

Legislative Assembly.

Tuesday, 22nd October, 1907.

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The SPEAKER took the Chair at 4.30 o'clock p.m.

Prayers.

PAPERS PRESENTED.

By the Minister for Mines: Reports and returns under Clauses 54 and 83 of the Government Railways Act, 1904, for the quarter ended 30th September, 1907.

ADDRESS-IN-REPLY, PRESENTATION.

Mr. SPEAKER reported that, accompanied by the mover, he had presented the Address-in-Reply to his Excellency the Governor, and received the following response:—

"Mr. Speaker and Gentlemen of the Legislative Assembly,—I thank you for your Address in reply to the speech with which I opened Parliament, and for your expressions of loyalty to our Most Gracious Sovereign.—*Fred. G. D. Bedford, Governor.*"

QUESTION—HOSPITAL CHEMISTS.

Mr. UNDERWOOD asked the Premier: 1, Is he aware that uncertificated men are being employed as chemists at Kalgoorlie and Fremantle Hospitals? 2, Does he intend to prevent persons not holding certificates being employed as chemists in Government and semi-Government institutions?

The PREMIER replied: 1, Yes. 2, It is not intended to appoint uncertificated men in the future to such positions.

QUESTION—RAILWAY ROLLING-STOCK IMPORTED.

Mr. BATH asked the Minister for Railways: 1, Is there any inspection or testing of truck and carriage wheels before they are taken delivery of by the Government outside the State? 2, How many of the last consignment of wheels have been condemned owing to the bosses bursting when the axles are being fitted in? 3, How much does the Western Australian Government lose per year through faulty wheels being passed on to them? 4, Is it a fact that most of the bursting wheels are from Krupp's factory, made in Germany? 5, Is it not dangerous to have such faulty material in the rolling-stock running on the Government railways? 6, Who is the Inspector in England, and what salary is he paid by the State?

The MINISTER FOR RAILWAYS replied: 1, Yes. 2, Eighty-five. 3, There has been no loss through this cause; the contractors have been called upon to replace the faulty wheels. 4, No. 5, Faulty wheels are not put under rolling-stock. 6, Mr. C. S. R. Palmer. £900 per annum.

QUESTION—BLIND PERSONS, COMPULSORY EDUCATION.

Mr. BATH asked the Premier: Is it proposed to make any provision this Session for the compulsory education of the blind?

The PREMIER replied: The matter is now under consideration, and it is hoped legislation will be introduced this session either in the form of an amendment of the Education Act or provided for in the State Children Bill.

BILL—LAND AND INCOME TAX ASSESSMENT.

Second Reading moved.

The TREASURER (Hon. F. Wilson): In rising to move the second reading of this measure, I may be permitted to point out in the first place that the Bill as now drafted and placed before members includes the Land Tax Assessment Bill of

last session. That measure members will find included in this one in its entirety, with the exception that, where necessary, of course it has been altered in the phraseology so as to include the income tax proposals of the Government. The Bill itself is mainly drafted on the lines of the New South Wales legislation, as was our Land Tax Assessment Bill of last session. I do not intend this afternoon to weary the House by dwelling on the clauses which refer to the land tax assessment portion of the measure; that has been so often and so fully threshed out in this House during the past twelve months that it would be only wasting the time and patience of members if I attempted to repeat the arguments advanced in connection therewith in the past. The necessity for increased revenue, which has all along been the justification for the introduction of legislation of this description, hon. members must perceive and admit is as apparent now as ever it was; and indeed not only is it apparent that we must have increased revenue, as argued last session and the previous session, but is more apparent now than ever, for we have had our Estimates framed and know there is a deficit which we must endeavour to cover by our taxation proposals. It is therefore even more necessary at the present juncture that we should introduce a taxation measure of this description than it was last year. Not only have we this deficit of about £77,000 to cover, but we have also the certainty of the Federal tariff, which I think we may conclude, after the experience of the last quarter, will be detrimental to the revenue of Western Australia, and will result in a shrinkage to some considerable extent. This is apparent inasmuch as during the past three months, for the quarter ended September 30th, out of all the States of the Commonwealth Western Australia was the only one in which there had been a decided shrinkage in customs collections. Of course the other States have had an unparalleled prosperity and have overcome their periods of depression which had lasted for very many years in most of the States; hence their customs revenue under the new tariff has not been

affected in the way Western Australia's has. That is to say, the wants of their people and their imports have not shrunk, and additional revenue has been collected for goods imported into those States. That is not the case with Western Australia. In our case we have a shrinkage of over £17,000 in our customs collections. That, I admit, may be accounted for to some extent by the final abolition of inter-State duties, the operation of which ended in the last financial year; but it leaves us in this position, that we do not know what the new tariff is going to be, and we cannot tell exactly what the result will be for Western Australia. We do know, however, that during the past few months there has been a decrease, and that there is a possibility that it will be very much larger in the next nine months of the current financial year. Therefore we have to make provision to cover anything that may fall to our lot in that respect. For the month of September our customs revenue was £3,320 less than it was during the month of September last year. It must be conceded at once that so far as the necessity for the tax is concerned we have ample justification for introducing this legislation. The equity of the Bill must go without saying; it is undoubted. I have always argued that our land tax proposals are equitable, and I am prepared still to maintain that opinion. They are equitable, and to my mind do not partake of class legislation as I understand it, taxing as they do the whole of the lands of this State. Still I am prepared to admit that the measure which I am now submitting is even more equitable, if that can be said of an equitable measure, than the land taxation proposals, inasmuch as it covers every section of the community. It asks every person in Western Australia to contribute some portion of the revenue which we so sadly want; but in this instance also we are ready to grant a rebate of £150 per annum from the income tax, in order that a man may have a living wage or a subsistence for himself and his family before he is asked to contribute. The scope of the measure embraces all classes of the community. The landowner, the

settler, the tradesman, the professional man and the worker—all, with the exception I have named, contribute their quota towards this taxation and towards the revenue which we require. As was mentioned the other day by the Premier, we propose that all incomes up to £150 shall be totally exempted ; that incomes from £150 to £300 shall have an exemption of £100 ; that of incomes from £300 to £500 a sum of £50 shall be exempt ; and from incomes exceeding £500 we propose there shall be no deduction whatever. Members will thus perceive that a person with an income say of £160 will pay tax on the £60 ; a person with an income of £300 will pay tax on £200 ; and if he has over £300—say £350—he will pay the tax on £300, getting a £50 exemption. It is proposed that absentees from Australia during a whole year in which the tax is levied shall pay 50 per cent. extra. When assessing the income tax of a taxpayer who has the free use of a house, or is receiving a bonus or receiving goods by way of part payment for his services, we propose that these privileges shall be valued and included as a portion of his income. If a taxpayer is living in his own house, or if he is using land with improvements for his enjoyment, he is liable to pay income tax on four per cent. of the actual value of such property. At the same time, we have safeguarded such persons, for we do not want them to pay both land tax and income tax on the same property. We do not wish them to pay double tax: we wish to avoid double taxation. Therefore they pay only the land or income tax, whichever is the greater, on such properties as I have mentioned. Then there is in Clause 17 of the Bill another provision to avoid double taxation: that when a person is using land and derives profit directly, is cultivating his land—then he shall not be taxed on the profits in addition to being taxed on the land. He shall have the right to deduct the amount paid by him for land tax from the amount to be paid as income tax. That is where the land is being used or cultivated to derive an income or a profit. But there are certain exceptions to this, where the taxpayer is engaged in

the quarrying and treatment or sale of stone, gravel, clay, or the cutting and treatment and sale of timber from the land. Such persons will be called upon to pay the land tax as well as the income tax on the profits they may derive from such occupations. This is considered equitable ; because, in the instances I have mentioned, we find persons taking away a portion of the State's assets, something that they have not put there. That may be said of a man who is quarrying stone or removing gravel. The operation of the removal and sale of that stone or gravel produces a profit or an income which he derives from it. On the other hand, a farmer who cultivates his land is not decreasing the State's assets; he is taking away something that he has put into the land in the shape of seed, after preparation; and his profit arises from his own effort, and from something that he does to make the land productive; therefore we permit him to set off his land tax against his income tax, and he pays the difference. Much thought was required in drafting another very important provision of this measure, which was designed to enable us to see that our traders who are located and settled in the State shall not be at a disadvantage as compared with those who merely come here on a visit to dispose of their goods, reap a profit from the transaction, and get away again. We have therefore to ensure that the tax shall be imposed on the owners of goods thus imported, whether these owners be persons, firms, or companies, non-resident in the State. We have provided that if they trade through an agent, or through a company acting as their agent in Western Australia, they shall pay the income tax on five per cent. of the turnover; and in the case of a company domiciled outside the State and trading in Western Australia through its traveller or agent, or even principal, coming here to do business, we provide, in order that we may have a check upon such company and a means of identification, that he shall trade only after giving a warrant under the hand of the Commissioner of Taxation. We provide also that the Commissioner may collect the tax on any individual

transaction, or for any period if he thinks proper, of five per cent. of the gross trade done by such persons or companies. If a firm of engineers in the East send over a representative and take a contract for a large plant, and the representative goes away and perhaps does not contemplate visiting the State for some time, the Commissioner will immediately claim income tax on that transaction, on five per cent. at the previous income tax rate as fixed by Parliament. [*Hon. F. H. Piessé*: The purchaser will pay that.] I do not think so; because there will be competition with local firms. I admit that as a general rule the consumer always pays taxes; but you have competition between inter-State firms and our local factories, who will by this method of imposing the tax be placed on an equal footing with their competitors in other States. Still, be that as it may, if no income tax were collected and our own manufacturers were thereby placed at a disadvantage the purchaser would pay just the same; so we may as well have the income tax and be fair all round. In order to prevent evasion in a case of this sort, it is provided that the Commissioner may demand a deposit or a bond for the due payment of the tax; and by this means we hope not only to protect our revenue but to protect our own people who are trading in and manufacturing goods similar to those sold by local representatives of Eastern or foreign firms. Another important provision is that the taxable amount is to be ascertained by taking income tax for the previous calendar year. For instance, the taxable amount for the present financial year would be based on the income tax or profits earned up to the 31st December, 1907. And it is specially provided, in order that we may get the full advantage of all profits or incomes so earned, that where profits are re-invested in the business concerned, they have to be considered as income. On the other hand, if a portion of the taxpayer's income is derived from moneys invested with limited liability companies which pay dividend duty, such portion will be allowed as a set-off against the income tax, in order, in this instance also, to avoid double taxation or double

payments. Due care has been taken, I may say, to keep the incidence of the tax as fair as we possibly can, and not to let one man carry a double burden when another man gets off, also to see that when taxation is paid in one direction it shall be counteracted by an allowance or a rebate when the income tax assessment is made. The deductions in respect of the income tax are of course of the highest importance. They are set out in Clause 31, and may be briefly summarised as follows:—A trader may set off against his income his losses, outgoings and the expenses actually incurred in producing the income. Repairs to premises which are let or intended to be let to tenants may be deducted from the income, which, of course, is the rental derived from such property. In order to encourage provision being made for the wife or the family of a taxpayer, he is allowed to deduct the premium on his own life assurance or his wife's, or any premium that he may pay for a deferred annuity for his wife or children, or premium that he may pay for a fidelity guarantee. All these may be set off against the income tax, provided that the aggregate set-off must not exceed £50, this being the maximum amount that any taxpayer will be permitted to deduct in any one year. Repairs to premises occupied for business purposes, and repairs and maintenance of plant and machinery used in business, are a legal set-off against the income tax. The vexed question of depreciation of plant and machinery is also settled; and it is provided that deductions on this account may be made subject to the approval of the Commissioner, who can exercise a check and see that only what is fair and reasonable is put down as a set-off on the score of depreciation. But no depreciation is allowable on buildings. Where a taxpayer owns the premises in which he is carrying on his business for the purpose of producing income, then an allowance of four per cent. on the capital value of such premises may be deducted from the income tax. That is done for putting him on the same footing as another business man with whom he is competing, who is paying rent for a

warehouse or a factory as the case may be. This four per cent. on actual value of the buildings is considered to be a fair net value after deducting the cost of maintaining such buildings. Provision is also made, I believe in accordance with the South Australian law, that where a person utilises the services of his sons or daughters, as the case may be, in his business, in order to create a taxable or assessable income, then, provided they are over the age of sixteen years, the Commissioner may permit him to set off a certain value for their services, subject to the Commissioner's judgment as to what is reasonable and proper. And losses on one business may of course be set off against profits on another. When a person is engaged in more than one business, as many hon. members are, and happens to make a profit on one business and a loss on another, his income is ascertainable by setting the profit against the loss. Provision is made—and this also is necessarily subject to the approval of the Commissioner—that bad and doubtful debts can be deducted. We make the usual provision that holders of Western Australian stock and debentures, not resident in Western Australia, shall be exempt. We do not wish to discourage outsiders from investing in our stock or debentures. The usual public bodies and companies who are not trading for profit are of course exempt. For instance, municipalities, roads boards, and mutual life assurance companies are naturally exempt; and as I mentioned before, companies which are liable under the Dividend Duty Act to pay that duty are exempt under this tax. The Government Savings Bank, the Agricultural Bank, registered friendly societies, and educational and religious bodies of a public character, all come under the general exemption. Those are the principal features of that portion of the measure which refers to income tax. The other clauses, from Clause 33 to the end of the measure, are principally machinery clauses providing a scale of fines, also for the collection of the tax and for recovery in certain conditions. They are practically the same clauses as were included as machinery clauses in the Land

