

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

WEDNESDAY, 18 AUGUST 1886

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LEGISLATIVE ASSEMBLY.*Wednesday, 18 August, 1886.*

Messages from the Legislative Council.—Petition.—
 Questions.—Suspension of Standing Orders.—Supply
 —resumption of committee.—Ways and Means—
 resumption of committee.—Financial Statement.—
 Adjournment.

The SPEAKER took the chair at 6 o'clock.

MESSAGES FROM THE LEGISLATIVE COUNCIL.

The SPEAKER informed the House that he had received a message from the Legislative Council returning the Patents, Designs, and Trade Marks (Amendment) Bill, with amendments.

On the motion of the PREMIER (Hon. Sir S. W. Griffith), the message was ordered to be taken into consideration to-morrow.

The SPEAKER also informed the House that he had received a message from the Legislative Council returning the Labourers from British India Acts Repeal Bill, without amendment.

PETITION.

Mr. FRASER presented a petition from the corporation of the South Brisbane Mechanics' Institute, asking permission to introduce a Bill to enable them to sell the whole or part of allotment 6, section 3, parish of South Brisbane, and devote the proceeds to the purchase of a more suitable site for the erection of a mechanics' institute; and moved that it be received.

Question put and passed.

QUESTIONS.

Mr. NORTON asked the Colonial Secretary—

1. From what fund is it proposed to provide the money for building quarters for sergeant of police at Gladstone?

2. Has any communication yet been made to the Minister for Works as to the necessity for preparing plans and inviting tenders for the above-named building at an early date?

The COLONIAL SECRETARY (Hon. B. B. Moreton) said: If the hon. gentleman will repeat his question to-morrow, I shall then be in a position to answer him.

Mr. ADAMS asked the Minister for Works—When it is the intention of the Government to call tenders for new post and telegraph offices at Bundaberg, for which a sum of money was voted last session?

The MINISTER FOR WORKS (Hon. W. Miles) said: I would ask the hon. gentleman to repeat his question to-morrow, as, to-day being a holiday, I have not had access to the papers in the office.

SUSPENSION OF STANDING ORDERS.

The COLONIAL TREASURER (Hon. J. R. Dickson) said: Mr. Speaker,—Before passing to the Orders of the Day I wish to move, by permission of the House, that so much of the Standing Orders be suspended as will admit of receiving and adopting this day a resolution from the Committee of Supply. In doing so I may state that it is my desire to facilitate the business of the House this evening for many reasons which will be disclosed subsequently. As all old members are aware, until a vote is taken in Committee of Supply and adopted by the House, the Committee of Ways and Means cannot make any resolution. I trust, therefore, the House will excuse the omission I made on the last sitting day in not having given notice of this motion. It is simply a formal motion, and I hope it will be allowed.

The SPEAKER: Does the House consent to the motion being put without notice?

HONOURABLE MEMBERS: Hear, hear!

Question put and passed.

SUPPLY—RESUMPTION OF COMMITTEE.

The COLONIAL TREASURER said: Mr. Speaker,—I move that you do now leave the chair, and the House resolve itself into a Committee of the Whole to consider the Supply to be granted to Her Majesty.

Question put and passed.

The COLONIAL TREASURER said: Mr. Fraser,—I beg to move—

That there be granted to Her Majesty, for the service of the year 1886-7, a sum not exceeding £300, to provide for the salary of the Aide-de-Camp to His Excellency the Administrator of the Government.

Of course hon. members will be aware that in moving this resolution I do not make it with the view of introducing the Estimates for discussion. They will be considered possibly when the Financial Statement is being debated, or when going into Committee of Supply. I therefore ask that hon. gentlemen will pass this item without debate, so that we may proceed to the Committee of Ways and Means, in which Committee I propose to make my Financial Statement.

Question put and passed.

On the motion of the COLONIAL TREASURER, the CHAIRMAN left the chair and reported the resolution to the House. The report was adopted, and the Committee obtained leave to sit again to-morrow.

WAYS AND MEANS—RESUMPTION OF COMMITTEE.

On the motion of the COLONIAL TREASURER, the Speaker left the chair, and the House resolved itself into a Committee of the Whole to consider the Ways and Means for raising the Supply to be granted to Her Majesty.

FINANCIAL STATEMENT.

The COLONIAL TREASURER, in making his Financial Statement, said:—

Mr. FRASER,

In entering upon the annual review of the financial position of the country, I think I am justified in congratulating hon. members upon the improved prospects and expectations presented by the general breaking up of the drought which, during four successive years, had, with iron hand, set the seal of sterility on the wide and fertile plains of this great country—paralysed agricultural industry and pastoral enterprise— withheld from labour, employment, and its due reward, and from capital and investment their justly expected and normal fruition.

In a country of such large proportions as Queensland, containing 668,497 square miles of territory, with a population of 321,000 souls, most of whom are earnestly engaged in endeavouring to lay the foundations of individual and general greatness, and in so doing have to acquire a knowledge of and possibly contend with existing conditions of certain physical laws of the new country wherein they labour, any interruption of their enterprise by an unfavourable aspect of such conditions must cause a general anxiety and depression throughout the whole community, deranging for a time industrial pursuits, and creating a widely disturbing influence in the markets of trade, labour, and finance. In proportion to the importance of the industries so affected by adverse conditions must be the extent of the depression and disturbance on other classes of the community. We cannot, therefore, be surprised that the financial year which has just terminated should have left unmistakable records of the rigorous seasons which, throughout the twelve months underreview, have pressed so disastrously on two at least of our greatest field industries.

And, further, while local production has been by adverse seasons so circumscribed, the outside markets of the world, as if to increase the embarrassment and difficulties of colonial producers, have exhibited an unparalleled depression in nearly all classes of colonial produce; thus, so heavily weighted, both in the field and in the market, producers were for a time almost overwhelmed with uncertainty and dismay. Happily the cloud which for so long a period overhung European markets has at last lifted, and in its place a strong confidence now prevails of its dispersion being permanently effected.

That under this combination of untoward circumstances the colony should for the past four years have stood the augmenting strain without exhibiting greater material shrinkage either in the resources and enjoyments of the people or in the revenue of the country than what has already been experienced, is a matter of surprise and congratulation; and that the revenue should still continue to produce a large annual increase, which, if not fully equal to expectations based on comparative results of normal seasons, must yet be regarded as indicating solid progress, even though at an unaccelerated pace, justifies the assertion that during the past decade of years Queensland has made giant strides in sound prosperity and accumulation; that while her population has been steadily and largely increasing, their earnings and possessions have kept well abreast of such progress; and now her inhabitants are enabled to feel a confidence that with returning favourable seasons they may immediately resume their labours under more auspicious circumstances, and so participate in and contribute to that general prosperity which has been, and I trust will ever continue to be, the normal condition of this favoured colony of Queensland.

The tables annually prepared by the Treasury, and which have been circulated amongst hon. members, will enable them to follow my remarks on the transactions of the year just terminated, and my expectations of the financial year on which we have entered. As usual, I shall proceed to consider—first, the transactions of the Consolidated Revenue, including receipts and disbursements for the year ended 30th June, 1886, also the operations of the Trust and Loan Funds during the same period; second, the estimated receipts and expenditure for the financial year 1886-7 and our present position; and third, the proposals of Government in connection therewith.

THE CONSOLIDATED REVENUE FUND DURING 1885-6.

On 1st July, 1885, the financial year opened with a balance at credit of the Consolidated Revenue in the Treasury amounting to £267,104.

The revenue for the twelve months ended 30th June, 1886, amounted to £2,868,294, the expenditure for the same period being £3,090,159, showing at credit of the Consolidated Revenue Fund at the termination of the year—namely, on 30th June, 1886—the sum of £45,238 as per Table B. Hon. members will note that in dealing with results I omit fractions.

The balance of the Consolidated Revenue on 1st July, 1885, amounting, as before stated, to £267,104, embraced a sum of £100,043, then remaining unexpended on account of Special Revenue Appropriation sanctioned by Parliament in January, 1884; so that the actual available balance of the Consolidated Revenue Fund, divested of such unexpended Special Revenue Appropriation, on that date represented £167,061.

During the year 1885-6 a further Special Supplementary Appropriation to the extent of £100,000 was authorised by the Legislature. Expenditure out of the balance of the first-mentioned appropriation, and also on account of the latter, has been made during the financial year ended 30th June last to the extent of £53,129; and consequently to that extent the expenditure for the year 1885-6 has been augmented beyond actual current requirements for the year's services of the departments of Government.

On the 30th June, 1886, the balances of the Special Supplementary Appropriations then unexpended amounted to £146,913, particulars of which will be given in a subsequent portion of the Financial Statement.

The Revenue for the year amounted, as before stated, to £2,868,294, showing an increase of £147,638 over the preceding year, 1884-5, at the rate of 5·4 per cent. The year 1884-5 produced a revenue of £2,720,656, an increase of £154,298, or at the rate of 6 per cent. on its predecessor. The year 1883-4 furnished a revenue of £2,566,358, showing an increase of £182,498, or at the rate of 7·6 per cent. on the preceding year.

The estimated Revenue for the year 1885-6 was assumed at £2,982,500, and, with increased taxation, was expected to yield £3,055,500—results not attained by £187,206. It may interest hon. members to note wherein this deficiency of expected revenue is most apparent.

The Revenue for the first quarter of the financial year, ended 30th September, 1885, amounted to £863,891, showing an increase of £66,123, or 8·2 per cent. on the corresponding period of the previous year. The second quarter, ended 31st December, 1885, during which term increased duties came fully into operation, produced £642,197, establishing an increase of £54,181, or 9·2 per cent. on the similar period of the preceding year. The third quarter, ended 31st March, 1886, showed a

revenue of £680,501, or £26,387 increase, being at the rate of 4·3 per cent. on the corresponding quarter of 1885; while the fourth quarter of the financial year, ended on 30th June last, exhibited receipts to the extent of £681,702—an increase of £946 only, or 0·13 per cent. on the previous year's final quarter.

It is therefore obvious that the pressure of the protracted severe drought—prolonged beyond all reasonable forecast of relief—was during the year just past gradually tightening the bonds of suffering endured so long and patiently by the outdoor industries of the country to such an extent that not only was natural increase almost wholly denied to the great agricultural and pastoral industries of the colony, but these pursuits were held dormant by the continued rigour of the seasons, which for a time appeared to threaten their very existence. Labour was stopped through expenditure being restricted, and consequently consumption was largely diminished.

This is evidenced by the Customs, which during the financial year 1883-4 furnished a revenue of £866,474, being an increase on the preceding year of about £113,000, or at the rate of 14·9 per cent. The following financial year, 1884-5, produced a Customs revenue of £937,224, an increase of £70,750, or at the rate of 8·1 per cent. on 1883-4, while during the year 1885-6 £1,004,753, which includes new duties, was derived from the Custom House, showing an increased revenue from this source of £67,529, or at the rate of 7·2 per cent. only over the previous year.

