable to suppose the Imperial Parliament will admit the alterations into the Bill at the dictation of 170,000 people in Western Australia? I say it may be done; the power is there, the right is there, but while we admit in all common law and all other kinds of law that we all have equal rights, we know we have not equal opportunities, and if we had suggested these alterations at the very beginning of this dispute or of this discussion, if at the conference—even the last conference in Melbourne—these points had been put forward and had been maintained by the representatives of Western Australia in the form in which they are now presented, I have no hesitation in saying it is my conviction that there would have been no difficulty whatever in obtaining the consent of the conference to them. If the opportunity is past, which I contend it is,

I ask the question, is it probable that the Imperial Parliament will, at the suggestion of Western Australia after this Bill? I think the Imperial Parliament will not, though others may think differently, and I am now only expressing my own opinion; and if this colony decides it will enter the Commonwealth only under an amended Bill, what happens then? As I understand, the result will be that this colony will not enter the Commonwealth as an original State, though I am not quite prepared to put as much stress as others do, on the necessity of entering the Commonwealth as an original State. I do not think, for instance, that the objections raised in this connection, are valid; because we are not likely to suffer more in the way of terms, so far as the other States are concerned, if we enter 10 years hence, than we are now, or be at any disadvantage from that standpoint. But there are disadvantages which I will deal with presently, and which are of far more importance, to my mind, than others which have been suggested. Clearly, if the Imperial Parliament will not alter the Bill, and we decide not to join unless we get the alterations, we are out of federation for the time being. What then is the next step? The next step is that if we desire, say, three years, five years, or 10 years hence to enter this great federation, we must apply under the conditions of the Bill for admission; and while I very much desire we should enter as an original State, and while I believe for other reasons which I have not yet referred to, that we must and ought to enter as an original State, yet so far as terms are concerned, I do not think we should suffer by waiting 10 years.

THE PREMIER: Hear, hear.

MR. ILLINGWORTH: It is not from that standpoint I emphasise the desirability of entering as an original State; and while on this, I will just allude to a point which is in my mind. I say we cannot afford to stay out of federation, cost what it may. I would like to repeat that statement, because it is not merely the expression of the moment, but is my calm conviction, after considering this question during the whole time it has been under discussion. Hon. members know I have not expressed myself on the matter at all, either in public or in this

House; and calmly looking at the question, I say there are reasons, and the financial reason is the principal, why we cannot afford to stand out of the Commonwealth. I will be frank with the House, and say it is my conviction and my feeling that it would be a good thing for this colony, if the question of federation itself could be deferred for 10 years. If the federation clock could be put back for 10 years, it would be for the benefit of this particular State and portion of Australia: but it would be a loss to the other states. Seeing, however, that federation is going to take place, this colony cannot afford to stand out, and as I say, the financial reasons are those which press themselves on my mind. Suppose, for instance, the Federal Government, with the whole of Australian influence, property and wealth behind them, go to the London market for a loan of five millions. We have seen to-night, from the discussion on the Estimates, that this colony wants at least four millions of money. Tell me, are you going to get four millions on the London market on satisfactory terms?

THE PREMIER: When?

MR. ILLINGWORTH: When there is a loan of five millions already there for the Commonwealth? Hon. members may jeer and sneer at me, but the fact remains, and they must know it if they know anything about the money market at all, that if the bonds of the Commonwealth are put on the market, as they certainly will be, for five millions or whatever the sum may be, those bonds must of necessity take precedence over the private loan of Western Australia.

THE PREMIER: How would it be with us if we were in the Commonwealth? How would we get four millions then?

MR. ILLINGWORTH: Please, give me time. It is quite enough, on a subject like this, to talk of one thing at once.

THE PREMIER: Have you thought it over?

MR. ILLINGWORTH: I have thought it over; but it is very easy for a child to ask a question in a sentence that a philosopher could not answer in a treatise. It may be that no one but myself has thought of this point, which may have no value or no weight with any but myself; but I am simply expressing my opinion that for financial reasons alone it is

simply madness for this colony to imagine it can afford to stand alone. The question before my mind is not as to what advantage this colony can gain by going into federation: that I am not much concerned about, though there are advantages. What I say is that the disadvantages of standing out are of such magnitude, that this colony cannot afford to stand out. We can only enter this federation by accepting the Bill, or by getting the Imperial Parliament to alter it, which I think improbable; or, after standing out, by appealing to the Commonwealth, when created, to allow us to come in. If we take the first course, and this colony votes "yes" on the question, and enters the Commonwealth, I have no hesitation in saying there are disadvantages, and serious disadvantages to the colony, while there are also advantages, and very important advantages. And so it is in every contract in human life: we cannot have all the advantages on our own side, but must be prepared, in combinations of this character, to both give and to take, and to sink our individuality for the general benefit of the whole community, with the certainty that the general benefit of the community is to the benefit of the individual. I have said already that, according to this report, there is no diversity of opinion as to the desirability of entering into federation under some kind of terms; and I have discussed, first of all, the question as to whether we can get any terms, or get the Bill altered at this stage. The speech of the Premier was a powerful and clear representation of the question from his standpoint, and was calmly and carefully argued: no one could possibly take exception to the manner in which the Premier placed the question before the House; and the same remark holds good in regard to the hon. members who followed him. There are so many sides to this question, that it becomes complex, and while we are arguing one favourable phase, we may appear, and possibly really are, arguing against another; and in order to decide the desirability of our joining or not joining the Commonwealth, we must look at this question all round. I have tried to do so, and I am trying to do so now in presenting my thoughts before the House. The Premier's speech carries weight, though it usually

carries a majority, and possibly will in this case. But the first peculiarity in the Premier's speech was the statement of his intention, and indeed he proposed a motion, to submit this Commonwealth Bill to the people. We had a great many discussions in the House in the earlier part of the session, in endeavouring to get out of the Premier just that declaration; but for reasons best known to himself, he has kept it back until now. The fear among the people, and amongst members in the House, was that the Premier did not intend to allow this Bill to go to the people in any form; and I am free to confess, notwithstanding all I have said regarding the Premier's speech, and more particularly the speech of the member for North-East Coolgardie (Mr. Vosper), that if I believed the Commonwealth scheme was going to make the mischief these two hon. members have placed before the House, I would stand here as long as my feet would hold me, and I would oppose the Bill at every stage, and fight it even unto the death. But the Premier closed his speech, which condemns the Bill, with the proposal that the Bill shall be submitted to the people; and the member for North-East Coolgardie says he is in favour of federation, but not federation under the Bill. I expect to be inconsistent before I sit down, if I am not inconsistent now, and I expect that hon. members who speak on this question will also be inconsistent; so I am not at all surprised at the inconsistency, only I would not let the Bill go to the people if I thought it would do the damage these hon. members say. As a representative of the people, my first duty is to express my opinion on the floor of the House, representing the thoughts of the people as I understand them.

THE PREMIER: There are half a dozen on your side who oppose the Bill, but who would still let it go to the people.

MR. ILLINGWORTH: As I have said before, there are no sides on this particular question; and I expect my side, so called, will discard nine-tenths of what I say.

THE PREMIER: Hear, hear.

MR. ILLINGWORTH: What is proposed? It is proposed to ask that certain alterations, some of importance and some of a less important character, shall be made in the Bill. And the primary

alteration is in regard to the finances, and will cease to have any operation or value five years hence, even according to the amendment. Five years hence we will enter the Commonwealth precisely as we should do to-day under the Bill, that is provided we reject our right of operating under Clause 95. I am of opinion that we shall never operate under Clause 95 in any case; but still, waiving our right to operate under Clause 95, the Committee propose that we shall do in five years what we are asked to do in the same direction now. Consequently the whole question of entrance as far as finance is concerned, rests entirely upon the effect of the five years' delay. Five years' delay under the fiscal system is the whole crux of the question, as far as hon. members are concerned. Now I think the right hon. the Premier, as well as my hon. friend on my right (Mr. Vosper), have both agreed it would be desirable to go into the Commonwealth if the alterations were made. That was the climax, but the argument was all the other way.