Tax Assessment Bill of last session, with the alterations I have referred to as being necessary where the word "income" has been substituted for "land," and perhaps where the phraseology has been slightly altered. The exception to this is in Clause 50, to which I had better briefly refer. This clause provides that the courts of review, for the hearing of appeals, shall not be deemed to be public. It will be remembered that in the Land Tax Assessment Bill provision was made for these courts to be public; but in this measure, if an appellant asks that the hearing shall be private, it shall be so held. General powers are given in other clauses to the Commissioner of Taxation to obtain information with regard to salaries paid and interest earned. It is necessary that the Commissioner shall have fairly wide powers, and this provision is made in order to give him right of access to buildings, access to books, to call evidence and take it on oath, and to obtain returns from banks and other financial institutions with regard to interest paid or credits compiled, so that he may have all the information available to check the returns sent in on which income tax is assessed. Necessary provision for the appointment of a taxation commissioner and of assessors and staff will be found in Clause 3. Now I may turn from the details of the measure and point out what we hope to collect under dual taxation, land tax and income tax. Last year we had certain calculations printed showing that the land tax was estimated to yield an amount of £60,000, in round figures. We now propose to reduce the land tax to 1d. in the pound on unimproved land and 1½d. on improved land, that is sufficiently improved within the meaning of this measure. Basing our calculations on those figures, that is two-thirds of the estimate shown in the printed papers circulated last year, we anticipate receiving £22,028 from improved land, and £18,020 from unimproved land, that is land not sufficiently improved in the meaning of this measure; or a total revenue of £40,048 from our land taxation proposals as now before the House. I admit at once it is difficult to get a correct basis on which to esti-

mate the income tax; but the matter has been carefully gone into by the State Actuary, Mr. Owen, and Mr. Whitely. They have based their calculations on the experiences of the other States, calculating the probable returns on the basis of the adult population, and by that means have come to what they consider to be a fairly accurate estimate of what we may expect to derive from the income tax in this State. From incomes between £150 and £300 we expect to receive £42,000; from incomes over £300 and not over £500 to receive £9,000; and from incomes of over £500 to receive £9,000—[*Mr. Scaddan*: And this Government is the working man's friend!]
—that is a total of £60,000 without an additional £3,000 anticipated from the higher tax on absentees' incomes. These make a total of £63,000; but against that we have to set off a loss on account of the amount charged under the land tax on revenue-earning land as mentioned previously, £22,028, leaving the net amount we anticipate from the income tax at £40,972. So that we hope the two taxes now before the House will realise a total of £81,020 for the financial year. That is the total of the assessments; but I freely admit I cannot see how we can possibly collect the whole of the amount within this financial year. We may get £40,000 or £50,000 of the amount, but the remainder will probably drift into the following financial year.

Mr. Scaddan: Those are good figures for another place.

The TREASURER: I hope they are. I may mention that I have not allowed for the cost of collecting the tax, which will have to come off the total amount stated. It is difficult to say what the cost of collection will amount to; but I think I am perfectly safe in saying it will not exceed 8 per cent. on the double tax; probably it will be 7 per cent. In New South Wales, at the beginning of their income tax the cost of collection amounted to 3.99 per cent.; and for the land tax the cost was 11.61 per cent.; the combined taxes costing 8.33 per cent. for collection. In South Australia, the combined cost has been reduced from 10.76 per cent. to 5.63 per cent.; last

year it was 5.12 per cent. In Victoria, the combined cost is 3.82 per cent.; but they have only two men employed in collecting the land tax, to which only 1,300 properties contribute, so that we cannot well compare the conditions there with those obtaining here. In Queensland, the income tax costs 6.36 to collect; there the cost has been considerably reduced, being last year only about one-half of the cost previously. In New Zealand, the income tax costs 2.25 per cent. and the land tax 4.25 per cent. Members will see that in anticipating the cost of collection at between 7 and 8 per cent., we are allowing an ample provision in that respect. I have not quoted any examples, and do not propose to give any, though I have them here and intend having them printed and circulated so that members may see for themselves how this taxation will apply in certain conditions. I do not propose to go into the details of the taxation assessments; but if members wish for particulars, I shall be happy to supply them. I will conclude by stating that our taxation proposals are as light as any in the Commonwealth. The endeavour of the Government, while asking this House to pass a measure which will provide the amount we deem necessary to square the finances and in order that our policy may be successfully carried through, is that we ask the House to pass not one penny more of taxation than is absolutely necessary. We want to get our ledger squared, to pay our way, with interest and sinking fund on our loans, and we want to be able to go on raising necessary loans from time to time as the development of the country warrants it.

Mr. Walker: Will this Bill enable you to do it?

The TREASURER: Yes. These taxation proposals will enable us to pay interest and sinking fund on the loans already raised, and on what we propose to raise this year. We do not now need to go farther than that. When the next financial year comes in, then whoever may be Treasurer will have to submit his taxation proposals, because the Taxation Bill is only for one year, and next year the Treasurer will need to submit pro-

posals for covering the amount deemed necessary for that year. I have pleasure in moving—

That the Bill be now read a second time.

On motion by Mr. Bath, debate adjourned.

BILL—LAND AND INCOME TAX.

To impose Taxation.

The TREASURER formally moved—

That the Bill be now read a second time.

On motion by Mr. Bath, debate adjourned.

FINANCIAL STATEMENT, THE DEBATE.

In Committee of Supply, debate resumed from the 15th October (*Hansard* report, pages 153-184), on the Treasurer's Financial Statement and the Annual Estimates.

Mr. T. H. BATH (Brown Hill): The Treasurer, in introducing the Estimates for the financial year ending June 30th, 1908, referred to it as the eighteenth Budget in the history of Western Australia since the granting of Responsible Government. During the period within which these Budgets have been delivered, we have had a remarkable variety in the utterances of the Colonial Treasurers from time to time. We have had, for instance, the statements of Treasurers in those days when Western Australia could truly be called the Cinderella Colony of Australasia, when the resources of Western Australia were very limited, when population was sparse, and when I have no doubt the Treasurer had to carefully examine every shilling before it was expended. Later on we had the discovery of gold, which gave such a great impetus to development not only in gold-mining but also in other industries of the State; a development which brought many thousands of new settlers of the best type to Western Australia, and also brought with it a considerable inflow of capital, making the position of Treasurer during those years one of the most enjoyable

which it could be possible for any gentleman to fill. It was not a question then of the Treasurer being exercised in his mind as to where he was to get the money wherewith to pay current expenses, interest and sinking fund, or to provide necessary works; it was merely a question, speaking figuratively, of sitting in the office and seeing the money roll in from the excess population which came and brought money with them. [*Hon. F. H. Piessé*: Up to the year 1898.] Yes. Afterwards, when things settled down to a more normal condition, it became necessary for the gentleman occupying the position of Treasurer, whilst still having a fairly abundant revenue under his control, to examine into ways and means more closely, and to exercise more discretion and care in the expenditure of the taxpayers' money. Later we have had what may be termed some depressing years so far as finance in Western Australia is concerned. We have two Budget Statements from the present occupant of the Treasurer's chair; and I may here remark that there has been as much variety in those two utterances as in any preceding them. Last year we had an expression of optimism—I understand the Treasurer himself regarded it so—in regard to the finances of the State, and notwithstanding things appeared on the face of them to be very gloomy indeed, we had the financial position of the State invested with the most roseate hues. In fact, the Treasurer last year earned for himself the title of Mr. Micawber waiting for something to turn up. The Treasurer very often takes the opportunity at shows, and at public dinners, to put forward the optimism that exists in the breasts of the public men of the State; and in this respect he is inclined to follow the example of a previous occupant of the Treasury bench, Sir John Forrest, who had a tilt at the croakers whenever opportunity occurred. There are two kinds of optimism, however—the hope that inspires a man not to sit down and think that things are to come to his way and be all right in the future, the hope that inspires him to strong endeavours, which gives added impetus to him to work in the interests of

the State; and we have on the other hand that optimism which, as I said before, is content to say. "If I can only sit down and let things drift, probably they will come to my way again." Mr. Micawber may be a very desirable character in Dickens, and he may manage to rub along all right in private life, but he is an undesirable character as Colonial Treasurer of the State. I commend the Treasurer for the saner view he took of the financial position of Western Australia in his last Budget speech. It may not have read so hopefully in the papers, but after all the first and fundamental necessity in the position such as we are faced with in Western Australia to-day is to recognise things as they are, for until we recognise them as they are we have no hope of getting out of our difficulties. The prospects at the present time, even if we take a most optimistic view of them, are not too bright. We have, as the Treasurer pointed out, a decline in revenue, and we have the prospect of a deficit at the end of the year of £284,000. I say we have a prospect of that amount, because notwithstanding the statement in regard to the amount proposed to be raised by taxation, we have been disappointed so often in connection with the taxation proposals of the Government that we have learned by bitter experience not to anticipate raising revenue from their proposals till the money is actually received in the Treasury of the State. In commending the Treasurer for the better understanding which he appears to have of the difficulties with which he is faced, it was plain in uttering such a statement, based on the understanding, he could not give us a financial statement couched in a livelier vein. But there was one glimmer of humour in the Treasurer's statement, that was when he claimed that the Government had accomplished economy, that the Government had really fulfilled their promise of economy in the administration of the affairs of this State. That was just the point where the Treasurer was rather diverting somewhat in a Gilbertian mood, because if a close examination of the financial administration of this Government is made, I utterly deny there can be

any possible claim that economy in the true sense of the term has been effected. We all recognise, at least I do, that the Treasurer, or any other gentleman filling that position, is faced with very great difficulties at the present time; it does not matter what his financial capabilities may be under existing circumstances, in order to rescue us from our position of financial stringency, great difficulties must be encountered. If the Treasurer came to us and said "We were too sanguine or too inclined to mislead the people in 1905-06; we have really discovered the difficulties that face us; we recognise we cannot carry out the promises we then made"—if he had admitted or was convinced he was guilty in this respect, I am satisfied members of this House would have recognised the difficulties of the position, and would have given him the benefit of the First Offenders Act. Let us examine the claim of the Treasurer as to the economy effected in administration. The revenue which was received for the last financial year was £142,000 less than for the preceding year 1905-6; and it is true the Treasurer and his colleagues have expended this money from the consolidated revenue; they could not have expended it if they did not receive it. True economy is the dispensing with the expenditure altogether, and saving the amount of money which the Government say they have economised in the administration of the affairs of the State. What is the real position of affairs as disclosed, comparing their position with that of their predecessors? We find whereas there was provided from revenue in 1905-6 £13,445 for the erection of State batteries, nothing was provided for the year ended 30th June last. Although £38,364 was provided for the purchase and treatment of copper ore in the former year, it was not in the latter, owing of course to the fact that the smelter had been sold to a private company. This cannot be claimed to be economy in administration. On the other hand we know in the deal made in that connection the State was a loser by a long way. We expended a considerable sum of money. The Government practically took hold of

