

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

WEDNESDAY, 25 AUGUST 1886

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LEGISLATIVE ASSEMBLY.

Wednesday, 25 August, 1886.

Petition.—Question.—Formal Motion.—Error in Notice of Motion.—Ways and Means.—Financial Statement.—resumption of committee.—Message from the Council.—Patents, Designs, and Trade Marks Bill.—Adjournment.

The SPEAKER took the chair at half-past 3 o'clock.

PETITION.

Mr. SCOTT presented a petition from certain pastoral tenants in the district of Leichhardt, praying for amendments in the Land Act of 1884, to secure them a better tenure, and asking relief in the premises; and moved that it be read.

Question put and passed, and petition read by the Clerk.

On the motion of Mr. SCOTT, the petition was received.

QUESTION.

Mr. WAKEFIELD asked the Minister for Works—

1. Is it the intention of the Government to proceed with the extension of the Sandgate Railway towards Shorncliffe?

2. If so, when will the plans of the proposed extension be laid on the table of the House?

The MINISTER FOR WORKS (Hon. W. Miles) replied—

The Government intend to proceed with the extension of the Sandgate Railway, but they are unable to submit plans for the approval of Parliament until the route which such extension should take is definitely decided.

FORMAL MOTION.

The following formal motion was agreed to :—

By Mr. PALMER—

That there be laid upon the table of the House, a return showing,—

1. A list of all runs divided under the Land Act of 1884, with the rent per square mile on resumed and leased portions, to 30th June, 1886.

2. The amount of rent previously paid, and the available and unavailable area of each portion, and date of commencement of lease under Land Act of 1884.

ERROR IN NOTICE OF MOTION.

Mr. LUMLEY HILL said: Mr. Speaker,—Before the notice of motion standing in my name comes on for discussion, I wish to point out an error in it. "Twenty shillings per cent." has been printed for "£20 per cent." Can that be amended in the meantime?

The SPEAKER: As the motion has been called "not formal," if there is an error in it the hon. member can give fresh notice of motion for to-morrow.

Mr. LUMLEY HILL: I can give another notice?

The SPEAKER: Yes. The hon. member can do so now.

Amended notice given accordingly.

WAYS AND MEANS.

FINANCIAL STATEMENT—RESUMPTION OF COMMITTEE.

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

On the question being put—

That towards making good the Supply granted to Her Majesty it is desirable—

1. 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.

2. 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.

The COLONIAL TREASURER said: Mr. Fraser,—Before the debate takes place on the Financial Statement, I desire to place hon. members in possession of the full view of the Government concerning this resolution, and I may say that in the matter of succession duties the Government have given very careful consideration to the whole bearing of the proposals in this resolution since the Financial Statement was made. It has occurred to the Government that in the case of small proprietors—widows and children left in the possession of small property, of which the value does not exceed, say, £100—there ought to be a free minimum. It is, therefore, my wish to slightly alter the resolution with a view of carrying that desire into effect, and with the permission of the Committee I will withdraw the present resolution and submit it again in an amended form, inserting the words "not exceed £100, no duty" after the word "does" in the 4th paragraph. It will then read "where the total net value of the estate, after deducting all debts, does not exceed £100, no duty." And the next paragraph will read "where the value exceeds £100, and does not exceed £1,000, 2 per cent.," and so on.

Resolution, by leave, withdrawn, and amended resolution put as follows :—

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. or 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 £100, no duty;

Where the value exceeds £100, and 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, £5.

Mr. NORTON said: Mr. Fraser,—In dealing with the question now before the Committee, I shall endeavour to confine myself as much as possible to the actual business portion of the Statement made by the Colonial Treasurer last week. I shall avoid as much as I can anything like what might be called outside questions, because I believe that on a question such as this now before the Committee a large number of members on both sides of the Committee may desire to take part in the discussion. I think it better, therefore, to confine the discussion as much as possible to the mere business portion of the question. I will, therefore, pass over the first portion of the hon. gentleman's speech in which he congratulates himself and the country upon the change that has taken place since the late rains have fallen. The remarks thereupon made have nothing very material to do with the Statement. I do not altogether agree with those remarks, but I think the best way of answering them will be to deal with the question at issue before the Committee in a more practical form. In the commencement of the practical portion of the Treasurer's speech I must say I had some satisfaction in following the hon. member, because the change made in the manner of keeping the accounts has been one which has elicited a good deal of remark—and unfavourable remark—on this side of the Committee. On examining the accounts issued from the Treasury since the hon. member made that change I have found a good deal of difficulty in extracting what the actual figures were, and could not do so without going into details and sifting out the figures for myself. The hon. gentleman explained to us that the actual expenditure of last year was really a larger amount than the expenditure for the current year proper, and it occurred to me that the hon. gentleman had no particular reason to complain that that was the case, or that he had to make the explanation, because he must have known, at the time he decided to leave the Supplementary Appropriation to the credit of Consolidated Revenue Account—he must have known at the time he decided upon that course, that the expenditure for the year would include that sum, and it would therefore appear greater than the expenditure proper for the year. That was referred to by the Auditor-General when he sent down the preliminary report in 1884 acquainting the House with the nature of the change made. That preliminary report, I may observe, appeared to come down something like a special message sent in haste. The change had been made, and the Auditor-General was so much impressed with the necessity for informing Parliament of the fact that instead of waiting and sending it down with his ordinary annual report, he sent this special message of bad tidings. I consider that preliminary report was a message of bad tidings, because the change places the accounts before the public in a form in which they cannot comprehend them. It appears not only to represent the expenditure for the year as greater than it actually is, but anyone looking at the accounts, without being acquainted with the alteration made in the manner of keeping them and without particularly examining the figures, would think that the balance represented to the credit or debit, as the case might be, was really the available balance in the Treasury on the 1st July. The hon. gentleman in his speech the other night not only explained that the expenditure for the year appeared to be greater than the expendi-

ture proper for the year—appeared to be greater than really was the case, because the special appropriation money had been left in the Consolidated Revenue Account—but he went on to explain that the balance which appeared to the credit of the consolidated revenue was not the balance actually available. Now, that is a most remarkable position for the Treasurer to place himself in. He explained to us, in the first place, that the £267,104 which appeared on the credit side of the account on the 1st July, 1885, was not the available balance, as some people might suppose—that there was only £167,061 really available. Now, of course, it is very satisfactory for the public to ascertain this from the Treasurer without taking the trouble of looking over the accounts themselves; but it is rather unsatisfactory that, instead of its being shown in the accounts themselves, it should have to be put before the public in a speech made by the Treasurer in this House. Well, sir, having explained that matter, he then went on to explain that the £45,238 which appeared to the credit of the consolidated revenue on the 1st July of this year was not really available money, but that when the balance of the special appropriation which has not been taken out of the consolidated revenue and placed to a special account—when that was considered as if it had been taken out according to the old system, then, instead of there being a credit balance of £45,238, we have an actual debit of £101,677. Now, sir, I took some satisfaction in listening to the hon. gentleman's remarks, because, having complained of the unsatisfactory manner in which this change put the accounts before the public, I did not feel a bit of sympathy with the hon. gentleman when he had to explain that the balance shown there was not the balance at all, but something else. I think that when the hon. gentleman has made a change which is apt to be misleading, then the more he has to explain the actual condition of affairs, even though it may make him appear rather ridiculous, the more satisfactory it is to those who are opposed to the change having been made. Now, I pointed out on a former occasion that when the Treasury accounts were published last year—that is to say, in July, 1885—there was a foot-note at the bottom which explained that the credit balance there of £267,104 included this balance of the last special appropriation. That foot-note, therefore, to anyone who happened to catch sight of it, would reveal the true state of affairs at that time. But when the last Treasury statements were published there was no foot-note to give anyone the information whether the credit there represented was the actual balance available, or whether it included a sum voted for special purposes, which was left in the account to swell the amount. Now, I think it would have been very much more satisfactory if that foot-note had been placed here this year as it was last year.

The COLONIAL TREASURER: It was an unintentional omission. The hon. gentleman will see it in all the quarterly returns; and it should have been in the annual return. It is intended to continue it in future.

Mr. NORTON: I am very glad to hear that it was an unintentional omission. When people want to see the actual state of the public accounts they do not look so much to the quarterly returns as to the yearly balance. When they have the yearly accounts they think, of course, that they have the whole year's transactions before them, and it is then they look to ascertain what is the real state of the public finances. I hope, therefore, that foot-note will be found in all future accounts, though I should like very much better

to see the old system reverted to, by which when a sum was voted for special appropriation it was taken from the consolidated revenue and placed to a trust account. Then anyone could tell at a glance what was the actual state of the public Treasury. I mentioned just now that the actual balance on the 1st of July this year was on the debtor side to the amount of £101,677. Now, I have omitted from that a sum of £30,000, which, under ordinary circumstances, would have been taken from the consolidated revenue and paid as interest on our loan. As hon. members know, when the last loan was floated in London a premium was obtained, and as the interest was due on the debentures from the 1st of January and had to be paid on the 30th of June, the hon. gentleman arranged that it should be paid in London—not debited to the consolidated revenue, but to the loan itself. Now, sir, I think it was very unadvisable to do that, because, although the last 1,500,000 debentures sold at a premium, the premium was not so great as to counterbalance the depreciation of the former portion of the loan. I believe financiers in all cases look upon the proceeds of a loan, whether it sells at a premium or whether there is a depreciation, as loan money which ought to be kept in a special loan account; therefore, I think that for all reasons it was unadvisable that that £30,000 should not have been paid in the ordinary way. It was all the more so, because in that report of the Auditor-General to which I have already referred he spoke of the change being made in the system of keeping the books with the view of temporarily exhibiting a larger balance of revenue than there really was. Now, those were his own words. I think that when the Auditor-General considers it necessary to make a statement of that kind—not merely to express an opinion, but to make the distinct statement that that was the object of the change—it is very unfortunate that anything should be done to confirm the opinion which might be entertained in consequence of that statement. Now, sir, in trying to ascertain what the actual state of the accounts was, omitting altogether the special appropriation which should have been set apart in a separate account, I find that the summary of the account stands thus:—On the 1st of July, 1885, there was a credit balance of £167,061; received during the year as revenue, £2,868,295; debit balance on the 30th June, £101,674; making a total of £3,137,030 as the sum of the year's operations. On the contra account there is the expenditure for the year of £3,037,030, and in addition to that a special appropriation of £100,000, making a total of £3,137,030. But, sir, although the account, as shown in that way, represents a debit balance of over £100,000 at the beginning of July, if we turn to the Treasury tables—Table I—we there find that on the 1st July, 1886, there are unexpended votes amounting to £567,814. Of that amount the hon. gentleman estimates that there will lapse £110,000, leaving a balance of £457,814; and deducting the £45,238 represented in the Treasury returns as balance to credit, we are then left with a liability in excess of £412,575. So, as a matter of fact, instead of being in the position which the hon. gentleman states, and which anyone not looking into the accounts would be inclined to think namely, having a small amount to credit from revenue—we really have a liability of over £400,000 for which no provision whatever has been made. This is money which, I presume, will have to be expended—the greater part of it, I hope, during the current year, and the rest very soon. I mention that amount now, because I shall have to refer to it before I get much further

on. The estimated revenue for 1885-6 was £3,052,250; the amount actually received was £2,868,295, or £183,955 less than the amount he expected to receive when he framed his Estimates. I must explain, Mr. Fraser; I do not want to deceive the hon. gentleman. I take the Estimates-in-Chief of last year as the basis, and to that I have added three-fourths of the £93,000 which it was expected would be received from the new duties; and the hon. gentleman will see that that brings the total amount up to £3,052,250, or, as I said before, £183,955 less than the Colonial Treasurer estimated. That does not include the special expenditure vote at all. The estimated expenditure for last year was £3,038,060. The actual expenditure amounted to £3,037,030; so that, although the revenue fell short of the hon. gentleman's anticipations by £183,955, the expenditure came within about £1,000 of what he anticipated. It is clear, therefore, that that large expenditure out of a revenue so much smaller than was anticipated leaves a very heavy balance to the contra account. The Colonial Treasurer, of course, admits that the country is in a very depressed state, although he spoke very confidently of the prospects we have before us of better times, which everybody would be glad to see. At the same time the hon. gentleman was forced to admit that there was a very great depression, and that the country was not in that prosperous condition which everyone could wish it to be in. In explanation of that, he referred to the drought, to the low value of produce, and partly to the failure of the Land Act of 1884 to realise the expectations that had been formed of it. In addition to these reasons, as I have already pointed out, the present condition of the Treasury accounts is very largely in consequence of the large anticipations of revenue which were not realised, and also in consequence of what I think I may call the extravagance of the Government in the large expenditure they have made. The failure of the Land Act is a matter of very great importance. The Act of 1876 having ceased to operate, and no selections having been taken up under it, the revenue derived from it will of course decrease every year. In 1884-5 the decrease amounted to £10,187, while last year it amounted to no less than £38,130. That is a heavy loss from one source, and the new Land Act which has taken its place has not made up for that, or anything near it. During the first year of the new Land Act it was expected to realise over £10,000; the amount actually received was £696. Last year the hon. gentleman anticipated to receive from it £30,000 for selections; his actual receipts from that source were only £3,708. There is another matter which the hon. gentleman did not refer to especially in explaining the present low state of the finances, although he did refer to it very largely in some other parts of his speech—that is, the failure in the railway returns. When, in 1884-5, the hon. gentleman estimated to receive from railways £40,465 more than was received, it was pointed out by hon. members on this side of the House, when that estimate was submitted, that under the circumstances in which the colony was then placed it would be hardly possible that he would be able to realise his anticipated revenue from railways; and their predictions were fulfilled. Last year he estimated to receive a very much larger sum. The result was that on the 30th June, instead of realising the full amount he had anticipated, the revenue from railways fell short by £109,382. The Customs was also a great failure last year. In the beginning of the year some very large receipts came in from that source, and they kept on increasing until about the middle of the year, when a falling-off set in; and the hon.

gentleman informed us that but for those new duties put on last September he would have been short of his anticipations by £35,710. In consequence of those new duties the actual receipts exceeded his anticipations so far as the Estimates-in-Chief are concerned—and only in consequence of them. With regard to expenditure, I would point out that in the year 1884-5 there was an increase over the previous year of £254,368; in 1885-6 the increase was £349,083, making the increased expenditure for the two years £603,451. The increase in revenue was not to anything like the same extent in those periods. In 1884-5 it was £155,298; and in 1885-6, £147,639; making a total of £302,937, against the total increased expenditure of £603,451—the increase in the rate of expenditure being just double the increase in the rate of revenue. I ask, Mr. Fraser—and I think it is a fair thing to ask—was there any good reason for thinking that that falling-off could have been anticipated? I do not wish to make much of it, but, sir, the Colonial Treasurer is one of those sanguine gentlemen—I am sure he will admit it himself—who very often make mistakes of that kind. The tendency on his part is to make mistakes, if he makes them at all, in estimating the expenditure below the mark, and in estimating the revenue at very much more than it brings. That is not only the case now, but it has been the case on former occasions. I think, sir, there were very reasonable grounds for believing that the Estimates the hon. gentleman framed a year ago would not be realised, because the effect of the introduction of the new Land Act, and the repeal of the old one, was referred to in such very plain language, and was so clearly pointed out when the Bill was under discussion, that it was impossible for anyone who considered the matter carefully to come to any other conclusion than that there must be a great decrease in the revenue from that source. I would remind hon. members that at the time these Estimates were made the drought was as bad as it has been at any time. The hon. gentleman told us then that a gentleman who had travelled through part of the colony found it in fine condition—that the grass was up to his horse's knees, and it looked like a wheat-field. But the unfortunate part of the matter is that that was only a small portion of the colony, and at that very time, in a very large extent of country, sheep and cattle were dying in thousands. Even if rain had extended all over the colony at that time, it would have been impossible to have escaped very serious losses; but there was every reason for supposing that the drought would last longer. Anyone who knows the history of droughts in Australia must be well aware that all bad droughts are generally of several years' duration. Anyone who has read these matters up will always be under the apprehension—if he did not actually expect it—that when a drought has lasted a couple of years in all probability it would continue for a couple of years longer. But the Colonial Treasurer was so buoyed up with hope—in fact, he went on “hoping against hope” that the drought had terminated and everything in the colony would soon be at its best again. The hon. gentleman in the year before, 1883, spoke of the drought as having broken up in the coast districts.