MR. VOSPER: I did not say that.

MR. ILLINGWORTH: At any rate, both are agreed to go into the Commonwealth at the end of five years. I said just now that, as far as I personally am concerned, I would not allow this Bill to go to the people if I believed it would do the mischief these hon. gentlemen say it would. But the very fact that they are willing to allow the Bill to go to the people in five years shows they do not believe it will lead to the mischief they say.

THE PREMIER: What is the proof?

MR. ILLINGWORTH: I think the proof is absolutely self-evident. If the hon. members say this Bill as it is framed is going to work destruction and ruin to Western Australia, the changes they want made will not alter it.

THE PREMIER: We do not say that. It would be a great loss.

MR. ILLINGWORTH: I think I can quote from the right hon. gentleman to prove it will not be a great loss. Let us face this question of reference, however, which in our case carries an emphasis that it does not carry in any of the other colonies. At the last general election the 44 districts represented in this House had upon the rolls 23,318 electors.



Eighteen members out of the 44 were returned unopposed; so there was no expression of opinion in those 18 electorates. In the 26 electorates in which votes were cast and members were elected there were 17,114 electors upon the rolls, but only 9,016 voted, so that practically as far as a direct expression of opinion is concerned, this House represents 9,016 electors whose votes were cast at that election.

THE PREMIER: I represent all my electors; every one.

MR. ILLINGWORTH: I do not say you do not. I believe you represent the whole country; and I understand you always take the position that you represent the whole country. The argument is this, that the Government have a majority, the majority represents the country, the Premier represents the majority, and therefore he represents the whole country. We do not dispute that: All the Premiers represent their countries; but we have to get back to facts when dealing with a simple question of this kind. The question presenting itself now is whether we shall as a House take upon ourselves to say "yea" or "nay" to this Bill? I say that in spite of these figures, and they are all in favour of the referendum, I would not give my vote to send the Bill to the people, if I believed the Bill would do the mischief hon. members say it would. At the same time, as I do not believe it would do that mischief, I say we have a common duty to perform. This House does not represent the electors, and, if it did represent the electors, a question of this kind must be referred to the people, if for no other reason than uniformity, the other colonies having taken that course. I am not too much in love with the referendum myself, neither is the right hon. the Premier. There are cases which we can refer to the people, and the right hon. gentleman was the very first to introduce the question of the referendum in this colony, that principle being adopted for the purpose of settling the question of payment of members. I wish he had taken the same course with reference to women's suffrage, for I think we should not then have obtained women's suffrage. I am quite sure we should not have done so.

THE PREMIER: It was only an expression of opinion for the information of Parliament.

MR. ILLINGWORTH: Quite so; and this will be only an expression of opinion for the information of Parliament. Parliament will have to decide the question afterwards. The point is this: I am satisfied the position the right hon. gentleman takes up is in accordance with his own promise on the subject, for we read:

The Premiers of the other colonies are of opinion that after the people of New South Wales have accepted the Bill as altered, it should be submitted to the Parliaments of their respective colonies for reference to the electors. The Premiers are also of opinion that it is desirable that the decision of a majority of the electors voting in each colony should be sufficient for the acceptance or rejection of the Bill.

As this bears the signatures of George Turner, G. H. Reid, James R. Dickson, C. C. Kingston, E. Braddon, and John Forrest, I presume it is the intention of the right hon. the Premier, if not of the Government, that the Bill shall be referred to the people, and that a simple majority shall carry or reject the measure. So far, that is satisfactory, for the reason I have mentioned, that this House does not represent the people of the colony. Now take the alterations that are suggested. The first thing that we come to is Clause 7, which relates to the election of senators, and I admit there is considerable scope for debate on that point. My own opinion is that the clause is wholly in favour of this colony, and of any colony that has a small population. I think it is most desirable that the whole colony should vote as one electorate, and consequently I am not in favour of the amendment. Then I have said that, supposing we can get these alterations, the question to my mind is whether the game is worth the candle, to use a common phrase.

THE PREMIER: Yes; it is.

MR. ILLINGWORTH: What shall we obtain, supposing we get this alteration? We shall get the right to elect members of the first Senate in separate electorates. At the end of six years Parliament will have the full control, and the next Senate may have to be elected by the whole colony. All we gain, then, by the first alteration is the right to elect

members of the first Senate by separate electorates. Is it worth while running the risk of standing out of the Commonwealth for the sake of making an alteration like that? Whatever may be our opinion, what material difference will it make to us whether members of the first Senate are elected by the colony as a whole or by three separate electorates? I presume there would not be more than three electorates.

**THE PREMIER :** We only want to be like Queensland.

**MR. ILLINGWORTH :** The right hon. gentleman has great respect for Queensland, which he quotes about as often as I do Victoria, or a little oftener. The hon. member knows there was a special reason for allowing Queensland to choose its senators in separate electorates. I have no doubt that if the same amount of pressure of argument had been brought by the right hon. gentleman at the Conference of Premiers, that alteration could have been made. There is nothing so material in it that any of the other colonies could object to our electing senators in separate electorates for the first Parliament. The alteration should have been made at the proper time; but I do not think the Imperial Parliament will take upon itself to make this alteration. It is not material to anyone but ourselves, and if the acceptance of the Bill is made to rest upon such an alteration as that, I again ask, is the game worth the candle? Then the next amendment is one of considerable importance in the minds of some people; the question being that of the transcontinental railway. I would like to refer to the Bill itself, because when first referred to, the sub-clause was spoken of distinctly as a blot. This sub-clause is declared to be a blot. As I read it, it is one of the most valuable portions in the whole of Clause 51, because it protects the State's rights, at any rate to this extent, that a railway shall not be made in a State to the disadvantage of the State itself.

**THE PREMIER :** No one wants to alter that.

**MR. ILLINGWORTH :** But you did at first. It was declared that it was a blot in the Bill.

**THE PREMIER :** Oh, no.

**MR. ILLINGWORTH :** I put it down word for word at the time.

**THE PREMIER :** No.

**MR. ILLINGWORTH :** The right hon. gentleman says he did not say so; but anyhow the provision has been stated to be a blot in the Bill. It is suggested that if this sub-clause were struck out, the Commonwealth Parliament would be able to build a railway from Esperance to Coolgardie, or that a portion of the transcontinental railway could be built from Geraldton to Eucla, without this Parliament being consulted at all.

**THE PREMIER :** No one ever suggested such a thing.

**MR. ILLINGWORTH :** The right hon. gentleman says it was not suggested.

**THE PREMIER :** You quite misunderstood me, I assure you.

**MR. ILLINGWORTH :** It has been said, if not by the right hon. gentleman. It is in the pages of about half the newspapers in the colony, and it is no use trying to dispute absolute facts.

**THE PREMIER :** It is a misunderstanding.

**MR. ILLINGWORTH :** It is proposed practically to call upon South Australia to consent to a statement that they will not obstruct the construction of a transcontinental railway. Does any man in Australia suppose for one moment that South Australia would ever do such a thing as obstruct the construction of a transcontinental railway? Had the question of the transcontinental railway rested with South Australia, the railway would have been built long ago, if they had had the money to make it. Abundant evidence, which I need not quote, has appeared in the Press from the leading statesmen, showing not only their willingness, but their intense anxiety to make this railway. That is as far as South Australia itself is concerned. But I argue that, if South Australia itself were opposed to the construction of the railway, the strength of the Commonwealth, the combined influence of the other colonies, would compel its construction.