The first quarter of the financial year 1885-6 showed an increase of Customs revenue of 10·1 per cent., the second quarter 14·8 per cent., the third quarter 8·1 per cent., while, notwithstanding the imposition of additional duties, the last quarter showed an actual decrease of 1·5 per cent. on the corresponding period of the previous year.

The further consideration of the Customs returns demonstrates the fact that consumption had declined, especially during the last quarter of the late financial year, on many articles which have hitherto been foremost in largely contributing to Customs revenue.

During the year 1885-6 additional duties were levied through Customs and Excise, the former estimated to yield for the unexpired portion of the financial year about £43,000 and the latter about £30,000, or a joint total of £73,000 for the residue of the year. The actual increases under these additional duties have been as follow:—

Rum	...	...	...	£3,879
Whisky	...	...	...	16,018
Geneva	...	...	...	5,297
Perfumed spirits	...	...	...	206
Old tom	...	...	...	613
Cordials	...	...	...	258
Other spirits	...	...	...	1,784
Timber	...	...	...	3,549
Machinery	...	...	...	8,859

Total £40,463

while beer duty further contributed £19,653. The united contributories, Customs and Excise, have fallen short of the Estimates by £12,884.

The Customs Revenue for 1885-6, therefore, had the tariff remained unaltered, would have furnished only £964,290 instead of £1,004,753, being an increase of £27,066, or at the rate of about 3 per cent. on the preceding year.

The port of Brisbane, including Ipswich, showed for the twelve months ended 30th June, 1886, a Customs Revenue of £560,584, being an increase of £62,340 on the preceding year, of which sum £20,706 was due to the increased tariff.

The other ports produced a total Customs Revenue of £414,471 for the year 1885-6, showing an increase of £639 only on the preceding year, notwithstanding that £19,883, included in the foregoing revenue, was derived from increased duties under the amended tariff collected at these ports.

Border Customs yielded for the year 1885-6 £29,639, being an increase of £4,550 on the preceding year's receipts, of which amount about £1,000 was due to the new tariff.

It may be interesting to hon. members to learn that the total quantities of Spirits—comprising brandies, whisky, geneva, old tom, cordials, and other spirits—which paid duty at the Custom House during the year 1885-6 amounted to 563,002 gallons as against 582,578 gallons duty paid in 1884-5,—the year just terminated showing an average annual consumption of 1.75 gallons per head of our population, or, excluding women and children, of 7 gallons per head of our estimated male adult population.

A slight decrease in consumption of Wines, amounting to £1,565, and in Tobaccos and Cigars to the extent of £1,516, are the only noticeable actual decreases exhibited in Customs duties for the year.

Ad valorem duties yielded during the year £141,635, an increase over the year 1884-5 of £9,524, but as the increased duty on machinery contributed £8,859 to this apparent increase the actual increase during last year under this head amounted only to £665. The contributions of the population of the colony under *ad valorem* duties represented during the year 1885-6 the sum of 8s. 9d. per capita.

Excise duties on Colonial Spirits show an actual revenue of £35,921; an increase of £4,834, or at the rate of 15.5 per cent. on the year 1884-5. This may be considered fairly attributable to the encouragement afforded to local production by the incidence of taxation under the amended tariff of last session falling on the imported article, and is the first indication presented for several years past of a revival in the distilling industry. And this may be further corroborated by the fact that the total quantity of proof spirits distilled during the year ended 30th June, 1885-6, was 159,122 gallons, as against 133,768 gallons manufactured during the previous year, while the quantities of rum imported during the same periods were as follow:—

Year 1884-5	...	...	57,559 gallons
" 1885-6	...	...	36,458 "

The Excise Duty on Colonial Beer, which came into operation on the 1st of October, 1885, has, as before stated, produced a revenue for the last nine months of the financial year 1885-6 to the extent of £19,653. The beer duty cannot, however, be assumed to have come into full operation much before December last, inasmuch as the breweries had, in many instances, cleared out all stocks immediately preceding the date on which the excise was to be collected.

The Export Duty on Cedar receded during the year 1885-6 from £926 received in the preceding year to £412—a decrease of £484, or at the rate of 52.3 per cent., doubtless owing, to a certain extent, to the long-continued drought, which prevented cedar, felled in the remoter scrubs, from being transported to the coast.

The total amount of Excise received for the year represented £56,016, as against £32,014 in 1884-5—an increase, largely owing to the beer duties, of £24,487, or at the rate of 74.9 per cent.

The total amount produced by Customs and Excise during the year 1885-6 under notice represents, on the basis of population, a contribution of £3 6s. 1d. per capita.

The Stamp Office produced during 1885-6 a revenue of £121,006, of which £86,448 was derived from impressed, and £34,557 from sale of adhesive stamps, being an increase over the year 1884-5 of £15,440, or at the rate of 14.6 per cent.

The value of impressed stamps issued during the year 1885-6, amounting, as before stated, to £86,448, showed an increase of £10,594 on the preceding year.

The principal contributories were:—

	June 30, 1885.	June 30, 1886.
Mortgages	£20,498	£20,728
Releases	905	1,088
Conveyances	18,151	25,258
Letters of administration	6,809	6,444
Bank note circulation	17,911	18,938
Cheques	8,983	10,304
Transfers of runs	573	641
Agreements, leases, &c.	815	998
Patents	229	900
Policies of insurance	388	438

Licenses produced during the year 1885-6 £47,552, being a reduction of £3,179, or at the rate of 6.2 per cent. on the year 1884-5.

This decrease is wholly due to some delay which, under the Licensing Act of 1885, must necessarily arise in transmission of the fees paid to clerks of petty sessions by licensed victuallers on or before the 30th June, formerly paid direct to the Treasury. The apparent decrease under this head has been fully covered by payments since received.

The total amount derived from Taxation during the year 1885-6 represented £1,229,329, being an increase of £103,793, or at the rate of 9.2 per cent. on the previous year, falling short however, by the sum of £31,671, of the estimate for the year, which, including new duties, was framed at £1,261,000. The contribution to this head of revenue for the year ended 30th June, 1886, represented £3 16s. 7d. per capita of population; the previous year furnished £3 12s. 7d. per head.

When the condition of the country during the past year is borne in mind, it may be safely alleged that no other British community contributes so largely to the necessities of the State, or feels so little, either individually or collectively, the pressure of the contribution.

Territorial Revenue, including mining occupation, produced during the year 1885-6 the sum of £600,984, being about the same result as was obtained in the preceding year, notwithstanding considerable divergence in several of the contributories. The estimate for the year was not fulfilled by £52,016.

Sales of Land by Auction produced £91,758, an increase of £48,619 over the preceding year; while Sales by Selection showed a decrease of £9,018 on the corresponding period of the previous year, and Sales by Pre-emption had wholly disappeared.

Pastoral Occupation produced for the year 1885-6 £268,568, an increase of £9,660, or at the rate of 3.7 per cent. on the preceding year. Occupation licenses, under the Act of 1884, contributed £1,891 to the foregoing amount.

The revenue derived from Rents of Homesteads and Conditional Selections declined, as was to be expected, during the year 1885-6, the total receipts being £198,419, as against £236,549 received during the preceding year—a decrease of £38,130, or at the rate of 16 per cent.

Rents under the Act of 1884, notwithstanding the rigorous conditions of the season through which we have passed, produced £3,707; while Timber Licenses and other receipts produced £10,012, an increase of £3,929, or at the rate of 64.6 per cent. on the financial year 1884-5.

The revenue, amounting to £16,548, contributed during the year by Mining Occupation, shows that important industry to have maintained a highly satisfactory position, exhibiting an increase of £3,300, or at the rate of 24·9 per cent. on the preceding year. This continued prosperity and improvement appears, however, to have been chiefly confined to the established goldfields of the colony. The rents derived from mineral selections have almost disappeared during the past year, but it is to be hoped that with the encouragement afforded by the legislation of the present session a fresh stimulus will be given to mining enterprise, and that with the re-expansion of this industry the licenses, rents, and royalties therefrom may form in the immediate future no insignificant portion of the public revenue.

Turning to Receipts from Public Works and Services, the total revenue derived therefrom during the year 1885-6 amounted to £870,087, an increase in the total proceeds under this head furnished by the preceding year of £15,554, or at the rate of 1·8 per cent., but falling short of the estimate for the year by £111,413. The public contribution to this head of revenue represented in 1885-6 an average of £2 14s. 2d. per capita, as against £2 15s. 1d. furnished by the year 1884-5.

The Railway Revenue has fallen far short of the estimated results, producing for the year 1885-6 £668,619, an increase of only £4,084 on the previous year, and £109,381 short of the estimate. This unsatisfactory result has been to some extent brought about by a reduction of freights, but chiefly by the prolonged continuation of the drought. I would direct the attention of hon. members to the new Table R portion of the Treasury tables which have now been distributed, and which contains very full information and an interesting analysis of the workings of the different railway lines during the last three years.

The Southern and Western Railway Line produced during the year 1885-6 £360,654, being a decrease on the preceding year of £2,383, or at the rate of 5·3 per cent.

The Central Railway throughout the year exhibited considerable fluctuations in its receipts. Commencing the first quarter of the year with an increased revenue of £14,847 on the corresponding period of the financial year 1884-5, this increase had accumulated by the end of the first six months of the financial year—namely, on 31st December, 1885—to £21,199, or an advance of 32·2 per cent. on the previous year. The following quarter, however, showed a decrease to the extent of £18,164; and on the 30th June, 1886, the whole increase in the year's transactions amounted only to £366.

The Northern Line has maintained its character for remunerativeness, having yielded £94,253 during the year 1885-6, showing an increase of £18,161, or at the rate of 23·8 per cent. on its predecessor.

Postage Revenue received for the year 1885-6 amounted to £100,682, being an increase of £6,882, or at the rate of 7·3 per cent. on the preceding year, and in excess of the estimate by the sum of £682.

Electric Telegraph Receipts produced for the year 1885-6 £80,901, an increase of £5,507, or at same rate of increase as the Post Office on the previous year, and surpassing the estimate by £901.

Harbour and Light Dues yielded for the year £16,053, and Marine Board Receipts £2,289, both services being slightly in excess of the year 1884-5. The Graving Dock, however, produced £862, little more than one-half of the previous year's receipts, which may be accounted for by

the circumstance that the dock was largely availed of during the year 1885-6 for overhauling the ships of the Defence Force, dredge plant, and other vessels belonging to the Government, which services yield no direct or apparent revenue to the State.

Under the head of "Other Receipts," embracing fees of office, fines and forfeitures, and miscellaneous receipts, which yielded £167,893 for the financial year 1885-6—an increase of £27,886 over the previous year—the following principal increases may be noted:—

The Registrar of Titles' Office produced £15,202 for the year under review, an increase of £2,613, or at the rate of 20·7 per cent. on the previous year. Certain balances in intestacy, amounting to £6,218, appear for the first time in the revenue receipts.

Interest on Loans to Local Bodies amounted during the year 1885-6 to £36,952, an increase of £8,888, or at the rate of 31·6 per cent. on the preceding year.