The PREMIER: So did somebody else in 1883.

Mr. NORTON: I do not remember it.

The PREMIER: I do.

Mr. NORTON: The hon. gentleman means after he came into office.

The PREMIER: No; I mean a speech delivered before we came into office.

Mr. NORTON: In 1883 the drought had only really commenced.

The PREMIER: We were told it was at an end.

Mr. NORTON: In the beginning of 1883 there was no drought; at least not in some parts of the colony. I know one portion of it that was in very good condition at that time—that is when I was up in the Central district in March, 1883. It was what was called a dry season, and the drought came afterwards. If the drought had been on then, it would have saved me personally from what resulted in very heavy loss. When the hon. gentleman made his Financial Statement in 1884 he told us that the drought had broken up in the coast districts, but in that year in a large portion of those districts the country was as dry as ever it was, and for eighteen months after that even small creeks only five or six miles in length had not run; so that the hon. gentleman, in hoping that everything was going to turn out for the best, would not look the drought in the face, but kept on hoping that it would be terminated in a very short time. The effect of the drought upon the pastoral tenants I think in itself ought to have given good indications that the revenue the hon. gentleman anticipated was not likely to be realised. How the Land Act affected them I do not pretend to say. A great many of them, in petitions which have come before the House continually, remind us that they have suffered very greatly in consequence of the passing of that Act, but I do not pretend to speak of the Western districts in regard to that matter. There are many here who can speak for themselves as far as the state of those districts is concerned. With regard to the settled districts, we have always been in either the frying-pan or the fire so far as they are concerned, and whenever we have made any change we have always got back from one to the other. But really in the settled districts I do not think the effects of the drought made much difference to the stations, so far as any rate as the rents or the conditions under which they are held were concerned. But it made a difference in this respect, that in consequence of their losses through the drought—not through the Land Act—it has been impossible for the same amount of expenditure to take place that has taken place before. Improvements of all kinds ceased, and apart from that the men who had been employed and were in the habit of spending money were able to do so no longer. That was one of the necessary results of the heavy losses that took place. That being the case, there are fewer men employed in carrying on improvements, and the fewer employed the less dutiable goods are consumed and the greater the reduction in the railway revenue in consequence of the reduced quantity of fencing wire and such articles which were sent in such large quantities out west a short time ago for the purposes of making improvements. Then the loss of sheep alone, so far as the inland districts are concerned, must have materially affected the railway revenue. In 1884, according to the report of the Chief Inspector of Stock, the loss in sheep was 1,689,662. At the time the hon. gentleman's speech was made last year, as I pointed out just now, sheep were still dying in thousands. So that, as the railways derive such a large revenue from the carriage of produce from the inland districts to the coast, and for the carriage of wire and materials which are used in improvements, rations, and other goods going up to stations, the result which the drought had in reducing the number of produce-bearing stock, and in reducing the number of hands employed upon those stations, must of necessity have been to reduce the railway revenue. I point to these

matters because the hon. gentleman had all these facts before him at the time, and I do think, as I thought then, and as, I believe, was pointed out by this side of the House at the time, that he had not taken into full consideration the circumstances in which this colony was placed, and through not doing so had anticipated, in framing his Estimates, a much higher revenue than was ever likely to be realised. Of course, the changes that I spoke about as having been brought about by the drought also affected the Customs revenue, because it was impossible, when the dutiable goods consumed, such as materials for improvements and rations, were so much reduced, that it could remain the same. The stock which was in the colony at the time was very largely drawn upon, and as a matter of course when improvements ceased in the western districts and numbers of men were walking about idle, the importers ceased to import goods direct from home in anything like the quantity they did before, because they had been importing in anticipation of the improvements that would be going on in the time of prosperity; and when the time of adversity came, of course, they ceased to bring out dutiable goods so far as they possibly could, except in the case of those that would be wanted for actual requirements. Then, so far as the Customs duties are concerned, the same argument applies with regard to the farming districts. In all the agricultural districts and among the settlers all along the coast lands—I mean to say the selectors who had taken up selections and lived upon them—the produce from agriculture was very much less than in ordinary seasons. Those who depended upon their stock, sheep, cattle, and horses, for a living, all had very great losses, and in almost every case they were placed in exactly the same position as the squatters out west. In consequence of that loss they were obliged to curtail their expenses, and the immediate consequence of the curtailment of the expenses of the population generally was a loss to the Customs revenue. Having referred to this and having, I believe, shown that there was a reason to believe at the time the Estimates were laid upon the table last year that the hon. gentleman had anticipated too high a revenue—having pointed to these facts and having them now before us, we enter upon another financial year. We find by the statement which the hon. gentleman has made that he expects to receive from revenue this year the sum of £3,000,500, which is an increase of £132,206 over the revenue actually received last year. The estimated expenditure, including £60,000 interest of the last loan which will have to be paid this time from the consolidated revenue, is £3,069,635, an increase of only £32,605. Now, I think it is desirable to look at a few of those articles from which the hon. gentleman expects to derive revenue, and to see whether there is any reasonable expectation of deriving the amount he thinks from them this year. We will take, as an instance to begin with, the Customs revenue of this year, which is put down at £1,050,000, being an increase of £45,246 above the amount actually received from Customs last year. We will just look at the receipts from the Customs during the last financial year, as the hon. gentleman laid them before the House. During the first quarter there was an increase of 10·1 per cent.; during the second quarter and including the new duties estimated to bring in £50,000, the increase was 14·8 per cent. In the third quarter there was an increase over the corresponding quarter of the previous year of 8·1 per cent.; and for the fourth quarter, notwithstanding all the increases of taxation which had been made, there was an actual decrease of 1·5 per cent. With these facts staring him in the face, the hon. gentleman comes down to this House and tells us that he

expects a revenue from Customs this year to exceed that derived from that source last year by £45,246. I am sure anyone occupying the position which the Treasurer of this colony should when he was preparing his Financial Statement could not have been satisfied, after taking the items I have read, that there would be an increase over the amount received as Customs revenue last year. I am quite sure that he would necessarily look at the money which was now being received from the same source, in order to give some indication as to whether the decrease which took place during the last quarter was still going on, or whether there were any signs, since the favourable change had occurred in the weather, by which an increase might be anticipated. The hon. gentleman must know perfectly well that the decrease is still going on. The returns which are published up to the present time, since the beginning of July, show that instead of any hopeful signs in regard to Customs revenue, there is actually a decrease from the amount received during the corresponding period of the previous year. Then I point to the fact that during the last two years we have had a loss of nearly 3,000,000 sheep. Of course, he must know perfectly well that the fact of the inland country being unstocked, or only partially stocked, makes a very great difference, as I pointed out a short time ago, in the revenue receivable from Customs, because the larger or the smaller the number of stock in the inland districts, the larger or smaller will be the number of men employed there. According to the prosperity which attends the work of the pastoralists, so is the number of men increased or decreased. At the present time we have no sign of any increase in improvements going on on the inland runs. Whether the Premier intends to introduce an amendment to his Land Act of 1884 to further the wishes of the pastoralists in those districts, I do not know. If he succeeds in passing an Act granting relief, I am not prepared to say whether the effect of doing that would be to increase the improvements to anything like the extent to which they were carried on some years ago; but, at any rate, we have the fact that there are numbers of men unemployed in the interior, and there are less stores required for the men who were employed. There are also less articles, such as wire and other things, required for carrying out improvements. We have all those facts before us, and the fact that still there is a decrease in the Customs revenue going on. Now, is it fair to expect at this time of the year, when there is nothing to indicate that very material improvement will take place—I believe that improvement will take place, but there is nothing to certify that large improvement will take place—is it fair, then, I ask, to estimate that at the end of the present year the Customs revenue will show an increase of £45,246 over the amount received from that source last year? For my own part I think it is extremely doubtful whether the sum anticipated by the hon. gentleman will be received. I hope it will, and if it is I shall be the first to congratulate the hon. gentleman on his foresight in making the estimate. Then there is another matter which I think is likely to affect the Customs revenue, and that is the fact that up to the present time the amount of selection has been limited. When a large amount of selection has taken place there is, of course, a large demand for dutiable goods. In proportion to the falling-off or increase in the number of persons taking up selections, and of the men engaged in the work of improving selections, will the Customs revenue be affected. At the present time there is very little selection going on. What it will be in the course of a few

months I do not know. I hope it will be larger. But judging from the result so far of the passing of the Land Act of 1884, we have at the present time not much assurance that a large amount of selection will take place. For my own part, I think it will be larger than it has been, now that we have had such good rains, and the country is in a favourable condition for occupation. Still, there is a doubt as to whether this source can be counted on to produce a large revenue. I think the fact that the Act has not succeeded in this respect hitherto should be a warning to the hon. gentleman, and should suggest to him that he is scarcely fair in estimating so high a revenue from Customs. In the item of stamp duties, the hon. gentleman expects an increase of £8,994. Is it likely that he will get that? The hon. gentleman knows more about what they call the land mania than any other member of the Committee, and he must be perfectly aware that the running after 16-perch allotments has pretty well ceased. Is it likely then, seeing that the number of transfers will not be so great as formerly, that we shall have an increase in the stamp duties revenue to the extent anticipated by the Colonial Treasurer? The hon. gentleman can perhaps form a better opinion on this subject than most hon. members; still I think that in that item he has considerably overestimated the amount he is likely to get. With regard to the land estimates the hon. gentleman tells us that they "have not been framed with the same confident expectation of fulfilment." I can quite understand the hon. gentleman being a little shaky on that matter. After the small sums he has received in comparison with the large amounts anticipated, I am not in the least surprised that he feels very uncertain about the land revenue for this year. The value of auctions is set down at £60,000. I do not know where we are going to get £60,000 from auction sales this year. Last year the Government, by selling land in every place where it could be sold, only obtained £91,000. New townships were formed, it appeared to me, in order to sell land, and in many places where townships were proclaimed, numbers of people who ought to have known did not know where they were situated. Nevertheless the land was sold to provide additional revenue. The policy of the Government is not to part with the people's patronage, but to hoard it up for the people with the greatest possible care so that future generations may have the land to draw on instead of being overtaken. That is all very well as an argument, but can the hon. gentlemen on the Treasury benches, after advancing that policy deliberately, put it forward in their favour when they are selling large quantities of town and suburban lands all over the colony? We know that last year sales of town and suburban lands were made wherever they could be forced. In many places the best lands were disposed of in this way, as, for instance, at Townsville, Rockhampton, and Maryborough, and a number of other localities. After these sales, the best lands having been sold in many instances, can we now anticipate that the estimate of £60,000 will be realised this year, when last year, in spite of the rage there was for buying land, the Government only succeeded in getting £91,000? I do not think it is probable; I do not believe the Colonial Treasurer thinks it probable. I believe he is buoyed up with the hope that some turn of luck will take place, and, relying upon that, the hon. gentleman has placed his estimates of revenue at the very largest possible amount. In respect to the estimate of £20,000 from grazing farms and selections under the new Land Act, I do not pretend to say whether that will be realised. I do not think anybody knows how that Act is doing; but, at the same time, I would point out that,

1886—2 H

in order to secure the amount the Colonial Treasurer expects to receive, about four times the quantity of land must be disposed of under the new Act that would be required to be disposed of under the old Act. Under the old Act, of course, the amount of rent to be paid for the land was fixed, and it could be calculated in the course of a few years what the revenue was likely to be for the year, or for some other particular period. But under the present Act the amount depends entirely upon the valuations of the Land Board. The rents have generally been fixed by them at a low rate. I think that at the end of last year the rents for land then taken up under the Act of 1884 averaged 4d. per acre. I know myself, however, that in order to get £20,000 from that source four times the quantity of land will certainly have to be taken up under the new Act as would have been necessary under the old Act to produce the same sum of money. In the matter of railways the hon. gentleman expects a revenue of £740,000, which is an increase on last year of £71,381. He gives as a reason for expecting that enlarged revenue that during the year it is probable that 127 miles of additional lines will be opened. At the same time we know that since the beginning of the present year—that is since the 1st of January last—there has been an absolute decrease in the railway revenue of £35,000 as compared with the corresponding period of last year. That does not encourage us to hope that we are going to get an increase during the year of £71,381. But I will refer to Table R in the returns. On the 15th page we find that in 1883-4 there were 841 miles of railway, and the revenue received amounted to £582,641. At that time the railways were giving a better return than they have ever given at any other time during the colony's history. During the year 1884-5, 114 miles of railway were opened, and the result of that year's operations was an increase of £81,892; that was with the receipts from the 114 miles' additional railway. Last year we had an increase of 183 miles of railway, and notwithstanding that increase the increase of revenue derived from railways reached only £4,086. I ask hon. members, with these figures recorded in the financial tables, is it probable that, although we are to have an increase during the present year of 127 miles of railway—I ask, is it probable, with these figures before us, and with the fact before us that since the beginning of the year we have had an absolute decrease of £35,000 as compared with the corresponding period of last year—I ask hon. members is it probable that during the current financial year we will have an increase of revenue from railways of over £71,000? For my part I think it impossible. Unless some extraordinary change not in the ordinary course of events takes place, it is absolutely impossible that we shall have anything approaching that estimate. In the matter of rents from conditional and homestead selections taken up under the Act of 1876, the hon. gentleman estimates a depreciation in the amount to be received of £23,420. It is difficult to know what the falling-off in this respect will be, unless one has an opportunity of judging from accounts that may be supplied from the Lands Office. I presume the hon. gentleman referred to the Lands Office before forming his estimate of what the decrease is likely to be. Last year we had a decrease of £38,000, and the year before a decrease of £10,000, so that we may have this year something between these amounts or something more than either. I notice from returns which the hon. gentleman laid before the House when the Land Bill was under consideration—returns which I suppose were made up at the Lands Office—he estimated the loss on rents from conditional and homestead selections for 1886-7,

this year, at £14,983. In his present estimate he puts the loss at £23,000. It is rather difficult, as I say, to know, and it appears rather difficult for the hon. gentleman himself to know, what the amount of the loss in this respect is likely to be. Either he distrusts the returns furnished to the House in 1884, or else he has since had other means of ascertaining more correctly what is likely to be the decrease. This is a point upon which I do not profess to be able to give an opinion, but I believe the hon. gentleman is in a position, by looking over the accounts in the Lands Office, to ascertain within a few pounds what the loss will be, but I have not had an opportunity of doing that. I have now to deal with that part of the speech which I may refer to as what the hon. gentleman, I suppose, calls "making provision for the tardy return of fuller prosperity." Those are the words the hon. gentleman made use of in the speech. The hon. gentleman's estimated deficit on the operations of the current year is £69,135. There is an increase in the matter of expenditure. There is an increase in the working expenses of the Colonial Secretary's Department. The total amount shown in the Estimates shows a decrease on the expenditure of last year; but then the "Advance" had to be paid for last year from moneys at the disposal of the Colonial Secretary's Department, and that means a sum of £30,000. If that amount is deducted from last year's expenses, it will make the total expenditure for the Colonial Secretary's Department for last year considerably lower than the anticipated expenditure for this year. Then there is the Department for Public Instruction. There is an increase also anticipated in that.

The PREMIER: You are mistaken about the £30,000. That amount is not voted yet.

Mr. NORTON: I think so. It is in the Estimates.

The PREMIER: No; it is on the Supplementary Estimates for this year. You mean to refer to the "Otter," and the amount is £15,000, not £30,000.