**THE PREMIER :** What is the objection, then?

**MR. ILLINGWORTH :** I am not arguing the objection. I think I started logically. I say we cannot get the alterations: that is the first proposition; and the second is that if we could get the amendments, they are not worth getting. Here is a case in point. Why should we

run the risk of not entering the federation through this miserable bugbear of the supposition that South Australia—our own brothers, of the same faith, and part of the same great Empire—will stand out in the Federal Parliament to prevent us from building a transcontinental railway, which that colony wants nine times as badly as we do ourselves?

THE PREMIER: I beg your pardon.

MR. ILLINGWORTH: The whole thing is so absurd, it is scarcely worth arguing; and the cry that there will be opposition by South Australia to the building of the transcontinental railway is the greatest bugbear ever invented to frighten one. The reason I make the statement is this—of course I am making my friend sitting on my right (Mr. Vosper) sigh: This is his own speciality. The one grand thing on which he went touring the country was the transcontinental railway.

A MEMBER: A very good thing.

MR. ILLINGWORTH: A good thing indeed, and it is so good that it is an absolute certainty. I want to express as my conviction that there is no necessity to go into the Commonwealth to get the transcontinental railway, and that is a phase of the subject which has not been discussed. If we want to go into the Commonwealth simply to get the transcontinental railway, I say we will get the transcontinental railway whether we go in or not.

MR. CONNOR: Which one? That to Port Darwin?

MR. ILLINGWORTH: From Adelaide to Perth. The Premier gave us a description of a transcontinental railway that stretched away from Eucla to the federal capital; but does anybody imagine that there will be such a railway as that constructed, a railway direct from Eucla to the federal capital? The thing is hopelessly absurd.

THE PREMIER: The railway will go by way of Port Augusta.

MR. ILLINGWORTH: You may get your railway connected with your capital, and all the States of the Commonwealth would combine to keep the capitals of the States connected by railway. But a railway across-country from Perth to the federal capital is altogether beyond the range of practical politics. Just to show the inconsistent position into which we

all get in this discussion, let me say that if the Government proposed to put into this Bill, as British Columbia put into their Bill, a clause to the effect that this railway must be made before we go into the Commonwealth, then there would be some sense in the proposal.

MR. VOSPER: A good proposal.

MR. ILLINGWORTH: That is why I supported the proposal when first uttered. But when we have gone away from the demand for the making of that railway to a simple pledge that South Australia will not prevent the Commonwealth from making that railway, the position is utterly absurd. If we were to lay down as a condition the expression in the Joint Committee's report that this railway is of such vast importance to this colony that we must have the railway made, and if we were fairly and squarely to say, "We will not go into the Commonwealth till that railway be made," then I could understand it. But what is proposed in this suggestion of the Joint Committee? That we shall simply get a clause put into this Commonwealth Bill which will prevent South Australia saying, "The Commonwealth shall not make the railway." What is the good of that, when South Australia has no inclination nor desire, nor the remotest idea of hindering us, or of hindering the building of the railway? Why should we stand out of the Commonwealth simply to get a useless clause put into the Bill, a clause which has no practical value, and which will have no tangible effect? That is the second amendment which is proposed. It is proposed that we should get this alteration. Then the last proposed amendment of importance, and I think the amendment which has been most discussed, is the question of the financial effect of federation, the financial effect of Clause 95. First, I wish to suggest that it is admitted all round by all the authorities we have, that on the present estimate of the new expenses under federation, the cost to the whole Commonwealth of those new expenses will be about 2s. a head. That would be about £17,000 for Western Australia. The extra charges, namely the charges for the new Parliament and the new Government that will be created, or the "extra services" as they are called in Mr. Owen's report, and his figures

I am quoting, and as expressed in all other reports—the extra services resulting from a creation of a new Parliament to be called the Federal Commonwealth Parliament, will cost Western Australia about 2s. a head, and that is £17,000 per year for this colony. Supposing it cost double, that would be £34,000 or £35,000.

MR. CONNOR: Does that include the building of the federal city?

MR. ILLINGWORTH: Yes; it includes the whole thing. I will come to the building of the federal city in a moment. The proportionate cost of new services is 2s. a head on the best estimates that we have. The unknown problem is, what will be the effect of a change in the incidence of taxation? To-night, in speaking of the Estimates, I showed that the revenue we receive from the taxation on imports from other Australian colonies is £1 4s. 6d. a head; and the tariff in this colony is so low, and the articles which come in free are so numerous, that the whole taxation on other goods, that is outside foodstuffs and outside alcohol and narcotics—the whole taxation only amounts to £1 10s. per head. It is beyond doubt that any uniform tax that will be imposed on any base whatever will tax us more than £1 10s., indeed more than £3, upon outside goods; and consequently, though we lose the £1 4s. 6d. on the one hand, we must gain a similar amount on the general goods on the other hand. But I should like to place before this House the distinct statement made at the last Convention by the highest authority I can quote in this Parliament, and that is the right hon. Sir John Forrest. The genesis of this proposal was in a report laid upon the table of the Convention; and I think our Premier was himself a member of the Finance Committee of the Convention which so reported; and Mr. G. H. Reid, late Premier of New South Wales, was I think the chairman of that committee; and the committee brought in a report to deal with the question of the loss to the revenue caused by free-trade between the colonies, at the instigation of the right hon. gentleman himself, and the effect of the report was that the proportion of loss of each of the other States should be calculated; “and if the proportionate net loss of the State

of Western Australia is greater than the average proportionate net losses of the States, the Commonwealth shall pay to the State of Western Australia a sum which shall equalise the proportionate net loss of that State with such average.”

THE PREMIER: That is good.

MR. ILLINGWORTH: That is so, and that is what was intended. Now there was something sensible and something that one could understand in a proposal like that.

THE PREMIER: Yes; but the proposal was not carried.

MR. ILLINGWORTH: It was not carried, for the very best of reasons. The Premier himself opposed it, and moved amendments.

THE PREMIER: What did he say?

MR. ILLINGWORTH: On page 854—

THE PREMIER: You must make sure you are reading the right amendment.

MR. ILLINGWORTH: It is a little bit confusing, I confess: we shall perhaps get at it presently. The Premier says on page 1124:

The proposal I have to make in place of that of the Finance Committee—

THE PREMIER: Yes; that is the one you just now read.

MR. ILLINGWORTH: I am not going to argue adversely to any individual, or to any class; and I hope the Premier will give me credit for acting in good faith.

THE PREMIER: Oh, certainly.

MR. ILLINGWORTH: The Premier says:

The proposal I have to make in place of that of the Finance Committee is nearly in the same terms, except that it is general in its application. It takes into consideration both gains and losses. The wording is almost identical, except that we take into our calculation the colonies which will gain as well as those which will lose under the arrangement which hon. members have been good enough to say is altogether to the advantage of Western Australia. We will lose an immense amount. I expect we will lose something like £150,000 a year, even by the arrangement as it is on the paper; that is, so far as I can judge from existing conditions. That is a loss I do not know how I shall be able to dissipate.

That was the right hon. gentleman's objection to, and his amendment on, the proposal of the committee. Then the proposals which he brings in are on the

same page of the Convention report, and are continued on the next page, 1125. The Premier says:

I beg to move the following as an amendment on the proposed new clause: For the first five years after uniform duties of customs have been imposed the Commonwealth shall keep an account showing, (1) The amount which under the law of each State enforced immediately before the imposition of uniform duties, would have been collected from duties of customs and of excise upon the goods actually imported into and the goods produced or manufactured in that State; (2) The amount collected and taken to have been collected in that State from duties of customs and of excise. The difference shall be taken between the former and the latter amounts, and when the former amount is the greater, the balance shall be taken to be the net loss of the State for that year by reason of the imposition of uniform duties of customs and of excise, and by reason of the operation of free-trade and intercourse throughout the Commonwealth, and the proportion which such net loss bears to the amount so collected and taken to have been collected shall be taken to be the proportionate net loss of the State. The proportionate net loss and the proportionate net gain (as the case may be) of each of the States shall be calculated in like manner; and if the proportionate net loss of any State is greater than the average proportionate net losses of all the States combined (after allowing for the proportionate net gain in any one or more of the States), the Commonwealth shall pay to that State a sum which will equalise the proportionate net loss of that State with such average. The amount so paid shall be taken to be an expenditure of the Commonwealth in the exercise of the original powers given to it by this Constitution.