the field in the pioneering stage when it was essential to give encouragement so that the prospectors would remain there. The Government built the smelter and paid other expenses providing accommodation in other directions, and when the field was proved and in a different position, when properties were opened up, the Government sold the smelter and all the property with the many accessories, at a great loss. If the Government characterise this as economy, the sooner they change that economy the better for the people of the State. In 1905-6 the Government in that year provided £6,641 from revenue for mining development. The expenditure for the last financial year was £45,000 less for public works than in the preceding year; £10,000 was provided for vacuum cylinders in 1905-6, the Government had not to provide that last year; £1,606 was provided for the Norseman Water Supply in 1905-6, this had not to be provided. Last year there was a difference of £31,000 in the special expenditure on the railways of the State in maintenance, a work that is being done to bring the railways up to a high standard of efficiency; that amounted only to £16,000 last year as compared with £47,000 for the preceding year. Then from revenue in 1905-6 the Government expended £7,741 more for betterment and minor works on railways; so that on all these works on which the lesser amounts were expended we find that the difference is £155,000. This expenditure has been transferred to the general loan fund. That is the position of which I complain. When the claim to economy is advanced by the Government, it is no economy if they strike out the expenditure from consolidated revenue and transfer the items to the general loan fund. It not only means that eventually we shall have to find the money now being expended, but we shall have to find about double the amount to pay for interest until the sinking fund wipes out the amount. It therefore represents a greater burden on the people of the State rather than economy. This represents a comparison with 1905-6, but we cannot secure a proper estimate of the iniquity of the system adopted by

the Government by comparing it with their predecessors in 1905-6, because the system of dropping the expenditure from consolidated revenue and transferring it to the loan fund was initiated in Mr. Rason's year, and we are only comparing one wrong-doer with another. If we compare the position with 1904-5, before this system of expending moneys on public buildings and roads and bridges from general loan fund was introduced, we find the evil-doing of the Government much greater than by the first comparison. In the financial year just closed, or which closed on the 30th June, 1907, the expenditure from revenue was £255,000 less than it was for the year 1904-5; but the amounts represented by the transfer of expenditure from revenue to the general loan fund in 1906-7 representing public works and buildings actually expended was £89,917; roads and bridges £13,693; the difference in special expenditure on the railways in maintenance work from revenue £53,626; railway betterment and minor works £4,630; Mines Department, less amount expended from revenue, £84,777; sale of Government property, that is the sale of property paid for out of the general loan fund and sold by the Government, and the money used for assisting the revenue, £62,900, making a total of £309,664. This really means that the present Government, in the financial year closed on June 30th, although they received £235,000 less than the revenue in 1904-5, transferred from revenue to general loan fund expenditure amounting to £309,000, practically a falling back of £50,000; and this is the boasted economy of the present Administration. [*The Minister for Mines*: Why not tell them that little dodge about the Day Dawn water scheme?] The hon. member gets hold of a little cry, and his ingenuity or brain power is not sufficiently great to enable him to see what is in it. The hon. member can look up the figures from the public accounts of the Auditor General of the State, and if the gentleman entrusted by Parliament to watch the financial administration of the State is really not reliable it is about time the Government got rid of him. The Minister for

Mines had better wait until we come to the Mines Department, then he will have enough to answer for. He is at sea on finance, and does not know too much about his own department, but what knowledge he does possess he had better reserve till then. In those departments where a large number of men are employed, the so-called economy has been effected merely by transferring expenditure to general loan fund; but in those departments which are almost wholly administrative, no economy has been effected; on the contrary we have had increased cost of administration under the present Government. For instance in the Police Department the increase for 1906-7 over the previous year was £520, notwithstanding the fact that the policy of the Government drove our adult population out of the State and there were less people to look after. Of course I recognise that in education increases must be provided for and no member will cavil at the increase of £6,742 in the vote for educational purposes. The increased administration cost in the Medical, Lunacy, and Public Health Departments was £4,634; and in Charities—naturally owing to the depressed condition inaugurated by the present Government they had to provide extra—there was also an increase in administration of £2,999. So that members can see that where economy should be effected—if this claim to economy in administration is to be substantiated—the Government have gone to the other extreme and increased the cost of administration; and if members will look at the Estimates this year they will see a still farther increase in the administrative departments of Western Australia. The so-called economy may then be summed up in the following three ways: first, construction of roads and bridges and public buildings out of loan fund, a system that, since Responsible Government was granted, was not inaugurated until last year; second, the process of commandeering the proceeds of sales of Government property paid for out of loan fund and for which we owe the liability now, and utilising them as current revenue for building roads, bridges,

public buildings and other public works; and third, the drift on the railways. A great deal has been made of the saving effected on the railways of this State, but a considerable portion of that represents not economy effected by the present Government, but rather a resting on their oars owing to the forethought exercised by those previously in charge of the administration of affairs. In 1904-5, the year of the Labour Government, £78,213 was expended in bringing the main lines up to a proper condition of efficiency for the working of our railway system. Of course it has been claimed, and there is a good deal in the claim, by the Commissioner of Railways that this expenditure should have been spread over a term of years in order that the burden of any one year should not be too great; but the fact remains that provision was made out of consolidated revenue for the expenditure of that money. Last year the expenditure for the same year was but £16,279. Probably there is no risk or danger attached to the present Government's taking advantage of the forethought of 1904-5 and practically resting on their oars so far as this expenditure is concerned; but in the report of the ex-Commissioner of Railways there is a hint which does not put such a good complexion on affairs as one could wish. Mr. George dealing with this special expenditure says:—

"I have continued during the year the policy of bringing up to a high standard of efficiency the main line permanent way, and it may with confidence be stated that on 30th June, 1907, the whole track was in better condition than has at any time previously been the case. The safety of the public demands that no slackness in maintenance should obtain, and any reduced expenditure in this direction I cannot too strongly deprecate."

Anyone interested not only in the economical but also the safe working of the railways of the State must recognise that if the elimination of this expenditure means that the lines are allowed to drift into the old condition in which they were previously, not only may it be more dangerous to the travelling public, but a few

years hence we will again have to make provision to a greater extent than is necessary now to once more bring the lines up to a sufficient degree of efficiency. Though I agree that it may be possible to rest on this expenditure for a couple of years, still if it be done at the expense of the efficiency of our lines the saving will not be one to be commended. The fact remains, however, that it is not so much effective administration on the part of the present Ministers as it is, as I said before, the forethought exercised by those previously in charge of the Railway Department of this State. There is one item in regard to the railways to which I wish to call attention, and that is to the loading up of the capital cost of our system. If members will turn to the Railway Report of this year they will see a list of additions and improvements to opened railways provided out of loan funds, the cost of which is added to the capital expenditure on the railway system and naturally to the indebtedness we owe for that railway system. There are many of these works which I am satisfied members will admit, if they peruse the list, do not in any degree increase the earning capacity of our railway system. It means that we are gradually increasing the loan indebtedness per mile while at the same time not appreciably increasing the earning capacity of the railways; so that the result will be that we will find as they found in other States, that we will not be able to make provision from the railway revenue for interest and sinking fund on our loan indebtedness covering the railway system. This is a matter on which the greatest care needs to be exercised by members in going through the Loan Estimates in order that many of these items may be excised. In my opinion the only way to deal with this question is to set apart each year from the earnings, over and above working expenses and interest, a sum in the shape of a special reserve in order that many of these items may be paid out of it rather than out of general loan funds; and I believe that we would find the advantage in the course of very few years. There are several outstanding features in the Budget statement given by the Treasurer

last Tuesday. One of the most significant and I may add ominous features is the increase in the percentage which our interest and sinking fund charges bear to consolidated revenue. Members can work them out themselves for each year, but I quote two years to show the big advance made in recent years. In 1904-5 it took 21 per cent. of our revenue to pay interest and sinking fund charges. In the year just expired the charges increased to 25½ per cent., meaning that a little over a quarter of our revenue for the year goes to pay interest and sinking fund alone. Though a few years ago we used to spend hundreds of thousands in the construction of public works and railways and in doing development work under the Mines Department, now we have practically reached that stage when, beyond a few items, the whole of the consolidated revenue of the State is required to pay interest and sinking fund and the cost of the maintenance of the State. That is a condition of affairs that should make every member of this House and every citizen of this State pause, because if we go on progressing backwards at this rate, making the interest and sinking fund charges a heavier drag than at present, we will be in the position which faced the Eastern States when financial depression gripped the whole of a State, and practically ruined tens of thousands of people who suffered through it. Naturally when one deals with this aspect of the question one is asked, "What is the alternative?" As has been pointed out by the Treasurer, one alternative is increased taxation. The Government have made various attempts to introduce new taxation, but they evidently repented of their efforts and ran away on each occasion. This evening another attempt has been made, and it is to be hoped, whatever differences we may have on the principles introduced, still some measure at least will be devised to raise some money in order that these consequences may be averted. Of course, there is another alternative, namely real economy, a saving of expenditure by the present Government; but in spite of the promises the Government have made in this direction, their failure to accomplish

it gives us little hope that in the future they will be able to do anything in this direction. In regard to loan indebtedness per head of population, it was amusing the other night to hear the nice smooth way in which the Treasurer rolled off the item that the net indebtedness was £66 per head of population. The Treasurer endeavoured to derive consolation from the fact that in some of the Eastern States they had a heavier debt per head of population. That reminded me of the prisoner who, when he received five years' imprisonment for an offence, consoled himself with the reflection that another prisoner had received ten years' imprisonment for a similar offence. The Treasurer thought it is all right because some other State had a debt per head of population of £82. It seems to me this question should be examined, not by any comparison with the Eastern States, but rather from our own point of view. We have to recognise that as a borrowing community we are younger than the other States; we have not been indulging in a borrowing policy for the same number of years; but it means that if our history extends as far as theirs, and if we progress at the same rate, our public debt per head of population will be considerably higher than that of any of the Eastern States of Australia. The gross debt per head of population in 1905 was £66, with a net debt per head of £62. In the financial year 1904-5 the net debt per head was the lowest in the history of Western Australia since 1898. In 1907, that is two years afterwards, the gross debt had increased to £72 15s. per head of population, and the net debt to £66 19s. The question is often asked what load of debt can any community carry per head of the population. When Sir John Forrest was Treasurer in 1898, in the course of the Budget Speech he delivered that year, he declared that the loan authorisations which he had provided for the loan works which he had carried out would render it unnecessary for Western Australia to borrow any money for many years to come. I think he mentioned for 20 years. Practically the same statement was repeated by Mr. Gardiner when Treasurer, and he pointed

out that their authorisations had been made necessary by the fact that Sir John Forrest had conceived works for the completion of which they had to borrow money. Mr. Gardiner said that when that policy was completed, however, there would be no need to borrow any more money. The same policy has been continued until the debt is now £66 per head of the population. It is hard for any member to estimate the debt-carrying capacity of this population. It seems to me that it is a very bad thing that we should increase the debt per head of population to the extent of £6 at the same time that we are driving out from our country the tax-earner and the tax-paying portion of the population owing to the policy of the Government, and forcing those people to seek fresh fields and pastures new. The only way we are building up a population at present is by means of the birth rate. These children do not add to the revenue, but rather to our expenses by reason, for instance, of the education which it is necessary to give them in our public schools. [*Mr. Angwin*: Which shows the healthy condition of the people.] That this argument is not altogether sound is shown by the fact that the birth rate is declining, and it is said that always when times are bad such is the case. This is an indication of the incapacity of the present Government. For the nine months ended September 30th, and members can verify these figures from the statistical report, Western Australia lost by excess of emigration over immigration, that is by departures over arrivals, to the number of 330. This is a very bad condition of affairs, and we cannot afford to increase our debt per head of the population, at a time when we are decreasing the population and driving away from the State those who could help to pay the interest and sinking fund charges. In this connection we have heard a great deal from the Treasurer about the reproductive works of this State. This term "reproductive" is one of the most elastic I have heard. It covers loan expenditure on anything from a fowl-pen to a lighthouse. [*Mr. Walker*: From a fowl-pen to a moo-cow.] Attached to the financial