Mr. NORTON: Yes; that is so. It was the "Otter," but that £15,000 was paid last year. The estimate for this year is £444,107, and for last year, including that £15,000, the total amounted to £456,818, and I say that if that £15,000 is deducted from the amount expended last year it will be found that the expenditure for the Colonial Secretary's Department last year is less than the estimated expenditure for the current year. So that there is an absolute increase in the expenditure for the Colonial Secretary's Department for 1886-7. That is what I wanted to point out, because the expenditure in the purchase of the "Otter" was something unusual. In the Education Department, also, there is an increase. In the Attorney-General's Department there is an increase, but in the Colonial Treasurer's Department there is a decrease in the amount for Ports' contingencies. The hon. gentleman knows, or ought to know, whether he can bear a reduction upon them. I presume that the amount for contingencies last year was not expended, and if it was I believe that the same amount will be required for this year. Then in the Lands Department there is also a decrease; in the Works and Mines Department there is a decrease; in the Railways there is a considerable increase; there is also an increase in the Postmaster-General's and Auditor-General's Departments. Now, the decrease which I pointed out in the case of the Colonial Treasurer's Department are in the votes for contingencies, but in the Education Department the decrease is in the expenditure on buildings. In the Lands Depart-

ment the decrease arises from a curtailment of the vote for reserves and a reduction in the amount for surveys. We are to have £20,000 less voted for surveys this year than last. The reduction in the case of the Works and Mines Department is owing to a reduction of £40,401 in the estimate for buildings, of £8,790 in matters appertaining to goldfields, and some other smaller items. We find, then, that the ordinary current working expenses of all the departments are actually increased; the reductions have not taken place in that direction; and yet the hon. gentleman pointed out in his speech the other night, and it was also mentioned in the Speech from the Throne when the House met, that the Government would have to pursue a system of rigid economy. Well, where does the rigid economy come in here? If there were any reduction in the general working expenses of the departments, that might fairly be called economy; but the reduction is made in works which give employment to the working men of the colony, and will have the effect of not supplying them with work at a time when so many of them need it. There are two other reductions which are worth noting—the omission of the salary paid to the Under Secretary for Railways, and that of one of the Chief Engineers. Now, when the subject was brought before the Committee last year, and the salary of the Under Secretary for Railways came under discussion, the Minister for Works supported it, on the ground that it was necessary that such an office should be formed, and the Chief Secretary also supported it, urging in very strong terms that there was work for such an officer, and that it was really desirable that we should have an Under Secretary for Railways. What has been the result? Twelve months have passed, the Under Secretary resigns, and no one takes his place. Now, could we not have done without creating an office of that kind? The mere fact that it has not been filled shows that the appointment was totally unnecessary, and the fact of the item being struck off the Estimates this year shows that the Government do not consider it necessary. Then, with regard to the Chief Engineer. Until last year we had two Chief Engineers for Railways, one for the Northern and one for the Southern division. Last year we had another added. Some years ago it was proposed to divide the colony into three divisions. The proposal was made to me when I was in the Works Office—I do not know if it was made before. It was submitted to me by the then Engineer for the Northern district, Mr. Ballard—a proposal to divide the colony into three districts, giving the Southern to Mr. Stanley, the Central to Mr. Ballard, and the Northern to some other gentleman who was not named. The thing appeared to me such an absurdity that I did not hesitate about it for a moment. It appeared to me to be the merest piece of extravagance, because I believe that if it were desirable to make any change at all in respect to the Chief Engineers of Railways, instead of their number being increased it should be reduced to one. I was sure that the third division was a great mistake, and the fact that the Government have now again reduced the number to two is sufficient proof that they also think so. Well, Mr. Fraser, we come to this point now—the Government having reduced the expenditure on works which, if carried out, would have given employment to a large number of men who might need it, the next step is to teach our fellow-colonists the necessity of economy by means of the imposition of taxes. I do not think the example has been set in the public offices. The Colonial Treasurer thinks it is a desirable thing at certain times to teach the colony the necessity for economy by imposing new taxes. I would like to remind him of a

statement he made on a former occasion with regard to that. The hon. gentleman was rather surprised, when the McIlwraith Government met the House in 1879, that they did not propose fresh taxation. This is what the hon. gentleman said :—

"Taxation is at all times an unwelcome subject, but an increase not necessarily through the Custom-house, but through some other avenue, would have taught the taxpayer the necessity of economy on his part if he desired to see the colony pull through the existing depression."

The hon. gentleman is going to teach the taxpayer the necessity for economy on his part now. He imposed fresh taxation last year which he estimated was going to yield £93,000, and he intends to propose fresh taxation this year, which he expects to yield I do not know what. We know he expects £75,000 from the increased Customs duties, but of what he expects from the other sources he has not given us the faintest notion. I do not think he knows himself. I think, Mr. Fraser, we have a right to complain, with regard to this new scheme of taxation, that no reference was made to it in the Speech from the Throne. We were informed that the Government would have to carry out the most rigid economy. I afterwards took an opportunity of asking the Colonial Treasurer in the blandest tones I could assume whether that rigid economy would be accompanied by extra taxation, but the hon. gentleman would not be drawn. Of course, he knew perfectly well that this taxation was coming; I believe the Government knew before the Parliament met that they must impose new taxation, and I think under the circumstances they might, in drawing up the Speech from the Throne, have given us some little more hint of what was coming about.

The COLONIAL TREASURER: You got the information in due time.

Mr. NORTON: We have the information now, and what is more, we know that the fresh taxation will not meet the requirements of the Treasurer. When the hon. member proposed fresh taxes last year, he confidently expected £93,000 from them. He was confident they would be cheerfully yielded, and they were to be imposed for a temporary period only. We have got through that temporary period, and at the end of twelve months, instead of finding that it was only to continue for a short time, we find that another tax is to be imposed, also, it is said, for a temporary period. The hon. gentleman, in introducing his present scheme of taxation, thinks the people will "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." He anticipates that they will yield their abundance without a murmur. They will certainly have to yield, but it will be with more than a murmur—very much more. This new taxation consists of a proposition to increase the *ad valorem* duties by $2\frac{1}{2}$ per cent. The hon. gentleman, in a speech he made the other day, professed to be most opposed to anything in the shape of protection. I have my doubts as to whether he was not disguising his real sentiments on the subject, for this addition to the *ad valorem* duties is a form of protection, although in a form which is not discriminating. It gives protection to certain articles, and is a mere tax upon others without affording any protection whatever. If protection be the intention of the Government, it would be much better to give it properly than in the form of increased *ad valorem* duties. The hon. gentleman includes in it that most abominable impost on machinery. Very great complaints were made against it last year, and I had hoped that when the hon. gentleman brought in his scheme to raise the

ad valorem duties by $2\frac{1}{2}$ per cent. he would have given some indication that machinery would be exempted from its operation. The hon. gentleman professes to take a great interest in the welfare of those concerned in the mining industries, but he knows perfectly well that no more obnoxious tax has ever been passed—for many years, to say the least—than that tax on machinery. It is obnoxious not only to miners but to all connected with machinery—saw-millers, flour-millers, and everybody else. I intend, Mr. Fraser, when the Bill imposing this fresh taxation comes before the House—for I suppose it will come in the shape of a Bill—to propose that all machinery shall be exempt from the operation of the *ad valorem* duties; and if the Colonial Treasurer is sincere in his desire to promote the welfare of the large number of persons in the colony who are concerned in the working of machinery, he will not, I am sure, hesitate to accept it. He must know perfectly well that the effect of imposing a tax on machinery is to restrict the development of private enterprise. If it is not a tax upon labour, it is a tax on those articles which produce more labour than anything else. I now come to the succession duties. Some people call this plundering the dead. I do not call it by that term. I say it is spoiling the widow and the orphans. There are very grave objections to a tax of this kind at all; but this tax assumes a peculiarly objectionable form. I will not refer to amounts so low as £100, but will take the case of a man holding a good position, living well up to his income, and leaving £3,000 or £4,000 to his widow, with a family of three or four young children to maintain and educate. The income to be derived from such a sum is quite inadequate for the purpose, and the unfortunate widow would have to work like a slave from morning till night to make both ends meet. Why should this tax be imposed in cases of that kind? In my opinion it should be imposed on no sum below £5,000. Even in that case the money, if not left in trust, would have to be carefully invested; and the return from it at 6 per cent.—more than that could hardly be expected—would be altogether too small for a woman with half-a-dozen children to bring up. It is scandalous to propose that those duties should be levied on unfortunate women who are left without husbands and with a lot of children on their hands to maintain as best they can.

The COLONIAL TREASURER: They pay duty at present on personality.

Mr. NORTON: Is not that quite enough? I would strike it off if I had my way. There is no reason why they should pay a tax on everything the Government can get at. For my part I think it would be very much better if the Government, instead of proposing this new taxation, would curtail their expenditure. They have had to do it to a certain extent, or rather they propose to do so; but the manner in which they propose to do so is one, I think, which does not redound to their credit. The curtailment which they propose is one which, as I said before, will put large numbers of men out of employment who even now have great difficulty in finding it. In my opinion the curtailment should be made in the public departments. I am sure, from the increased expenditure to which I have already referred—the increase of over £600,000 in Government departments in two years—that it would be quite possible to curtail it. The two offices which were made by the present Government, and which ceased shortly after they were made, is also a proof that some curtailment can be effected; and it is quite certain that it ought to be. The reduction proposed to be made in the expenditure on mining is chiefly with regard to

deep sinking, for which a much smaller sum is placed on the Estimates. The Colonial Treasurer, in his speech, made special reference to the appointment of mineralogical lecturers, and I also make special reference to it, more because the appointment of these lecturers was one of the best that could be made in the colony. There was an amount placed on the Estimates last year for schools of mines, but the Minister for Mines consented to devote it to the payment of those mineralogical lecturers. That amount is therefore left off the Estimates this year, and in place of it a sum is put down for the payment of mineralogical lecturers, and only two are provided for. Instead of £2,000 being provided for schools of mines, the same as last year, £1,200 only is provided for mineralogical lecturers. Notwithstanding the fact that an arrangement was made last session that the mineralogical lecturers should be paid out of the item for schools of mines, we find that only one has yet been appointed. In the face of the lapse of all that time, what guarantee have we that another will be appointed within a reasonable time? I know that the Minister for Mines is trying to get others. I give him all credit for that, but there is the fact that up to the present time we have only one, and his services have been highly appreciated by the men to whom he has gone. I believe the Minister for Mines will confirm my statement that that appointment has been a most complete success in every way.

The MINISTER FOR MINES: I have been looking for another.

Mr. NORTON: I know that. I do not think it necessary to refer at any length to the loan expenditure. We all know what it is; we have evidence that it is increasing very largely, and that if it goes on increasing at the rate it is now increasing before very long we shall have to draw in our horns. I am not one of those who are prepared to say that we cannot go on borrowing; but I do say that we can go on borrowing too far and too fast. There is one item of loan expenditure to which I wish to refer. Last year the House was asked to agree to the duplication of the Ipswich and Brisbane line, and we were told by the Minister for Works that the work would be carried out for £85,000. That expenditure is gone, and we are now told by the Colonial Treasurer that to complete the line we shall have to provide an additional £63,000; that is, £150,000 instead of the £85,000 the work was estimated to cost. One reason why that line has cost so much is that the work has been carried out by day labour instead of contract. I have had many opportunities of seeing the way that work has gone on, and I have seen time wasted continually—utterly wasted. I have seen materials moved from one place to another without the slightest necessity, because, if material had been put down in the first instance where it was wanted, all the waste of labour in removing it backwards and forwards would have been avoided. I have seen time and labour wasted there to an extent that no one would believe unless he saw it himself. It was pointed out when the matter was brought before the Committee last session, that although £85,000 might be sufficient to complete the work by giving a contract, it would be largely exceeded if the Government carried it out by day labour; and now we have evidence that that is true. The reason given for carrying out the work by day labour was this: that it would not be safe to entrust work of that kind to contractors, because of the danger that would be incurred by trains passing backwards and forwards continually, if there was not a proper amount of supervision. But, sir, the same amount of supervision could have been carried out in that

case as could be exercised, and as has been exercised, during the time it has been carried out by day labour; and I would point out that, notwithstanding the reason given for carrying it out by day labour, the supervision exercised was not sufficient to prevent an accident from occurring. I refer to the accident that happened at Goodna where two or three trucks were thrown over a bridge, and, by what appeared to be a perfect miracle, the engine itself was not thrown over. That resulted entirely from want of supervision. A Government party was working there, and the man in charge of the gang, who must have been supposed to exercise proper supervision when a train was coming by, neglected to do so. Therefore, not only will extra expenditure be required for that particular purpose, but the purpose itself has not been attained. I am quite sure, Mr. Fraser, from what I have seen, that if this work had been done by contract in the ordinary way it would have cost less than we hear it will cost; the same amount of supervision might have been exercised by the Government, and probably the accident that happened might have been prevented. I wish also to ask a question with regard to these loan moneys. In the items for railways I notice that the sum for the line from Bowen to Haughton Gap is omitted, and I ask the Colonial Treasurer by what authority it has been omitted? That sum was voted by this House for that particular purpose; no action has been taken in the House to alter it; it has never been mentioned that it was diverted to any other line, and yet, in Table D, we have £250,000 for the line from Bowen to Coalfields, and nothing for the line to Haughton Gap.

The MINISTER FOR WORKS: That is a mistake.

Mr. BLACK: It has been so for two years.

Mr. NORTON: It is omitted, and for that reason I call attention to it. There is one other part of the hon. gentleman's speech to which I propose to refer before I sit down. The Treasurer, I think, very unwisely referred in his Financial Statement to certain articles which have been written upon the financial affairs of the country during the time that the present Government have been in office. If the hon. gentleman had mentioned the matter upon an ordinary occasion, I should have thought less of it, but I think it beneath the hon. gentleman's dignity to drag it into the Financial Statement.

The COLONIAL TREASURER: That is a matter of opinion.

Mr. NORTON: It is a matter of opinion, of course. The hon. gentleman speaks of the political rancour displayed in an article which appeared at home, and seemed to me to attribute both the articles written at home and here to the same writer. I would point out to the hon. gentleman that it is very inadvisable to speak in those terms. He must remember what took place a short time ago, when the leader of the Government persuaded a majority of the House to pass a vote by which the editor of the paper to which he referred was prosecuted in the Supreme Court.

The PREMIER: Very properly.

Mr. NORTON: Very improperly.

The PREMIER: Very properly.

Mr. NORTON: I think there was never a more ignominious defeat than the Government received on that occasion. The hon. gentleman, when speaking of "political rancour," should have considered in what light the action taken on that occasion by this House, under the guidance

of the Premier, would have been termed by people who are not so conversant with matters that we all know so much about.

The PREMIER: They would say "Serve them right."

Mr. NORTON: Perhaps they would, but I am sure they would think it beneath the dignity of the House to take the action it did. I am sure that people living in other places, when they see the Treasurer's remarks with regard to those particular articles, will think that possibly he was influenced by "political rancour" when he was induced to make such a statement. Now, sir, for that reason I regret that the hon. gentleman introduced those remarks into his Financial Statement. If he had made them at any other time I would have said nothing about it. So far as his contradictions of the statements that are given in that article go, I am not prepared to go into them. I do not think it is desirable to do so.

The COLONIAL TREASURER: I am prepared to follow them out.

Mr. NORTON: The hon. gentleman stated in his speech that at the time he went out of office there was a deficit in the Treasury of £19,193 only. How was that deficit made up? By Table A we find that on the 1st July, 1878—that is, six months before the hon. gentleman went out of office—there was a surplus of £15,291. On the 30th September the rents of all the runs were received. They are paid once a year; that is, they are not apportioned over the whole year although they are for the whole year. Therefore the chances are that the gentlemen who went out of office at the beginning of the year, after the payment of these rents, would have a credit in their account. The hon. gentleman did not tell us that the receipt of these rents had anything to do with the comparatively good position in which the Government stood in the beginning of January.

The COLONIAL TREASURER: It would be in the September quarter.

Mr. NORTON said: On the 1st July they had a balance to their credit of £15,000, and after receiving these rents, would probably have a balance to their credit at the beginning of January. Other accounts besides these of the Treasury are available. The Auditor-General not only shows what was the balance at the end of the financial year, but the balance when all accounts are paid up to September. The payments for 1877-8, according to the hon. Treasurer's account, would appear as expended over the year till the end of June; but the Auditor-General not only takes the moneys paid then, but the moneys paid on account of the previous year during the quarter ending the following September. The Auditor-General's account shows a deficit for the year 1877-8, six months before the hon. gentleman went out of office, of £96,388.

The PREMIER: That is on the whole year's transactions.

Mr. NORTON: That £96,388 added to the £15,000 would make over £110,000 paid by the Treasurer for expenses he had incurred during the year 1877-8.

The COLONIAL TREASURER: That £96,000 was covered by moneys received during the three months with which the Auditor-General deals.

Mr. NORTON: It was covered, of course, by the receipts of the Lands Office. But the estimate which the hon. gentleman framed for the year 1878-9 showed £234,500 more than the amount which was actually received. It they received that sum of £234,500 less than the expected

revenue, I think that discloses the fact that there must have been a larger deficit consequent upon the transactions of the previous Government, but it is quite possible that the hon. gentleman is technically right in saying that he went out of office with a debit balance of £19,000. I do not consider it necessary to go into matters of that kind. If anyone is needed to defend the action of the late Government I think the hon. member for Townsville can do it, as he was connected with them at the time and for a much longer time afterwards. I am sure that although the hon. gentleman's statement about the £19,000 debit balance may be correct, the year closed with a very large deficit. Before I sit down, by way of testing the feeling of the Committee, I will move that the word "£100" in the 1st paragraph be omitted.