MR. MORGANS: Do you understand that?

MR. ILLINGWORTH: Yes; I understand that. Hon. members know that Acts of Parliament are not generally very clear. I should not have understood the passage if I had not read it before.

MR. MORGANS: Nor could I.

MR. ILLINGWORTH: But the substance of it is that Western Australia was to be reimbursed for any loss which occurred, and that other States also, according to our Premier's proposals, were to be reimbursed if there happened to be losses to other States. Now the question is, was there to be a loss or not? On the same page, 1125, Mr. Lyne says:

I will not detain the committee many minutes. I cannot quite follow the effect of this clause; but it appears to me that New South Wales, with its present customs tariff, will have to bear all the loss.

Then Sir John Forrest interrupts:

Oh, no; Western Australia will lose £160,000.

THE PREMIER: That is it.

MR. ILLINGWORTH: Mr. Lyne says:

In a calculation I saw the other day it was shown that New South Wales would have to pay the largest proportion of the amount to be provided for Western Australia, and that Victoria would come next.

Mr. Lyne says, lower down:

Yes; but the larger proportion of it will be paid by New South Wales to the Federal Treasurer.

Mr. Reid says again, on the same page:

I must confess that I disclaim any responsibility for the appearance in the Finance Committee's report of this particular arrangement in connection with Western Australia. At the same time it is a suggestion which carried with it a very large amount of support, and which was no doubt prompted by an admitted difficulty in the case of Western Australia.

THE PREMIER: Hear, hear.

MR. ILLINGWORTH (continuing to read):

But much as I appreciate the difficulty of Western Australia, I feel that it will be an even greater difficulty to reconcile the people of the other colonies to the arrangement which is proposed.

MR. MORGANS: That is the rub!

MR. ILLINGWORTH: Mr. Reid says, lower down:

But speaking as I believe, I look upon the fact that the uniform tariff, while relieving the necessities of life in Western Australia from heavy taxes, will directly benefit the people of Western Australia. I admit it may have some other effects besides that; but it will be difficult for us in any other colony to convince the people that the effect of taking duties off in a community is so disastrous to that community that other communities ought to make good the loss. It will be a hard argument to carry in, I do not say our colony, but any colony. At the same time, I admit that the difficulty is a serious one. Our friends from Western Australia have not come here with any chimerical difficulty. It is a subject of great interest, and must be so to them, from the circumstance that over one-third of their customs revenue must go on, the establishment of the uniform tariff.

I desire to quote also from page 1149, where there are other interesting passages; but I am afraid I shall weary the House.

MR. MORGANS: Go on. Your quotations are very interesting.

MR. ILLINGWORTH: Here is one from the Premier, and I am sure the hon.

member will agree that anything the Premier has said is interesting:

Sir John Forrest: I am sure that all my colleagues must be grateful to my hon. friend (Mr. Deakin) for the proposal he has made, and which he, I suppose, considers to be in our interests. I regret to say that I cannot view it with favour.

Then lower down on the same page he says:

The proposal now made is impracticable, and would be of no use whatever to Western Australia. I would suggest, as a means of getting rid of the difficulty, and also with a view of not treating Western Australia in this Bill exceptionally, that the proposal of Sir George Turner should be adopted, with the alteration that in the event of the uniform tariff producing to a colony a greater amount than was produced by the tariff of the colony before the introduction of the uniform tariff, all contributions shall cease—that the contributions shall only remain in case the uniform tariff fails to produce as much as the State tariff did previously. That would be a simple plan. It might result, and I think it probably would, in nothing being contributed at all.

Then, again, Sir John Forrest said:

We all look forward—at any rate, I do in my own colony—to a large increase of trade and business; and therefore I believe the uniform tariff will probably yield a larger amount than is produced at the present time in Western Australia.

That is the quotation I wanted to get at, as it refers to the point I am now arguing, and it is my own conviction.

THE PREMIER: I was arguing to get them to agree to it.

MR. ILLINGWORTH: I am in harmony with the conclusion the Premier arrived at. I contend that under a uniform tariff the so-called loss, the deficiency in the taxes collected, will not exist, that as a matter of fact the increases derived from the general taxation from abroad will more than recoup any loss that takes place in regard to the intercolonial tariff. If that be so, and I think it is, the only argument that remains for maintaining these duties for even the short period of five years is for protective purposes. If members are going to stand fair and square to that, and say they want the duties for protective purposes, we shall know precisely where they do stand; but I suggest for protective purposes the scheme proposed in the report of the Select Committee is of no value whatever.

THE PREMIER: It is a free hand we want.

MR. ILLINGWORTH: It may help us in five years, but it will be very small indeed. I wanted to point out too that if it is required for revenue purposes, then we do not require it to make up the supposed loss, because the supposed loss does not exist.

MR. MORGANS: If you can show us that, it will be very interesting.

MR. ILLINGWORTH: I have already quoted the Premier, and I quite agree with what the Premier says: the increased taxation from general goods which is £1 10s. will more than recoup the £1 4s., that is the point, and I quite agree with the Premier in reference to it. I have already spoken to-night on the food duties: £209,000 is the whole revenue we received last year from that source, and I think hon. members will admit the revenue from food duties is a decreasing quantity.

THE PREMIER: Not £209,000 from all other colonies.

MR. ILLINGWORTH: I am speaking of the food products; £209,000 are the figures, and I have taken them from the customs report of last year, which I presume is fairly accurate. These are the things which we import principally from the other colonies. If it is a question of the £209,000 recouping the revenue, then we shall have that from the dividend tax, which we have passed this session. This year the Premier expects to get, in about eight months, £94,000, and there is not the slightest doubt, with the present prospective increase, next year we shall obtain £200,000 and it will be a steadily increasing quantity; in the third year from dividend duties alone we shall have enough to recoup the loss, if it exists.

THE PREMIER: What about the interest on new loans? I suppose we shall have new loans?

MR. ILLINGWORTH: That is another question altogether. You cannot get more for £1 obtained from the sale of potatoes than you can obtain for £1 made through gold. If the Government want more revenue, then they will have to get it. I am now speaking from the point that it is necessary to get the alterations in the Bill, because we cannot afford to lose £209,000 or £300,000, in consequence of free-trade between the colonies. I say in the

first place that there will be no such loss.

THE PREMIER: There will be.

MR. ILLINGWORTH: Suppose I am inaccurate in that statement, and I have quoted the Premier in support of my position—

THE PREMIER: Oh, no.

MR. ILLINGWORTH: If I am inaccurate in that statement, the Government have already made provision to recoup the revenue out of gold duties.

MR. MORGANS: You will have to obtain four millions of dividends to make £400,000. It is a pretty big order.

MR. ILLINGWORTH: The Premier expects to get £100,000 in eight months, therefore I say we will get £200,000 next year. I suppose the gold export, from what I can gauge of it, is likely to be an increasing quantity.

MR. MORGANS: The dividends will not be so great in proportion.

MR. ILLINGWORTH: I have already occupied the attention of the House for over an hour this evening on another question, and I could go on for another hour on this subject, but I may be wearying myself if I am not wearying the House. There are three amendments proposed by the Committee which appear to have a practical effect, and my contention is, first, that these amendments cannot be obtained from the Imperial Parliament, and next that they are not worth obtaining anywhere. Of course members may differ from me.

MR. VOSPER: Most decidedly.