statement of the Treasurer are certain tables, and one of them comprises a return, showing a result of the chief trading concerns of Western Australia for the last financial year. The same course of attaching these tables had been followed for a number of years. It shows that while in 1905-6 the chief trading concerns mentioned, namely railways, goldfields water supply, Fremantle harbour works and State batteries, returned a net profit, after deducting working expenses and interest, of £44,378; for the last financial year, after making similar deductions, the loss was £3,534. The loan capital embarked in these concerns totals £13,836,000, and the sinking fund at one per cent. on that amount comes to £138,000. It really means, therefore, that on the so-called reproductive works taxpayer must find this year £141,000 so that obligations to the foreign money lender may be satisfied. This does not disclose a satisfactory position as to our so-called reproductive works, and when read in relation to the Financial Statement it goes a great deal towards explaining the present position of the State. The Treasurer pointed out what we are doing for posterity, and other hon. members, certainly not the Treasurer, have said that we are doing all these things for posterity, and it is only a fair thing that we should be relieved of the obligation to pay the sinking fund. I may point out, however, that the position being such as it is, posterity will be called upon to bear the great obligations of what appears to be injudicious loan expenditure. We find that, so far as the Eastern States are concerned, although a large amount has been embarked in undertakings paid from loan moneys, the fact remains that they obtain the same amount in net revenue, while the capital has been doubled and trebled. The same result is not being achieved here. In many instances where loan moneys have been spent on roads and other public works, the sums have become exhausted and fresh loan authorisations made, and therefore there is the case of double indebtedness for one work. We are not doing anything for posterity except loading them up with debt, and we are selling the land which

should belong to us, to our children, and to their children for generations to come. We are using for apparent revenue the very assets upon which our loan moneys are raised, and then we claim that we are doing something for posterity. We are really robbing them of their birthright and giving them an inheritance of debt which will fall even more heavily upon them than it does upon us at the present time. In the course of his remarks the Treasurer delivered a certificate of merit to himself and his colleagues for the work they had accomplished in the establishment of public works and legislation. Let me examine some of the public works, not only as to the works which have been carried out, but also as to the manner in which they have been constructed. Take the Claremont Asylum as an instance. When this matter was under discussion the other night I had no desire to debate the point which was really at issue, namely as to the attitude of the Government in having the work supervised by a private firm, because that was rather a question for inquiry, and I considered it was a matter on which a select committee should report rather than one which should be ventilated by means of the adjournment of the House. The fact remains that this expenditure of £14,000 in fitting up an electrical installation for the lighting machinery, etcetera, at the asylum, as mentioned by the Minister for Works, appears to be altogether too heavy. There is not in evidence, so far as that work is concerned, that careful administration claimed by the Treasurer. Then we have the sewerage scheme. The Treasurer almost grew eloquent in his description of the work accomplished in Perth and the suburbs. He was very careful, however, not to mention the waste of money on the filter beds.

The Minister for Works: What waste?

Mr BATH: The waste owing, I presume, to some defect in the plans prepared in connection with the filter beds.

The Minister for Works: There is none.

Mr. BATH: You know that you are involved in a loss of nearly £10,000.

The Minister for Works: I do not know anything of the sort.

Mr. BATH: It is owing to faulty construction, and the people of the metropolitan area all know it well.

Mr. Scaddan: Everyone but you knows all about it.

The Minister for Works: Well, I do not know.

Mr. BATH: If the Minister does not know, it is time he inquired into it.

The Minister for Works: Tell us what you know.

Mr. BATH: I know that the work was absolutely defective, and that it cost a great deal more than it should have done in order to make it even decently effective.

Mr. Scaddan: The filter beds will never be used; they cannot use them.

Mr. BATH: Then we have the work in connection with the proposed water supply for Perth. First of all we have the Bill introduced by the Treasurer, and then the Government find it necessary to appoint a board of experts and fee them to report on the scheme. Have we not officers in the Works Department sufficiently competent to report and advise the Ministry and this House on these affairs without going to private firms to act as supervisors or experts? If the officers are not competent to advise the Ministry and members, and if we cannot rely on their advice without finding it necessary to consult others, then it is about time we had others in their places. Then again we have the boasted railway policy of the Government. What has the Commissioner of Railways to say in regard to that? We find that on the Goomalling-Dowerin, Wagin-Dumbleyung, and Katanning-Kojonup lines the total average loss per month is £375 9s. 10d., or a total loss per annum of £4,500. There will have to be a very big alteration, a very drastic alteration, in the receipts from those lines if they are ever to be classed even among those which pay working expenses.

The Minister for Railways: We are expecting a change with the harvest.

Mr. BATH: The loss is so heavy that it will have to be a mighty big change to justify the expenditure on those railways. It seems to me that the report of the Commissioner of Railways on those lines, and the information we have

gleaned from various gentlemen who have dealt with those lines, is a greater justification than ever for the claim advanced by members that every one of those railway propositions should be examined by an independent board of experts before the country is committed to them.

Hon. F. H. Piesse: To which railways do you refer?

Mr. BATH: Those set forth in the report of the Commissioner.

Hon. F. H. Piesse: The lines were not started until April, and the period referred to covers the worst earning time of the year.

Mr. BATH: If the hon. member will look at the return he will see that even making every possible allowance the position is still bad. I would also point out that in referring to these lines the Commissioner states:—

"The mode of construction adopted renders it inevitable that the road will partially have to be considerably strengthened after being opened for traffic, or else traffic must cease during the winter season."

Hon. F. H. Piesse: The traffic did not cease once.

Mr. BATH: This report is up to 30th June.

Hon. F. H. Piesse: The Commissioner has been antagonistic to the lines all the time. The traffic there has never ceased throughout the winter.

Mr. BATH: Possibly, since they have been taken over, something has been done to remedy the defects in the lines. Our experience, at all events with the Eastern or goldfields railway, was that after it had been taken over from the contractor so much money had to be spent in maintenance that it almost equalled the original cost of the line, and what could have been charged to capital expenditure was afterwards charged to maintenance. If the position is the same in regard to these agricultural railways, the loss in the future will be much larger than it is now. I hope that the anticipations of the member for Katanning (Hon. F. H. Piesse) will be realised, and that these railways will ultimately become profitable. But we have to bear in mind

that we cannot afford to run too many of these unprofitable lines, or the country will soon be up a tree. The position resolves itself into this. Those who use these railways must provide interest, sinking fund, and working expenses thereon, which have to be paid, or the general taxpayer must be called upon to make the provision; and there is a limit to the amount which the general taxpayer can afford to make up in respect of losses on services provided for a portion of the community. In view of the Ministerial statement as to the vigorous public works policy pursued, it is interesting to note the amount expended by the present Government, the Government of vigorous methods, in comparison with the amount spent in 1904-5, the so-called mark-time year. In the three employing departments—the Railways, the Works, and the Mines—the expenditure from revenue, together with the expenditure from general loan fund in 1904-5 totalled £2,538,000, while in the present year, with all that vigorous policy of which Ministers boast so loudly, the total expenditure on the same three employing departments amounted to only £2,388,000, or £150,000 less, notwithstanding that they expended from loan moneys £215,000 more than in 1904-5. Thus when the position is examined, the so-called vigorous policy vanishes, and we find a retrogressive policy on the part of the present Administration.

The Treasurer : You should include the expenditure on the new railways.

Mr. BATH : I am only totalling up for the two years in question ; and the Treasurer's position for the past year shows up very badly in comparison with the previous year quoted. The Treasurer has been talking about the great accomplishments of the Government in the domain of legislation ; but I notice that he confined himself to numbers rather than to the character of the measures passed. It is as well that he dealt with numbers, because the quality will not bear the light of day. We have, for instance, amongst the legislation not accomplished, the Land Tax Assessment Bill, upon which Ministers were going vigorously to fight the Legislative Council, until we were in-

formed by one of their journalistic supporters that we must not take as gospel, in fact we must not take any notice of anything that Ministers said : their statements were not to be relied on. Even the Premier, who is supposed to be responsible to this House, whose deliverances here are supposed to be worthy of credence, is not to be taken seriously when he makes an important statement on an important subject. We have the proposed reform of the Legislative Council, the amendment of the Constitution, reduction of the franchise, also reduction of salary—several legislative proposals not accomplished. We have local option, the amendment of the Mining Act, the Police Offences Bill, and many other measures which were in the Bunbury policy speech of the Premier, but which have not been passed. And if we examine the measures which have been passed, we shall find them very insignificant indeed when compared with those to which the Government have failed to give effect. So that it is just as well that the Treasurer dwelt very lightly on the legislative record of this Government. He said it would be necessary to increase the capital of the Agricultural Bank ; and I am sure members are pleased to know that this institution is so useful to the farming community. I may state, however, that in the administration of the bank there is need for various alterations—I do not say in the management ; but certainly there is need for drastic alteration with regard to the inspection. Because I have come across instances where farmers were really deserving of assistance and were unable to secure it after many months of application, while others who could not put forward any such justification secured assistance without any trouble.

Hon. F. H. Piessé : Is the inspection too lax or too stringent ?

Mr. BATH : I think it is altogether too blind. To one thing I wish to refer. When the Agricultural Bank lends money to the farmers it exacts the interest for the first year after the loan is given ; but when it lends money to the squatters in the North-West, we find they can have that money for three years without in-

terest. I say, if our farmers are made to pay interest on their loans for the first year and thereafter, then when we come to lend money to the wealthy squatters of this State to put up freezing-works, we should exact from them interest for the first year also. It is a very bad policy to make this discrimination, and when the discrimination is made not for the benefit of the struggling farmer but of the man of wealth.

Hon. F. H. Piesse: One man has to develop an industry which depends upon future profits.

Mr. BATH: When the farmer goes on the land and does clearing and fencing, he has to wait for future profits.

Hon. F. H. Piesse: I would give him also a little time; but the conditions in the two cases are not quite analogous.

Mr. BATH: The conditions are certainly analogous; but the discrimination which is made is in no way satisfactory. Speaking of land settlement, while the Government are booming certain lands in this State and are offering inducements to men to take them up, to men who in some instances have a very slender stock of money, and while such men are charged 10s. per acre for the land, yet when they apply to the Agricultural Bank for loans to assist them in developing the land, they are informed that they are too far East.

Hon. F. H. Piesse: Or that the value of the land is not equal to the 10s. charged for it by the Government.

Mr. BATH: That has occurred on the Eastern Railway, and means either that the Government have taken money under false pretences when they charged the purchasers 10s. for such land, or the Government are doing the purchasers an injustice by refusing them assistance through the Agricultural Bank, while assistance is given to settlers on other areas. In the course of his remarks the Treasurer made a reference which I think must be received with satisfaction by members—to the fact that Western Australia, which is supposed to be the dupe and the victim of the Eastern States, is actually sending over produce from her own soil to be disposed of in the East. I should like to quote some

remarks which I made in the session of 1906, on the motion of the member for York (Mr. Monger) proposing to withdraw from Federation. I said:—

“We must admit that we have not so great a cause to fear for the future of Western Australia as the mover of the motion would like us to believe. In fact, I think the day may come when Western Australia will perhaps have to go to the rescue of the Eastern States. We enjoy in our seaboard, in our wheat-growing area, a regularity of climate not to be found in the Eastern States, which in time of drought are dependent on importations of wheat and other produce from Manitoba and other parts of Canada, Argentina, and elsewhere. I hope to see the day when Western Australia will come to the rescue of the Eastern States in times of drought, and will be able to supply their deficiency from the abundance which we shall undoubtedly produce.”

The realisation has come somewhat earlier than I anticipated; but it is satisfactory to know that in spite of all people have said about the position of Western Australia, we are now able to sell our produce in the markets of the East. This brings me to the question of Federation, and the Treasurer's remarks thereon. I wish to say of the customs tariff, it is to me a matter of deep regret that members did not accept in the spirit in which it was moved the amendment which I proposed when that tariff was discussed. I believe that, had we appointed a committee and considered the tariff in a calm and dispassionate manner, we should have done much better than we did in the course we took on that occasion. Subsequent events have proved the truth of my statement. I am satisfied that not only our own representatives in the Federal Parliament but every member of that body would have received in a cordial spirit the report of our committee, would have given it the attention it deserved; and although it is too late now, it must be a matter of regret that this method of dealing with the question was not adopted. I am satisfied too that in regard to our financial position we have exhausted in

other directions methods which from my experience do not commend themselves to us in bringing the state of our finances before the people of Eastern Australia. We have time after time gone to the State Treasurers, to the State Premiers any other Ministers, sitting in conference with a view to formulating some mutually satisfactory scheme for adjusting the financial relations between the States and the Commonwealth; and on every occasion we have been met in a spirit of hostility by those State legislators. And it is these very people, these State Ministers, who have been the strongest antagonists of Federation, and who are most bitterly opposed to it at the present time, though they have secured from it the greatest advantages. I have said before that the best course for us to pursue, the most dignified, and the course most likely to meet with success, is to make our representations to the Federal Parliament direct; and I am satisfied that we shall receive a more favourable hearing and much better results from them than we can ever hope to achieve from any conference of State Ministers that ever sat. In conclusion I desire to say that in dealing with the Budget statement as Leader of the Opposition, one naturally has in many respects to fill the rôle of a critic. And on no question is the ability of an Opposition to watch the administration of the Government of the day more necessary than on the financial affairs of the community. We have to recognise that Treasurers are prone to put a good face on things, to say that things are better than they really are, and in many respects, where their position depends largely on conciliating the electors, to spend loan moneys on works which probably are not justified. In filling the rôle of a critic on this and on previous occasions I feel that here we have a good State, one capable of great development, capable of supporting a much larger population; one whose resources will bear more than favourable comparison with the resources of the Eastern States. And I am satisfied that with wise financial administration Western Australia can soon emerge from her difficulties. All that is essential is, as I

have said before, first and foremost a recognition of things as they are, with a view to devising the best means of rectifying these evils in the future, and thus hewing to the line of our financial salvation.