The PREMIER said: Mr. Fraser,—I rise to reply to the hon. member who has just sat down, not because his criticisms require any very serious answer on the part of the Government, but as much from courtesy to him as for any other reason, and also because there are a few things he said which I would like to put right at the earliest possible opportunity. The hon. member's criticism was, no doubt, based throughout upon the rule that it is the duty of the Opposition to find fault with the Government; that nearly everything the Government have done is wrong; what they have done, and what they have not done, is wrong. That they have done what they ought not to have done, and have left undone what they ought to have done, and that in every particular, in regard to the finances, and in regard to their proposals for the ensuing year, they are wrong. We were not surprised to be told that, but I think sometimes that hon. members who bring forward general assertions of that sort would strengthen their case if they would condescend to particulars, as the Scotch say, and point out something which the Government have done that they ought not to have done, and *vice versa*. The hon. gentleman says the public accounts do not show certain liabilities, a complaint which has been made every year since we have been in office. Since the present Government have been in office the balances stated at the end of each quarter represent the state of the Government pass-book, as I may say—the balance in the Government Bank—the amount to the credit of the consolidated revenue. A man's pass-book does not show what he owes. How can it show what he owes? It does not purport to do that. A bank pass-book is kept for a particular purpose.

Mr. NORTON: This is not a pass-book.

The PREMIER: The hon. member says it is not a pass-book, but it has always been kept on the principle of a pass-book, and does not pretend to show anything else than the cash balances. The hon. gentleman, however, thinks it ought to show something else; that the accounts ought to be kept in another way. If that is so, they must be kept on a principle which has never been adopted here or anywhere else. He complains that we do not show some particular liabilities against the balance given in the statement. He says there are two or three special liabilities that ought always to be deducted from the cash balance as they used to be, or rather as they were for a short period in defiance of very good advice. The hon. gentleman quotes the Auditor-General when he agrees with him, and strongly disapproves of his action when he does not agree with him. In this matter my own opinion is that the account ought to show what the balance is—that is to say, what is the cash balance of the Government—what money

has been received and what has been spent during the year. I do not know any reason why a part of the money in the Consolidated Revenue Fund should be made a trust fund and treated as if it had been paid away. Why should it? That would be a fictitious mode of keeping accounts. In order to let people know how the finances of the colony stand, of course much more is necessary to be shown than the amount in the bank. But the hon. gentleman says certain items called special appropriations ought to be deducted from the cash balance. Why? Because they are liabilities.

Mr. NORTON: More than that.

The PREMIER: Because they are liabilities—special liabilities—which have to be paid. Well, we know they have to be paid, and in addition to these special liabilities which have to be paid there are all the liabilities for the year which will be paid during the next three months, after the end of the financial year. They should be treated in exactly the same way as the special appropriations, as they are equally a charge against that fund. But the accounts have not been kept on that basis—I have been much disposed to think that it would be better if they were, but that information is always supplied by the Colonial Treasurer in his annual statement. The balance shown each quarter is the actual balance. If we want to know what the country owes in addition we must state the accounts in a different way, but that is not done; and that being the case, why should an hon. member, or two hon. members, and the Auditor-General, think that some special items should be singled out and deducted from the amount of the balance? I confess I have never seen any reason why that should be done, nor do I see any now. I think the present system is a very accurate one and the more truthful. It shows what it purports to show. It does not mix up liabilities with cash assets. The fact is that the hon. gentleman's system is neither one thing nor the other. The system of keeping accounts adopted by the Treasurer shows everything necessary—shows all the cash balances, then the liabilities against the cash balances, and it does not distinguish the liabilities in respect of the different accounts. The hon. gentleman wants, not to show the cash balance, but to deduct from it the liabilities in respect of certain special appropriations, and call the result the cash balance. That is a fictitious mode of keeping accounts; it is not an accurate method, and the figures shown would be fictitious.

The Hon. J. M. MACROSSAN: You might as well include the Savings Bank money in the cash balance.

The PREMIER: The Savings Bank money is not a part of the consolidated revenue. It is a trust account created under Act of Parliament. But the hon. gentleman wants us to perform a fictitious operation and then give the result as the cash balance. With respect to these so-called Surplus Revenue Accounts, they have always been more or less imaginary ever since the system was introduced in 1874.

The Hon. J. M. MACROSSAN: Are deficits imaginary also?

The PREMIER: I will refer to Table I, which the hon. gentleman mentioned. It shows the liabilities of the country at the end of the year. This year they are rather larger than usual. There has always been a large liability at the end of every year, but in considering whether there was any surplus revenue available for special appropriation the amount of liabilities has never been taken into consideration. Of course, it comes to the same thing in the long

run, for the Government of the country is expected to go on for an indefinite period, and not to end on the 30th June in any year; and if there were not those sums of surplus revenue we should of course be bankrupt to the extent of the liabilities then outstanding. The system was introduced in 1874 of treating cash balances as savings, and ever since then the practice has been followed. I have never expressed the opinion openly, I think, but although it has been the recognised practice of the country to deal with the matter in that way, I did not think the surplus was a real saving.

The Hon. J. M. MACROSSAN: What was it, if not a saving?

The PREMIER: Well, we started having no money in hand and no debts. During the period that has elapsed since we first started, and up to that particular period when we were supposed to have these savings in hand, we had collected all the money which then remained, and after having spent all the money paid up to that time there were also outstanding liabilities.

The Hon. J. M. MACROSSAN: In 1860 we started with nothing, and in 1874 we had £240,000.

The PREMIER: In 1874 we had £240,000 cash in hand, but probably against that there were £250,000 liabilities payable in the first three months of the following year. In that sense what is called surplus revenue is not surplus revenue, because, although we have got so much money in hand, there is still a considerable sum owing for outstanding liabilities. That system was introduced in 1874 by a Government of which I was not a member, and has ever since been understood to be the practice of the country. It has been the practice ever since wherever there happened to be money on hand to call it surplus revenue, and it has been disposed of by special appropriation. The hon. gentleman says that against the cash balance there ought always to be shown as a set-off the actual liabilities, on account of money appropriated in this way for special purposes. I should like to know why a distinction should be drawn between a special appropriation, say, for erecting wire fences, and an ordinary appropriation for building a court-house in a country town, or even ten court-houses? The money has been appropriated in both cases for contracts let, and the liability is exactly the same. Why, therefore, should we do, as the hon. member wants us to do, with respect to the appropriation for wire fences? We ought to deduct that, he says, from the balance in hand; but with respect to the appropriation for court-houses we should not deduct that. I ask why? There is no essential difference between the appropriation for wire fences and that for court-houses, so that in keeping the accounts why should one be deducted from the cash in hand and the other not? There is no essential difference between them. It is, after all, simply a question of what the accounts purport to show. Whatever they purport to show they should show. They actually only purport to show, like a bank pass-book, the amount actually in hand. They do show that. They do not purport to show the liabilities, and they do not show them. I confess that I think the sooner the Auditor-General is required by law to keep his accounts in the same way as the Treasury officers keep theirs, in addition to the way in which he keeps them now, the better. The accounts he sends in dealing with the year's transactions, showing all receipts during the year and all expenditure on account of the year's transactions, ought to be continued, because it is very desirable to know in the authoritative statement of the Auditor-General how much has been spent for each year as

against the revenue received in it, so that we may know what is the deficit on the year's transactions; but it would also be desirable to have figures certified to by the Auditor-General, showing the actual cash transactions during the same period. It is the actual cash received and the actual cash expended during that period that the Treasurer's tables show. The Auditor-General shows the actual cash received up to the 30th June from the 1st July of the previous year, and the cash expended between the 1st July and the 30th September of the following year. As to saying that the system now followed was introduced for improper purposes, that has been dealt with before.

The Hon. J. M. MACROSSAN: The Auditor-General said so.

The PREMIER: That expression was quoted from the Auditor-General's Report on a previous occasion, and I have already expressed my opinion as to the propriety of any servant of the Government, or any servant of the State, imputing improper motives to the Government of the day. I have said before that no person has any right to impute improper motives to any person in that way. I said so before, and I say so now.

The Hon. J. M. MACROSSAN: What did you say in 1879?

The PREMIER: I do not remember any improper motives being then imputed.

The Hon. J. M. MACROSSAN: What about the Bank Contract? Ask the Colonial Treasurer.

The PREMIER: I do not remember that, and if any analogous expressions were used the same observations apply to them so far as I am concerned. The hon. member would appear to think that motives may be imputed to us, but not to him, and the leader of the Opposition takes the same view. My opinion is expressed entirely irrespective of either party. I think Ministers should be censured by the Auditor-General if they do wrong, and censured with perfect freedom; but that is a very different thing from suggesting that the change of system was adopted from improper motives. I do not think I need add any more upon the subject. With regard to the interest upon the loan, that was referred to by my hon. friend the Colonial Treasurer on the first day of the session, when he referred to a quotation from the Auditor-General's Report.

Mr. NORTON: I do not agree with that.

The PREMIER: No; the hon. gentleman does not, but I do, and I think that on that occasion the advice given was good. It appeared to be the practice of other colonies and countries, and certainly commends itself to anyone as a matter of common sense. We do not, as a matter of fact, get the money, and although it is called interest, it is a part of the bargain for the purchase of the loan. We do not get the money at once—only a small part of it. The transaction was perfectly understood by all persons dealing with us, and as it was in accordance with the practice of other colonies and common sense we adopted the views of the Auditor-General.

The Hon. J. M. MACROSSAN: Do you think it is correct?

The PREMIER: I take the Auditor-General's statement as correct—at any rate it is a very desirable plan and a very sensible one. Passing to the Estimates, the hon. member's rôle was to show that the estimated receipts are absurdly high, and that the estimated expenditure is also absurdly high. I do not know why hon. members opposite always do that, but I suppose they consider it part of their functions.

Mr. NORTON: You used to do it when you sat here.

The PREMIER: I certainly did not always do it, and I certainly think that when I sat on the other side I was always willing to encourage the Government to make both ends meet by legitimate means.

Mr. NORTON: Hear, hear! By legitimate means!

The PREMIER: Hon. gentlemen will find that I always gave assistance to the opposite side in that respect. The hon. gentleman, talking about the drought, said we ought to have known it was not coming to an end last year. Perhaps we ought, but we did not know everything. The drought did not come to an end; and had we anticipated twelve months ago that we would have such a season as we had, the estimate of revenue for the past year would have been much less than it was. The hon. member says we ought to have known it. I will point out, though I do not know that it is worth while pointing it out, that previous Governments have also been mistaken. We have been suffering, in common with others, from the most unprecedented visitation ever suffered in Australia since it was settled. That is a fact. But if we have suffered in that respect, and we have suffered more than we could have anticipated, we have now ground for hope, and I think we may congratulate ourselves that we have probably suffered less than any of the other great colonies of Australia, and that our finances are now in a better position than those of any other colony of similar area.

Mr. NORTON: Not Victoria.

The PREMIER: Victoria, I was about to say, with a much smaller area and a more regular rainfall, has not suffered as the other colonies have from the drought. With respect to this matter, therefore, I think we may congratulate ourselves upon the position of the country. We can congratulate ourselves that we are as well off as we are. That the drought has affected all the Treasurer's calculations is true, but how has it affected the calculations of private persons? It has done so to an infinitely greater degree than those of the Colonial Treasurer. It affected the railway receipts, we all know, and to that extent the expectations of the Treasurer were not met; but I think we are not justified, with the season we have now, in giving way to the gloomy anticipations of the hon. member, or in making our proposals for the current year, as if this lamentable drought—which has now for certain terminated—was going to be continued for another year, or on the basis that its effects are going to be continued in full force for the current year, when we have every reason to hope that will not be so. I pass now to the criticism of the hon. member upon the estimated receipts. The hon. member referred to the Treasurer's estimated receipts from Customs, and said he does not think, because there was a reduction in the last quarter of the last financial year—during which the effects of the drought were felt more severely than at any previous period—for that reason he does not think the moderate estimated increase of £45,000 will be derived from Customs during the current year. Well, now, sir, that increase is an estimated increase of about 4½ per cent., and I am quite sure the increase in the population during the twelve months will not be less than 7 per cent. I think you may take it as correct that during the next twelve months the prosperity of the country will be steadily increasing. I think, if we consider that there will be an increase of 7 per cent. in the population and increased prosperity, the increase in Customs will not be less than 4½ per cent. I am quite sure that it is a very moderate esti-

mate, and I have no doubt the Treasurer expects more. For my own part, I should be disposed to estimate a considerably larger amount than that. As to stamp duties, the hon. member thinks that the increase was entirely due to trafficking in land. Well, if it was, then during this year the increase in stamp duties will be very much larger, because, although a great many transactions have been going on, we know that a great part of them have taken place without the transfers being executed, and the stamps are not affixed until the transfers are actually registered. Many of these transactions will be completed during the next twelve months. Another source from which the stamp duties are obtained is from mortgages, and there is every reason to believe that a very large amount of foreign capital will be invested here this year. The hon. member does not think the railway receipts will come up to the Treasurer's estimate. Well, if the railway receipts diminish as they have diminished during the last twelve months, it will be a poor look-out for the future railway revenue of the colony. If we were to take that gloomy view it would be a question whether we should not discontinue all railway construction, but I do not think the circumstances of the colony justify us in adopting any such course; on the contrary, I think railway construction will be profitable if conducted on reasonable principles and if economy is exercised in management, as I am sure it will be exercised. With respect to the land revenue the hon. member referred a great deal to the failure to realise during the past two years the Treasurer's estimate of rents. Of course the circumstances of the colony during the last two years have been very different from what we anticipated when the Act was passed, and, what is more, the effect of the amendment carried by the hon. member for Darling Downs (Mr. Kates), providing that selection should not take place till after survey, has been greater than was anticipated when the amendment was adopted, but that effect will be continually diminishing. A great deal of land has been surveyed, and there is no doubt that selection is increasing at a very considerable rate. I do not know whether the precise amount of £20,000 will be realised, but it will not be much short of that. The hon. member compares that with the receipts derived under the Act of 1876—that is, receipts on account of capital, an amount continually diminishing—whereas under the present Act these receipts are continually increasing every year, and I think we shall do very well if we submit to some inconvenience in the meantime for the purpose of having that continually increasing revenue from the land, as we undoubtedly shall have under the system at present in force.

The Hon. J. M. MACROSSAN: At the time of the Greek Kalends.

The PREMIER: The hon. member says "At the Greek Kalends." The increase will be every year in proportion to the amount of selection during that year; and although occasionally the purchase money will be paid that will be so much to the good; so that I am certain the amount of income under the Act of 1884 for selections will continually increase, probably at the rate of 50 per cent. per annum during the next ten years, and long before that it will be a considerable item in the year's receipts. Of course hon. members who do not look further than a year or two ahead like to see a large income from sales of land. They think that the policy of this Government is folly, but that is a matter of policy between us. They think it is foolishness; we think, on the contrary, that the policy they advocate is the height of foolishness, and I hope our policy

will have an opportunity of being tried before it is finally settled which policy is to be adopted. I do not think it necessary to refer more at length to the hon. member's criticisms on the estimates of receipts, but I will pass to what he said about the estimates of expenditure. Of course there was the usual criticism that there is no real reduction—no serious attempt to reduce expenditure. It is very easy to say that, but I wish hon. members who say such things would sometimes condescend to particulars, and point out some instances in which reductions might have been wisely effected. The hon. member says that we have reduced the expenditure in directions which provide for the employment of labour, and that we ought on the contrary to have made reductions in the departments—that is to say, to put it into other words, that we ought to continue to provide public buildings—which we can do without for the present—because the building of those buildings will give employment to some persons; and for that purpose we ought to dismiss a large number of Civil servants. Does not that strike one as rather absurd? In order to avoid a possible provision for public expenditure for the benefit of certain persons—a possible want of provision—we should begin by throwing a few hundred people now employed by the State out of employment! I am sure that a proposition of that kind would fail to commend itself to hon. members, and I do not think the circumstances of the country demand it. It may be that some day we shall be in such a position that it will be necessary to dismiss a large number of persons employed by the State, but I do not think we are in that position now.

