

had already pointed out that the deficit in the Revenue for that year as compared with the Expenditure was £7,247. These three items added together amounted to £49,926 9s. 3d. Deducting from this sum, the amount advanced for the Northern railway, £16,738 0s. 2d.—since repaid from the Loan—they would find the deficit at the commencement of the present year to be £33,188 9s. 1d.—the difference between that amount and the sum named by His Excellency as the indebtedness of the Colony at that date (£35,000), being, he presumed, made up of outstanding accounts then owing by the Government. He congratulated the House upon the very lucid statement of the financial condition of the Colony which they had had presented to them by His Excellency; in no previous year, he thought, had so clear and explicit a statement of the state of the country's finances been placed before them. The fact of a deficit having been established, it of course became the first duty of the House to see how this deficit could best be met. He noticed that His Excellency directed the attention of the Council to the necessity for making some provision—at all events temporarily—for the falling off in the Revenue, and to this end the Government, it appeared, proposed to impose certain stamp duties. So far as he was concerned, he was opposed to the imposition of any fresh taxation for the purpose of meeting this deficiency, or for any other object save to pay the interest on any debts incurred for carrying out public works. Hon. members were aware that a strong feeling prevailed in favor of the extension of the railway now in course of construction between Fremantle and Guildford, to the Eastern Districts—that it must not stop at the latter town, but that if it is ever to be of any use, or prove in any way a reproductive work, it must be extended to the corn-growing districts eastwards, which would probably involve an expenditure of £200,000 or £250,000. The interest upon the money borrowed to defray that expenditure would of course have to be provided out of fresh taxation, in some way or other, and he thought the simplest, and at the same time the most expedient, way to deal with the £35,000 deficit would be to raise the money to

pay it off by means of a loan, so as to wipe it off at once and make a fresh start. His Excellency in the course of his speech referred to the responsibility which at times is thrown upon the Governor in this Colony, owing to his inability to obtain the opinion of the Legislature except during the short period, once a year, they were in Session. The House could not fail to recognise this fact, and from what had transpired last year he thought the Council and the Colony at large had no occasion to find fault with the manner in which His Excellency had realised this responsibility. Few hon. members, he supposed, were prepared to give their attendance in that House during three or four Sessions in the year, so as to relieve the Governor from the responsibility cast upon him of acting, at times, without having the opportunity of obtaining the opinion or the assent of the House, and he thought that in these emergencies, the course which the Governor might feel himself called upon to adopt was entitled to the favourable consideration of the House. Knowing as they did that His Excellency could only be animated by one desire, namely, the welfare of the Colony committed to his charge, he thought that in matters of this kind they might safely trust to the Governor doing the best he could in the interests of the public. From what he (Mr. Shenton) could see, the only expenditure which had been incurred last year without the assent of the Legislature was that in connection with the Royal Mail service, and he thought hon. members would agree with him that in that matter His Excellency had exercised a very wise discretion. The hon. member concluded by formally moving that an humble address be presented to His Excellency in reply to the speech with which he had opened the Session.

Mr. L. C. BURGESS—whose remarks were for the most part inaudible to the reporters—briefly seconded the motion, and was understood to be in favour of retrenchment rather than any scheme of fresh taxation, to meet the deficiency in the Revenue, and that His Excellency was entitled to the thanks of the House and of the country for boldly placing the real position of affairs before them.