At 6.15 the Chairman left the Chair.

At 7.30, Chair resumed.

Mr. M. F. TROY (Mt. Magnet) : There is nothing much on which to wax enthusiastic in regard to the Estimates, because there is little alteration for the better in comparing this year's votes with those of last year. The only department in which there is an increase for carrying on any public policy is the Public Works Department; but while the vote this year shows an increase over the expenditure of last year, it is not equal to the vote passed last year, and I do not for one moment think that the amount that will be spent on public works this year from revenue in the development of the State will be as great as the amount spent last year; because we have to recognise that the actual expenditure last year fell short of the vote by £30,000, and it is not the policy of the Government to expend the whole of the vote. So the vote this year will not be wholly expended. In regard to these Estimates I wish to refer particularly to the cost of administration. I find that almost without exception the cost of administration has increased. There are one or two reductions showing on the Estimates, but they are not reductions in the cost of administration; they are in regard to services rendered to bodies throughout the State and devoted towards the development of the State. In no place can it be found that the cost of administration has been cut down. In the Treasurer's Departments we find a decrease of about £43,000, caused by subsidies to municipalities having been cut down; that is the only saving shown. On the other hand there are increases of £975 in the Treasury generally, £259 in the Audit Department, £1,280 in the Government Savings Bank, and £173 in the Lithographic Branch. Altogether there is an increase of £2,747 in the cost of admini-

stration in the Treasurer's Departments, and the only saving is in regard to Miscellaneous Services where there is a decrease of £45,213, but of that £43,183 is the decrease in the reduction of municipal subsidies. It shows that while those departments are doing less work and providing less money for the development of the State, the cost of administration is increasing; and while the increase may not be great, yet from year to year it is going on. We hear a great deal of the policy of retrenchment and we hear Ministers claiming to have effected savings in their departments, but those savings are not shown on these Estimates. There is no reason why the cost of administration should be higher. It surely does not require more officials to do less work than was done two or three years ago. I am glad to see there is an increase of £11,081 provided in the expenditure for the Education Department. If there is warrant for increased expenditure in any department it is in the Education Department. I always hold that this State cannot spend too much in the education of the children. We are not going far enough in that direction. There are many localities in the State where the number of children is not sufficient under the present regulations that provide for the establishment of schools, and I think that the regulations could well be altered so that children in outlying localities should at least have the opportunity of receiving a primary education. I speak of localities generally in the back blocks, where the people are doing a great deal towards developing the State while labouring under many disadvantages, and when we reach the Education vote I shall call the attention of the Minister to this. I hope the matter will be rectified so that people who are doing so much to develop the State will receive some assistance in the direction of having the education of their children attended to. I have no objection to the increase for this department. I believe in giving all in the State the education they are entitled to. We have also increased cost of administration in the Mines Department; although there has been very little expended in the develop-

ment of the mining industry. I believe there was only one battery erected last year, and that was a five-head mill at Nannine; yet thousands of localities are crying out for development and are receiving no consideration in their requirements. While we deplore this, we find there is an increase in the cost of the administration of the Mines Department generally. This year it is £4,125. We find also increases throughout the department. In the Explosives and Analytical—purely an administrative department—there is an increase of £457. As a set-off there will be less expenditure in regard to the erection of public batteries from revenue of £4,438, and there is no purchase of copper ore this year. The Minister has been able to show a saving with regard to the money expended in the erection of batteries and the purchase of copper ore of £5,587. These are the only items showing a reduction under the department controlled by the Minister for Mines, and these two items refer particularly to works necessary for the development of the industry. Despite the assurances we have had from time to time that every effort is being made to effect economies, the cost of administration of the Mines Department is increasing. The Premier was good enough to say some time ago that he was instrumental in saving a considerable sum in the Lands Department, that by some decentralisation scheme—which is not his own particular scheme but was initiated by Mr. Drew when Minister—he had saved £30,000. But the Estimates show that there is in regard to salaries alone an increased expenditure this year in the Lands Department of £4,702. One has to take exception in this department also to the large amount of money expended in administration. I could go on with every department and show the same in regard to expensive administration, with the exception of the Railway Department where a decrease is shown to the extent of £82,000. I hope that economy in this regard is not being effected at the expense of the system, but that the railways will continue to give the same facilities as have been given to the people in the past. The Minister for Rail-

ways said recently that this saving was to be made up to the farmers by giving them reduced railway freights on their produce, and to the mining people by making reductions on the carriage of mining timber. No one objects to giving farmers every possible facility in regard to the carriage of their produce, because we recognise we owe a great deal to the agricultural industry, and that we will owe more to it in the future. We should give the farmers every assistance we can, but this concession to the mining industry is a paltry one and hardly worth considering, because the people who use mining timber to any great extent are the mining companies. The thousands of prospectors opening up our back country do not use that class of mining timber that is carried long distances over the railways. They use that timber which they can secure in their immediate locality, and naturally this timber is not carried over the railways. The concession is not to the struggling miner or prospector, but it is to the large mineowner, so that this is a concession which will be of little advantage to the mining community generally, and I hope we shall hear no more about this humbug of making reductions on the carriage of mining timber in order to assist the prospector. If we wish to assist the prospector let us carry his food stuffs and the necessities of life at cheaper rates. Thus we will give him some immediate concession. In regard to the Attorney General's Department, we find increases in administrative costs amounting to £7,410. In the Crown Law Office the expenditure is increased £631 for salaries alone. I do not know why this is necessary. There is no likelihood of the Department extending, and the increase in salaries can only be made up by additions to salaries already existing. Under "Magistracy" we find an increase of £985, while in the Supreme Court there is an additional expenditure for administration of £1,048. This increase in expenditure of £7,400, though it may not seem much when we are dealing with thousands and hundreds of thousands of pounds, still it mounts up enormously when we consider the fact

that this extra cost of administration goes on increasing every year. The increase is largely out of comparison with the vote expended in the development of the State generally. What I object to particularly is the Minister coming down here and pointing to what he terms economies. There are no economies as far as administration of departments is concerned and the only ones are those in regard to services which would benefit the people of the State and assist in its development. I have already referred to the fact that in regard to the Public Works Department there will be less expended this year in the development of the country than in several preceding years. Last year the vote for public works was £228,931, while the amount expended was only £192,977 or £36,000 less than the vote. This year the vote is £215,000 or £13,000 less than last year, and if it is expended in the same ratio as last year was, then we can expect to have very little done in the way of carrying out of public works this year. I hope that if we are not going to have a public works policy from revenue, which seems impossible, we may have one from some other direction. I do not want public works which are not of a legitimate character, but in regard to the State generally there are many works of an urgent character which should for the welfare of Western Australia, be carried out.

The Treasurer: There are a few things in Mount Magnet district we might hang up.

Mr. TROY : There is one item for Mount Magnet, but there is a considerable number for the Sussex electorate which I will deal with later. The same position obtains now as obtained ever since the Treasurer has occupied a seat in the Cabinet—a policy of "spoils to the victors," and it is very noticeable in this year's Estimates as in those for last year. For the size of the Sussex electorate and its population, there is a great deal more to be expended there in public works this year than last, and last year the vote was higher than in any other electorate in the State. In so far as Mount Magnet is concerned, I find one

vote of £50 for that town. There has been little regard even to the urgent necessities of the district. We find that in the Agricultural Department there is the considerable increase in administration of £5,218, and in the Agricultural Bank there is an increase of £1,205. Perhaps we should not give ear to all the complaints, but a great many complaints have been made as to the administration of the Agricultural Bank, and this leads one to question whether this increase in administrative cost is warranted. While we have the Minister of Agriculture at every public gathering in the State referring to the sum of £400,000 which the Bank has in hand and which he urges the farmers to borrow, we find from the numberless complaints brought under our notice that when the farmers do make application they are invariably met with some excuse or other and their application is refused. Only to-day I heard of the case of a farmer who had been put on the land by the Lands Department and had expended a considerable amount of money on his block. When he made application to the Bank for assistance to enable him to carry on, the trustees refused his application stating that the land was worth nothing. Here we have the policy of a Government urging people to go on the land and placing them there, and the same policy refusing assistance to them through the medium of the Agricultural Bank ; while at the same time we have the Minister for Agriculture asking the people to believe the Government only want the farmer to apply for assistance in order to grant it to him. The fact of the matter is that farmers are unable to receive advances, and when they apply for them they are refused because the lands are not as valuable as the Lands Department led them to believe in the first instance. This policy, which consists of the Government compelling people to pay a certain price for land and refusing them advances subsequently because the value of the land is not so great as the selector in the first place was led to believe, is a criminal one. I shall refer to these items as we go through the Estimates, but I want to point this out that in so far as the general develop-

ment of the country is concerned very little effort is being made by the Government, if we are to be guided by the Estimates. There is a general increase in so far as administration of departments is concerned and a big decrease in the moneys voted for the development of the State. There is very little to be expended for the development of the mining industry. There might, however, be a large amount on the Loan Estimates, and if there is not the mining industry has a bad time ahead. There is little provided in regard to public works and I have no doubt that, if we compare this vote with that of last year, it will be found there will be less expended with regard to a public works policy this year than last. There is very little to enthuse over in the Estimates and the only person who may do so is he who has been responsible for a large sum being placed on the Estimates for his own particular electorate.

General debate concluded ; Votes and Items discussed as follows.

First Vote (His Excellency the Governor)—put and passed.

Vote—*Executive Council* £35, agreed to.

Vote—*Legislative Council*. £1,855, agreed to.

Vote—*Legislative Assembly* £3,169.

Item—Clerk, £450 :

Mr. HEITMANN : By the foot-note to the vote it appeared that the Clerk of the Assembly also received £150 to act as librarian. It would be well for the House to know whether that officer really carried out the work of the librarian or whether it was being performed by some other officer of the House. The same foot-note also pointed out that the Clerk Assistant drew the sum of £50 as assistant librarian. Information on these two items would be interesting.

The TREASURER : The figures were exactly the same as in the previous year's Estimates. In addition to the salaries provided for the Clerk and Clerk Assistant respectively, they received the sums mentioned by the hon. member for work

done in connection with the library. This work was performed by them.

Mr. HEITMANN : The reply was not altogether satisfactory. Between them the two officials received the sum of £200 for work done in the library. Surely it would be better to pay that salary to some person to do the work, irrespective of any other duties. As a matter of fact he believed the work in the library was being done by the messengers ; the sum of £200 was certainly too much for library supervision. The Legislature altogether was costing too much money, and the pruning knife could be used right through.

Item—Clerk Assistant, £300 :

Mr. SCADDAN moved an amendment
That the item be reduced by £50.

It would be seen by Item 8, " Messengers," that whereas there was a reduction in the salary of a certain officer, there was under the item with regard to which the amendment was moved an increase of £50. There was now a different officer occupying the position of chief messenger ; but if the position last year was worth £200, surely it was worth as much now. He could not agree with the reduction in the chief messenger's salary proposed, and he failed to see why the assistant clerk should receive an increase while another officer had to accept a reduction. He found, too, that the officer previously filling the position of a messenger was now the chief messenger. He was receiving £175 a year, while the previous chief messenger received £200. Therefore there was a reduction of £25 in the salary for the position. The assistant messenger was only receiving a salary of £100 now and for that he had to spend the whole of his time in carrying out the work of the House. That was a perfect disgrace, for the salary showed a reduction of £50 as compared with the salary received by the officer holding the same position last year. The Government proposed an increase of £50 to a high-salaried officer, and were cutting it off and sweating the lower salaried officers. He could not agree to that. He hoped that a fair rate of wage would be paid to the messengers.