The Hon. J. M. MACROSSAN: When you are sitting on this side of the House.

The PREMIER: When the Government of the country is in less competent hands we may arrive at that state, but at the present time I do not think we have arrived at that state, and any attempt to dismiss and cast adrift a number of persons who are depending for their living on the remuneration they get for the services they render to the State would, I believe, meet with very serious opposition. If we had proposed such a thing the hon. member then would have talked about the penny-wise-and-pound-foolish idea of dismissing a number of men to swell the ranks of unemployed. We can easily imagine what the hon. member would have said. We have not thought it necessary, however, to do that. When it is necessary to reduce expenditure or exercise economy, we think the best thing is to strike off luxuries; and there are various ways of doing that. Last year we spent a great deal in public buildings, and a large number want constructing now; but we think it better to leave them for the future. So much for public works. The hon. member next referred to the diminution in the amount of subsidies in aid of deep sinking; but though the amount on the Estimates is reduced, it does not follow that the amount paid will be less. The expenditure under that head may, with the amount provided on the Estimates be increased beyond the amount now being paid, or the amount likely to be paid under present arrangements. The hon. member did not refer much to details. He said the Colonial Secretary's Department showed an increase of expenditure, leaving out the £15,000 for the steamer "Otter." Well, if hon. members will look at the various items in the Colonial Secretary's Department they will see that where there are increases—to the amount altogether of about £1,000 in that large department—they have been in matters where expenditure certainly cannot be reduced—such as small increases in the police department. While there is a continual spread of settlement in the country it is impossible to reduce the

expenditure in the police department—that is, it is impossible without detriment to the public interest. We might, of course, dismiss a hundred constables, but what would happen then? If we have too many now, of course we ought to reduce them, but the general impression is that we want a great many more than we have at the present time. We propose to make a very moderate increase in that respect. There is a small increase also—an increase of £4,000—in the Registrar-General's department. Why is that? Because during the year that department has to take the census; that is provided for by law, and that expenditure we cannot help. The hon. member thought also that the reduction in the contingencies of the Harbours and Rivers Department was an improper one; he did not see how the money could be spared. If the hon. member had looked a little further he would see that the full amount of that, or almost all of it, went to pay the cost of repairs to a steamer which were effected last year, and of course will not be required this year. He wondered at the diminution in the expense of the Lands Department—the cost of survey. Well, a large proportion of the surveys have already been effected, and the amount asked for is sufficient to cover all the work that can possibly be expected. If hon. members, instead of vaguely declaiming against reductions where they take place and increases where they take place, would call attention to the items and ask for an explanation, good reasons could be given for every increase that is proposed—they are very few—and very good reasons for all the reductions where the items are less than they were last year. The hon. member complains as well of the reductions as of the increases; in fact, he complains of everything. Where we have made any reductions he says, "You ought not to have taken off this amount; you are sure to require more than you have asked for;" where we have not made reductions, he picks out an item and says at once "We shall not require it." It seems to me absurd to complain of all the reductions we have made, and in the same breath to complain that we have not made infinitely more. The fact is, whatever we do is wrong. The hon. member made two references to the omission of salaries—the salary of the Under Secretary for Railways, and that of one of the Chief Engineers for Railways. Now, with respect to the Under Secretary for Railways, I myself am of opinion, as I was last year, that that department would be worked more efficiently with an under secretary; but my hon. friend the Minister for Works, who has a more intimate acquaintance with the working of the department, holds a different opinion. That is a matter we can discuss later on; I merely express my private opinion. As to the additional engineer, I think hon. members generally will agree that the Government have done wisely. There were two courses open to the Government when Mr. Ballard ceased to be a member of the staff, either to put the whole service under one head or have two or three chief engineers. Having regard to the work that has to be done at the present time, extending from the Gulf of Carpentaria down to the Tweed River, it is certainly impossible for any one man to exercise personal supervision over the whole work, unless we can get a man who could exercise that supervision without knowing the places—and I should like to see him. We thought it better to divide the work between two; and I am certain that if we had proposed to have one instead of two, we should have heard a great cry about the determination to centralise everything in the capital. I think our action in that respect need not be complained of. The hon. member says that instead of proposing increases our expenditure should be curtailed; but the hon. member has failed to show where

expenditure could be curtailed except by dismissing public servants, which is a course the Government do not think is warranted by the present circumstances of the colony. We have endeavoured to curtail expenditure, and I do not think we could have done so any further. Certainly, the Estimates, in the whole of my experience—and on a good many occasions I have had a share in framing the Estimates—have never been framed with a more rigid scrutiny than on this occasion.

The HON. J. M. MACROSSAN: That is stereotyped.

The PREMIER: I have no doubt the hon. member for Townsville could point out lots of things which might be left out, but as he points out each one, I am quite sure that the answers will be ready at once to the satisfaction of hon. members generally.

The HON. J. M. MACROSSAN: That is not the duty of the Opposition.

The PREMIER: The hon. member says it is not the duty of the Opposition. What is the use of simply saying, "Your propositions are all wrong"? Statements like that ought to be backed up by argument. If hon. members opposite do not use any argument, their criticisms fall flat—if they will allow me to say so; general depreciation of opponents has not much effect. Now, the hon. member thinks we ought not to have increased the *ad valorem* duties. Of course he does not; we should have proposed some specific duties. If we had proposed specific duties, we should have heard of the extreme inconvenience of continually tinkering with the tariff. In fact, whatever we do, something else would have been better. I think myself that the reasons the Treasurer gave for increasing the *ad valorem* duties were excellent reasons. As a temporary means of increasing the revenue under extraordinary circumstances, it is about as good a means as could be adopted. I only regret myself that we have not two or three more lines of taxation, like the income-tax in England, or a land-tax or property-tax, which we could adjust from year to year. It would be an extreme comfort to the Treasurer to be able to increase his revenue by putting on an extra penny in the pound. I do not hope to be Treasurer myself, but I admire the convenience and simplicity of a system of taxation of that kind. But, seriously, I do not think the *ad valorem* duties will fall very hard on anybody under the circumstances. I believe it falls fairly on the people—as fairly as any tax except, perhaps, an income-tax, for which I am afraid the circumstances of the colony are not quite ripe. I do not anticipate any very serious objection to those duties outside the walls of this House. As to the succession duties, I am surprised at the hon. member's opposition. I should have thought that if any one source of revenue could not be objected to, it was the taxation of persons who acquire property they have not earned, by the gift of somebody else; and that is what this is. If a man dies he does not take his property with him; someone gets it as a gift from him—wife, children, or anyone else—it is a gift from a man who earned it to persons who have not earned it; and I think that in cases of that sort the State may very fairly claim to receive some contribution. I should have thought everyone would have seen the fairness of those duties, especially when they are charged upon land. I think they are fair, whatever they are charged upon, but especially when they are charged upon the land. What difference does it make whether a man has a large quantity of land and leaves it by will, or whether he leaves it in the form of money? A man may sell his land before he dies and invest the money in mortgage—what difference

does it make to the State? His investments are protected by the State just as much as the land is. The worst of it is in these cases that many escape taxation by going away. The hon. member suggested that a large minimum should be fixed; I think he said £5,000. I wonder why! The succession duties are instead of the duties now charged as probate and for taking out letters of administration. At present $1\frac{1}{2}$ per cent. is charged upon all personal property; land is free. I do not think anybody will say that land ought to be free. What we propose to substitute for it is a uniform tax upon all property that passes upon death. In the case of small estates, up to £1,000, the duty will actually be less when left to a widow or children; instead of $1\frac{1}{2}$ per cent. it will be only 1 per cent. Up to £5,000, the duty in those cases will be the same as at present. Above that it will be larger, as, I think, it ought to be. As to what the duties will bring in, I do not think the death-rate of the population of the colony is sufficiently settled to enable any accurate estimate to be made on the subject. No estimate can be more than a guess.

The HON. J. M. MACROSSAN: What is the Colonial Treasurer's guess?

The PREMIER: I do not know, but my guess is £30,000 or £40,000. There are some very wealthy men in the colony. We do not hope they will die, but rather that they should continue to live and accumulate more money before they die. There are only one or two other matters that I need refer to before sitting down. The hon. member referred to the increase of loan expenditure. I agree with him that we should not allow it to become too large, not only because of the burden it will bring upon us in the future, but because of the serious effect that would follow from the sudden stoppage of it. As to the extra cost of the duplication of the Brisbane and Ipswich line, I confess it is a very extraordinary thing. I for one always feel extremely annoyed when an estimate given to the Government is unreliable and largely exceeded. It is hard to say how these things do happen. I do not think it would have been obviated by letting the duplication by contract. However, the expenditure has been incurred, and I do not see how we can very well get out of it. The hon. gentleman then criticised a matter of small importance, the item of the Bowen and Houghton Gap Railway. The amount is included, although the name is accidentally left out.

Mr. NORTON: The Bowen people would not think it a small matter.

The PREMIER: It is an obvious error, to be corrected as soon as attention is called to it. Then the hon. gentleman talked about the political rancour which, he says, the Government display towards the *Courier*. Really, the Government have never displayed any political rancour, or any other kind of rancour, towards the *Courier*. They will go on, whether the *Courier* helps or attacks them. It does render us assistance sometimes and we are thankful for it, and when it does not we do the best we can without it. As to entertaining feelings of rancour, it is out of the question altogether. The hon. member did not seem to like—I do not know why, but he seems to have a particular interest in defending that article in the *Courier*—the correction made as to it by the Colonial Treasurer, to the effect that instead of his leaving a deficit in the Treasury of £216,000 in 1879 there was only a deficit of £19,000. But the fact is so. The position taken up by the hon. gentleman is this: On the 30th June, 1879, the cash debit in the Treasury was £216,000; my hon. colleague was Treasurer to the beginning of the previous January, therefore he is held responsible for the deficit six months afterwards! That would not

occur to ordinary people. A new Government had come, whether economical or extravagant I hardly know, although I am disposed to think they did not cut down expenditure, at least during that period, but rather that they spent it in some instances faster than before. To say that a deficit which existed six months after they took office was attributable to their predecessors appears to me to be singular. When the present Treasurer went out of office, on that occasion he left a debit balance of £19,000. The hon. member says that before that Government left office they had got in their September rents. So they did, and during the next six months their successors got in the March rents, which were a good deal more. The first Government paid the half-year's interest due on the 1st January, and the next Government paid the half-year's interest due on the 1st July. But these items are generally set off against one another. If anything turned upon this question, it would be that the present Treasurer was responsible for £19,000, and his successor, within so short a period as six months, for the unprecedented deficit of nearly £200,000—a glaring instance of gross extravagance and incompetence on the part of the Government. That is the kind of argument we are treated to periodically in this House and out of it. When a period of depression occurs, the Government of the colony is conducted on precisely the same lines as before, and if at the expiration of that period there happens to be a deficit, the Government is responsible for all the trouble. I think we have had enough of that sort of thing; we have had it every year since I have been a member of the House. A Government was in office for about eighteen months, under circumstances of extreme trouble and depression, and left a deficit. That is given as an instance of the incompetency of a Liberal Government, although at that period there was a treasurer in office—Mr. T. B. Stephens—as competent, as economical, and as rigid in the administration of the Treasury as any gentleman who has ever held the portfolio of that department. Arguments of that kind have no weight with the public generally; and it is just as well to recognise that in this country, as in others, there are ups and downs in the prosperity of the State and the condition of the Treasury, just as there are in the pockets of private individuals. It is all very well to show that a Government has during a particular period been guilty of unwarrantable extravagance, spending money for unprofitable purposes, needlessly increasing the number of Civil servants, or anything of that sort, because that would be fair ground for complaint; but to say that because, during a particular period of depression or prosperity, the country suffered or prospered, it was the fault or the virtue of the Government, is simply absurd. Nobody believes it, and after a time it ceases to be interesting. It loses the charm of novelty, and really thrashing the same old straw over and over again year after year gets monotonous.

Mr. NORTON: Rubbing in the salt?

The PREMIER: Some people may call it "rubbing in the salt"; others would call it, as the Romans used to do, "yesterday's cabbage." At any rate, I think it about time it ended. Why not start something fresh, some new criticisms? The old ones are getting very monotonous.

The HON. J. M. MACROSSAN: They seem to make an impression.

The PREMIER: I shall not take the trouble to refer to them again. I am sure the public are tired of them and would like to see a start made in a fresh line, not to go back over and over again to the complaints of ten years

ago. I do not feel myself responsible in the slightest degree for the sins of a Government that existed in 1865 or 1866; nor do I think hon. members opposite are entitled to credit for the acts of a Government that were in power say ten years ago, with which they had nothing whatever to do. It is all nonsense to say that one party in office is more economical than the other. They have all gone on much the same lines. In prosperous times we are all inclined, I believe, to spend rather too much money, and when we are in difficulties the party in opposition always condemn the proposals made by the other side to get out of those difficulties. At present I have only to add, with respect to the suggestion of the hon. member to exempt estates under £5,000 from succession duty, that it would be simply absurd. The hon. gentleman gave no reason for it. The £100 is of course an arbitrary amount, and a reason may be given for it in the fact that in many cases Parliament has adopted the principle that estates below £100 should be free from burdens of this kind. In many such cases the money is handed over without requiring probate or letters of administration, or formal proof of claim being made. These are privileges that are allowed in cases of that kind, and the amount is the minimum that has been adopted in other countries, New Zealand for instance. Whether it should be £100 is entirely a matter of opinion. There is no principle involved in it. But between £1,000 and £5,000 there is a great difference. I am very strongly of opinion that £100 is quite enough to exempt from taxation. I hope, sir, that the proposals of the Treasurer will be adopted in the shape in which they have been proposed.

The HON. J. M. MACROSSAN said: Mr. Fraser.—The hon. gentleman who has just sat down has afforded a good deal of amusement; and if the financial debate has had no other result it has had the result of putting us in good humour with ourselves. We have certainly laughed more during the time the hon. gentleman has been speaking this evening than we have laughed for a whole week at any previous time. Not that we have laughed at his assertions. I will not say that, but because I believe that we are all in very good humour and inclined to discuss the Treasurer's Statement as good-humouredly as possible. It is very different from the discussion of many former financial statements at which I have been present in this House. I quite agree with the hon. gentleman when he says that the discussion upon the debit balance or the credit balance in existence in the Treasury at the time the present Government left office in 1879 is certainly becoming monotonous. I do not think that there is the slightest reason for it, or that it would have been raised at all during this discussion had it not been for the Treasurer himself. I for one think the conduct of the Treasurer the other evening was certainly undignified as a Minister of the Crown, and I was fully determined to take notice of it, even if the hon. gentleman at the head of the Opposition did not. I say it was thoroughly undignified in a Minister of the Crown to attempt to answer in a financial statement an anonymous writer in a newspaper. Had the article which he took exception to the imprimatur of the editor himself the offence would not have been so heinous, but, sir, I think his conduct is really unpardonable, and that he has to a certain extent brought disgrace upon this House by having spoken as he did in the Financial Statement, which is really an important public document that goes home as such. And then, sir, when criticising this statement which appeared in the *Courier*, the hon. gentleman, I think, would have done far better if he had simply admitted its