THE PREMIER: They will.

MR. ILLINGWORTH: Hon. members have the same right as I have, and if members differ from me, of course I have the right of differing from them. I have given reasons for the faith that is in me on this question, and it is for members to consider what I have said. Another question raised is what will be the effect of removing the duties upon our industries. I should be very anxious to see industries established in this country: I know the difficulty of establishing industries in any country with a population of 170,000, and no amount of attention on the part of the Government will alter the fact that you cannot establish industries where the population is so small. We find that there are treating raw material 36 persons, and these cannot be affected

by federation; in the preparation of food and drink, which means butchers and bakers, and restaurant keepers, and so forth, there are 1,417 persons employed—no federation can interfere with these persons' occupations in any possible way; then there are clothing and textile fabrics, 1,696 persons engaged in these trades; and suppose that the change in the tariff will remove those people altogether, that will be a serious loss no doubt, still it is a loss which would have to take place; then in regard to the timber trade, the sawmills and the production of building material, in this trade there are 2,427 people employed—how are these persons to be affected by a change in the tariff? The timber mills will go on, and we shall have them anyhow, whether we are in the federation or out of it, whether we have a tariff between the colonies or none at all. Then metal works and machinery, as far as they exist in the colony at the present time they would continue: there are 1,383 persons engaged in these trades, and these industries would be calculated to increase. In ship-building and repairing there are 35 persons engaged; and the furniture and bed-making industry, according to the evidence of Mr. Bickford and others, may be increased. Books, paper, and printing—all the evidence goes to show that these industries would increase rather than decrease; saddlery and harness manufactories would not be affected to any material extent—if they are affected at all, they will increase rather than decrease. There are a total of 9,689 persons engaged in industries, and about 1,500 of these will be affected by a change in the duties. It is no use trying to imagine that because we desire to have factories we can have them. We cannot have certain kinds of factories unless we have a large population, neither in this nor in any other country, neither under our present tariff nor under any tariff. Any alteration made in the federal tariff will not affect these manufactories at all. In conclusion, I would say a word or two as to the advantages and disadvantages of federation. First of all I say if we are going to agree to enter the federation, the effect of the Federal Parliament will be the selection from a larger area of the persons who govern. In Great Britain, amongst a population of 40 millions of people, perhaps the most

wealthy, certainly the most cultured and most leisured classes of any community, it is exceedingly difficult to get any large number of first-class statesmen to attend to the duties of the country; yet as far as governing, our whole welfare depends on the quality of the men, the breadth and the capacity of the men, whom we set in high places. Surely if we have our selection of the primary Parliament from three millions and a half of people, we stand a better chance of getting a good government and a good Parliament than we have if we select from 170,000. One of the first and the greatest advantages I see in federation is that we shall get better Government for the whole of Australia; we shall get better men, I do not mean to say in an individual character. Perhaps we may pick out one or two or even more men in this colony equal to men in the other colonies; but I contend the best men in Australia will make a better Government than any individual State can provide. Then we meet with the difficulty—and the difficulties and advantages I am discussing together—of the removal at once of the primary Government to a distant part of Australia: that seems to some extent that the colony, which only 10 years ago obtained its own right of government, is going back, so to speak, to Downing street or on the same lines for government in this particular. I admit it is a disadvantage that we as a colony must be removed from the seat of government. That has already been emphasised by the Premier, but I suggest there are some correcting influences. If we have a first-class Government, at any rate the best Government Australia can produce, and if they deal with main questions, leaving each State to attend to details, the chances are that between the two Parliaments we shall be much better governed than we can possibly be under any other system. The distance of the Government will be corrected to some extent by the control of the local Parliament; and that, I think, the Premier overlooked when discussing this point; for though the individual parliamentarian may not be able to reach the Federal Minister, yet the Parliament sitting here and representing the people of a particular State, will have an influence upon the Minister and on the Commonwealth Parliament, far beyond the influence any

individual member, or any combination of members could bring. Therefore the representations by the local Parliament of the wants of this colony must be listened to, not merely because the representatives are the voice of the federal members we send, but because they are the voice of the Parliament sitting here, who know our wants best.

THE PREMIER: It would be merely an advisory power,

MR. ILLINGWORTH: It would be an advisory power, certainly.

THE PREMIER: We would not have the power to control the Federal Parliament.

MR. ILLINGWORTH: We are not speaking of control, because if we had power to control the Federal Parliament, we should lose all the benefit of the higher Government. What I say is, there are distinct disadvantages in our being so far from the seat of Government, but the disadvantages are materially corrected by the fact that we shall have our own Parliament, which will make its representations as required.

THE PREMIER: We have no power to do that, and would be told to mind our own business.

MR. ILLINGWORTH: Nothing of the sort. The Premier does not tell a member of this House to mind his own business when that member makes representations to him; and the Commonwealth would not be able to tell a representative of this colony to mind his own business, because to do so would be more than the position of the Minister was worth.

THE PREMIER: The Commonwealth Parliament will not listen to this Parliament.

MR. ILLINGWORTH: The Commonwealth Parliament would listen to this Parliament, and to the representatives we send. Then in regard to the post office, the customs, and other departments taken over by the Federal Government, the heads of these departments here would be under the immediate supervision, though not under the control, of the local Government; and any representations made by the Parliament of this colony would be of great avail in keeping that particular official in his proper place and in watching the interests of this colony. We should also gain a great advantage in having uniformity of laws,



because at present great inconvenience is caused throughout the colonies by a lack of uniformity in this respect; and we should gain, notwithstanding what has been said, a more liberal constitution. We should gain by the productions of Australia passing into more natural channels, instead of being forced, as they have been, by various forms of fiscal policy. The trade of the colonies would run in proper channels, and wherever we have material advantages we should gain, and I contend that this colony has as much to gain in this respect as any other colony. We have a product which is always appreciating in value, and never depreciating; and while we can keep our population at work earning £4 a week getting gold, we need not be very anxious to get them to grow potatoes at £1 a week and their "tucker." So long as we can keep the mass of our population on the goldfields obtaining the vast quantity of gold we are now obtaining, and while we are anxious, and should be anxious, for the extension of our agricultural interests, we need not be much concerned about inducing our people to give up £4 a week in order to earn £1. But there are, of course, in every community a number of people who cannot be gold miners, and the best way of helping those people is to continue to foster the gold-mining industry and so provide an internal market, which will take the whole of the products the agriculturists can give us. I have mentioned that under federation we shall have greater security for our loans. A great deal of doubt has been thrown on this statement, but even those who endeavour to throw that doubt must feel that Australia, as a borrower in the London market, would be a very different customer from a part of Australia.

**THE PREMIER:** The Commonwealth would not borrow for us.

**MR. ILLINGWORTH:** The Commonwealth would, if you so desired.

**THE PREMIER:** No fear.

**MR. ILLINGWORTH:** It is quite within the powers of the Bill.

**THE PREMIER:** The Commonwealth would not do it, perhaps.

**MR. ILLINGWORTH:** The Commonwealth would, because the Commonwealth would do what Parliament desired, and we should have a voice in the Parliament.

**THE PREMIER:** It has never been suggested that the Commonwealth should raise loans for us.

**MR. ILLINGWORTH:** If it has not been suggested up to now, it very soon will be when the Federal Parliament meet. The Premier seems to have great faith in his borrowing powers, and I only wish he would exercise those powers, instead of issuing Treasury bills.

**MR. MORGANS:** We can exercise our borrowing powers now, with more certainty than we should be able to do under the Commonwealth.

**MR. ILLINGWORTH:** Under the Commonwealth we should have greater security for our loans. There is the question of quarantine, in regard to which, under federation, there would be a rapid action in case of danger; and surely that is of some importance. We should have a single voice in the Imperial councils of the British Parliament; and we should have a national life for our Australian youth, with "one flag, one destiny." There are a good many points of a sentimental character which occur to me just now, but I will not utter them.