The TREASURER : Members would surely agree that the Clerk Assistant was deserving of generous consideration at their hands. Surely it was not just to reduce a certain person because some other officer was underpaid. The Clerk Assistant had been in receipt of £250 per annum, in addition to which he had received £50 per annum as assistant librarian during the past three years. Time after time he had been promised consideration, and on the strong recommendation of the Speaker the Government agreed to the increase of £50. No member, with the exception of the member for Ivanhoe, would consider the Clerk Assistant overpaid at £300 a year. Considering the time the officer gave to the House, £350 was little enough to pay to him for the position, after many years of faithful service. A position was worth less at the beginning than it was after years of service ; we paid for experience, which was of great moment to members. If members wanted information as to how to proceed in the House, they went to the Clerk Assistant, who advised them.

Mr. EWING : The exception the member had taken was to the reduction of the salary of the lower officers of the House. The late Chief Messenger was in receipt of £200 and the position was worth that salary or it was not. There was not a member of the House who would oppose the increase to the Clerk Assistant, who was worth the salary. He sympathised with the member in wishing to increase the salaries of the lower paid officers.

Mr. BOLTON did not consider the Clerk Assistant was, by the increase, getting more than he should receive. It was waste of time for members to complain about officers' salaries being reduced, when we know we could not move to increase the amounts on the Estimates, but the amendment had been moved to bring the matter of the reduction of the lower paid officers prominently before the Government. The late Chief Messenger was in receipt of £200 a year.

Hon. F. H. Piesse : How long had he been in the position ?

Mr. BOLTON : For a considerable time. The officer immediately under the Chief Messenger last year received £150, and now the officer immediately under the Chief Messenger received £100 a year, while the Chief Messenger was to receive £175 a year. There had been a big reduction. Although the Chief Messenger was got rid of the same staff was filling all the positions to-day. The reduction in the salary of the lower paid officers was a scandal. The messengers did a great deal of work, perhaps most of the work in the House, and were underpaid. The second messenger had been an officer of the House nearly as long as the present Chief Messenger. One did not wish to see the increase to the Clerk Assistant cut off, but he wished to bring the reduction to the messengers under the notice of the Government. If Supplementary Estimates were brought forward provision should be made to increase the messengers' salaries.

Mr. TROY supported the amendment, not because he did not recognise the work done by the Clerk Assistant as being worth the money, but he objected to an increase to an officer receiving at present far above a living wage, while other officers were reduced. He (Mr. Troy) had been indebted to the Clerk Assistant on many occasions for advice. The Attorney General had no experience of his office before he became a member of the Cabinet, but he did not take a lower salary than the previous Attorney General. This was always the policy of the Government giving increases to officers who were not in need of them, while the lower paid officers were reduced. The present Chief Messenger was capable and a more reliable officer than his predecessor, and yet he was not to receive the same salary as the late Chief Messenger. These remarks were not directed at any officer, but to the policy of the Government. The Clerk Assistant was a courteous and capable officer, and if we could afford it we should increase his salary. He did not support the amendment because he thought the officer did not deserve the amendment, but because other officers were compelled to take less remuneration.

Mr. GORDON : The late Chief Messenger was in receipt of a certain sum, and when he retired the assistant, a young man, asked for the position ; he was willing to take the position at a lower salary so that he might be given a chance to prove himself, being willing to depend on Parliament giving him an increase subsequently. If the officer had not taken that stand probably he would not have got the position. The object of the Labour Party was to keep the young men down and to keep the older officers on until they got to a certain age and then bump them out. No doubt the Opposition had a man to put into the position of Chief Messenger, they had it all cut and dried, but the Speaker realised that every young man should have a chance and raised the assistant messenger into the position of Chief Messenger. Next year when the Estimates came down no doubt this officer would be rewarded.

Mr. TAYLOR opposed the amendment. It was no argument that because one officer was down for an increase and others were not, the increase should be struck out. There could be no Supplementary Estimates; but next year the Treasurer should be prepared to meet any request by the Speaker for increases in the salaries of subordinate officers. It was idle for members to say that £250 a year was enough for the Clerk Assistant. Both Clerks of the Assembly, whose work was a severe tax on them, should be adequately remunerated.

Mr. UNDERWOOD opposed the amendment, but protested strongly against the cutting down of the messengers' wages. He favoured the highest wage that could possibly be paid, and therefore supported the increase to the Clerk Assistant. To offer the Chief Messenger £175 and the second messenger £100 was sweating, highly discreditable to and in keeping with the general policy of the Government, against which he would protest while the Government lasted. The member for Canning (Mr. Gordon) voiced the old cry that the Chief Messenger was willing to accept his present salary; but the question was what was the position worth, and was the man capable of filling it.

Mr. Gordon: The chief messenger had asked for the salary.

Mr UNDERWOOD: Probably he had asked for the position, thinking he would get the salary of his predecessor; and when he found out his mistake he had the alternative of resigning. That was a sample of the Government policy.

Mr A. J. WILSON: Members overlooked the fact that both Clerks of the House were barristers, and had to give legal advice to the Speaker, other officers, and members. The member for North Fremantle (Mr. Bolton) would have done well to consult the Clerks before taking action against certain railway officials. Was the position of chief messenger more important than that of a skilled mechanic like a carpenter, a turner, or a fitter? Any carpenter who averaged £175 a year would be fortunate. Not everyone could act as Clerk Assistant. Both Clerks had the necessary experience, and should be paid according to their ability. The salary of the Chief Messenger seemed adequate for the position; and arguments to the contrary came with bad taste from members who were seeking to increase their own salaries.

[Interjections from Opposition members.]

The CHAIRMAN: The Committee were getting into the habit of throwing across the floor interjections that were often insulting as well as improper. Interjections were essentially disorderly, but some might be tolerated when intended to elucidate a point. The cross-fire of interjections in which members frequently indulged of late was highly disorderly. He appealed to them to refrain from the practice; and if they persisted, he would take such strong steps as his powers as Chairman enabled him to take, to see that order and decorum were observed.

Hon. F. H. PIESSE: An officer who had for so many years filled the position of Clerk Assistant well deserved the proposed increase. As to the advocacy of increases for the messengers, these might well say, "Save us from our friends." He wished to see all servants of Parlia-

ment well paid; but those who took the part of the lower-paid employees had apparently omitted to consider their length of service. Young men like the present messengers, who had risen more rapidly than they themselves had anticipated, were no doubt satisfied with the positions they had reached and the salaries paid. The present chief messenger entered the service of the House in 1902. Three years ago his salary was £135; last year it was £150. Then a vacancy occurred which gave him a farther rise; his claims received consideration from the authorities; and he was made chief messenger at £175. The second assistant messenger, now assistant messenger, entered the service three years ago at a salary of £50, which any employer of labour outside the civil service would consider adequate for the services rendered. This messenger received an increase the next year to £75 and was now receiving £100, so that there was a considerable advance made in the three years. The previous chief messenger received £200, and the present holder of the position received £175, but had a year's less service, though an officer most anxious to do his duty and one who could be commended for his attention, intelligence, and desire to do everything for members who required his services. When the officer attained the same length of service as his predecessor he would no doubt receive £200 a year. While anxious to see the lower-grade officers paid adequately, there was one good rule to be followed, to pay those deserving of it well, and according to their years of service and their grading. The messengers were willing to fill their present positions at their present salaries with the prospect of advancement to the salaries their predecessors had received.

Mr. SCADDAN: The hon. member gave expression to the views of an out-and-out sweater, whose method was immediately a man attained a position worth a certain salary to shift him and put on a lower-grade man at a smaller salary. The position of chief messenger was worth £200 a year irrespective of who filled it. The objection to the increase to the Clerk Assistant was that

he was receiving it at the expense of the lower-paid officers. Consideration was not always paid to how many years a man was in the service. Last year one man was appointed to a position in another House over the heads of others in the Parliamentary service; and though having no previous experience was given the same salary as that paid to the previous occupant of the position. If the Treasurer would give assurance that these lower paid officers in the service of the House would receive favourable consideration at an early date, the amendment would be withdrawn; otherwise he (Mr. Scaddan) would call for a division to show which members would agree to sweating in this Chamber.

Mr EWING: The hon. member was wrong in the position taken up, and was doing an injustice to the Clerk Assistant. When we come to the items where reductions were made, to which he (Mr. Ewing) did not agree, the Treasurer would probably give assurance that the officers would receive every consideration. The positions of the chief messenger and assistant messenger should carry the salaries of £200 and £150; and if the persons appointed to the positions were not able to carry out the duties at those salaries, they should not be entitled to the positions.

The Treasurer: The hon. member would not give an assistant surveyor the same salary as a fully licensed surveyor.

Mr. EWING: No; but the assistant surveyor would not be asked to do the work of a fully licensed surveyor. No doubt the Government were not responsible for the fixing of the salaries. The matter lay in the hands of the Speaker. But if the officers appointed were able to do the work creditably, they were entitled to the full remuneration carried by the offices. However, one could not support any reduction in the item, Clerk Assistant. Throughout the public service the rule adopted by the Public Service Commissioner was to fix the salary for the position. There were many officers in the service receiving high salaries who were only waiting until they could get positions equal to the salaries they received.

Hon. F. H. PIESSE, bearing in mind the Chairman's recently expressed opinion on cross-fire interjections, had refrained, when the member for Ivanhoe alluded to him as a "sweater," from pouring forth a broadside of interjections. There was no logic in the arguments of hon members in regard to the salaries of those officials. We must have proper grading; otherwise we would have chaos. The points to be considered were: were the officers worthy to fill the positions, and what length of service had they? We must get to some finality or object. That was why the Public Service Commissioner's reports had been received with so much ill-favour in some directions. Some officers should have their salaries raised because of their ability, while there were officers with many years of service who were not so able as others. If the assistant messenger, now raised to chief messenger, had filled the position for as long a term of years as his predecessor he should receive the salary of his predecessor. No doubt when the chief messenger reached the length of service of his predecessor he would receive the salary paid to his predecessor. One did not wish to disparage the efforts of the officers who were most deserving and tried to do their duty. He did not wish to pay them too little, but all he wanted was that the House should work by rule. As to the member for Ivanhoe accusing him of being a sweater—

Mr. Scaddan: There was no accusation that the hon. member was a sweater. All that was said was that the member gave utterance to sweaters' arguments.

Hon. F. H. PIESSE: The accusation was made that he was a sweater.

The CHAIRMAN: The hon. member for Katanning should accept the denial of the member for Ivanhoe. Had the latter used the term he would have been called to order.

Hon. F. H. PIESSE: If the hon. member did not use the term he got as near to it as possible; however, the denial was accepted.

Mr. WALKER: It was regrettable that the member for Ivanhoe should have chosen the item under discussion for referring to another matter. It was incon-

istent to penalise one person in order to get justice for others. The whole point under discussion was the wrong done to the messengers, for none would say that the salary allocated to the Clerk Assistant was inadequate for his services. That salary was less than was paid for the similar position elsewhere. He trusted that neither the officer nor the public could imagine that any fault was being found with the officer whose salary was under discussion. He was surprised at the logic of the member for Katanning, who, while suggesting that a system could be established, was knocking one over. The previous system was that the salary for chief messenger should be £200 a year, but now the hon. member suggested that they should inquire what the officer holding the position was worth. Could the hon. member employ that argument in regard to the Government? The salary of a Minister was fixed at £1,000, and if we took the Premier and said he was worth that sum, at what amount should we fix the salary of the Minister deserving the least sum? Was the salary of a Minister to be fixed by his experience? [*Hon. F. H. Piessé*: Start them at zero.] If so, how long could they be in getting to the salary of an assistant messenger? Outside the Chamber a system was now in vogue of getting rid of the head men and putting juniors in their places at junior wages, and dropping step by step until no man received an adequate salary for the work he did. What a startling thing it would be if this Chamber copied that example, thus establishing the system for others to follow who had not hitherto been so inhuman as those adopting the sweating system. The arguments of the member for Katanning were those used by eaters who pretended to give a young man a chance by compelling him to do the work of a superior officer, but gave him only a slight advance on the pay he had received in the junior position. The tendency all round was to reduce wages. In the present case the chief messenger was supposed to be able to behave respectably, and to have some degree of gentlemanly conduct not obtained by the rough walks of life. [*Jlr.*

Taylor: As a sort of example to members.] They needed to be an example for some members. If the Minister's suggestions were adopted how could outside employers be blamed for trying to give their men less than a living wage? If the position of chief messenger was worth £200 last year it was worth the same this year, and if a young man was capable of doing the work he should receive the pay, as it was a reward for his capabilities. It was ignominious for the State to come down to the cheese-paring system and try to take advantage of a youth by getting him to do a man's work for less than proper pay. Next year another young man might be put in the position at a still less wage and finally an endeavour might be made to get men to work for next to nothing. We should not descend to those tactics. He would not lower the Clerk Assistant's salary, but if the member for Ivanhoe withdrew his amendment and subsequently moved for the complete omission of the item for messengers, he would support it. If that were done, the Government could then come in with an amended schedule providing for the proper payment of the officers of the House.