The amount of loans at the present time to local authorities stands as follows:—

Municipalities	£728,080
Divisional boards	70,644
Grammar schools	2,000
Total	£800,724

Interest on the Public Balances deposited in the banks received during the year 1885-6 amounted to £67,530, an increase of £12,571, or at the rate of 22·8 per cent. on the year 1884-5.

On the other hand, the fees receivable for Letters of Registration have declined from £1,132 received in 1884-5 to £50 only during the whole of 1885-6; and other Miscellaneous Receipts have receded from the revenue produced in 1884-5—namely, £16,148—to £10,625, which constitutes the total yield for the year 1885-6, a decrease at the rate of 34·2 per cent.

The total Revenue received during the year 1885-6, amounting to £2,868,294, represents an annual contribution of £8 18s. 7d. per capita of our present population based on the Census returns of 1886.

I now turn to the Expenditure for the year 1885-6, which amounted to £3,037,030, an increase at the rate of 12·9 per cent. on the preceding year, or including the payments, amounting to £53,129, made from the Special Supplementary Appropriation, representing a total expenditure out of the Consolidated Revenue of £3,090,159, an increase at the rate of 9·5 per cent. on the previous year 1884-5.

Endowments to Municipalities increased from £47,518, paid during 1884-5, to £63,779 expended during 1885-6, an increase at the rate of 34·2 per cent.

Divisional Boards, which received as endowment in 1884-5 the sum of £115,003, received £138,399 in 1885-6, an increase at the rate of 20·3 per cent. A considerable portion of this large increase in the payments to Local Authorities, amounting when united to £39,657, is represented by claims for endowment on health rates collected by the local authorities under the provisions of the Health Act of 1884.

During the year 1885-6 the following payments have been made by way of endowment on these rates:—

Brisbane Municipality ...	£12,044
Mackay " ...	682
Bundaberg " ...	623
Woollongabba Divisional Board	1,786

and for the year 1886-7 on which we have entered considerably larger claims will probably be made, inasmuch as Rockhampton, Sandgate, and other districts, having brought themselves within the operation of the Act, will be future claimants.

The Interest on the Public Debt amounted during the year 1885-6 to £811,565, an additional appropriation to the extent of £79,430 as compared with the previous year.

In the Executive and Legislative Department, expenditure for the year 1885-6 has been well maintained within the lines for the preceding year. The new item of Expenses of Members of the Legislative Assembly represented an increased expenditure to the end of the financial year 1885-6 of £6,741—inclusive of which the whole expenditure of the Department amounted to £25,443 for the year, an increase of £6,221, or at the rate of 32 per cent. on the year 1884-5.

The Colonial Secretary's Department expended during the financial year 1885-6 the sum of £541,190, an increase of £75,254, or at the rate of over 16 per cent. on the previous year.

This large increase in expenditure has been caused by several departments of the Public Service, requiring additional appropriation beyond the amounts granted for the requirements of the year 1884-5.

The Registrar-General expended during 1885-6 the sum of £14,222, an increase of £6,917 on the preceding year, occasioned by the preparation of the Census returns.

The Police required £141,354 during 1885-6 as against £136,757 for the year previous—an increase of £4,597; while Petty Sessions expended in 1885-6 £35,290 as against £31,004 in 1884-5, an increase of £4,286.

The vote for steamers "Lucinda" and "Otter" absorbed £23,947 in 1885-6, an apparent increase of £17,008 on the previous year, but really caused by a transfer from the Defence Loan vote, to which account the purchase of the "Otter" had in the first instance been charged.

The Defence Force and Marine Force expended conjointly during the year 1885-6 the sum of £53,826, an increased expenditure on the preceding year 1884-5 of £20,144, or at the rate of 60 per cent.

Charitable Allowances were made during 1885-6 to the extent of £54,477, an increase of £4,857 over the preceding year; and payments on account of the Royal Commission appointed to inquire into the introduction of the New Guinea islanders were made to the extent of £4,305 during the year just terminated, in addition to the sum of £2,121 paid in the year 1884-5.

The Payment of the Award to Employers of Returned Pacific Islanders represented £20,555, and payments on account of the Indian and Colonial Exhibition for the year 1885-6 amounted to £8,149. Some of these payments have been a charge upon the Treasury unforeseen at the passing of the Estimates for 1885-6.

Notwithstanding the large expenditure arising out of the proceedings of the Royal Commission, and the return of New Guinea Islanders to their native islands at a total cost to the State of £27,044, I am sure this disbursement will not be grudgingly measured by its mere pecuniary extent, but will be regarded with satisfaction by all who desire to see the colony fully relieved of the stigma of having even tacitly assented to the irregular system of recruiting which, unfortunately, led to the introduction of these islanders into our territory.

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The Administration of Justice expended during the year 1885-6 the sum of £32,643 as against £36,069 disbursed in 1884-5, a retrenchment of £3,426, or at the rate of 9·4 per cent. on the preceding year.

The Department of Public Instruction expended £210,564 during the year 1885-6, being an excess of £23,307 over the preceding year, or at the rate of 12·4 per cent. Expenditure on the erection and maintenance of State Schools fully represented this increased payment. The new work of the department during the year 1885-6 comprised the opening of 21 additional State schools, with pupils on the rolls amounting to 2,622, and an average attendance of 1,866 children. The expenditure on these schools has been £10,788, of which £6,145 was on account of buildings, and £4,643 for salaries. Thirty additional provisional schools have also been opened, with 690 pupils on the rolls, and an average attendance of 464, the expenditure on which has been £1,229 exclusively for salaries. The total for the year 1885-6 represents, therefore, 51 new schools, enrolling 3,312 pupils, with an average attendance of 2,330, and at a total increased cost of £12,017.

The Colonial Treasurer's Department expended £141,643 during the year just terminated. The expenditure during 1884-5 amounted to £139,228. The increased payments, amounting to £2,415, made during 1885-6, represented augmented expenditure over the preceding year at the rate of 1·7 per cent., and arose from the formation of an inspecting staff for breweries under the Beer Duties Act of last year; increased expenses connected with the Border Customs, through the severity of the season, and the formation of additional stations; and, finally, by payments for the construction of the Milton Swamp drain, which have been charged to the Colonial Treasurer's vote for Miscellaneous Services. The proceeds of lands sold in this locality during the year, and placed to the credit of territorial revenue, have provided ample funds to recoup this expenditure.

The Department of Public Lands expended during 1885-6 the sum of £125,593; the expenditure for the preceding year amounted to £104,191. The increase of expenditure for the year just terminated represented £21,402, or at the rate of 20·4 per cent. Payments connected with the division of runs and survey of land, in anticipation of selection and lease, represent conjointly this augmentation of expenditure.

The Department of Public Works and Mines expended during 1885-6 the sum of £580,063, being an increase on the preceding year of £85,340, or at the rate of 17·2 per cent. The principal portion of this large increase is connected with the Railway Department.

The expenditure on Buildings amounted during 1885-6 to £69,166, an increase of £17,535, or at the rate of 33·9 per cent. on the preceding year.

On Roads an expenditure of £11,199 was made during 1885-6, an increase of £3,760 on 1884-5; while the Mines Department required £20,886 for the service of the year 1885-6, an increased rate of expenditure representing £3,734, or 21·7 per cent. on the preceding year.

The total expenditure on our Railway Lines during the year 1885-6 amounted to £467,340, being an increase of £59,105 on the preceding year. The mileage open for traffic on 30th June, 1886, amounted to 1,438 miles against 1,255 miles available for traffic at the corresponding period of 1885.

The increase of £59,105 before mentioned includes the expenditure for the Mackay Railway of £6,094, and for the Cooktown Railway, £1,638—

together £7,732; which services do not appear in the expenditure for 1884-5, the lines having been only open for traffic on 10th August and 30th November, 1885, respectively.

The Southern and Western Railway required £240,678 for year 1885-6, an increase of £27,434 on the preceding year, or at the rate of 12·8 per cent.

The working expenses of the Maryborough and Gympie line required £32,444 for the year 1885-6, being an increase of £2,552, or at the rate of 8·5 per cent. on the year 1884-5.

The Bundaberg and Mount Perry line expended £10,855 during 1885-6, a decrease of £1,461 on the preceding year. The working expenses, however, notwithstanding this reduction, have exceeded the receipts for the past year by the sum of £1,817.

The expenditure of the Central line during the year 1885-6, amounted to £102,219, an increase of £1,288 on the preceding year, while on the Northern line the expenditure for 1885-6 amounted to £60,015, an increase of £19,016 on the year 1884-5. It will be observed from what I have just stated as well as from the consideration of the very interesting Treasury Table dealing with the financial position of our railways, that while the expenditure for the whole service of this department increased during the year 1885-6 at the rate of 14·5 per cent. on the preceding year, the receipts from the same sources increased only at the rate of a little over $\frac{1}{2}$ per cent.—0·6—for the same period.

It must not, however, be overlooked, that in addition to the Cooktown and Mackay Railways opened during the year, other new sections have also been completed and opened for traffic. And as the equipment and conduct of these new lines require full provision being forthwith made to ensure the safety and convenience of the travelling public, while the estimated revenue therefrom must for a time be an unknown quantity, requiring time and settlement to fully develop its extent, it is obvious that with increasing new extensions the financial aspect of our railways must for some time to come appear in a less favourable light, viewed by actual results, than what they may justly claim as the true position in which they should be regarded. And this remark applies with even more than ordinary force to the Railway Returns compiled at the present time. For not only have the receipts for 1885-6 been placed at a disadvantageous contrast with the previous year by the cause just mentioned, and undoubtedly to a far greater extent by the disastrous season which has prevailed up to the close of the year, but certain concessions in freights have further diminished the results obtained for the past twelve months. Such concessions, however, while showing a temporary deficiency in the Revenue, have been a direct gain to the public, and must not be overlooked in estimating the advantages enjoyed by the community, socially and commercially, in the continued extension of railways over the face of the country.

The Department of the Postmaster-General expended £304,236 during the year 1885-6, being an increase over the preceding year of £21,481, or at the rate of 7·5 per cent., arising from increased requirements for new post and telegraph offices, conveyance of mails, and contingencies.

Expenditure under the head of Special Supplementary Appropriation, to the extent of £53,129, during the year 1885-6, comprised—

Rabbit Prevention	...	...	£8,840
Dredges	...	...	21,277
Buildings	...	...	10,919
Bridges	...	...	12,093

£53,129

and the balances of such Special Supplementary Appropriations still unexpended and outstanding on 30th June, 1886, on account of the respective appropriations were as follows:—

1883-4.		£	s.	d.
Buildings—				
Charters Towers Court-house		2,600	0	0
Rockhampton Immigration				
Depôt	...	4,500	0	0
Rockhampton Supreme Court		3,600	0	0
Toowoomba Lunatic Asylum		9,998	10	0
Other Buildings	...	3,259	1	11
New Dredges	...	13,586	9	2
Bridges—				
Annan, Pioneer, and Ross				
Creeks	...	17,489	8	0
Grants in aid of Bridges	...	720	0	0
1885-6.				
Rabbit Prevention	...	41,160	6	8
Central Sugar Mills	...	50,000	0	0
		£146,913	15	9

The Expenditure for the year 1885-6 from the Consolidated Revenue represents a distribution based on population at the rate of £9 12s. 6d. per capita.