**MR. VOSPER:** There is one flag now.

**MR. ILLINGWORTH:** And a very good flag too. I want to say a word, in conclusion, about the question of defence, seeing that question has been introduced. The transcontinental railway, it has been argued, is a question of defence; but I hope we all understand that the transcontinental railway, or any help we can get from each other so far as the shore is concerned, will be of very little value for many years to come, though of course in the future it may be of value. We will have to depend for a long time on the British navy as the only source of protection we can possibly expect; and we must surely bear our part, and do a little to keep up that navy, and maintain the prestige of the great Empire of which we form a part. The subject before the House is simply the report of the Joint Select Committee, and we shall have an opportunity of directly dealing with the Bill; and I propose to close by simply saying that if the report had been consistent with the evidence, the decision would have been, "Do not enter federation at any price." The report proposes three alterations which can only be made by the Imperial Parliament, and which we

have no reasonable prospect of obtaining; and, as the three proposals have no practical value in themselves, the whole "game is not worth the candle." If we are to enter federation at all, we might just as well enter federation on the original Bill, as on the amended Bill. I see no practical good to be got from the amendments, or any chance of obtaining the amendments if there were good in them, and, consequently, the simple duty of Parliament is to submit the Bill to the people, and let them say "yes" or "no" thereto.

On motion by MR. WOOD, the debate was adjourned to the next sitting.

DENTISTS ACT AMENDMENT BILL.  
IN COMMITTEE.

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

EXCESS BILL.  
SECOND READING.

THE PREMIER (Right Hon. Sir J. Forrest): I beg to move the second reading of the Bill. Hon. members are aware that the Bill has for its object the validating of expenditure during the past year which was either in excess of Parliamentary authority or without any Parliamentary authority. The amount of the excess is £80,807, and on account of loan £13,158. I am glad to be able to say the Excess Bill this year is much less than for years past, and I need hardly say I am quite in accord with the observations by the hon. member for Central Murchison (Mr. Illingworth) and others with regard to the desirability of keeping within the estimates of expenditure voted by Parliament. But during the last few years, owing to the great strides the colony has made both in revenue and expenditure, it has not been possible to conform as closely to the Parliamentary estimates as we hope to do as time advances. In a settled community where everything is going on pretty regularly, there is not much excuse for Ministers spending money which has not been provided for by Parliamentary sanction; but under the conditions we have experienced during the last few years the Government have either had to expend the money and trust to Parliament to confirm that

expenditure, or to stop necessary works, and sometimes not only necessary but urgent works—in fact works which could not by any possibility be delayed. I think that, if members look through the Excess Bill on this occasion, they will not have very much reason to complain. Last year was a year of economy: we tried our best to keep within the votes; and although we have not succeeded altogether, still I think we have done so to a far greater extent than for some years past. If members will look at the schedule, they will find that the excesses are very small indeed. There are only a few hundred pounds until the Miscellaneous Services on pages 3 and 4 are reached.

MR. ILLINGWORTH: What is this: "Commission on interest paid by the Crown Agent and the London and Westminster Bank?"

THE PREMIER: I will be able to answer that when we get into Committee. Members will see that this £16,000 in excess on Miscellaneous Services is made up by a variety of charges, none of them being very large, except, as the hon. member (Mr. Illingworth) says, the commission on interest paid by the Crown Agent and the London and Westminster Bank. There is a continual conversion going on from debenture stock into inscribed stock, and doubtless that is the cause of that amount being paid as commission on interest paid by the Crown Agent and the London and Westminster Bank. There is a sum of £5,400 for the aborigines, the £5,000 provided by statute having been found altogether insufficient to provide for the necessities of that department. In connection with the railways there are some excesses amounting to £5,667; public works, £8,316; public buildings, £9,054; lands and surveys, £2,829. In the Department of Agriculture, which was taken over some time ago, an excess of £2,384 has had to be incurred, there being a good many outstanding accounts at the beginning of the year which had to be paid. The incurring of this excess was very much against my inclination, but there was no help for it. In regard to the medical vote, it was exceeded by £10,388; gaols, £2,059; extra labour on printing, £2,755; educational, £2,916. The total is £80,807 15s. 4d. That is the expen-

diture side; but of course, as hon. members know, while we spent £80,807 15s. 4d. in excess of what we were authorised to spend on certain sub-heads, we did not spend as much as we were authorised to spend on many other heads of services, the amount being £254,676 less, and this has to be put on the other side of the ledger; so that although on certain sub-heads we spent in excess of the votes authorised by Parliament the sum named, we were £174,076 to the good on the whole transaction; that is, we spent that amount less than Parliament authorised us to spend. I am very glad to be able to make that statement, because I think it goes a long way to excuse the Government in regard to the extra expenditure. We did not expend the money exactly in the way we were authorised to, or at any rate we exceeded the votes on the various sub-heads, but on the whole of the year's transactions we saved, as I say, £174,076. I think I have told members before that under the Audit Act it would have been very easy for me to have had no Excess Bill at all, or at any rate scarcely an Excess Bill, if any at all, by a system of transfer which is allowed under the law, but which I have never used except in one year. I came to the conclusion that it was not a very good plan: I did not like it. Members will notice that the excesses are upon every sub-head of the Estimates, and not upon the heads of the departments. Every sub-head is treated as an independent item. I suppose the plan is a good one: at any rate it gives more insight to hon. members into the transactions of the Government with regard to expenditure; and I think that if anyone reads the report of the Auditor General on this Excess Bill, and notices the care with which every single item of expenditure in excess is referred to, and also the reason for it, he will come to the conclusion that, whatever else is done, there is a close scrutiny over every little bit of expenditure, and the way the accounts are kept; and it is very easy for any hon. member to put his finger on any item. There is scarcely any transaction of the Government that is hidden from view. At any rate, I have had no part whatever in the preparation of these reports, nor did I see them, in fact, until they were laid upon

the table of the House; so I do not fear any scrutiny. The more the Bill is scrutinised the better, and if any hon. member can by his ingenuity or his knowledge find some weak spot in the public expenditure, I can only tell him I shall be much obliged to him, because there is nothing to hide that I know of, and nothing that I am not willing, and I think able, to explain, if time is given. I do not mean to say I can explain every single item off-hand to-night, but if any member will give notice of it, and call my attention, I will be very glad to give full details of any expenditure in this Excess Bill or anything in the Estimates. I have much pleasure in moving the second reading of the Bill, and I may say I am glad to see its production on the table this year is not so far away from the time the money has been paid as has been the case hitherto. During the last few years we have had Excess Bills 18 months after the money has been spent, and that has been unsatisfactory. I am glad the Auditor General has been able to give us a report in regard to the excesses. The report in regard to the under-drafts is not before hon. members, but of course that is not so important as the report with regard to the excesses.

Question put and passed.

Bill read a second time.

#### IN COMMITTEE.

Votes and items discussed were as follow:—

*London Agency*—Hon. E. H. Wittenoom, May 1st to June 30th, £166 13s. 4d.:

MR. GEORGE asked the Premier whether Mr. Wittenoom had received salary as Minister of Mines and as Agent General at the same time.

THE PREMIER: When Mr. Wittenoom was Minister of Mines, he was offered the appointment of Agent General; but when he left this colony for London, he had not actually been appointed as Agent General, as there would then have been two Agents General and only one salary. Mr. Wittenoom retained, formally, his position as Minister of Mines, and was given three months' leave of absence with full salary, the three months expiring on the 30th June. Mr. Wittenoom went to London by way of

Japan, and did not arrive at his post till about the 25th July. For those 25 days he received no salary.

MR. GEORGE thanked the Premier for the information. At the time this event happened, there was considerable talk; but the Premier's explanation would satisfy every one.