Mr. SCADDAN : If striking out item 8 would induce the Treasurer to bring down an amending schedule with the object of giving increased salaries to the messengers he would withdraw the amendment.

Amendment by leave withdrawn.

Item—Sergeant-at-Arms, £150:

Mr. HEITMANN: It was time we did away in this House with unnecessary frill. With all due respect to Mr. Speaker, the affairs of the Chamber would be carried out just as well if he were to walk into the Chair by himself instead of being led in by the gentleman with the club. In some of the States of Australia the frill was done away with. He moved an amendment—

That the item be struck out.

Mr. UNDERWOOD: The position was entirely unnecessary, and the work done by the Sergeant-at-Arms was absolutely useless. In the olden days when there

was no Federal Parliament and when the State could afford to pay for luxuries, it was all very well to have a Sergeant-at-Arms; but now, even if the expenditure were justifiable, the position should not exist in the State Houses, as they were merely secondary as compared with the Federal Parliament. He hoped that not only this item, but several other ornamental items would be struck out, and officers placed in a position in which they could do some useful work.

Amendment put and negatived.

Item—Messengers, £377:

Mr. SCADDAN moved an amendment—

That the item be struck out.

He did this as a protest against the salaries of messengers being reduced.

Mr. TROY: Would the Treasurer tell the Committee the salaries paid last year, for there was a reduction of £81 in this item? Had there been more than two salaries reduced?

The TREASURER: This item had already been explained. The chief messenger was got rid of. He was receiving £200 per annum, and the juniors were advanced. The present chief messenger was formerly getting £150, and he was given an advance of £25. The officer under him was quite a junior, receiving £75, and his salary had been increased to £100. The junior under that officer was advanced also; not a single messenger had been reduced in salary. The position was not paid for at the same rate as last year, but the salaries now paid meant an advance on the salaries paid to these officers last year. The theory of members opposite was that all men should be paid alike and that experience should not be taken into consideration. He could not hope to convert members to his way of thinking, and would not try. A man must graduate and must be paid for experience. Reference had been made by one speaker to the public service classification, and he stated that the positions were classified. The officers filling the positions referred to were not getting smaller salaries. If an office became vacant, the newly-appointed officer did

not jump up to the higher salary at one swoop, but was raised gradually. It was no hardship for a messenger to get an advance of £25 per annum. On the contrary the messengers were only too glad to gain experience and qualify themselves for better positions. He could not give an undertaking to re-cast this item. It had been well considered by the Speaker.

Mr BATH: It was simply remarkable the facility with which the Treasurer evaded the real point at issue. In this case the chief messenger, whose salary was in question, had passed through the improver's stage and during his occupancy of that term probably had given evidence of his fitness for the higher position, and when the vacancy occurred by reason of his fitness he was placed in the position. The question was whether the position of chief messenger was worth £200 a year or not. According to last year's Estimates £200 was regarded as a fair salary. He presumed the present chief messenger was advanced to the position because he had been found capable of being promoted and of doing the work. If he was capable of filling the position he was entitled to the salary attached to the position. In this case it was not a question of the employee occupying a lower position and doing higher work, but it was a question of filling a higher position. Therefore, the officer became entitled to the higher salary. There was no reason why the officer should be asked to take a lower salary when he was doing the work.

• The MINISTER FOR WORKS: An almost similar position to this was to be found in the classification of the public service. There was a class ranging between £170 and £200 a year. An officer receiving £170 a year minimum could rise to £200 a year. Under the public service classification, length of service and merit were recognised by fixing a minimum and a maximum. The chief messenger started in his present position at £175 a year. It was recognised that £200 was the full value of that position, and under the circumstances the officer had been fairly well treated.

Mr. Bath: The cases were not parallel.

The MINISTER FOR WORKS: Was the chief messenger to commence and continue at £200 a year? Members who spoke of sweating knew that this was not a case of retrenching a well-paid man in order to promote a cheaper. As to the assistant messenger, if he were a fully-grown man £100 a year was a low salary; but we must remember that these salaries were recommended by the Speaker.

Mr. BOLTON: If the public service classification were to be adopted for positions not under the Act, why not treat similarly Ministerial positions? Why should the Minister for Works, a new man, receive as much as the Minister for Mines, who had served for years? The present chief messenger, if when assistant messenger he did the work of his chief, should now receive the same pay as the ex-chief messenger. Moreover, the next in grade formerly did most of the work the assistant messenger was paid for. Both the present chief and his assistant were therefore entitled to the maximum salaries, for they were giving satisfaction and had proved their ability.

Mr. JOHNSON supported the amendment to give the Government opportunity of doing justice to the messengers. All members knew that the present chief messenger, associated with Parliament for some years, was qualified for the position. For some time he had assisted without extra pay in the library. If Government supporters opposed the amendment, they were endorsing a most pernicious system of reducing wages. The member for Katanning (Hon. F. H. Piesse) advanced the arguments of the worst sweaters on earth. In the Railways we found good officers being retrenched, apparently for having been loyal to Mr. George, and their places filled with men at lower salaries.

The Minister for Railways: Was the hon. member in order?

Mr. JOHNSON was using an illustration. To dismiss a man and supplant him with a cheaper one was sweating, and by passing the item we should endorse that policy. He appealed to the Government cross-bench members, who had the balance of power, to assist in securing justice.

The MINISTER FOR MINES: The Estimates for the Assembly, the Council, and the Joint Houses of Parliament, were not in the ordinary sense Estimates of the Government, but were submitted by the President and the Speaker. Though the Government might increase or decrease any item, it was natural for them to assume that, as committees representing both sides of the Houses controlled the parliamentary services, these Estimates had been carefully revised. Passing the amendment would not be a reflection on the Treasurer, but on the Speaker.

Mr. EWING: Could the Treasurer say whether the salaries of the messengers would be increased to the maximum after two or three months' probation? If the officers were not thought fit for their positions, others should be appointed. If he thought any injustice was being done his vote would be cast in the direction of doing justice.

The TREASURER: No doubt in framing the Estimates next year the Speaker would take into consideration the services rendered by the officers. One could not give any promise that there would be any advance during the year, because the salaries on the Estimates must stand good until June next.

Mr. STUART: The final review in these matters should rest with the Committee. If there was any injustice to any subordinate officers the Committee should do them justice; and if these officers were doing the same work as their predecessors they should get the same salaries. In the library the chief messenger was doing a good deal of work which was not a messenger's work.

Mr. Angwin: And someone else received the money for the work.

Mr. TROY: The House Committee, on which the Minister for Mines tried to throw the blame, consisted of the Speaker, Mr Gregory, Mr Gordon, Mr. A. J. Wilson, and Mr. Taylor. That committee was hardly representative of the House.

The Minister for Mines: It was not said the House Committee had anything to do with the salaries.

Mr. TROY: The Speaker was not infallible, and in this particular regard had not done justice to these officers. It was no use appealing to members on the Government side to vote for the amendment. Their votes were always against doing justice.

Hon. T. F. QUINLAN: References which had been made to himself compelled him to say a few words when otherwise he would not have spoken. He took the full responsibility of raising the two messengers from their former salaries and positions. He considered it was a fair increase to advance each of them by £25, and they were both delighted. The Clerk had given these two officers a week's trial in the new positions, and then recommended them for the positions, and he (Hon. T. F. Quinlan) had great pleasure in making the appointments. No one would accuse him of having a desire to reduce the salary paid to any person; but it was reasonable that salaries should be gradually increased. In this case members would find that the messengers were delighted at receiving the appointments. There would have been much greater reason for complaint if some outsider had been appointed chief messenger at £200 a year. However, having listened to the remarks of hon. members, if he occupied the position of Speaker when the next Estimates were being framed, he would pay every respect to what members had said.

Amendment put, and a division taken with the following result:—

Ayes	14
Noes	20

Majority against .. 6

AYES.	NOES.
Mr. Angwin	Mr. Barnett
Mr. Bath	Mr. Prebber
Mr. Bolton	Mr. Cowcher
Mr. T. L. Brown	Mr. Davies
Mr. Collier	Mr. Draper
Mr. Ewing	Mr. Eddy
Mr. Heitinann	Mr. Gregory
Mr. Johnson	Mr. Hayward
Mr. Scaddan	Mr. Keenan
Mr. Stuart	Mr. Layman
Mr. Underwood	Mr. Male
Mr. Walker	Mr. Mitchell
Mr. Ware	Mr. Monger
Mr. M. F. Troy (Teller).	Mr. N. J. Moore
	Mr. Piesse
	Mr. Price
	Mr. Smith
	Mr. A. J. Wilson
	Mr. F. Wilson
	Mr. Gordon (Teller).

Amendment thus negatived.

Item (contingencies)—Grant for Library, £150:

Mr. UNDERWOOD moved an amendment—

That the item be reduced by £50.

As an Australian, he contended that the library was a disgrace. In the poetry section there were "Rhymes from the Mines" by Dyson, and a few horse poems by Lindsay Gordon, constituting the whole of the Australian poetry section. Later on we would be asked to vote money for the encouragement of literature; but nothing would encourage Australian literature better than reading it. He was told he could write suggestions in the suggestion-book; but a committee that could not get suggestions from the shelves of the library would not read what he wrote in the book. There were such writers as Kendall, Stephens, Lawson, Thomas, and Paterson, who were well worthy of a place in the library.

Mr. BATH: So far as the Library Committee were concerned, good work had been done. There might be some justification for the complaint of the hon. member that Australian poets were not represented as well as they might be, but that fact did not justify a rejection of the vote. All must admit that the Library Committee had made a wise selection in the choice of the books obtained during the past 12 months; and probably, now that the complaint had been brought before them, they might make a wider selection of Australian writers, whether on poetry or on other subjects dealing with Australia particularly. The Commonwealth Parliament were making an effort to establish a library with an Australian section, which it was hoped would be thoroughly representative of the literature of the Commonwealth. We could not hope to do the same thing, but a very few pounds would purchase the books referred to by the hon. member, and it only required a suggestion through the medium of the suggestion book in the library to ensure the favourable consideration of the request.

The TREASURER : In view of the opinion expressed by the Leader of the Opposition, that the Library Committee were doing good work and were attending to the wants of members, he must oppose the reduction. It was strange that a member who desired additional works should try to obtain them by moving to reduce the vote.

Mr. UNDERWOOD : The reason which induced him to move for the reduction of the vote was that the money should not be wasted on such rubbish as there was in the library now. He did not expect to get his desires fulfilled. Recently he wanted certain information about the early days of this State, but he could not find it in the library, where there was practically nothing of an Australian nature.

Franking of Members' Correspondence.

Mr. TROY : The present juncture was favourable for bringing under the notice of the Treasurer and the Premier the necessity for providing some compensation to members for the postage they were compelled to pay in connection with official communications with their electorates. This was a very high item from their salary, and on inquiry he had ascertained that in the Parliaments of the Commonwealth and the other States, members' letters were franked, or a sum was granted them in compensation for the expense to which they were put in this direction. He represented a constituency embracing from 700 to 800 square miles, and containing 40 to 50 electoral centres, and his postage bill was very high. He found it extremely hard to meet the demands on that account. He had kept a record of what it cost for postage during the past four or five months, and the average sum was £2 10s. per month. From the 14th to 21st August it had cost him 8s. 4d. for postages. There should be some allowance made to members whose constituencies were large and at a considerable distance from the city ; city members would not want the compensation, but only the country members with large constituencies.

Mr. JOHNSON : At present his expenses for postages were not so great as

they were when he was a goldfields member. He had kept an account of what it cost him in this direction when a goldfields member, and the average was about 7s. a week. All the correspondence was on official business, and the cost became a great drain on the small allowance made to members. In New South Wales members received 25s. a month for postages, while in South Australia members' correspondence on official business was franked by the State. He hoped the Government would go into the matter and see what could be done to grant the assistance asked for.