truthfulness. He would then have placed himself in the position which he certainly does occupy, although he and the Premier have attempted to show otherwise. Now, all that has been attempted to be shown by any member on this side of the House at any previous time, or by the *Courier*, as far as I could understand the statements in it, is that the Government, when they left office in January, 1879, were responsible for the deficit of that year; and it is not a bit of use the hon. gentleman saying that a Government which had been in office for six months should not be responsible for the deficit of the next six months. I say they are responsible—that whatever Government it is, they are responsible for the deficit of the next six months, and more especially when the Estimates of the Treasurer at the end of the year are over £200,000 on the wrong side. That is where the deficit lies. The Treasurer made an estimate of receiving £200,000 more than he did receive. That was the cause of the deficit. What was the cause of the revenue not being received is another matter, but he certainly is responsible for his estimate, and it is upon that the statement has been made that the deficit actually occurred during the seven months that the hon. gentleman was in office as Treasurer. The ball having been set rolling during his term of office, it was impossible for any Government—no matter how economical they might have been—to have arrested that ball within five months afterwards. It took the hon. gentleman's successors eighteen months to tide over the difficulty, and make both ends meet, and even then they had to do so by an abnormal transfer of balances from the Railway Reserves Fund to the general revenue. I hope, sir, that we shall hear no more of these statements. I also am sick of them; but I have not the least hesitation in affirming that the McIlwraith Government during their term of office aggregated a surplus of £795,000. A large portion of that was, as I have said, a transfer from the Railway Reserves Fund, but the balance was from the savings of the Government. The hon. gentleman has told us that the savings are only apparent. I suppose if the savings are only apparent the losses also are only apparent, and therefore there is no deficit; and if there is no deficit, the only conclusion to be arrived at is that the Treasurer is making a mistake in proposing additional taxation. Is it not ridiculous for the hon. gentleman to talk in that style? A saving is the amount of money which the Government saves during the transactions of the year. If they begin on the 1st July with nothing in the Treasury, and end on the 30th June following with £100,000 or £200,000 to their credit, that much has been saved, and it does not matter what use it is put to afterwards—whether by themselves or their successors. It is still savings, and is a credit. The hon. gentleman tries to get out of it by saying that it was a real asset, but that there was a certain liability against it. I say there was no liability against it. The liability which was applied to it by this House being only in the form of a special appropriation, the same as was done in the beginning of the year 1874. The Government which came into existence then inherited some £240,000 of the savings of their predecessors—not saddled, as the Treasurer says in his Statement, with any liability whatever; but the Government saddled a liability upon themselves by appropriating that amount to special purposes, one of which was the building of the dock in South Brisbane. Now, if hon. gentlemen will really make an end of this statement, I think it would be much better, and the course would be much clearer afterwards, even during this debate, in arriving at a

proper conclusion as to what is the real cause of the deficit at present, and of the Treasurer being obliged to come down with fresh proposals of taxation, after having done the same last year. My opinion of the cause of this deficit is very different from that of some hon. gentlemen in this Committee, notably so from those who sit upon the Treasury benches, and probably from some upon this side. I do not think the drought is so much responsible for the adversity as hon. gentlemen assume it to be. If the drought had been responsible, how is it that the revenue has kept on increasing in the way it has done? There has been no decrease in the Customs revenue, but there has been a very large decrease in the land revenue, and also in railway receipts. But in Customs revenue, which is really the means which we have of knowing the prosperity or adversity of the people, there has been an increase year by year since the present Government came into office. I say distinctly that the deficit has been caused by extravagant expenditure upon the part of the Government and also by maladministration of the Government money. If we go back, no matter how far—but we will go back no further than 1874, the year in which the present gentlemen took office in a former Government—it had always been the case that the territorial revenue of the colony had been able to meet the interest upon the public debt, and that is a principle, I think, that ought to be established as a rule not to be departed from. Our expenditure of loan money is chiefly in the direction of developing the resources of the country, and opening it up to settlement. Therefore, I contend, and have always contended in this Committee, that the land should bear the cost of that public debt. It is the land that is benefited by the expenditure of loan money. That has been the course always. In 1874 the territorial revenue more than met the interest upon the debt, and year by year the same thing occurred, and for years it more than met it; but in no year was it less until 1883-4. From that time to the present we have gone in the other direction. In 1883-4 the territorial revenue was deficient in meeting the interest upon the public debt by £41,000; in 1884-5 by £132,000, and in 1885-6 by £210,000. Now, Mr. Fraser, there is where the deficit comes from. The Government started upon a particular land policy—I am not going to discuss now whether that land policy was right or wrong—but before they did so they should have seen their way to make provision for meeting the expenditure—chiefly the great increase which was about to take place in the interest on the public debt—and then, when they had done that they could have entered upon their land policy with a light heart. They believed that they had done so; but the fact that they did not do so, although they believed it, shows that they were unstatesmanlike—that they did not understand the question that they were taking up. Now, what is to be the deficiency next year upon the same item? The deficiency next year, according to the Treasurer's estimate of receipts and expenditure, will be £286,000. If we add the three years which have just gone past to the year which we are now discussing the statement concerning, the total will be £672,000, which we shall be short of meeting the interest upon the public debt loan, without taking into account the other expenditure, which has been increased in a much greater ratio than the revenue in proportion to the population has increased. I make bold here to say that the taxation proposals of the Colonial Treasurer will be utterly inadequate to meet the great deficiency which has taken place and which will take place in the revenue. I will not compare it to a drop in a bucket, but it

certainly is a very small sum, even taking the full amount which he expects to get from these increased duties—£75,000 and £30,000, in all £105,000—as compared with a loss in one direction alone of £286,000. I say there are really only two ways by which the expenditure and the revenue can be made to balance. You can go on increasing taxation at this rate until you reach a point when the taxation will no longer yield any increase. That point is always reached, and easily reached, by overtaxing any people, and you can reach it in this colony, although we are very wealthy, just the same, as it has been reached in the poorest country in the world. It is not in that direction that we should go; we should reduce the expenditure, which can be done, although the hon. gentleman at the head of the Government tried to throw the onus on the Opposition by asking us to point out what items could be reduced. I say it is not our duty to do so. It is our duty to criticise; it is theirs to reduce the expenditure. They alone have the responsibility of Government; we have the responsibility of criticising their actions, and I think we have always done so very fairly; but it is their duty to reduce the expenditure, and they alone can do so, having the departments under their control, and having the knowledge which they ought to have of where the expenditure can be reduced. The other alternative is to so alter our land administration as to make it go back to the former system of meeting the interest on the public debt. Those are the only two ways. Of course the hon. gentleman proposes taxation. I say the increase of taxation is becoming intolerable. Last year we had an increase in the duty on certain special items—machinery, beer and spirits, and other articles. The increase on beer and spirits I do not so much object to; but the increase on the duty of machinery is certainly very objectionable. This year there is an increase upon the same items, not upon the spirits and beer, but upon machinery, of 2½ per cent., and an increase upon other articles also of 2½ per cent. I think that the tax will fall, not equally, as the hon. gentleman at the head of the Government asserted, but very unequally, not only upon different classes, but upon the different parts of the colony. We have reached the extreme end of our tether in regard to *ad valorem* duties, which will not fall equally upon the different parts of the country, because, as hon. members are aware, there is one part—the part which I represent—that pays more duty per head than the other; therefore this increase of taxation will fall unequally upon them—they will pay more. If hon. members will look up the return of duties paid on machinery, which was asked for by the hon. member for Kennedy (Mr. Lissner), they will find that a very large proportion of that duty was paid in the northern ports last year, and the same thing will take place this year. The incidence of taxation in respect to these two parts of the country are not equal, and they are very unequal in another direction. Instead of being obliged to pay duty in the same degree as the people of the North have, the people of this portion of the colony, where they are manufacturing machinery, will actually be protected to the extent of 7½ per cent., whereas the people of the North whose living depends upon the use of machinery will be taxed to that extent. The incidence of taxation, again, falls very unfairly on the working classes. These *ad valorem* duties fall nearly equally per head on the whole population, because no matter how rich a man may be, whether he is in the receipt of £1,000 or £2,000, he does not eat more or wear more clothes. The working man will bear more of this increased taxation in proportion to his income

than the wealthy man. I therefore protest against the increase—I do not suppose my protest will be of much weight in the Committee, seeing that the Government have a large majority at their back and wield that majority as they please—but I protest against the proposals made by the Government, and ask the Colonial Treasurer to review them and reduce the taxation. The hon. gentleman, when referring in his Financial Statement to the article which appeared in the *Courier*, adverted to the fact that the Palmer Government obtained an increase of revenue during the time they were in office—I think it was in 1870—by putting on an *ad valorem* duty of 10 per cent. That is perfectly true. But they had to put on that *ad valorem* duty of 10 per cent. to cover a great deficit which had been left behind by their predecessors in office, and which had been accumulating for a long time. The hon. gentleman forgot to tell the Committee another very cogent fact which he ought to have mentioned—namely, that not only did the Palmer Government put on an increased *ad valorem* duty of 10 per cent., but they reduced expenditure and began by reducing their own salaries 20 per cent. Will hon. gentlemen now on the Treasury benches imitate that example? Will they reduce their salaries 20 per cent. now that they are increasing the *ad valorem* duties? I do not think they will; I feel sure they will not. That is one direction in which the Government might meet the difficulty. If they begin by reducing their own salaries 20 per cent., they can very well go on reducing the salaries of public officers in an equal proportion down to £300 or £400 a year. There is a large number of salaries of over £300 or £400 per annum paid in this colony, and many men are drawing £1,000 a year—as much as the Ministers themselves—whose salaries could very well be reduced at a time like this, instead of people being compelled to pay more for their tea and sugar, and other necessities of life. That is what should be done, not what is now proposed by the Government. Taxation should take another direction altogether; there should be a tax upon property. The other evening, in making his Financial Statement, the hon. gentleman said he thought the people of this colony would not be opposed to granting this proposed increase of taxation for the benefits they have derived by the fostering care of the Government. I say that the people upon whom the burden will fall have not received so much benefit from the fostering care of the Government as the owners of property have received. What have our £20,000,000 of loan been spent for? The money has not all been spent, but it has been borrowed. What has it been spent for but increasing the value of property in the country generally? I say that the properties which are benefited to such an extent should pay a fair share of the expenditure. That is the direction the taxation should take, and not the one the Colonial Treasurer proposes. It is all very well to blame the deficiency to the drought. No doubt the drought has had an effect upon the railway receipts, but I am strongly inclined to think that the management of the Railway Department has also had something to do with the result. The management might and should take a more economical direction. I know one railway at least which has paid nothing since it has been opened, and from inquiries which I have made in regard to the management of that railway, I feel confident that it could be made to pay much better than it has been paying. I do not blame the Commissioner for Railways for the state of affairs which exist; I blame the Government. I am referring now to the Mackay Railway. It could be made

to pay double as much as it has paid by attention to the management, and I believe if the intentions of the Traffic Department were not frustrated in some way or other that such would be the case—the railway would produce more than it has done. I am not certain that the same thing has not occurred on other railways all over the colony, but whether or not, I do not think it is possible that the estimated receipts which the Colonial Treasurer has set down for railways will be realised. Perhaps the hon. gentleman will remember his own words in 1879, when the then Treasurer, Mr. McIlwraith, made his first financial statement. The hon. gentleman cautioned the Treasurer of that day against being so sanguine as to expect a turn of the tide immediately the drought and other adverse circumstances had disappeared, and said it would take some time before prosperous seasons arrived. The hon. gentleman was quite correct. It did take some time; it took eighteen months, and I believe it will take some time now before we feel the effects of the good times, which will come by-and-by, so that I believe the estimate for receipts set down for railways will not be realised. During the last year—speaking from memory—the deficit on the Southern and Western Railway was about £60,000; on the Central line, £40,000 or £42,000; on the Northern line, £4,000 or £5,000; and on the other lines in proportion. Should not that be a lesson to the hon. gentleman not to estimate the receipts from railways too high, unless his only object was to keep the deficit down at as low a figure as possible. If that was his object, he has succeeded; but if his object was to set down the sum which he was sure, or nearly sure, the railways would bring in, he has made a mistake, for his anticipations will not be realised. How is it possible that they can when we have got into the seventh week of the present financial year—in another week there will be one-sixth part of the year gone—and there is a deficit, week by week, of more than £2,000? Yet the Colonial Treasurer expects to realise the balance of the estimate during the remaining ten months of the year. I must say that he is certainly a great deal more sanguine than the Treasurer of 1879, and he nearly realised his estimate of receipts, though not quite. £20,000, I am just told, is the sum we are short in the seven weeks—that is, comparing it with seven weeks at this time last year. That is a large sum to make up; in fact, it is a week's revenue of the whole of the railways of the colony. It is more than that. The revenue the hon. gentleman expects is something over £700,000, so that it amounts to more than a week's revenue; and to expect that that will be made up, and also the additional receipts at the same time, is, I think, expecting too much. The hon. gentleman has not told us exactly in his statement what is the real deficit existing in the colony. We have heard a good deal about apparent deficits and apparent surpluses. I know I would rather have the apparent surplus than the apparent deficit, and if they are not realities I think of the two the apparent surplus is preferable. If we take the statement in these tables, the real deficit or liability, according to Table I, on the 1st July, 1886, was £412,000—no, the real liability was £457,000, and to meet that we have £45,000, making an actual deficit of £412,000 on the 1st July. When we come to compare this actual deficit and look at the deficiency which has taken place in the land revenue we can see at once why the deficiency has been created and what has been the cause of it. There is no way, as I said before, of retrieving our position unless by taking a long stride backwards, or by reducing the expenditure as it ought to be reduced, and as it has

been reduced before in this colony by more than one Government. I would not take upon myself to point out any particular direction that expenditure should take more than what I have already said. I do not think I would be doing my duty if I did. I would be taking upon myself a responsibility which rests with the Government, and which rightly rests with the Government, who are responsible to this House and to the country. At the same time I would like to point this out, that the course we are pursuing at present—increasing our interest regularly every year, increasing the cost of government regularly every year, and decreasing our territorial revenue also every year—must soon land us in a position that no Government will be able to take the country out of. That may be a gloomy view to take, but I think it is the only rational view to take from the position we are in and likely to get into. The Premier flatters himself with the idea that the Land Act will very soon begin to be a revenue-producing Act. It no doubt will, but it will be in a very small degree. It will be a very long time—a number of years—before it reaches the dimensions of the revenue derived from the Act which has been repealed, and the operations under which are being reduced gradually every year; and before that time the amount of deficiency resting upon the shoulders of the people of the colony will be too great to contemplate. I think hon. gentlemen should look this matter seriously in the face. I believe, myself, that they can adopt means by which the deficiency can be reduced, and by which there would be no need and no reason for any further taxation. Unless those means are adopted, the Treasurer will have to come down again next year with another increase of the *ad valorem* duty. In fact, he has said as much himself. He has told us that this *ad valorem* duty can be “tinkered with”—to use the expression of the hon. Premier—can be “tinkered with” year by year, raised or depressed year by year.

The PREMIER: That is not my expression.

The Hon. J. M. MACROSSAN: The Treasurer said so.

The PREMIER: I think you said it was mine.

The Hon. J. M. MACROSSAN: You used the expression “tinkering with.”

The PREMIER: No.

The Hon. J. M. MACROSSAN: Yes, undoubtedly, and you will find it in *Hansard* to-morrow morning. The Colonial Treasurer told us he could tinker with the *ad valorem* duty year by year, raising it or lowering it in the same way that the income-tax is tinkered in England—raised or lowered in war or in peace. I think that is not a good position for the Colonial Treasurer to take up. If such a course as that is adopted people will not know in what position they are, because at the end of the financial year they will never be certain whether the Treasurer is going to reduce or increase the tariff. That is not a good position for the Treasurer to take up, and it would be far better for him to find some other tax, or some other means of meeting the deficiency. I think I need not say much about the method of keeping the accounts. That has been discussed in this Committee as much as the deficits and surpluses left by previous Governments; but I will say this much about it—that a more confused way of keeping the accounts could not be adopted. I have heard hon. members in this Committee say more than once that the Treasurer's Financial Statement and balances placed before this Committee are a puzzle to them. I have heard them say that

they have given up the attempt to understand them in despair. I say that when a system which hon. members have to give up in despair is the system adopted here, it is time it was altered. Whether it is the natural system or not it is time to alter it; and whether it is the natural system or not, I do not think a dozen members in the Committee understand it.

Mr. DONALDSON: Hear, hear!

The Hon. J. M. MACROSSAN: The hon. gentleman says “Hear, hear!” I am quite certain of this—that he is intellectually as able to understand the Statement as any man in the Committee; yet when I say that there are not a dozen members in the House who can understand it, he says “Hear, hear!” I go farther; I make bold to say that not more than two men on the Treasury benches understand it. I would not be quite certain that the Premier understands it, and I am doubtful whether even the Treasurer himself understands it. When he talks about apparent surpluses and apparent deficits, it looks very much as if there were something doubtful about his understanding it. As to the succession duties, and the amendment proposed by the hon. member who leads the Opposition, I do not bind myself in any way to any particular sum, but I think that though when a man dies he leaves, as the Premier has stated, his money to someone who has not earned it, that someone, being his own widow and children, should not be taxed in the way proposed. I have no objection to land being taxed. As I have said already, the land has received a certain amount of benefit—increase in value through the expenditure of the country—and it could fairly be taxed when left by a testator. But, on the other hand, how many poor traders are there who struggle hard all their lifetime—I select traders, though there are many others, professional men as well as traders—who leave £1,000 or £2,000 to their widows and orphans; and I ask hon. members is it right that the work of this man should be taxed in the same way as they would put a tax upon land? I am well aware that it is taxed at present; but I think the minimum should be much higher than the sum proposed by the hon. gentleman. I do not say that it should be £5,000; but it should be a sufficient sum at any rate to allow of widows and orphans living on the interest of their money. I speak now in the interests of men who work hard and earn their money themselves, whether they are professional men or traders or miners. I exclude, of course, those who leave behind them large quantities of land. I do not know how to get at the men who are spoken of by the hon. the Premier, who, after having reaped the benefit of the unearned increment, invest their money in other securities. I leave that matter to be dealt with by the ingenious legal mind of the hon. gentleman; but I trust that what I have said will be sufficient to prevent the Committee from imposing a tax upon widows and orphans. I can do no more than urge that, and I do think that the tax, if imposed at all, should not be imposed to the extent proposed by the Treasurer, and I hope the Committee will not agree with the proposal. I know it is useless to attempt to interfere with the proposed increase in the *ad valorem* duties, but I shall vote for the omission of the £100, afterwards leaving it an open question whether the minimum should be £1,000 or more.