Having dealt with the receipts and expenditure of the Consolidated Revenue during the year 1885-6, I now pass on to the transactions of the Loan and Trust Funds during the same period.

The unexpended balances of the Surplus Revenue Fund, established by the Special Appropriations of 1874 and 1882-3, represent £29,955 after providing for expenditure during the year 1885-6 to the extent of £22,038, as per Treasury Table C, and comprise:—

Dredge plant	...	...	£3,924
Harbours and Rivers	...	...	1,800
Lighthouses	...	...	574
Buildings	...	...	23,410
Defence, etc.	...	...	247
			£29,955

The condition of the Loan Fund as shown in Table D next claims attention. Loan Account on the 30th June, 1885, possessed a credit balance of £491,478. During the year 1885-6 the account has been replenished by the proceeds of sale of inscribed stock, portion of the £9,980,000 loan of 1884, the first instalment of which, amounting to £2,500,000, was sold in London on 15th May, 1885, and the second instalment of £1,500,000, sold on the 11th March, 1886.

The net proceeds of the first instalment of £2,500,000 represented £2,432,814, further reduced by brokerage, commission, and other expenses of sale to £2,397,924, being equal to £95 18s. 4d. per cent. net. The second instalment of £1,500,000, sold as inscribed stock in last March at an average of £105 7s. 9d., produced the gross sum of £1,580,850, of which amount £945,000 had been received up to the end of the financial year 1885-6.

The last sale was conducted on the basis of the sale of the first instalment, under which the terms announced were—

- 5 per cent. deposit on application;
- 10 per cent. at 18 days;
- 20 per cent. at 63 days;
- 20 per cent. at 102 days;
- 20 per cent. at 147 days;
- 25 per cent. at 189 days;

subject to a discount, if paid before these due dates, at the rate of 3 per cent. per annum.

It will be observed from what I have just said that the final payments of the last loan sales may

not be received until the 16th of September proximo; consequently I am unable at the present time to state the net realisation of this instalment; but as the stock advisedly bore interest from 1st January, 1886, the Government decided to defray the interest accrued on 30th June, 1886, from the proceeds of sale, therefore the sum actually realised is £103 7s. 9d. per cent. I feel confident that the country is well satisfied with the gratifying price and active demand which attended the offer of this portion of Queensland stock. And not only have I the satisfaction to record in this transaction the highest value ever obtained by the Treasury for Queensland 4 per cent. stocks in the London market, but also to feel that future action whenever necessary is unimpeded by any promise or restriction imposed or suggested by the investor.

And remembering the seasons which have attended the progress of the colony of late, it is a matter of intense gratification to know that the credit of the colony never stood higher in the great financial centre of the world than during the past year, a position which it still continues deservedly to maintain.

HONOURABLE MEMBERS: Hear, hear!

The COLONIAL TREASURER:

I think I may further be permitted to dwell on the solid benefits conferred on the country during the last three years by the loan policy of the present Administration. No one at that time could possibly forecast the advent or continuance of such successively bad seasons as those with which we have been visited. Had the Government been unable during such a period of pressure to pursue an energetic policy of public works, not only would immediate and general distress have arisen through curtailment of public and private expenditure, but the incentives and encouragement to private enterprise being withheld, all industrial pursuits would have felt the cessation of demand, and the earnings and accumulations of the people generally would have suffered severe restriction and diminution.

And it may further be truly urged that while the action of the Government in boldly inviting the confidence of British capitalists to invest to an unprecedentedly large extent in Queensland securities has immeasurably advanced the material interests of the colony, it has also encouraged local enterprise and growing industries to look to British capital for financial succour and development—to look outside the colony for cheaper and more abundant money than can be obtained within; so that the circulation and capital of our financial institutions may not be diverted from their legitimate functions—namely, promoting the local trade and commerce of the country within proper and judicious safeguards.

The Expenditure out of Loan Fund during the year 1885-6 amounted to £1,923,014, an increase of £357,986 on the preceding year, representing a distribution of nearly £6 per capita of population, and forming the largest annual loan expenditure which has yet appeared in the Treasury records.

Such expenditure, however, has been chiefly directed to the construction of reproductive works; railway extensions having absorbed during the year 1885-6 £1,311,358; loans to local authorities for municipal improvements and water supply, which are repayable by annual instalments under the provisions of the Local Works Loans Act of 1880, £119,932; electric telegraph extensions, £78,998. While on services which, though not directly reproductive yet greatly tend to improve the condition

of the country and eventually enlarge its productive powers, may be mentioned:—Immigration, £179,090; water conservation and storage, £46,071; harbours and rivers, £130,117.

In the Loan Account, unforeseen expenditure to the extent of £64,153 has been incurred on account of over-expenditure in construction of the railway line, Mackay to Eton and Hamilton, £59,662, and Ravenswood Junction to Ravenswood, £4,491, no provision for these services having previously been made by Parliamentary Loan Appropriation.

In addition to the foregoing, the duplication of the line between Brisbane and Ipswich has exceeded the Loan Appropriation of 1884-5, amounting to £85,000, by a further sum of £65,000, which is required to complete this service.

The Government consider that any necessitated over-expenditure on Loan Account should be sanctioned by Parliament at the earliest opportunity, and therefore a vote will be immediately submitted for the whole of the beforementioned amounts representing a total of £129,153, to be covered by further formal authority when necessary pending the amount being recouped to the Treasury in such manner as may hereafter be determined upon.

The balance at credit of Loan Fund on 30th June, 1886, amounted to £1,998,148, with a dependency of about £550,000 to be received as balance of last sale of inscribed stock.

The total Debt of the Colony now amounts to £20,820,850, of which £8,366,900 is represented by inscribed stock in the Bank of England, and the balance, £12,453,950, by debentures. The balance of loan authorised but not yet negotiated amounts to £5,730,000.

The Savings Bank Account is shown in Table E. Deposits to the extent of £1,204,648 were received during the financial year 1885-6, while withdrawals were made during the same period representing £1,145,665, showing an improvement of £58,983 during the year in the amount of deposits. The Savings Bank Assets amount to £1,337,662, and are held as follows:—

Queensland National Bank—			
Drawing Account	...	...	£21,463
Fixed Deposits	...	...	175,000
Bank of New South Wales—			
Fixed Deposits	...	...	200,000
Government Debentures	...	...	940,499
Mortgages	...	...	700
			£1,337,662

Notwithstanding the trying season, the position of the Bank continues to improve, and acts both as a convenience to the public and an incentive to thrift, the number of depositors having increased from 35,027 on 30th June, 1885, to 37,450 on 30th June, 1886; the amount of deposits showing an increase from £1,254,815 on the former date to £1,315,326 at the end of the financial year 1885-6; the latter amount representing a contribution of £35 2s. 5d. per head of deposits, and of £4 1s. 11d. per capita of population. The securities of the Savings Bank, which on the books stand at £940,499, represent a par value at maturity of £975,800.

It may further interest hon. members to learn that the deposits received in London by the Agent-General from intending emigrants to be transmitted to their credit in the Government Savings Bank in Queensland amounted during the financial year 1885-6 to £23,863, as against £22,593 similarly remitted during the preceding year.

The total amount of the Public Cash Balances on 30th June, 1885-6, represented £2,604,355, disposed of as follows:—

Queensland National Bank, London	£978,355
Agent-General, do	73,091
Total in London	£1,051,446
Queensland National Bank, Brisbane	£452,909
Australian Joint Stock Bank, Brisbane	100,000
Bank of Australasia, Brisbane	100,000
Commercial Bank of Australia, Brisbane	100,000
Union Bank, Brisbane	300,000
London Chartered Bank, Brisbane	100,000
Mercantile Bank, Brisbane	100,000
Bank of New South Wales	300,000
Total in Colony	£1,552,909
Total available Cash Balances on 30th June, 1886	£2,604,355
Derived from—	
Consolidated Revenue	£45,238
Loan Account	1,998,149
Surplus Revenue Fund	29,955
Trust Account	158,592
Government Savings Bank	372,421
	£2,604,355

As per Table H.

Table G exhibits a comparative statement of the Cash Balances at the termination of the financial years 1884-5 and 1885-6, from which it will be observed that the total transactions of the Treasury during the past financial year embraced over £14,000,000. Tables I and J represent the Unexpended Balances of Votes and Appropriation outstanding from the year 1885-6.

Table K deals with the Consolidated Revenue Receipts and Expenditure from the foundation of the colony to the 30th June, 1886. The receipts have amounted to £32,208,916, while the expenditure represents for the same period £32,163,677—the difference being the surplus of £45,238 at credit of the Consolidated Revenue at the end of the financial year 1885-6.

I now proceed to deal with the second head of my subject—namely,

THE ESTIMATED REVENUE AND EXPENDITURE FOR THE FINANCIAL YEAR 1886-7.

The appearance of the Estimates for 1886-7 will, I doubt not, have evoked from hon. members expressions of surprise; but I think that full consideration of the present financial position of the colony, and of the gradual recuperation which genial seasons will undoubtedly accelerate, but which, nevertheless, must take a certain amount of time to accomplish, will convince hon. members that, while there are no solid grounds of apprehension whatsoever concerning the soundness and well-doing of the country, the present is a time when the Treasurer should look the financial position fully in the face, and not flinch from the duty—disagreeable though it be—of pointing out where deficiency of revenue may occur, and of making due provision for the possibly tardy re-appearance of that fuller prosperity which, I am glad to feel, has been in the past the general condition of the Treasury, and of all classes of our fellow colonists throughout Queensland. The Estimates for the year 1886-7, when examined, will therefore show hon. members that, notwithstanding the expenditure of the departments has been repressed

as far as is consistent with the efficiency of the Public Service, and increases in salaries have been, as a rule, disallowed, an estimated deficiency, amounting to £69,135, has to be regarded as the probable outcome of the operations of the financial year on the 30th June, 1887.

The Estimated Revenue for the year is stated at £3,000,500, while the Estimated Expenditure appears as £2,198,070 for the Departments, and £871,565 for interest to the public creditor, forming a total of £3,069,635; thus showing an estimated deficiency for the year of £69,135. Before dealing with the means whereby Government intend to provide for this deficiency, I shall proceed to consider the Estimate of Ways and Means for the year.

Taxation is assumed to produce £1,300,000, being an estimated increase of £70,671 on the preceding year, which again produced under this head of revenue £103,793 more than its predecessor. It must be borne in mind, however, that £40,463 of this increase obtained in 1885-6 was furnished from new duties imposed during the year.