The PREMIER : The matter would receive consideration, but he would point out that the expenditure of the member for Mount Magnet seemed abnormally high, due probably to the fact that he was secretary of the Political Labour Party.

Mr. TROY : No, the Parliamentary Labour Party ; and the cost of correspondence in connection with that work was borne by the members of the party.

The PREMIER : The Government had gone farther than any preceding one with regard to granting concessions to members, for they had arranged to pay the coach fares for members whose constituencies were far from the head of the railway line. These fares were paid to members travelling to their constituencies once a year in connection with their parliamentary duties.

Mr. Underwood : When did that come into vogue ?

The PREMIER : It was now in existence.

The Treasurer : Did not the hon. member receive a notice to that effect ?

Mr. Underwood had received a notice, but not the money.

The Treasurer : An application only was needed in order to have that remedied.

The PREMIER : The Government also paid the steamer fares of members whose constituencies were in a position which rendered it necessary for them to take a steamer in order to visit their electorates. He believed it was the custom prior to Federation for all correspondence of a public nature to be taken to the Clerk of the House to be stamped by him. Per-

sonally, he thought it only reasonable that members' postages should be franked, provided that the correspondence was of public interest.

Mr. STUART: One of the chief reasons for the extended correspondence of members was the delay by the various departments in replying to communications. If immediate replies were sent the position would be much improved and the expense to members greatly minimised. He could bear out what the member for Mount Magnet had said as to the cost of postage to members. Rather than have a stated sum fixed as compensation, he preferred the system whereby the public correspondence of members was franked.

Mr. TROY: It was evident that the Premier desired to do a fair thing by members in connection with correspondence; and he could assure him that, so far as he was personally concerned, he was willing to submit all his correspondence to the Clerk of the House to see that it was purely official. The Parliamentary Labour Party work was always kept apart from his other correspondence, and the cost of posting letters in connection therewith was borne by the members of the party of which he was secretary. He agreed with the member who had said that the delay on the part of departments in answering communications was mainly responsible for the cost to members in the way of postage. As an instance in point, he had communicated with the Mines Department in July last with regard to the Boogardie battery, but had not yet received a reply as to the intention of the Government. He had spoken to the Minister several times on the question, and was always given an excuse and no definite answer; in consequence he had received letters from his constituents bearing on the matter, and in reply he had to write to them giving the excuses furnished by the Minister. This has cost a considerable sum in postage. Members desired to be prompt in answering the correspondence of their electors, and he was glad to hear from the Premier that the question of granting compensation would receive favourable consideration.

Other items agreed to, and the vote passed.

Vote—*Joint Houses of Parliament*, £7,769.

Item—Incidental, including printing, telephone, rent, uniforms, water, etc., £3,700:

Mr. TROY: It was understood that members were allowed to nominate certain bodies in their constituencies to whom *Hansard* should be sent. That privilege had been taken from members. A great many complaints were received from bodies anxious to receive *Hansard*, and the printing of one thousand copies would not cost more than the printing, perhaps, of eight hundred. Although some persons might not believe it, there were many places where people took a great interest in what transpired in Parliament and looked forward to receiving *Hansard*. The Government desired the House and the country to look after the interests of the State. The Federal Parliament exercised no economy in this respect whatever, for if one went into the back country he would find the Federal *Hansard*, and as a result people knew what was being done in the Federal Parliament; but they did not know what was being done in the State Parliament, other than from the newspapers which could not give the space that probably they would like to give to the proceedings of Parliament. It was placing the State Parliament in an inferior light indeed. It was false economy to minimise the distribution of *Hansard*. If members nominated a local body in every town the Treasurer should raise no objection to *Hansard* being sent to that body. [*The Treasurer*: That was done.] Many bodies had been struck off the list in his electorate. The only place that he thought received *Hansard* was the Mt. Magnet Mechanics' Institute. If *Hansard* was sent to every local body in his electorate there would be no complaint.

The TREASURER: Members seemed to imagine that this was an act of the Government. This was the recommendation of the Printing Committee, who had decided, and rightly too, that *Hansard* should not be sent indiscriminately and

wasted. A list had been drawn up of public institutions that were to be supplied with *Hansard* free. Anyone outside the public institutions requiring *Hansard* could get a copy during the whole of the year for 10s. 6d., 5s. of which sum went in postage, and the balance did not pay for the cost of production. When the recommendation of the Printing Committee came to him, he made a memo. that care should be taken that some institution in each centre should have *Hansard* sent to it. [Mr. Troy: That was not done.] If there was any centre with a mechanics' institute or a reading-room where people could read *Hansard* and it was not supplied, then representation should be made to the Printing Committee and the institution would be added to the list. But care should be taken in these small matters. The same thing applied to the *Government Gazette*, which went about to everybody. He used to get three or four copies; one at the Treasury, one at his private office, and so on, until he stopped it altogether. The wish of the Printing Committee was that we should exercise due care and see that *Hansard* was not sent about indiscriminately.

Mr. BATH : As a member of the Printing Committee he might say the list was revised, and it was understood and agreed that members should have the right of securing half a dozen copies of *Hansard* so long as they provided the postage for sending them out to their constituencies. Since then members had been getting copies and paying the postage themselves, and in addition members had received an account from the Government Printing Office for the copies of *Hansard* supplied. When the Printing Committee met again he would bring the matter up and have it rectified.

Mr. UNDERWOOD : There were one or two institutions that he knew of which had been struck off the list. There was the Trades and Labour Council of Perth. As to the coach fare referred to he sent in an account which was returned. He travelled in April, but was told that this matter was not agreed upon until May. A few copies of *Hansard* sent through the country was money well spent. The

Government could afford to be more liberal in this matter.

Mr. JOHNSON : Evidently some members got more favours than others. He asked for copies of *Hansard* and got them sent out. He received a bill from the Government Printer, and when he paid it he was told that the money would be put to the credit of the stamp account, for he was informed that arrangements had been made by which members were entitled to these copies of *Hansard*. There was evidently some misunderstanding at the Government Printing Office.

Mr. UNDERWOOD had not paid for his copies, and at the beginning of this session he received a bill for another lot.

Mr. COLLIER : The distribution of *Hansard* had been bungled ever since the opening of last session. The Printing Committee, in revising the free list, might have informed members of the revision. Not until six or seven weeks after the alteration, resulting in numerous letters of complaint from the country, were members aware of the cause of the trouble. He had received a bill for £2 12s. 6d. since the beginning of last session, for five *Hansards* per week, and in addition he had to pay postage on these numbers. Was that a reasonable charge? The Treasurer had not much chance of being paid.

The Treasurer : The charge had been altered.

Mr. COLLIER : Then until a correct account was rendered, he would not pay.

Mr. JOHNSON : The statement he had previously made he must correct. It appeared members did not get copies of *Hansard* free, but postage on them was free. The credit given to him was for postage. Every member should be given six copies, to be sent post free to any places he chose.

Mr. T. L. BROWN : In the first month of last session he received five copies of *Hansard*, and was billed for the postage. A few days afterwards the amount he had paid was returned.

Mr. SCADDAN had paid postage on all his *Hansards*, and had received a bill for £2 12s. 6d., which he did not intend to meet. The Speaker had informed him that the Printing Committee intended

each member to receive six free copies, and that members should pay the postage. He had paid the postage, and that was all he intended to pay.

Mr. ANGWIN : The Treasurer should garnishee the salaries of those members who said they did not intend to pay moneys due to the Government.

Mr. STUART : The Printing Committee were to blame for this waste of time, and should have taken members into their confidence.

Other items agreed to, and the vote passed.

Vote—Premier's Office, £900.

Item—Secretary to Premier, £400 :

Mr. ANGWIN : The cost of administration of this office was increasing year by year. Some extra assistance might have been required last year, when the Premier was practically in control of several departments ; but this year one expected a decrease, instead of an increase of £200. In 1904-5 the salaries totalled £268; in 1905-6, £300; in 1906-7, £630; and this year, £705. The Commissioner's classification made the maximum salary of the Secretary to the Premier £200, increased by the appeal board to £230; yet to-day we found the salary £400. The Treasurer had promised that in all cases where the Commissioner recommended a reduction the salaries would be decreased by one-fifth every year until the specified amount was reached. In accordance with this, he (Mr. Angwin) moved an amendment—

That the item be reduced by £34.

The PREMIER : The Secretary to the Premier was exempt from the public service classification. It had been provided that in case a new Premier desired to employ a different secretary, the present secretary would go back to the position now held by the second clerk. That arrangement he (the Premier) had continued. It was anticipated that the Premier's Office expenditure would be decreased this year by £120. The work of the office had grown considerably, and included all communications with the Governor, the Commonwealth authorities, the Agent General's Department, the

Public Service Commissioner, Cabinet matters, and correspondence generally. Last year over 1,500 communications were received from the Federal departments. The fact that the postage of this department had practically doubled was evidence that the correspondence had increased and those who were acquainted with the duties of the two officers of the department would agree that they had little time to spare. Last year there was a sum of £150 charged to this office which should not properly be charged to it. There was £78 for cables that should have been charged to the various departments concerned. When the Premiers of other States communicated with this office they were replied to and the expenses of the replies were debited to the Premier's Office whereas properly they should have been debited to the departments concerned. The gentleman who occupied the position of secretary well earned his money, and one would be sorry to see any reduction. The officer last year worked about a thousand hours overtime and the salary provided was not an overpayment.

Mr. BATH : Much of the correspondence should have been done by the Clerk to the Executive Council, for which position there was a salary of £300 provided. If the work was done by the Premier's office there was no need for extra payment in that regard.

The PREMIER : Communications to the Governor went from the Premier's Office. The position of Clerk to the Executive Council was held by the Usher of the Black Rod, one salary covering the two offices. The increase referred to in the office salaries was accounted for by the fact that Mr. Treadgold, the assistant in the Premier's Office, had been transferred from another department, and it was considered fair that the sum of £220, mentioned by the member for East Fremantle should be placed on the Premier's Office Estimates rather than on the Estimate of the expenditure of the department from which the officer had been transferred. This is shown by the increase between the 1905-6 and the 1906-7 Estimates, as in the latter period Mr. Treadgold's salary was directly charged to the Premier's Office for the first time.

Mr. JOHNSON : There should be no reduction in the item, because there was considerable work in the Premier's Office, which work must be growing with the growing importance of the State. Members would recollect that for years there was a fight to abolish the Premier's Office. It was ultimately abolished and the cost was got down to a minimum, but now it was growing again. The Premier should see that it was not built up again, because it was hard to break down a department once it was built up. The present cost was sufficient.

Mr. SCADDAN : What the member for East Fremantle was desirous of pointing out was that there was no provision made for a gradual decrease in this officer's salary to the amount at which the position had been classified by the Public Service Commissioner.

The PREMIER : There was no recommendation by the Public Service Commissioner to classify the salary of the Secretary to the Premier. The office was exempt. The recommendation was that if a new Premier came in and desired a different secretary, Mr. Kessell would go back to his former classified position at £230.

Mr. ANGWIN : Evidently the Public Service Appeal Board knew the officer's work when it decided that £230 should be the salary. The Government, however, were making too many officers exempt from the Public Service Act. There were about a hundred at Fremantle who were exempt. The cost of this department had gone up from £268 in 1904-5 to £900 this year. Seeing that so many officers were exempt from the Public Service Act, the time had arrived when we should say whether we were going to comply with the Act or do away with the position of Commissioner altogether. The Commissioner had not been consulted with regard to many officers appointed. Seeing that this officer was exempt from the Act he asked leave to withdraw the amendment.

The PREMIER : The Public Service Commissioner in his classification of this official stated :—

"This official only temporarily occupies the position of secretary to the Premier, the position having been ex-

empt from the Public Service Act. Should the Premier for the time being decide to appoint someone else as his secretary, Mr. Kessell would have to fall back on his classified position. His present salary as secretary to the Premier is £400, including all overtime necessary. The salary he received as a permanent official was £300, which is £100 more than his present permanent position has been classified at."

In the event of a new Premier desiring to have a different secretary, the present official would fall back on his classified position.

Amendment by leave withdrawn.

Other items agreed to, and the vote passed.

Progress reported, and leave given to sit again.

ADJOURNMENT.

The House adjourned at 10.33 o'clock, until the next day.

Legislative Council,

Wednesday, 23rd October, 1907.

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

Prayers.

PAPERS PRESENTED.

By the Colonial Secretary: Report showing number of depositors and amounts of deposits in the Government Savings Bank, moved for by Mr. Loton.