Vote passed.

*Miscellaneous Services*—Item, Coolgardie Mining Exhibition, £1,731 12s. 3d.:

MR. GEORGE: What was the total amount spent by the Government on the Exhibition, including money advanced in mortgage on the Exhibition building?

THE PREMIER: While unable to answer the hon. member off-hand, he knew there was £6,731 12s. 3d. paid last year, and there was certain additional expenditure, including about £3,000 lent on the property—he was not certain as to these items. The total amount paid by the Government on account of the Exhibition was about £15,000. He would obtain the particulars, and state them when the Estimates were discussed.

MR. GEORGE: In the Miscellaneous vote there were several items in the nature of defalcations. It was very unpleasant for the Committee to have to pay such amounts. Civil servants entrusted with money should be compelled to provide guarantees.

THE PREMIER: So they were.

MR. GEORGE: Then why had the defalcations to be borne by the State?

MR. A. FORREST: The guarantee system was not universal through the service.

MR. GEORGE: Take the item, "Shortage in cash in Local Court account, Perth, £99 7s. 3d."; surely the man entrusted with that cash should have been made responsible for the deficiency? These occurrences were discreditable to the administration of the service.

THE PREMIER: The hon. member was right. These defalcations were discreditable, and most unsatisfactory; but the fact remained that the Government had been robbed. The question of bonds and guarantees had engaged the attention of the Treasury, and circulars had been issued to the various departments. The present system of bonds from private persons was not good, for such guarantees could hardly be enforced.

MR. GEORGE: Take the case of Von Bibra, late clerk of courts at Coolgardie: surely his relatives or connections could pay?

THE PREMIER: They would not do so. He would look into the matter, and try to discover some general form of guarantee applicable to everyone in the service having charge of cash. At present all Treasury officers having the custody of money were under bond. In connection with the Railway Department, there was a guarantee society for that purpose.

MR. GEORGE: Some plan should be devised immediately.

THE PREMIER: Undoubtedly; and he would have attention called to it.

MR. A. FORREST: Every person entering the public service who was to be placed in charge of cash, should be guaranteed in a fidelity guarantee society, the Government paying the premiums, adding to the officer's salary an amount sufficient for that purpose. This would do away with the unsatisfactory system of private bonds, which was a nuisance. These long lists of defalcations did not look well, and the sooner they disappeared from the public accounts the better.

MR. LEAKE: Was it true that the bonds now in existence could not be enforced unless convictions were secured?

THE PREMIER: That was so, he believed, in the case of private bonds, but not with regard to the policies of guarantee companies.

THE COMMISSIONER OF RAILWAYS: The practice in regard to railway officers was to have them guaranteed by guarantee societies; and when defalcations took place, or a person was suspected, the society insisted on the officer being prosecuted, but the society had paid in every instance where any defalcation had taken place.

Vote passed.

*Public Works*—Item, Railway to Bunbury Racecourse, £8,316 1s. 6d.:

MR. GEORGE: What had the Bunbury racecourse cost altogether?

THE COMMISSIONER OF RAILWAYS: Something over £3,000; he was not able to give the exact amount. The sum mentioned in the Bill was in connection with land resumption.

MR. A. FORREST: In some instances the Government took land and did not pay for it. The department asked for an

estimate of the value of the land to be sent in, but when that was done, nothing more was heard of the matter. The Government cut up a large estate of his (Mr. A. Forrest's) and completely spoiled it, but he never got a sixpence from the department. The only way was to sue the department, which he intended to do.

Vote passed.

*Public Buildings*, £9,054 4s. 5d.—  
Items (2), Branch of Royal Mint, £3,911 9s.:

MR. GEORGE: What was the total cost of the Perth Mint?

THE COMMISSIONER OF RAILWAYS: If the hon. member moved for a return, he would have it prepared.

Vote passed.

*Lands and Surveys*, £2,829 7s.:

MR. QUINLAN: Was it the intention of the Government to give up renting private offices, and when? Last year £3,000 was paid for rent of offices for the use of public officers, and he understood from what was said last session that the Government agreed to give up the renting of private buildings. Many such offices were still occupied, in some cases, perhaps, leased for a term, though he understood that some offices were not leased. Leases expired in December last, but the offices were still occupied.

THE COMMISSIONER OF RAILWAYS: A great reduction had been made in the number of buildings leased by the Government, and the rent bill to-day was very small compared to what it was last year. In regard to one or two buildings now occupied, leases had been entered into by the departments concerned for a term of years: in some of these instances there were 12 or 18 months yet to run, and as soon as the Government were able to relinquish such buildings, it was desired to do so. He hoped to find other accommodation for officers now occupying leased premises.

MR. A. FORREST: During the past 18 months the services of some 200 or 300 officers had been dispensed with, and there should be now plenty of room in the public buildings to concentrate all public officers. A horse and trap paraded St. George's Terrace from morning to night conveying officers to and from public buildings. If the officers were concentrated in the public building, the expense

of keeping a horse and trap going could be done away with.

THE COMMISSIONER OF RAILWAYS: A few days ago a request was made for accommodation for the *Hansard* reporters, and he searched the whole of the public building in the vicinity of the Legislative Assembly, but had not yet been able to secure suitable accommodation for the *Hansard* reporters. That would give members some idea of the limited accommodation possessed. No one desired to limit the amount paid for rent of buildings more than the Government did, but it was impossible to house in Government building the whole of the staff of the Public Works Department. He had not yet found accommodation for the *Hansard* reporters, and they were being put to considerable inconvenience by occupying two small rooms near his (the Minister's) office. Any member who went through the building would see the limited space at the disposal of the Government. Some officers in other departments did not economise the space at their disposal as much as they could, but his desire was to bring together the whole of the officers in the public service. In some large rooms there were only one or two officers, and he thought the space might be economised. The whole of the engineering staff had, within the last few days, been housed in the public building, and, by degrees, he was bringing the whole of the public officers together, thus saving money by centralising them and keeping them in close touch with the heads of the departments. As to the horse and trap, it was found more economical to provide this conveyance than to have officers and messengers walking at their own pace to and from the different buildings, and papers had to be carried to and fro.

Vote passed.

*Department of Agriculture*, £2384 9s.:

MR. GEORGE: Were the viticultural and horticultural experts, the analyst, the entomologist, the biologist, and the botanist, still in the employment of the department?

THE PREMIER: These officers were appointed for a limited time, but it was found desirable to retain them, and their services were retained for the whole of the year.

MR. GEORGE: Were these officers employed now?

THE PREMIER: Yes.

MR. A. FORREST referred to growing expenditure in this department, which he believed was entirely under the control of a board.

THE PREMIER: There was no board now: the department was entirely under the control of the Minister.

MR. A. FORREST: Then the expenditure was more now than it was under a board. He would like to refer to the arbitrary manner in which notices in connection with insect pests were served on people who might perhaps possess only a quarter of an acre of ground in the city, with one or two fruit trees. These people were called on to fill up a large form, and to pay 5s. for doing it, with the liability of a heavy fine if they did not pay. The Minister in charge, with his large staff of officers, ought to inspect these city gardens for themselves, and not subject the owners or occupiers to such annoyance. These elaborate forms were surely only intended for people who made their living out of orchards.

THE COMMISSIONER OF LANDS (Hon. G. Throssell): The Agricultural Department was under better control now than ever it was. Formerly a lump sum was placed at the disposal of the board, with the result that when the control was taken over by the Government, the department was saddled with a considerable amount of expense altogether unauthorised. He sympathised with the complaint as to notices served on occupiers of small gardens, but he would remind the Committee that there was as much danger from a couple of fruit trees as from acres of trees, and great care must be exercised by the department, which of necessity became unpopular through having to put in force laws to protect the country from fruit diseases. The excess expenditure did not please him, but all the department was responsible for was some £700; and while the Advisory Board exercised no control now in regard to the expenditure, the department was always glad to have the advice of such gentlemen as the member for Beverley (Mr. Harper).