The COLONIAL TREASURER said: Mr. Fraser,—I did not intend to speak so early in the course of the debate, as I should have preferred to hear the views of other hon. members in connection with the proposals of the Government, but I should be sorry that this motion should go to a division without making some remarks in

reply to what has fallen especially from the last speaker. Of course, I do not expect that anything the Government proposed in the way of taxation would meet with the approval of the Opposition, for, as my hon. colleague has pointed out, it is the duty of the Opposition to find fault and criticise, and the Government do not expect that their proposals are likely to give them entire satisfaction. For my own part, if they were to meet with the entire satisfaction of hon. gentlemen of the Opposition, I should consider that there was something wrong in them. I do not think what has fallen from hon. gentlemen opposite demands any very extended remarks from me beyond reference to one or two matters which have been frequently reiterated in this Committee, and which I wish now just finally to speak upon, as I do not intend to refer to them again in the future.

The Hon. J. M. MACROSSAN: Did you say that last year?

The COLONIAL TREASURER: I am going to refer now to the question of surplus revenue appropriation, and I think it will bear further discussion since it has been put in a somewhat fresh light by hon. gentlemen opposite. I have heard nothing this evening that will at all shake my confidence in the position which the Government have taken up in regard to this matter, and the question has been put in a very appropriate manner indeed by the Premier, who referred to the present system of keeping accounts as being a pass-book system. I concur entirely in that view. I would go further than that, and would point out to hon. gentlemen who profess not to understand the system of book-keeping that the inconvenience that would accrue by the adoption of any other system would be enormous. I may go back to the first surplus revenue appropriation for the year 1874. In the year 1874 the consolidated revenue was in credit, that is to say at the end of the financial year, in the sum of £240,228. It was deemed desirable at that time, on account of this large amount being at the credit of the revenue, to withdraw a sum of £240,000 and place it to the credit of a special fund, called the Surplus Revenue Account. That being done, a balance of £228 only remained in the Treasury to the credit of the consolidated revenue. Now, at the time this was done there were outstanding liabilities to the extent of £138,656. I think it was undesirable to withdraw this sum from the revenue at that time, when it was not to be expended for two or three years following, showing the account in credit to the extent of £228 only, while a liability to the extent of £138,656 existed. I do not think any hon. gentleman would, in the administration of his own private affairs, deplete his banking account and place a certain amount to his credit to a special fund, leaving his ordinary account denuded while he had outstanding liabilities to a large amount unpaid. Again, in 1882, when there was to the credit of consolidated revenue £245,410, a sum of £245,040 was withdrawn and also placed to a surplus revenue fund, leaving only £370 to the credit of the consolidated revenue, while at the same time there were outstanding liabilities to the extent of £200,617. I say that that system was wrong—to withdraw that large sum of money from the credit of the consolidated revenue, leaving the consolidated revenue in an impoverished condition, while all those large amounts of liabilities had to be provided for immediately. I would impress this upon hon. gentlemen, that the liabilities I have mentioned had to be met within the ensuing three months, while the £245,040 was not to be expended wholly for a period of three years. Now, in 1883, when the consolidated revenue showed a credit balance

of £311,594, there was a supplementary appropriation made of £310,000, and had it been withdrawn at that time, as had been done in previous years, the consolidated revenue would only have shown a credit balance of £1,549, while there were outstanding liabilities to the extent of £244,059. I put it to hon. gentlemen, would it have been wise to have depleted the Consolidated Revenue Account to that extent while those liabilities had to be discharged? The Government approved of the action which I recommended at that time, notwithstanding that objections were taken by the Auditor-General, and in consequence we have maintained the consolidated revenue in credit notwithstanding those special appropriations being made, and have disbursed them in the ordinary manner. I do not intend to follow this matter any further. I have shown as clearly as I can how it has been dealt with in the three years which I have mentioned, and I say that the system which we adopted is a proper and fair mode of administering the funds of the country; otherwise, if we had not departed from the old system we should have extended it further, to this extent: that every appropriation made in our Estimates at the beginning of the financial year should also be withdrawn from the consolidated revenue and placed to the credit of a special account until disbursed. I am blamed for having taken notice of comments which have appeared in the Press in connection with the administration of the finances of Liberal Governments, especially those of which I have been Treasurer. All I can say is, that I do not regret anything I have done in connection with that matter. I think it has introduced a spice into a discussion which otherwise would have fallen very flat and dreary. The review I made of the misstatements made in the Press will direct attention to the matter, and I am not afraid of the closest investigation, for I believe it will only result in substantiating the statements I have made; in fact, I have accepted some statements made in the articles which I might easily have rejected and shown to have an utter want of foundation. I did not want, however, to enter into a lengthy discussion or obscure the truthfulness of my statements by introducing foreign matter. I might very truly have remarked in reference to the balance of £216,000 with which I am charged to have left the Treasury in debt in 1879, though I was only in office for seven months of that year—I might have denied that such was the actual balance. If hon. members will turn to the *Gazette* returns of the 30th June, 1879, they will see that instead of £216,000 being the debtor balance as represented in the Press article, it was only £177,625. Though the £216,000 represents the difference between the receipts and the expenditure of that year, it does not represent the balance which was deficient in the Treasury at the end of the year; therefore, if I am to be charged with a deficiency, let it be stated correctly according to the Treasury returns of that date. But further, no mention is made of a certain sum of money left by the Government of which I was Treasurer at the time I retired from office, and which was at credit of account on the 30th June, 1879, at the same time that this £177,000 was at the debit of consolidated revenue. That was the Railway Reserve Fund. And I maintain that if the Government which retired in 1879 are charged with a debit balance of revenue at the end of the financial year, they certainly ought to get credit for the credit balance of the Railway Reserve Fund which was left at the Treasury. That is a *suppressio veri* which should be taken into account when considering the deficit which I am accused of leaving. The amount of cash actually left to the credit of the Railway

Reserves Fund on the 30th June, 1879, was £126,590, so that the total cash deficiency at the end of the financial year 1879—supposing the whole of it had been administered by the Government of which I was Treasurer—would only have amounted to £51,035, not £216,000.

The HON. J. M. MACROSSAN: You have it set down in Table K as £216,000.

The COLONIAL TREASURER: Table K represents, not the actual cash balance in the Treasury at the end of the financial year, but the difference between the receipts and expenditure of each year, not carrying forward any balance, debtor or creditor, which might be in the books on the 30th June. But I say that the position of the Treasury on the 30th June, 1879, at the end of the financial year which we are supposed to have administered, showed cash balances—£177,625 debtor in the Consolidated Revenue Fund, and £126,590 credit in the Railway Reserves Fund, or a debtor balance of £51,035. These are figures which I challenge the financial contributor to the Press to controvert.

The HON. J. M. MACROSSAN: They show the necessity for a new system of bookkeeping.

The COLONIAL TREASURER: I think they are perfectly clear to those who choose to investigate them with a desire to submit the correct issues to the public. I trust nothing I have said will lead hon. members to think that I speak in disrespectful terms of the Press generally. The Press is of great usefulness in every civilised community, and I honour it more especially when it becomes a source of correct and reliable information to the public and is conducted in a straightforward honourable spirit of independent journalism, and does not become the means of disseminating misleading views for political purposes, or prejudice its readers in regard to the statements which may emanate from the Government of the day from time to time. I do not intend to pursue this matter further, as I have said enough without wearying the Committee in going into the whole question of the balances of consolidated revenue. I think the statements made concerning the accumulations by the late Government are framed in such a manner as to mislead, and that the £769,000 cannot be arrived at by any legitimate system of dealing with the balances. As the hon. gentleman opposite has directed my attention to Table K, I will turn to the Treasury tables. If hon. members will turn to Table K they will see that it deals with the revenue and expenditure actually received and disbursed each year. It is not a statement of balances at the end of the financial year. At the commencement of the first year of the late Administration, 1879-80, there was a deficit of £61,381; the second year of their administration there was a surplus of £266,014. How this was arrived at I will presently tell. In 1881-2 there was a surplus of £218,402, and in 1882-3 a surplus of £66,184.

The HON. J. M. MACROSSAN: £311,000.

The COLONIAL TREASURER: I am quoting from Table K.

The HON. J. M. MACROSSAN: I am quoting from the Financial Statement made in the year 1879.

The COLONIAL TREASURER: That was in 1883-4; but the hon. gentleman still persists in mixing up Treasury balances with the actual transactions of the year. This is the table to which he has adverted. He said that its figures proved the accuracy of statements made by writers to the Press, and he based his argument on such statements. Well, Mr. Fraser, it will be observed that the total surpluses are £550,601, from which,

deducting £61,381 as the deficiency of 1879-80, we obtain a surplus of £489,219. We will deduct from that the £382,346, which was taken by what the hon. gentleman has very properly called an abnormal transfer from the Railway Reserves Fund, and that reduces this surplus to £106,873. But I am quite willing to give further credit for the sum of £245,040, which was transferred to surplus revenue in 1882, and that makes the total amount accumulated by the late Government £351,913. Now, sir, that I can prove by the testimony of three tables, and I will put it to the hon. gentleman this way. On the 30th June, 1879, as I have already stated, the consolidated revenue showed a debtor balance of £177,625. On the 30th June, 1883, there was a credit balance of £311,594. The surplus revenue of 1882 amounts to £245,040. The hon. gentleman will observe that I am giving him credit in full for the balance in June, 1883, of £311,594. The total of these is £734,259; that is to say, after making good the deficiency on the 30th June, 1879, and deducting from that the railway transfer of £382,346, the improvement by the late Government was £351,913, as already stated. Again, as before stated, turn to Table K. In 1879-80 the deficiency in the revenue was £61,381. In 1880-1, there was a surplus of £266,014, in 1881-2 a surplus of £218,402, in 1882-3 a surplus of £66,184, making a total of £550,601, from which we may deduct the deficiency of 1879-80, £61,381, and we have £489,219. Deducting further the transfer of railway reserves, £382,346, we have £106,873 to the good; further increased by the surplus revenue of 1882, £245,040, leaving as before £351,913. And I will give a third table. The actual balance on the 30th June, 1879, to the debit of the consolidated revenue was £177,625, and the credit on the Railway Reserves Fund £126,590, the difference being £51,035. On the 30th June, 1883, there was a credit balance of £311,594. Adding the Surplus Revenue Account, £245,040, we get a total of £556,634. Add the deficiency of 1879 made good, £51,035, and that makes £607,669, of which sum railway reserves provided £382,346, which, deducted from the last amount, leaves £351,913, as before stated. Now, I desire to pursue this matter fully. I am not afraid of any criticism, and I challenge the investigation of all hon. gentlemen who care to go into financial matters. There is no reason to surround this with obscurity; it should be fully understood and finally settled, and with that view I have gone very carefully into the matter.

The HON. J. M. MACROSSAN: What has become of that surplus?

The COLONIAL TREASURER: How is that surplus arrived at? The £311,000 was the progress made during the *régime* of the hon. gentleman's Government. I have already stated that this surplus was derived from land sales, and I wish to place this statement also before the Committee in a full and reliable manner. During the time the Macalister and subsequently the Douglas Government were in power, the auction sales—I omit the railway reserves, because the Railway Reserves Fund was utilised by the late Government, and if the Douglas Government is charged with the sin of selling the railway reserves land they ought to get the credit of the proceeds of the land; we cannot allow the late Government to take the money and not be charged with the responsibility of the sale—

The HON. J. M. MACROSSAN: Then give them credit by deducting it from the aggregate surplus.

The COLONIAL TREASURER: During the Macalister and subsequent Douglas adminis-

tration, land sales were conducted and the proceeds credited to the consolidated revenue to the extent of £172,913, and pre-emptives £125,014; a total of £297,927. During the time the late Government were in office, the auction sales of land, the proceeds of which went into the consolidated revenue, realised £631,642, and pre-emptives £105,239. This is exclusive of the sum of £76,878 which was refunded by the present Government for pre-emptives disallowed. As the late Government do not obtain the benefit of those pre-emptives in the financial returns, I am not charging them with the sin of their sale. The total receipts, therefore, obtained by the McIlwraith Government from land sales and pre-emptives amounted to £736,881. During the time the present Government have been in office, our land sales to the 30th June last have amounted to £189,517, and we also received certain balances on pre-emptives which had been passed by the Government during the late administration to the extent of £18,559—that is, we have received £208,076 as against £736,881 received by the late Government. Now, the hon. gentleman asks what has become of the £351,000 before mentioned. £310,000 of that, as the hon. gentleman well knows, was appropriated under a special appropriation in the very first session the present Government came into office, and a very considerable portion of it has been expended—I think, all within £40,000 or £50,000. Now, Mr. Fraser, I have done with this particular subject. I think I have maintained my ground; I am not afraid of my figures being questioned. I do not wish to keep referring to the matter continuously, but I will assert again that I feel I was quite justified in adverting to a financial criticism which I fully considered an editorial one. It was not in the shape of a letter from an anonymous correspondent; it came out with all the authority of an editorial. It came out on the eve of the delivery of the Financial Statement, and at a time when the Estimates were about to be circulated; they had been laid on the table of the House, but were not distributed generally. Coming at that particular juncture, unless some counter explanation had been given, it would undoubtedly have prejudiced the minds of a considerable section of the community with regard to the competence and capability of the administration of the finances of the present Government.

The Hon. J. M. MACROSSAN: The *Courier* has some influence after all!

The COLONIAL TREASURER: I do not know, Mr. Fraser, that I have much more to say with regard to the speech of the hon. member for Townsville. With regard to the probable income that will be received this year, I freely admit that it is a matter of very grave uncertainty. There has never been a period in my remembrance where the Colonial Treasurer has had more conflicting circumstances to bear in mind when estimating the probable Ways and Means for the ensuing year. But I am very hopeful that my expectations will be fulfilled, and they are certainly based upon the most reliable information that can be obtained, and are of that reasonable character which ought to make them generally acceptable and easily capable of fulfilment. If we were to base the future progress of the colony on its comparatively stagnant position during the past year there would be by no means a hopeful future; but we have no right to expect anything of the kind. There is nothing in the papers which have been distributed from the Treasury to justify us in looking at it as continuing stationary. The colony has been subjected to a most severe and unprecedented strain, but it has a very great power of recovery. In that

light the estimates of Customs and Railways need not be deemed unsatisfactory. I contend that we have every reasonable expectation that they will be fulfilled. The increases now expected have been exceeded, I will point out, in the year preceding the last, bad as that was. In 1884-5 the increase on our railways, in receipts, on the corresponding period of the previous year, was a larger sum than I now estimate for the increase on the past year; and it was the same with Customs. In all sources of revenue I have endeavoured, as far as I can, to take a mean between the receipts of the previous year and the abnormally low receipts we obtained during last year. I do not wish to delude myself in that expectation, and I am quite prepared, as I mentioned in the Statement, to see a continued depression even for the first six months of the present financial year, but when we do commence to recover, that recovery will be very rapid and extensive. To show the difficulty of accurately estimating revenue, I may refer to the Central Railway, and may be excused for reading the following short paragraph from my Statement:—

"The Central Railway throughout the year exhibited considerable fluctuations in its receipts. Commencing the first quarter of the year with an increased revenue of £11,847 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."