The Custom House is estimated to provide during the year 1886-7 a revenue of £1,050,000, an increase of £45,246 in the receipts of 1885-6, which in its turn produced an increase of £67,529 on the financial year 1884-5. We may, however, fairly anticipate that, with the change in seasons and the inducements to enterprise and capital thereby afforded to resume active operations in the interior, and, indeed, throughout the colony, a considerably increased consumption of all classes of dutiable goods will immediately ensue, and therefore I think the very moderate estimate of Customs Revenue which I have adopted for the present year will commend itself to the approval of hon. members.

Excise and Export Duties are assumed to produce for the year 1886-7 the sum of £70,000, being an increase of £13,984 on the preceding year, which in its turn furnished an increase of £24,002 in 1884-5, of which sum, however, £19,653 was derived from the excise on beer. Having regard to the fact that considerable activity prevails amongst the distilleries through the differential tariff now operating in their favour, and further, to the circumstance that the excise duty on beer may be said to have only contributed to revenue for seven months of the last financial year, I feel justified in assuming the moderate increase before mentioned as an estimate capable of fulfilment during the present financial year.

Stamp Duty is estimated to produce for the financial year 1886-7 £130,000, an increase of £8,994 on the actual receipts of 1885-6, which in its turn showed an increase of £15,440 on its predecessor.

With increased activity in financial and monetary transactions, I see no reason to apprehend any deficiency in the attainment of the comparatively small increase under this head of revenue which I have estimated for 1886-7.

The estimate of Land Revenue for 1886-7, it may be at once admitted, cannot be framed with the same confident expectation of fulfilment. The policy of the Government in their land administration being to conserve the public estate for the benefit of the people of the colony, both in the present and in the future, the Treasury is now debarred from the supplies which were so easily and summarily obtained in the past from large proceeds of lands sold by auction.

Even with the most favourable seasons the revenue now accruing from our real estate must necessarily exhibit great defections from the results

obtained in former years under the facilities then existing of replenishing Treasury exigencies in the manner I have just indicated; and such deflections have necessarily been aggravated by the inclemency of the late seasons, which absolutely forbade or denied, in some parts of the colony at least, the practical operation and benefits of the Act to the intending agriculturist or grazier. We have, however, now every reason to believe that the present year will witness an increased activity in land selection, which has been held in abeyance through the causes I have just mentioned since the Land Act was passed in 1884.

That the Land Act hitherto has not equalled expectations may fairly be attributed to the inclemency of the seasons. At the same time it must undoubtedly be admitted that, in the present condition of the country, a considerable period must further elapse before it can be justly regarded as a material auxiliary to the annually increasing necessities of the Treasury. The harvest may be a rich and abundant one in the future, but time must be allowed for the seed to germinate.

As the proceeds of Auction Sales are now confined to sales of town and suburban properties, the estimate for 1886-7 is framed at £60,000, being well within the results of 1885-6, during which year £91,758 was obtained from this source.

The Rents from Homesteads and Conditional Selection Purchases under the Act of 1876 are estimated to produce £175,000 during the year 1886-7. These may be increased by payments made in advance to secure freeholds should the seasons prove favourable to field industries.

Under the Act of 1884 the Rentals estimated to accrue during the financial year 1885-6 from Grazing Farms and Selections, etc., amount to £20,000. The expectations of last year having been so largely unfulfilled, it must be admitted that this sum is but a matter of conjecture, and will wholly depend upon the encouragement offered by the seasons to land occupation and settlement.

Survey and Transfer Fees and Timber Licenses and Royalties are set down as estimated to produce £15,000 each for the year 1886-7. Pastoral Occupation is assumed to provide £270,000 for the financial year 1886-7, an expected increase of £11,834.

Mining Occupation and Business Licenses and Other Receipts are estimated to yield for the financial year 1886-7 the sum conjointly of £17,000. The actual receipts of the preceding year amounted to £16,548, or an increase of £8,300 on the revenue furnished under this head by the year 1884-5. As the mining industry still remains prosperous, I see no reason to doubt the fulfilment of the estimate for the present year.

The total Territorial Revenue is estimated to yield £585,500 for the financial year 1886-7, being a decrease of £15,484 on the actual receipts of the year just terminated.

Turning to the expected produce from Public Works and Services, hon. members will observe that the total estimated receipts for 1886-7 amount to £957,000, or an increase of £86,913 over the revenue of the preceding year 1885-6.

Railway Receipts, which form the principal portion of these services, present considerable difficulty in arriving at a fair estimate for the year. The general depression throughout the country, which the long-continued disastrous drought has effected on the one hand, and the belief and hope in the recuperative powers of the country and the general improvements which may reasonably be expected to ensue with the breaking up of the

drought, present subject-matter for consideration of a conflicting character, which may fairly afford grounds for hesitation in asserting positively that the estimate of £740,000 as the probable receipts of our railway lines will be fulfilled during the year 1886-7.

But when it is borne in mind that 40 miles of additional length will probably be opened for traffic during the present year on the Southern and Western Railway, 26 miles on the Maryborough line, 33 miles on the Central, and 28 miles on the Northern—in all, a total of 127 miles of new lines—I think hon. members will admit that the estimate is framed on a fairly substantial basis of reasonable expectation.

Briefly, I estimate the Southern and Western Line to produce an increase in revenue of £39,346 for 1886-7 beyond the receipts obtained in 1885-6, and only £18,962 in excess of the revenue furnished during the year 1884-5, while 40 miles of additional line are this year to be opened for traffic.

The Maryborough Railway line is assumed to contribute a revenue of £50,000 for the year 1886-7, or an increase of £4,613 beyond the receipts of the year 1885-6, with 26 additional miles of line to be opened for traffic during the present year.

The Central Line is expected to yield for 1886-7 the sum of £170,000, or £16,451 beyond the receipts of 1885-6, with 33 miles of additional length to be opened this year to public use.

The Northern Line is estimated to furnish for the year 1886-7 a revenue of £100,000, or an increase of £5,746 on the preceding year, which showed an increase of £18,162 on the year 1884-5, while 28 miles of additional line are expected to be opened for traffic during the present financial year.

The Mackay and Cooktown Lines of Railway are expected to produce the modest revenue of £6,000 and £4,000, respectively, during the current year 1886-7.

The Post Office Revenue is estimated to produce £110,000 for the year 1886-7, and the Electric Telegraph Department £86,000, being increases of £9,317 and £5,098, respectively, on the actual receipts of the year 1885-6. The total revenue expected to be furnished by the two sources is, therefore, £196,000. When we look at the opposite page of the Estimates and observe that the expenditure of the Post and Telegraph Department is estimated at £342,567, we may note that the taxpayers of the colony contribute about £147,000 (exclusive of interest on Electric Telegraph Loan Expenditure) for the maintenance of this great boon of cheap postage and telegraphy throughout the colony.

Harbour Dues are assumed to amount for the year 1886-7 to £20,000, slightly in excess of the receipts of the year 1885-6; and Escort Fees, £1,000.

Miscellaneous Services are estimated to produce during the year 1886-7 the sum of £158,000, an assumed decrease of £9,894 on account of the public balances now lying at deposit with the banking institutions in the colony, being probably reduced by expenditure during the year.

Directing the attention of hon. members to the probable expenditure from the Consolidated Revenue required for the service of the Government Departments for the year 1886-7, it will be observed that the total appropriation is framed at £2,198,070, showing a decrease of £28,426 on the appropriation for the year 1885-6. The payment of interest on the Public Debt during the year 1886-7 amounts to £871,565, an increase of £60,000

on the preceding year; making thereby the total probable expenditure of the financial year 1886-7 to amount to £3,069,635, or an increase of £31,574 over the appropriation for the year 1885-6.

The Schedules disclose Estimated Expenditure for the year 1885-6 to the extent of £257,433, being an increase of £20,729 on the preceding year 1885-6. This increase is almost wholly due to the increased endowments accruing to municipalities and divisional boards under increased assessments for the present financial year.

The Department of the Colonial Secretary requires appropriation to the extent of £444,107 for the service of the year 1886-7, a decrease of £12,711 when contrasted with the year 1884-5, chiefly arising from the circumstance that large expenditure under the head of "Miscellaneous," necessitated by the exigencies of last year, do not need repetition during the present year.

The Department of Justice requires appropriation for the services of the year 1886-7 to the extent of £33,517, being an increase of £1,020 over the provision for 1885-6.

The Department of Public Instruction is content with an appropriation of £195,063 for the service of the year 1886-7, a reduction of £6,703 on the preceding year.

The Colonial Treasurer's Department requires appropriation to the extent of £169,387 for the service of the year 1886-7, a reduction of £6,551 on the appropriation for the financial year 1885-6, the decrease being effected chiefly through services provided for during the preceding year not needing renewal.

The Department of Public Lands asks appropriation to the extent of £107,254 for the service of the year 1886-7, thus showing a decrease to the extent of £27,420 on the preceding year's requirements.

As large areas of lands have now been surveyed ahead of public requirements, Government have not deemed it necessary to maintain the largely extended provision for licensed surveyors which appeared in the Estimates for 1885-6—an abnormally large appropriation, framed with a view to give early effect to the conditions of settlement under the Crown Lands Act of 1884; and, in consequence of this determination, a curtailment of expenditure to the extent of £22,000 is anticipated.

The provision under the head of "Reserves" has also been reduced on a uniform scale, as far as practicable, by the sum of £2,925. These two items represent the principal features of retrenchment in the Lands Department.

The Department of Public Works and Mines requires appropriation for the year 1886-7 to the extent of £68,903, being a reduction of £51,081 on the authorised provision for the preceding year. The reduction of expenditure is apparent in the departmental arrangements, in Buildings and in the Mines Department, in connection with which, however, it may be interesting to note that provision appears on the Estimates for two mineralogical lecturers, whose labours, it is to be hoped, will contribute to a fuller and more exact knowledge of the conditions under which mining enterprise in this country may be extended and prosecuted with greater certainty of satisfactory results.

The Railway Department, the most extensive and rapidly increasing service of our Public Works, presents an estimate of expenditure for the year 1886-7 requiring appropriation to the extent of £548,221, an increase of £31,612 over the authorised expenditure for the preceding year. I have already dwelt at some length on

the position of our railways, and need only further remark that the foregoing estimated cost of working expenses will contrast favourably with the similar expenditure during the years 1884-5 and 1885-6—railway working expenses for the financial year 1884-5 showing an increase of £89,119 over 1883-4, and 1885-6 showing an increase of £59,105 over 1884-5.

The increased appropriation required during 1886-7 for working expenses of railways may be summarised as follows:—

Southern and Western	...	£5,340
Central	...	9,945
Northern	...	13,765
Mackay	...	3,405
Cooktown	...	1,430
Chief Engineer, Northern and Carpentaria Division	...	1,200

While in the General Establishment a reduction of expenditure to the extent of £3,200 is noticeable.

The Postmaster General's Department requires appropriation for the year 1886-7 to the extent of £342,567, an increase of £22,590 over the authorised provision for the preceding year 1885-6.