MR. GEORGE called attention to the item of £150 4s., for office rent, rates and taxes for the Department of Agriculture,

and asked whether it would not be possible to house the officers in the public buildings, and so save this sum.

THE PREMIER: The amount last year was £350.

THE MINISTER FOR LANDS: The officers of the Lands Department were about the worse housed of any in the public service, and the hiring of these outside offices was necessary. Many of his officers at present did their work in a cellar, and only recently he had been obliged to give a man a few weeks' leave of absence, owing to illness caused by working in unhealthy conditions. He regretted the officers of the department were not closer together, in order that there might be proper supervision over them; but he had issued instructions for a time-book to be kept in all outlying offices connected with his department.

Vote passed.

*Official Receiver in Bankruptcy and Curator of Intestate Estates—£205 16s. 4d.:*

MR. A. FORREST: Was it a fact that trust moneys were invested by the officers of the Supreme Court for private persons, and that the accounts were kept and the whole of the business transacted in connection with these investments by those officers, free of charge?

THE PREMIER: It was to be regretted that what the member for West Kimberley had said was perfectly correct, and on this point he (the Premier) had made representations; but, owing to one cause or another, these representations had not yet borne fruit. At the present time, however, the whole matter was before the Chief Justice. It appeared that trust moneys under the control of the Court had been invested by the Registrar, and the rents were collected and all correspondence was carried on by officers of the department, also the money due was paid to the persons interested, without any charge whatever being made. He was not now referring to intestate estates, but to moneys in trust under the control of the Court. In intestate estates, a charge was made, and the moneys went to the public revenue. One trust account, to the amount of £40,000, had been under the control of the Supreme Court for the last 10 years, and all the business in connection therewith had been done at the expense of the Government, without

any charge against the trust. There was also the question of the liability of the Government, should any investment prove a bad one, the Government having no control whatever over transactions made by the officers of the Court, though he believed the investments were in landed property, and perfectly legal. What had exercised him was as to whether, if the officers happened to be negligent and by some means lost money, an action would lie against the Government; but he had been told that no action would lie, and this, so far as it went, was satisfactory. He had addressed the Court through the Under Treasurer and the the Law Department, complaining of the fact that public moneys were used in the transaction of private business. It might be that the law required alteration; and, if so, we must see to it. He saw no reason why the Court should be the custodian of private money for indefinite periods. It was very well for a short time, but he did not see why the Court should hold money in trust for dozens of years. However, there would not be much harm in it if a charge were made, and if the Government were not liable. But while there was no charge made, and while there was just a possibility of the Crown being liable, it was very unsatisfactory. He was investigating the matter, and would find out exactly the state of the law in regard to it. If the law required amending, he would introduce a measure. He was quite in accord with the hon. member, as he was sure every reasonable man was, in saying the Court had no right to be asked to invest people's money and keep control of it for nothing. If the Court had to invest money and keep control of it, a charge ought to be made. He did not know why we should not make the law retrospective, and impose a charge for all the work that had been done.

MR. A. FORREST: The persons referred to went further than had been stated. The Registrar, who was a very good officer, visited places and saw the security itself; and he would not be satisfied until he saw that the security was of an undoubted nature. A week or a fortnight before the half year's interest was due, a letter, printed on the most beautiful paper, was received from the Registrar, or whatever he was called, saying that unless the interest was paid

on the date there would be an extra charge of 1 per cent. The whole thing was got up on a most elaborate scale, and at the expense of the country. If the Government were receiving any benefits for the investment of these moneys, he would not have said a word on the question. He hoped the Government would not rest on account of a letter from the Court, but would take action themselves, and see that the people who took advantage of the Court should pay a fair remuneration for the work done. He agreed with the Premier that there was a certain amount of responsibility about the investment of the money, and he knew the people who had money there looked to the Government to have the very best securities it was possible to get in this country. The rate of interest was not altogether of a reasonable character, and he hoped the Government would take prompt action and not let this country be the means of people doing their business for nothing.

Vote passed.

*Land Titles*—£938 16s. 7d.:

MR. GEORGE: What was meant by the item "Clerk, £12 9s. 5d.?" There was a danger in connection with the Excess Bill in regard to the salaries of various officers; for although estimates were put before the House every year, and the House had an opportunity of discussing and altering them, yet the estimates never were altered afterwards. An Excess Bill came along, and we found this clerk and that clerk had got an advance in his salary.

THE PREMIER: Very seldom.

MR. GEORGE: There was no objection on his part to raising of salaries of any of the men named in the Excess Bill; but if the estimates placed before the House were supposed to represent the expenditure the House had to pass, it was not right for one department or another to deal with those salaries afterwards.

THE PREMIER: There was nothing the Government were so particular about as the increase of salaries, which was absolutely prohibited, in specific language, in the Audit Act; and such increase was seldom made.

MR. GEORGE: There were, he thought, three or four items in this Bill.

THE PREMIER: One amount was in relation to an officer associated with the

Agricultural Bank. There was a good deal of trouble and correspondence about that before it was allowed. As to the clerk referred to by the hon. member, the salary was £80, and it was increased to £92 9s. 5d.; £80 being considered too low, he supposed, or something of the kind.

MR. GEORGE: Then the item was not properly considered when that estimate was made.

THE PREMIER: A new officer came in, or something else occurred. There must have been some special ground for the increase. Through the whole of the departments, and especially the Treasury, alterations and increases of salary were more closely scrutinised than anything else, because, as he had said, increases were contrary to the express terms of the Audit Act.

Vote passed.

*Post and Telegraphs*—£183 15s. 2d.:

MR. A. FORREST asked when the Minister in charge of the department intended to give effect to the resolution of the House with regard to urgent telegrams.

THE PREMIER: Unfortunately, the matter seemed to have been overlooked, but it would be at once attended to.

Vote passed.

Remaining votes and items in the schedule agreed to.

Schedule B—agreed to.

Preamble and title—agreed to.

Bill reported without amendment, and report adopted.

#### ADJOURNMENT.

On motion by the PREMIER, the House adjourned at 10.41 until 7.30 p.m. the next evening.

## Legislative Council,

Wednesday, 18th October, 1899.

Papers presented—Electoral Bill, second reading—  
Wines, Beer, and Spirits Sale Amendment Bill,  
Legislative Assembly's Amendment—Permanent  
Reserves' Bill, Legislative Assembly's Amendment  
—Adjournment.

THE PRESIDENT took the Chair at 4.30 o'clock, p.m.

### PRAYERS.

### PAPERS PRESENTED.

By the COLONIAL SECRETARY: 1. Copy of resolution passed by South African League *re* expressions of sympathy and offers of support to Uitlander population in Transvaal; 2. Paris International Exhibition, progress report of Royal Commission.

Ordered to lie on the table.

### ELECTORAL BILL.

#### SECOND READING.

THE COLONIAL SECRETARY (Hon. G. Randell), in moving the second reading, said: This measure, which is important in two or three particulars, to a large extent embodies legislation we have at present, although the Bill itself is a copy of the South Australian Electoral Act, which has been in existence for a number of years, and is reported to have worked admirably. The object of the Bill is to put the election of members to the two Houses of Parliament on a better footing than at present, and to simplify in many particulars the working of the electoral law. This simplification is directed to the registration and the placing of duly qualified persons on the electoral roll in the easiest manner possible, and is further directed to the retaining of names on the roll after they have once been placed there. The Bill provides that very careful inquiry shall be made by the Inspector of Rolls and the registrars, in the intervals between one revision of the rolls and another; and one very important feature of the Bill—a feature which, if the Bill were introduced for nothing else, would deserve the careful and favourable consideration of the House—is a provision for transferring voters from one district to another. It is