This increased appropriation is due to the additional extent of postal and telegraph services to be maintained during the year 1886-7, amongst which may be mentioned the considerable cost entailed by the erection and working of that important line of telegraph now being constructed through Cape York Peninsula to Thursday Island.

The Auditor-General's Department requires appropriation for 1886-7 to the extent of £6,195, an estimated increase of expenditure of £516, necessitated by increased duties of audit throughout the colony, not only in connection with public offices, but with local authorities also devolving on the department. The appropriation for Loan Salaries is based on the requirements of the services of the year 1885-6, subject, however, in the Railway Loan Estimates to such departmental changes as are necessitated through the re-adjustment by the Railway Department of the Southern and Central and of the Northern and Carpentaria Divisions recently placed under the control of the respective Chief Engineers.

Having now arrived at the conclusion of my statistical labours connected with the financial transactions of the colony during the year 1885-6, and expectations for the year 1886-7, I may be permitted, before entering on the third head of my subject, to refer to certain misrepresentations concerning the actual condition of the Treasury, evidently directed and inspired by political bias, with a view to disparage the administration of the finances of the colony under the present Government, by contrasting with their results the fiscal policy of their predecessors; inaccurate statements which have been of late so sedulously asserted in the colony and on a former occasion in Great Britain that I feel justified in noticing more fully than its intrinsic importance otherwise merits a criticism which has lately appeared in one of the local papers (I need scarcely add continuously hostile to the present Government), whose arguments are based on one of the tables connected with the Financial Statement of last year. The same table, K, is reproduced in an extended form in this year's Treasury Tables, now in the hands of hon. members. The writer says:—

"From Table K, published in 'Votes and Proceedings' of last year, we gather some instructive particulars as to the public revenue and expenditure. During the first and second years of the colony's existence—1859 and 1860—the combined deficits amounted to £3,728, which was almost balanced by the surplus of £2,442 in 1861. During the two following years the finances went to the

bad to the extent of £69,000. In 1864 there was a trifling deficit of £70, but in 1865 this was succeeded by a surplus of £23,000. Then came the crash of 1866, with a deficit of £201,000, and the four following years each showed deficits—so much so, in fact, that in 1870 the finances were £362,000 in arrear. Then the Palmer Government, with Mr. Joshua Bell as Treasurer, appeared upon the scene, and they, in 1872, wiped out the deficit by transferring £350,000 from the Loan Fund. But in the three years' tenure of the Palmer Government the finances were more than restored, for the aggregate surplus on the three years' term was £691,697"—

The writer is here inaccurate, the correct figures being £649,697.

"or, deducting the amount taken from Loan Fund, a net surplus of nearly £345,000."

Another error, the correct figures being £299,697.

"Then, 1874, the Macalister Government, with Mr. Hounnatt as Treasurer, came in, and their first year ended with a deficit of £201,000, the first half of their second year with £32,000, and the year following with £51,663. Then the reconstruction brought Mr. Dickson into the Treasury, and he closed his first year, 1878-7"—

I presume the writer means "1876-7."

"with a surplus of £68,000, and his second year with a surplus of £15,000. The following year, in the seventh month of which Mr. Dickson went out of and Mr. Mellwraith entered upon office, there was a deficit of £266,000."

The correct figures are £19,193 only.

"Mr. Mellwraith failed to make ends meet during his first seventeen months of office, but at the end of 1880-1 he had restored the balance by withdrawing £382,000 from the Railway Reserves Fund and transferring it to revenue; and at the close of 1882-3 he had accumulated surpluses aggregating £796,000"—

Again incorrect, the true figures being £550,600.

"or, deducting the amount transferred from Railway Reserves Fund, a net surplus on the three years of £114,000."

The credit balance of the Treasury on 30th June, 1883, amounted to £311,594.

"In November, 1873"—

I presume "1883" is intended.

"Mr. Dickson again took charge, and he closed that financial year with a surplus of £55,000. The next year showed a deficit of £99,000, and the next, ending 30th June last, £222,000. The Estimates-in-Chief laid on the table on Thursday evening show a probable deficiency of £69,000; and this independently of the usual £70,000 to £100,000 of Supplementary Estimates."

I give the whole of these assertions, so far as they relate to administration by Liberal Governments, an unqualified and emphatic denial. The "restoration" of the finances in the Palmer Administration must be read by the light of the 10 per cent. *ad valorem* duties, imposed by that Government in 1870, which will easily account for the finances "being more than restored," and their ability to leave to their successors a credit balance of £240,228—a position, however, not solely obtained by the admitted transfer to revenue of £350,000 from loan, and by the increased taxation under the 10 per cent. *ad valorem* duties before mentioned, but further provided by large proceeds of Crown lands alienated under the Crown Lands Alienation Act of 1868. In 1874, when the Macalister Administration assumed office, they inherited the before-mentioned balance of £240,228, but saddled with a Special Revenue Bequest of £240,000, which amount was immediately withdrawn from the Consolidated Revenue, leaving the actual balance of the Consolidated Revenue on that date £228 only.

One of the first acts of the Macalister Administration in 1874 was to reduce taxation under the head of Customs duties from 10 per cent. to 5 per cent. *ad valorem*. It is needless to point out that a loss of revenue must undoubtedly have been experienced thereby, although the relief to

the taxpayer was considerable. During the bad seasons of 1877 and 1878 revenue consequently declined; and when the late Administration assumed office in the first month of 1879, the Treasury presented a deficiency of £19,192, as per *Gazette* returns—not £266,000, as incorrectly stated.

The Administration of the late Government is eulogised for having during their term of office accumulated surpluses aggregating £796,000. I have before stated that this amount is incorrect, the true figures of the so-called surpluses being £550,600. But how were these acquired? The panegyrist admits that £382,000 was transferred from the Railway Reserve Fund—a fund wholly established, however, by the preceding Government; but omits to point out that the abnormally excessive amount of £718,824 was obtained from forced auction sales of Crown land, and pre-emptives extorted from territorial revenue during the time the late Administration were in power—namely, between January, 1879, and the end of 1883, compared with which the revenue so obtained by the Liberal Administration from 1st January, 1874, to 31st December, 1878, amounting to £290,403, and the still smaller contribution received by the present Government from 1st January, 1884, to 30th June, 1886, representing £192,107, appear insignificant.

The surpluses before referred to include the special appropriation in 1882-3 of £245,000, but no credit is given in the deficits of 1884-5 and 1885-6 for the payments under the same head amounting to £263,000 out of total appropriations to the extent of £410,000.

I may point out that any balance of revenue inherited by the present Government from their predecessors has been permanently appropriated, and, having been expended under Parliamentary instructions, cannot be laid at our door as a charge of extravagance; in addition to which a further special permanent appropriation to the extent of £100,000 has been made by the Government for exigent services.

I think, Mr. Fraser, sufficient has been said to refute the charges of a writer evidently inspired by political rancour, and not thoroughly conversant with his subject. It is but an echo of that malicious attack which, animated by political vindictiveness, dared in London in 1885, although unsuccessfully, to asperse the credit of the colony and depreciate its position as an intending borrower. The present Government have no desire to emulate the fiscal policy of the late Administration in wholesale alienation of Crown lands to relieve the exigencies of the Treasury, nor yet aspire to rival the financial reputation of their predecessors in this direction, considering the permanent welfare of the State far superior to the adoption of a policy of mere convenience, even though attended by the temporary acclamations of a section of the community.

I now proceed to review the present condition of the country, so that hon. members may follow me in duly appreciating the present financial situation, and the powers and prospects of recovery possessed by the colony, which may for a time lie dormant, but assuredly are not extinguished; and recognising the vast importance to the whole community of a return of prosperity to the great pastoral industry of the colony, I have endeavoured to obtain at the present time the most reliable and authoritative opinion on the prospects of the pastoral tenants of the Crown, which, I think, will be received with satisfaction.

It is stated that the outlook of the pastoral industry is very hopeful. There is now abundance of feed all over the colony, and the

promises of a splendid spring are everywhere apparent. The wonderfully rapid growth of herbage, favoured by an unusually mild winter, gives promise of a splendid clip this season.

There is a great demand for store cattle for the southern colonies to stock up country devastated by the late drought, and prices of that description of stock are higher than for many years past and likely to continue so, as New South Wales has, according to official returns, barely $1\frac{1}{4}$ head of cattle per capita of population; whereas the number in Queensland is over 14 head for each man, woman, and child in the colony.

Another hopeful feature is that, great as have been our losses in sheep and cattle, strenuous efforts have been made, and with fair success, to preserve the lives of the best of our breeding stock, and as a consequence, improvement in our general flocks and herds will be more rapid than in the past.

And as a complement of the foregoing, when we read the European telegrams daily published announcing the return to high prices of wool and other staple colonial products in British and foreign markets, it is not assuming too much to anticipate that the disastrous seasons of the immediate past will, in the midst of early forthcoming prosperity, be remembered only for "the uses of adversity," the lessons to be learned from which will perhaps become dimmer in the memory and may possibly cease to admonish as labour and capital become more fully occupied in remunerative pastoral enterprise.

The Mining Industry has been extremely prosperous during the year 1885-6, and continues to maintain its position with a promise of even greater extension during the present financial year. The yield of gold continues undiminished, being, for the six months ended 30th June, 1886, as under:—

	Oz.
Gympie	40,063
Gladstone	1,480
Rockhampton	21,142
Charters Towers	63,580
Etheridge	6,000
Palmer (estimated)	5,000
Hodgkinson	2,173
Ravenswood	2,671
Cloncurry (estimated)	500
Clermont (estimated)	2,000
Various small fields (estimated)	5,000
Total	149,609

And it is stated that the actual yield was probably much larger than I have mentioned, no returns being obtainable from the shareholders of Mount Morgan. Sufficient, however, is adduced to justify the assertion that the gold-mining industry has never been in a more prosperous condition in Queensland, nor yet has had a brighter outlook for the future than it enjoys at present.

The Sugar Industry has throughout 1885-6 made gratifying and unexpected strides in prosperity.

The result of last season's favourable weather for the growth of canes was very satisfactory, rendering by far the largest and best crops that the sugar districts of the colony have yet produced, notwithstanding the various causes that have militated against its success, such as the low prices obtained for the product, which, it was considered, would act as a check to its development.

The number of acres of cane which are estimated to be crushed during this season will not exceed last year's production, as the ratoons—especially in the Mackay district—have suffered considerably from the effects of the drought in

September, October, and November last, and, judging from the approximate returns furnished, will be about 58,500 tons; but, notwithstanding the severe depression in prices in the past, it is assumed by experts that the selling price of sugar will remain at such a figure as will enable growers and manufacturers to realise a fair profit upon their investments.

It is also gratifying to find that, notwithstanding the extremely unpropitious season through which we have passed, the quantity of agricultural produce carried on our Railways from the stations in the chief farming districts compares favourably with the year 1884-5; during the late financial year Toowoomba forwarded 7,404 tons of agricultural produce, furnishing a revenue to the railway, for carriage to destination, of £10,989 as against 5,819 tons in 1884-5 at a cost for carriage of £9,779; Warwick and Hendon (Allora), 3,936 tons for the year 1885-6, railway charges £3,196, which contrasts most favourably with 1,757 tons of produce in 1884-5 at a cost for carriage of £1,199; Rosewood forwarded by rail in 1885-6, 2,087 tons of produce, railway haulage £614, a decrease on 1884-5, which exhibited 3,091 tons with railway receipts therefor amounting to £1,472; Ipswich also shows a decrease for 1885-6, wherein 5,972 tons of agricultural produce were forwarded at a cost of £1,763, whereas 1884-5 showed a total of 7,222 tons, furnishing railway receipts therefor to the extent of £2,725. The prospects of the farmers are now, however, throughout the whole of the agricultural areas of the colony, considerably brighter than they have ever been, and undoubtedly the amount of agricultural produce for this year will largely exceed the results exhibited in any of the past four seasons.

It is further satisfactory to note that the importation of breadstuffs and agricultural produce decreased in value during 1885-6, from £565,465 for the year 1884-5, to £487,743 for the financial year just terminated, showing that local production was approaching its proper position of supplying local demand.

The Imports and Exports of the Colony, as shown in Table S, will, I am sure, prove interesting to the readers.

The value of Imports per head of population declined from £19 10s. 1d. during the year 1884 to £19 5s. 8d. in 1885; while Exports, which in 1884 had shown a decrease on the preceding year, 1883, of nearly half-a-million sterling—£473,696—have recovered to the extent of £393,481 in 1885, advancing from £13 9s. 10d. per capita in 1884 to £14 4s. 11d. in 1885; and this, too, notwithstanding the decline in value of our principal export—wool—the exported value of which had receded from £1,889,504 in 1884 to £1,779,682 in 1885. The compensation for this great deficiency is to be found, however, in the increased exported production of our goldfields, improving from £923,010 in 1884 to £1,119,170 in 1885. Silver ore also shows an increased production exported of £49,572 in 1885 as against £24,756 in 1884, while tin, unfortunately, does not maintain its export value, amounting to £228,457 in 1884, the quantity of ore, slag and smelted, exported in 1885 amounting only to £156,777. Sugar—our third greatest industry—has increased in export dimensions and value, from £454,995 in 1884 to £720,921 in 1885.

It is apparent from the condition of our various important industries, as just shown, that the prospects for the year 1886-7 are sounder and more encouraging than during any previous period of the last four years; but it is a matter of uncertainty as to the precise time when the results of fuller prosperity will be evidenced by Treasury returns. Wealth is being created, but

a certain time must necessarily elapse before that wealth and prosperity appear in a tangible form. Government, having given the position of the colony full consideration, is of opinion that, in face of present circumstances, provision should be made for a possible continuance of restricted revenue during a portion, if not the greater part of, the present financial year. I individually believe that before the end of this financial year revenue will have increased to an extent far surpassing our present anticipations, as disclosed in the Estimates of Ways and Means; but, on the other hand, I must admit a feeling of uncertainty as to actual receipts during its first and second quarters. Stocks of merchandise held in the interior of the colony are unprecedentedly small; and as soon as teams can travel, supplies to a very large extent will have to be pushed out into the interior, and must be still further required through the re-employment of necessary labour in the resumption of improvements, etc. Therefore, with these hopes of promise before us, the deficiency of anticipated revenue for the year 1886-7 of £69,135, as shown in the Estimates, is not a matter to afford ground for serious apprehension, and if it be deemed advisable to ask further assistance from the taxpayers of the colony on account thereof, such demand I contend should not exceed the probable actual requirements of the country under strict economic administration.

To restore the Treasury accounts to a satisfactory condition, two courses are open for consideration—namely, to increase revenue or to diminish expenditure.

I do not conceive that any hon. member will urge at the present time that the Public Works policy of the Government, which has proved the salvation of the country during the drought, should be relaxed.

Government is of opinion that, beyond the reductions shown in the Estimates for the present year, no further diminution of expenditure could be made without seriously impairing the efficiency of the Public Service; but it is also felt that it is desirable to repress a present charge on the Treasury which is gradually assuming large dimensions, and will in the future become a much greater strain on the general taxpayers of the colony.

I have already alluded to the growing extent of endowment paid by the Treasury on the health rates levied by local authorities. During the present year that endowment will probably exceed £20,000, and next year if Government aid be continued the drain will be considerably larger. Government is of opinion that in view of the large and permanent endowment on general rates paid to local authorities the endowment on health rates may fairly be discontinued, and the general taxpayer be relieved by Parliament of the contribution to a service of a purely local character. A Bill dealing with this retrenchment in expenditure will be forthwith submitted to the Legislature.

On reviewing the question of increased revenue it has been deemed well to consider the source from which such increase can be more immediately and conveniently derived, where additional expenses of collecting will not be necessitated, where the least pressure will be felt by the general public, and the contributions be made with the least disturbance to the industrial and commercial pursuits of the community. In addition to which, it is felt desirable that the present assistance being regarded in the light of an emergent demand, the early removal of the same may be effected without unsettling the trade and business of the country. These conditions appear to be most conveniently centred in the Custom House, and Government have therefore decided to increase

the *ad valorem* duties to £7 10s. per cent., being an increase of $2\frac{1}{2}$ per cent. on the present impost, to remain in force for a period of two years, say to 30th September, 1888. Sealed orders have been forwarded to the Custom-houses throughout the colony, and, on this announcement being made, duties at the increased rate will be collected to-morrow morning, and be held in suspense pending the ratification of Parliament to a Bill to give effect to this change in the tariff which will be immediately introduced.

The increased revenue estimated to accrue under this head may be stated at £75,000, based on the amount of *ad valorem* duties received during 1886-7.

I believe, Mr. Fraser, that hon. members will agree with me that, an emergent tax of temporary duration being necessitated, this small increase of *ad valorem* duties—which, under present conditions, approaches the economic principle of true taxation, by “taking out of the pockets of the people as little as possible over and above what it brings into the public Treasury of the State”—will, at the present time, be yielded least inconveniently by the taxpayers of the colony. The people of this fine territory, under the care and protection of Government, have improved their worldly circumstances and possessions to an extent beyond the means afforded to their fellow-countrymen in other lands. The country has been generous to them, and has done for many of them more than otherwise they could have done for themselves. Surely it is not too much to ask of the people, in this time of temporary adversity, to show their sense of gratitude to the country from whence they have derived their abundance by sharing for a limited period an increased burthen of taxation.

Indeed, I think that the Treasurer of this colony may, from time to time, have to review annually the *ad valorem* duties in the same manner as the income-tax in the mother-country, according to the necessities of the State, is annually adjusted and announced. Here, in our sphere of practical politics, being unacquainted with an income-tax or land-tax, which undoubtedly will arrive in due time, we may perhaps be content to deal in similar fashion periodically with *ad valorem* duties until such transition is accomplished and the Custom House is relieved of the position of being the largest and readiest contributory to the financial necessities of the State.

The Government further consider that the time has now arrived when real estate should, in proportion to its growing importance, contribute to the revenue of the country to some further extent than it at present furnishes. Attention has therefore been directed to the value of real property in the estates of deceased persons, and the desirability of imposing succession duties thereon.

Under the present law, Probate Stamp Duty (charged solely on personalty) on taking out letters of administration with a will annexed amounts to 1 per cent., and on letters of administration upon intestacy to $1\frac{1}{2}$ per cent. The revenue furnished through the Stamp Office from these sources during the year 1885-6 represented £6,441. This, however, gives no fair idea of the actual revenue to be collected were succession duties on realty imposed.

I do not imagine that any hon. member will be found to oppose the fairness of levying equal duties on the value of property, whether personal or real, devolving to heirs-at-law by inheritance or bequest. I am of opinion that real estate, under such circumstances, owes more indeed to the State, not only on account of the rapid accu-

mulation of unearned increment, but also from the fact that through the protection of Government, succession is facilitated and peaceable occupation maintained, and that it contributes less in proportion to the annual requirements of the State than other classes of property.

Further, this tax, being distinctly a property assessment, is contributed to the State in proportion to the means of the taxpayer who enters upon possession of property made valuable by the protection of the State.

Urged by these and other considerations, Government now propose to collect duties on the estates of deceased persons according to the following scale, namely:—

On the Real and Personal Estate of Deceased Persons, where the total value of such estate, after deducting all debts—

Does not exceed £1,000, 2 per cent. ;

Exceeds £1,000, but does not exceed £10,000, 3 per cent. ;

Exceeds £10,000, but does not exceed £20,000, 4 per cent. ;

And over the value of £20,000, 5 per cent. ;

with the additional provision that all property devolving to the widow or children of the deceased shall be charged to the extent of one-half only of the foregoing duties.

The scale of duties just mentioned is based to a certain extent on the Victorian tariff of Succession Duties, which colony received under this head of revenue, during the year 1884-5, £124,000, and in 1885-6, over £104,000.

The probable income from these duties during the ensuing year is difficult of computation, as the revenue derived from probate and succession duties must always be of an uncertain and fluctuating character, and no calculations framed on the experience of one year can be accepted as a reliable basis of estimate for another. Still, it may reasonably be assumed that a very considerable addition to the amount of probate duty at present received will be perceptible, and in process of time the State will find these death duties become a valuable contributory to the Public Treasury.

These duties may be considered as an attempt to make real property contribute more largely to the requirements of the State than it has hitherto done; and in that light alone I hold that this proposal should meet with the approval of hon. members, and obtain their support to a Bill which will be immediately introduced to give effect to the views of Government in this direction.

The effect of the three measures before alluded to will, I trust, enable the financial operations of Government during 1886-7 to result in an improved appearance at the termination of the financial year; and if this be accomplished even without the accumulation of a large surplus, Government will be quite satisfied, preferring not to over-tax the resources of the people at present, but to await with confidence the restoration of revenue to the ampler dimensions, which returning prosperity to the taxpayers of the colony will early provide.

I have now, Mr. Fraser, completed my task. I would fain hope that the review of the financial position of the colony, tedious as it may appear to some hon. members, in its statistical form, is not without interest to all who desire to learn what the true state of the Treasury is, and what resources the country possesses to resume a forward movement in the march of progress and prosperity. I am confident of such progress being early manifested. I do

not desire to be classed amongst those who continuously see a lion in the path, and "whose sense" of this great country "is most in apprehension"—who gauge its vital energy by the narrow experiences of individual life, regarding the State in the light of a human patient suffering from acute malady with but slight prospect of recovery. The metaphor is inapt. The country never dies, but receiving, as it does from successive generations, increased power and wealth, is certain to recover, and throwing off the present depression will display in the future more robust force and vigour than was ever previously possessed. Such convalescence Queensland is now undergoing. I feel assured that the same confidence is fully shared in by all our fellow-colonists. It is proved to be so by their energetic labours in the past, by uncomplaining patient endurance exhibited in the present, and I further believe that the assistance now asked from them by Government will without a murmur of dissatisfaction be readily granted to aid their adopted land in a fuller development of national prosperity and greatness.

I now beg to move, sir, that towards making good the Supply granted to Her Majesty it is desirable—

1st. That in lieu of the duties of Customs now levied upon articles on which such duties are levied in proportion to the value thereof, there shall be raised, levied, collected, and paid a duty at the rate of £7 10s. for every £100 of the value thereof.

2nd. That in lieu of the duties now levied under the provisions of the Stamp Duties Act of 1866 upon the granting of probates and letters of administration, there be raised, levied, collected and paid in respect of the property, real and personal, of deceased persons which is transmitted, whether by will or upon intestacy, duties at the rates following, that is to say—

Where the total net value of the estate, after deducting all debts, does not exceed £1,000, 2 per cent. ;

Where the value exceeds £1,000, and does not exceed £10,000, 3 per cent. ;

Where the value exceeds £10,000, and does not exceed £20,000, 4 per cent. ;

And over the value of £20,000, 5 per cent.

Provided that, as to so much of the property as is transmitted to the widow or children of the deceased, the duty shall be calculated at one-half only of the percentage above mentioned.

On all settlements of property made by any person, and containing trusts or dispositions to take effect after his death, duties at the same rate as before provided.

On letters of administration granted after a grant during minority or absence, £5.

On probates granted pursuant to leave reserved, or limited or special letters of administration, £2.

Mr. NORTON said: Mr. Fraser,—I would ask the Colonial Treasurer what course he proposes to follow with regard to the resolutions just put. I presume the discussion on the Financial Statement will take place before the hon. gentleman wishes to go on with the resolutions, as was the case last year. When is the debate to be resumed?

The PREMIER: Tuesday or Wednesday next! Which is most convenient?

The COLONIAL TREASURER: Which day would you prefer?

Mr. NORTON : Well, last year the discussion was postponed for a week, and we are in the holidays just now.

The PREMIER : Take Wednesday, then.

Mr. NORTON : That will only give us six days, and we have always had a week before.

The PREMIER : That is a week.

Mr. NORTON : Very well, then, Wednesday !

Mr. FOOTE said : I would ask the Colonial Treasurer if the $7\frac{1}{2}$ per cent. *ad valorem* duty is to be calculated on the amount of the invoices, or whether 10 per cent. is to be added after the arrival of the goods here, and $7\frac{1}{2}$ per cent. charged on £110 instead of £100, as has been the practice on previous occasions ?

The COLONIAL TREASURER said : There will be no change whatever made in the mode of assessing the duty, except that there will be an increase of $2\frac{1}{2}$ per cent., which I believe—in fact, I am sure—is charged upon the amount of the invoice. With regard to the resumption of the debate, we will be happy to consult the convenience of hon. members opposite. If Wednesday next will suit, we will take that day. Of course, I do not intend to proceed with the debate this evening. I beg to move, Mr. Fraser, that you do now leave the chair, report progress, and ask leave to sit again.

Mr. NORTON said : I would point out to the hon. gentleman that the debate is not likely to be concluded next week if we commence it next Wednesday. There is no chance of bringing it to a conclusion on Thursday evening. I am quite sure there will be a great deal of discussion on these new proposals of the Colonial Treasurer. I do not know what the feeling of hon. members on the other side is, but it is no use hurrying the resumption of the debate, especially as we are now in holiday time. I do not wish to postpone the debate longer than is necessary, and, so far as we are concerned, we are prepared to go on with it on Wednesday next.

Mr. BLACK said : I would like to ask the Colonial Treasurer whether this increased *ad valorem* duty will be applied to machinery ? The understanding last session was that a fixed duty was for the future to be applied to machinery, but I notice that here no mention is made of machinery. Is the tax on machinery to be increased to $7\frac{1}{2}$ per cent. ?

The COLONIAL TREASURER said : In reply to the hon. member I may mention that this increase will be levied on all articles at present paying *ad valorem* duty and not fixed duty. With regard to what has been stated by the leader of the Opposition I may say that it is exceedingly undesirable that the mercantile community should be kept in suspense with regard to these duties, and it is therefore desirable that the debate should proceed as early as possible.

Mr. NELSON said : I would like to ask the Colonial Treasurer if he can give us a statement of the actual balance on the 1st of July upon the basis that the Auditor-General makes up the balance, because we are accustomed to look to the Auditor-General to give us the real balance, and the way in which it is given now is very confusing. It has taken the Colonial Treasurer two or three paragraphs to explain his balance to us to-night, and in the Auditor-General's report we will get another two or three paragraphs, in which he will explain the Colonial Treasurer's balance away, and put the figures in an altogether fresh light—put them on the other side. I can explain what I mean in this way : Last year, according to the Auditor-General, there was a debit—an

overdraft of £44,816 12s. Well, that is very far from what the Treasurer has given us to-night. Then I reckon the expenditure during the year, leaving out the surplus revenue, which is a separate account altogether, as £3,037,030, whereas the actual receipts amounted only to £2,868,294, leaving a deficit of £168,735, which would make a total deficit now of £213,604. What I want to know is whether that is approximately correct—sufficiently correct for practical purposes. The amount of our deficit is now about £214,000, leaving the surplus revenue, as it ought to be, and as we have always considered it, as capital. Surplus revenue that has been appropriated is revenue that has been capitalised. That is the way in which financiers generally treat it. Then, I would like to ask another question. Of course, we know that the expenditure of the year that has closed will go on to the 30th of September, and, as a rule, the amount that is expended between the 1st of July and the 30th of September in each year ought not to vary very much if things are in their natural condition. I think it has only amounted hitherto to about £150,000 or £160,000. Now, has there been any exceptional expenditure ? Has there been any unnatural postponement of payment on the present occasion ? I do not mean any designed postponement, but any postponement which has happened naturally ? For instance, the day of the week upon which the 30th of June happens to fall might cause a considerable difference according as the mails have arrived or not, and so on. I can quite understand that. We know from what the Colonial Treasurer has told us that all the vouchers that have come in have been paid ; but that is not what I refer to. Are there any unusual circumstances whereby the average amount of payment has been postponed, and which payments will have to be made in the present quarter ? The Treasurer ought to be able to give us a good estimate of that, seeing that two months out of the three have expired ; but we will know nothing about it until we get the Auditor-General's report next year. If things are in their natural state, then I suppose we may take the expenditure which has taken place up to the 30th of June as the average expenditure for the year. We may put the expenditure of the first three months of last year against the first three months of this year, and take it as an indication of what the actual expenditure of the year is likely to be—that is to say, for the purpose of making calculations. There is another thing I would like to ask, although I have no desire to multiply the number of tables of figures that we have already before us. Can we get a detailed account of the loan expenditure during the last year ? The information given on that subject is extremely meagre. We know that what has been spent amounts to nearly £2,000,000 for the year ; but as to how that money has been spent, although we are supposed to be responsible to the country for it, we have hardly any information at all. The Treasurer in his statement has boasted that it has all been spent upon permanent reproductive works. Well, I confess, as I have stated in the House before, that I am rather sceptical about a good many of the payments that have been made from the Loan Account. I do not refer to the remarks of the Minister for Works, who talked about the Loan Fund being a very handy fund. I suppose that was intended for a joke, because the Loan Fund I look upon more in the light of a trust fund of which we are the trustees, acting both on behalf of the investors in England, and on behalf also of the people here. The amount of that fund is now getting so large that it is really of more importance to check and scrutinise than it is to scrutinise the revenue. But we have no means of doing so. We have no detailed account before us. The Commissioner

for Railways usually gives us in his report a pretty full account of the expenditure upon railways; but there has been an alteration made in the system of exhibiting them. I notice in the present report, that instead of giving us the same account of the details he was in the habit of giving, he has adopted a system of putting things down under vague and high-sounding titles. Here we have sums put down to "general construction" or "station work," or some general term like that, which looks, at least, as if it were intended to obscure the subject. What I would like to have would be a fairly drawn-up detailed account of the loan expenditure much in the same way as we have the revenue expenditure. Of course, with regard to the revenue expenditure, we have gone through it all, and know pretty well all the items; but the loan expenditure is a thing that there is very little check upon.

The COLONIAL TREASURER said: Mr. Fraser,—The hon. gentleman does not appear to recognise the fact that the Treasury returns deal with the transactions that take place from the 1st July to the 30th of the June following—the actual cash transactions—the amounts received and disbursed. Therefore they cannot possibly agree with the Auditor-General's Report, which is based upon the Audit Act, and embraces fifteen months' expenditure. Therefore they are two entirely different kinds of accounts. I can assure the hon. gentleman that the balances which were read in the Statement I have delivered, and which are shown in the tables, are the correct balances on the 30th June. That date is not accepted by the Auditor-General as the termination of the financial year in his accounts, but if the hon. gentleman understands the Auditor-General's Report he will find it is referred to as being a credit balance at that date in the Treasury. The Auditor-General will proceed to add the expenditure on account of the last financial year, which he conducts according to his own peculiar form of keeping the accounts, until the 30th September. In the Treasury we do not recognise that; everything that is paid now is charged to the revenue of the year 1886-7; and I can assure the hon. gentleman that so far as I know—although the expenditure on account of Loan Fund has been larger during the past year than during the preceding year—present expenditure is going on in the ordinary dimensions of last year, 1885-6—to my knowledge there is no specially heavy disbursement in the Treasury that has been suppressed and kept out of the revenue expenditure for the year 1885-6. I have already stated that everything that was due up to the 30th June has been paid. With regard to the two sets of accounts, I am perfectly alive to the inconvenience to the public, and I might almost say the mystification that ensues to those who choose to inquire into them. I have referred to it in previous statements, and, if time permits, the Government intend to introduce a Bill this session to amend the Audit Act to a certain extent, so that the Auditor-General will certify to the Treasury accounts, although he will continue to keep them under the peculiar system required by the Audit Act. I hope that will give satisfaction to hon. members. With regard to the details of the loan expenditure, there can be no possible objection to their being furnished; but I do not know to what extent the hon. member would like to analyse them. They are published in the *Gazette* with the ordinary details of expenditure; but if he wants to have every individual payment which is disbursed out of loan it will be a very lengthy return; and while I have not the slightest hesitation in affording him, or any other hon. member, every information in regard to the matter, I do not think the method he proposes will be any more satisfactory

than the summary which is now given in the *Gazette*. I think we can judge pretty well from the different departments the growing extent of the disbursement of the Loan Fund, and if the disbursement of any one department requires to be analysed, it will give a better perception of the growing expenditure than moving for the whole details of loan expenditure during the year. However, in that respect, or any other matter where the Treasury can give information, I shall be glad to do so.

Question put and passed.

The House resumed; the CHAIRMAN reported progress, and obtained leave to sit again on Wednesday next.

ADJOURNMENT.

The PREMIER: As I do not suppose that hon. gentlemen wish to go on with any other business to-night, I move that this House do now adjourn. The Employers Liability Bill will stand at the head of the paper for to-morrow, other Bills following in the order named.

The House adjourned at twenty-three minutes to 10 o'clock.