That is an example of the manner in which revenue was affected by the drought, and I repeat that if we were to base our anticipations of the progress of the colony upon the revenue derived last year, it would be a very gloomy outlook indeed; but we may be justly confident in the belief that the colony will revive, and revive speedily, from its past depression. The hon. member for Townsville has called my attention to Table R, dealing with the railways, and I am obliged to him for doing so, because I must say that this table does not display an encouraging account of the present position of our railways. It will be observed that the charge to the consolidated revenue for loan expenditure for railways up to the 30th June, 1886, is £11,382,653, the interest on which, up to the same date, amounted to £480,056. The net income from all railways for the year was £201,278, making the actual charge on the consolidated revenue for that year £278,778. The return on the capital invested, £201,278, represents a rate of £1 15s. 4½d. per cent. on the total expenditure. That is a discouraging return, and shows a great decrease on the preceding year. At the same time, I will point out that this table represents only cash receipts. There is, as we all know, a large amount of Government material carried—the carriage of officials and prisoners and many other items of non-paying traffic—which do not contribute cash to the revenue. If that were added to the amount of cash received during the year, the return would present a very much improved appearance. I hope hon. gentlemen will take this into consideration when we are considering the question of railways, of the future of which in this colony I have every confidence, not only as a benefit to the community, but as being a valuable auxiliary to the Treasury. With regard to the taxation proposals of the Government, I admit that the extra 2½ per cent. *ad valorem* does appear in its present shape as inclining towards a protection tariff. At the same time, I am of opinion that all Customs duties partake more or less of that character. I have no particular fancy for *ad valorem* duties; indeed, I may say I dislike

them; but at the present time immediate revenue without any additional charge for collecting it is the primary consideration. There is no source of taxation at present open which could be largely increased without a correspondingly large departmental expenditure. In the case of *ad valorem* duties there will be no increased expenditure. The same staff that is employed to collect 5 per cent. can collect $7\frac{1}{2}$ without any new departmental establishment or any additional outlay. And again, when the time comes that the public may be relieved of this taxation, it can be most conveniently done under this form without throwing into confusion any departments of the Government, or causing a large number of men who have been engaged by the Government for the purpose of carrying out a new fiscal system to be deprived of employment. I do not altogether hold with the hon. member for Townsville that it is a tax that is only felt by the poor man. I say the *ad valorem* duties are felt by all classes of the community in proportion to their expenditure; and it is all nonsense to say that well-to-do people do not spend more and circulate more money than what we call the poorer classes of the community. The poorer classes of this community are, I am glad to say, naturally a thrifty, industrious, and persevering people. They do not spend their money in extravagance. As far as my observation extends, they spend their accumulations in real estate to a much larger proportion than the comparatively well-to-do classes, who indulge more in personal gratification—in the purchase of luxuries; and these luxuries will, under the proposed scheme of the Government, contribute largely to this additional $2\frac{1}{2}$ per cent. *ad valorem*. I think, therefore, on every ground, as a temporary expedient, the *ad valorem* duty is defensible at present; I trust hon. members will see it in that light, and not allow their perceptions to be obscured by a fear that it presses unduly on the working classes of the community. It must be borne in mind that what we call bread-and-butter goods are nearly all subject to a fixed duty; they do not come under *ad valorem*, and therefore the breakfast table of the poorer classes will not be affected to the same extent that the dinner table of the wealthy, who deal in luxuries, is likely to be affected. I think I am justified in referring to this matter so as to express my opinion, at any rate, that all classes of the community will participate in this tax and come under its operation, and that it will not press out of proportion upon the working class more than any other class. With regard to the succession duties, the hon. gentlemen who have addressed themselves to this subject seem to overlook—to persist in overlooking—the fact that all property, except real property, is at present subject to duty, and that really the proposals of the Government as contained in the resolution before the Committee will reduce the amount of taxation upon the poorer classes of the community, and upon widows and children for whom sympathy is more especially invited. At the present time persons upon whom personal property devolves have to pay 1 or $1\frac{1}{2}$ per cent.; there is no free minimum whatever upon personalty. Under our proposals persons upon whom property devolves will only pay 2 per cent. up to £1,000, while widows or children of deceased will only pay 1 per cent. I think that any person who receives a gift or inheritance of £1,000 may very fairly be asked to contribute that small amount of duty to the revenue. I do not think such persons can be considered altogether as among the poorer class of the community. Widows and children will, by the small amendment I have introduced, be exempt from paying duty upon both personalty and realty up to £100.

I contend that under this succession scheme the duties will be felt less by those who will be subject to them than any other form of taxation upon real property. During the lifetime of the owner of real property in this colony, he is at the present time saddled—and I think in the future he is likely to be saddled to a greater extent—with local taxation by divisional boards or other authorities. Possibly there may be a land-tax in the future, but at the present time real estate has to pay and contribute pretty largely within municipalities and divisions in the shape of local taxation; therefore I do not think it would be altogether a convenient time, in the present circumstances of the colony, to introduce a real property tax. I have already stated that I consider real property should contribute to the expenses of government. I need not enlarge upon that, sir, but I would request hon. gentlemen to bear in mind that the taxation at the present time is introduced with the view to assist the Treasury, and therefore I hope they will not allow sentimental considerations to obscure their duty to relieve the Treasury of not, I trust, an impending deficiency, but of considerable anxiety; and that the means for increasing the receipts of the colony will be provided in the manner I have proposed. I do not think this is a time when we can fairly relieve the poorer classes of taxation altogether. That, however, we shall be able to do in the case of widows and orphans by fixing the free minimum at £100. That will relieve the poorer classes, who have, perhaps, more left to them in personalty than in realty. Therefore I should deprecate any enlargement of the free minimum. I think, Mr. Fraser, I need not occupy the time of the Committee any further. The Financial Statement has been before hon. members who may propose to deal with other parts than those to which I have referred, but I did not wish the resolutions to pass without replying to the hon. member for Townsville, in addition to the remarks of my hon. colleague the Premier, in answer to the leader of the Opposition. There is no doubt that the colony is now in a condition of change. I believe that that change will be one for the better, and the slightest improvement in our condition at the present time will, I have not the slightest hesitation in saying, as soon as that change has fairly taken place, enlarge considerably our revenue receipts. That, I trust, will be shown at a future time when the financial transactions of the year 1886-7 come under consideration.

Mr. BLACK said: I have no doubt, Mr. Fraser, that the tenor of the debate this afternoon and evening may be of interest to the hon. the Premier, the Colonial Treasurer, and one or two ex-Ministers on this side of the Committee who seem to have amused or occupied themselves in trying to find out which administration is the worst. But, sir, that matter is not of very much interest to the outside public.

The PREMIER: Hear, hear!

Mr. BLACK: I think the outside public will take a very different view of this matter than that taken by the Colonial Treasurer. They, sir, will look more to general results than to matters of detail as to how surplus balances have been transferred, and what they were transferred to. I notice, however, that the Treasurer has admitted that the previous Administration had saved £351,000. I am going by results, Mr. Fraser; that is what the public look to. The present Administration, since they have been in office, notwithstanding that they have added to the taxation of the people, show a deficit of £267,365. The public,

I take it, at all events, come to this conclusion, that under the previous Administration they had prosperity and a moderate amount of taxation, and with the present Government the thing is quite reversed. They have had additional taxation, and there has been a deficit ever since the present Government came into office with the exception of the first year, when they had a surplus of £54,000, and now they see taxation increased. Last year the taxation amounted to about £90,000 additional, and this year it is contemplated to impose another £100,000 in taxation, with the almost inevitable certainty that next year the deficiency will be so large that it will require a very large additional taxation to meet it. That is what the public will look to, and it seems to me that the Committee, in debating this matter, should try to arrive at the real cause of the deficit, to see if it is really attributable to the seasons to the same extent that the Government would seem to assert. I maintain that it is not entirely owing to the seasons. I think that the public, or anyone who views the question impartially, will attribute it to the land policy of the Government primarily. No doubt the drought has had a most serious effect upon the progress of the colony, but it is the land policy of the Government to which I attribute the great deficiency and the immediate necessity for additional taxation. I would like to hear the Minister for Lands on the subject. I notice that his colleagues try to shelter him as much as possible, but I am perfectly certain that that hon. gentleman can give us, if he chooses, some reason why the very grand anticipations which he claimed in 1884, when he passed his Land Act, have not anything like been realised. It would be interesting for the Committee to hear the hon. gentleman. I am sure he must be very much disappointed, and I know that members on both sides of the Committee must be disappointed with the very poor results which have been achieved by the Land Act of 1884, notwithstanding the very great expectations that were formed. I attribute the necessity for additional taxation primarily to the failure of the Land Act to achieve that revenue which we were led to believe it was going to achieve. It was not merely to enable the Government to carry on the ordinary expenses of the country, but the revenue we were to get from it was to be our justification for borrowing £10,000,000. There is no doubt about that. Had the Government not been able to show the Committee that the increased revenue from the Land Act would be sufficient to pay the interest upon the £10,000,000 loan, I am perfectly certain that their loan policy would never have been passed. It was always expected, as the hon. member for Townsville stated, that the revenue from land would be sufficient to pay the interest upon our loan. But what do we find? We find that in 1882-3 the land revenue, exclusive of rents for selections, was £480,561, which has been gradually decreasing ever since, until it has got down to £332,435, and there is no revenue taking the place of it; so that there will be an increasing deficiency year after year, as the conditional and homestead selections fall in. Now, the Colonial Treasurer says that at present the consolidated revenue shows a debit of £412,535. That is shown in Table I, and that is the amount which the Treasurer asserts the colony is indebted at the present time. So that if we add £69,135, the estimated deficiency shown by these Estimates, we have a deficiency to provide for of £481,670. Now, there is no doubt that a certain amount of unexpended votes will again appear to the debit of this fund at the end of the year; but I maintain that the Government, in order to make both

ends meet, should provide for something like £300,000 additional revenue. But they are not doing anything of the sort; the taxation which they propose to add amounts to something like £100,000 only. I maintain that will be utterly insufficient to meet the deficiency which they themselves show as certain to result from their transactions. But I notice that they anticipate this year being able to work the administration so that their expenditure may be very economical indeed. In fact they intend to save on expenditure this year £20,524. Have they any reason to expect that this is likely to be achieved? In the year 1883-4 the expenditure increased on the previous year £194,000; in the year 1884-5 it again increased on the previous year £308,000; in 1885-6 it increased £271,000 on the previous year. Have we any reason to suppose that the Government are going to economise in such a way that this year's expenses will be actually reduced £20,524 below that of last year? I must say that, notwithstanding that I hope to see the colony progress, and to see the bad times mend, I cannot possibly see how the Government can really expect to work the administration of the country this year at £20,500 less than they did last year. They fail to show it at all. With regard to the probable revenue of the country, I think that the Treasurer has every reason to believe that the £70,000 which he expects to get from taxation will be realised. I think the increase of Customs is not more than he has any reason to expect, although eight weeks have already elapsed without any sign of the recovery of the Customs duties. However, that may be a reasonable expectation. Excise and export duties will not, I think, realise quite as much as he anticipates. But it is not in the taxation that I think the revenue will fall very much short. As to the land revenue, the hon. the Treasurer has told us that he is utterly unable to give us a reliable estimate of what it will amount to, and that is why I would like to hear something from the Minister for Lands on the subject. His Estimates up to the present time have been so utterly erroneous that really I don't know what to think. The first year we were led to believe we would get £10,000—we got £696. In the second year we were led to believe we would get £30,000, and we got £3,708; and now we are led to understand that the Land Act is getting a fair show, the seasons have changed, surveys have been effected, and prosperity in agriculture, as we are told by the Treasurer, has improved. And yet the anticipated revenue from the Land Act, which was put down last year at £30,000, is reduced this year to £20,000. Are we likely to get it? Why is the anticipated revenue this year less than last year? Last year we only got £3,708 instead of £30,000, and I cannot see that we are likely to get £20,000 this year. The total anticipated decrease in the land revenue, including pastoral occupation rents and everything else, is £15,484. What a lamentable state of affairs this is, when we think of the glowing expectations held out some years ago! The new Land Act was the one saving policy which was going to give us prosperity. Now we find an actual decrease of revenue under that Act of £15,484 for this year, notwithstanding that the source of salvation of the Government has ceased. They will no longer be able to attribute their disasters to the drought. The drought is ended—and I am sure we are all very glad of it—the new land policy of the Government has had two years' trial, the surveys are completed, and we should have seen some better result anticipated by the Government. Where are all those young men who were waiting with their £5,000 or £6,000 to take up grazing areas?

The PREMIER: They are coming.

Mr. BLACK: Are they coming? Can the hon. gentleman fix a time when they are likely to arrive?

The PREMIER: Too soon for you.

Mr. BLACK: I should be glad to know when they are coming, as we can offer them very much better terms on the coast than they will have on inland grazing areas, where they will have to pay twice as much rent under very much more severe conditions than others holding larger areas alongside. However, the hon. gentleman assures us that they are coming. I hope he is correct on that subject, and that the time is not far distant when we shall see the land policy of the Government given a fair trial. Then we come to receipts from public works and railways. The Minister for Works expects an increase of £71,380 on railways. That amount is problematical. I can tell the Committee what has been received from railways during the last seven weeks. The anticipated revenue from railways for the whole year is set down at £740,000, or £71,000 more than last year. That will give an average of £14,230 per week. Seven weeks have elapsed since the 1st of July, for which we have returns—there is another week, but the returns for that have not yet been published in the *Government Gazette*—and from them we find that the revenue for that period was £79,814. That is an average of £11,402 per week. Now, seven weeks at the Government average, as stated in the estimate of receipts, would be £99,000, showing that there is a loss or deficiency in the railway returns of £19,796 in the seven weeks which have elapsed. If that rate is continued for the whole twelve months, the receipts will amount at the end of the year to £642,904, or just £100,000 less than the anticipated revenue from railways. I am sure I cannot say whether the revenue will continue to be as bad in the Railway Department as it is at the present time, but I certainly think that when there is every probability of the revenue from the Railway Department decreasing, the Government ought to do something to decrease the expenditure. But, instead of doing that, the expenditure in that department is anticipated to be £32,612 more than it was last year. On the whole of the year's transactions the Government anticipate an increase of £132,306, but I am very much afraid they will be just as much disappointed with next year's returns as they must have been with the last, unless they take some steps to encourage our producing industries a little more than they have done up to the present time. I stated before that I did not think the people of the country care two straws what Government is in power, nor do they object to a reasonable amount of taxation as long as they are doing fairly well; but when we find that no encouragement whatever is being given to the producing industries of the country, while at the same time the taxation is being increased, it is not to be wondered at if the people of the colony get more and more discontented every year; and that is what is taking place at the present time. As far as I can make out, the whole of the Government policy has failed to achieve anything like the results which were anticipated from it. Their land policy has failed. That, I think, everyone admits; I know it is admitted by everyone outside the House. They have certainly not secured a revenue from the land, neither have they secured settlement. In fact, all they have done since they came into office has been to increase taxation.

The PREMIER: And ruin two industries.

Mr. BLACK: They have done their best to ruin one great industry of the country.

The PREMIER: Several industries!

Mr. BLACK: If the industry the hon. gentleman refers to has been able to survive—I mean the agricultural industry—it is not because it has received any sympathy or assistance from the Government. With regard to this matter, I would certainly suggest to the Government that if they will not allow those who do understand the question to carry out their policy, they should do something to put their own principles to the test of practical experience. What has their new land policy resulted in? Undoubtedly they have not achieved any success in that. Their labour policy has failed. It was their policy to introduce cheap Continental labour.

The PREMIER: No, it was not.

Mr. BLACK: The labour policy of the Government was to introduce cheap Continental labour, and if the hon. gentleman denies it let him look at the report of the Agent-General, and see what he says on the subject. The Agent-General himself took the trouble to go over to the Continent to endeavour to get Continental labourers. Mr. Pietzcker was sent over by the Government to get cheap Continental labourers.

The PREMIER: No, he was not.

Mr. BLACK: The Agent-General in his report on immigration states that he went over to the Continent to endeavour to get them. But I think it is a good thing for the country that that policy did fail. As to what the future labour policy of the Government is likely to be, I am sure I cannot say. The Treasurer told us just now that after all he has some doubts as to the success of these Estimates, that although he hopes for a good result he is not quite certain that it will come, and, in fact, he thinks that during the next six months there may be difficulty, and that people will have to put their hands into their pockets pretty freely. That is the time the taxpayer begins to grumble. He does not much care what is the policy of the Government so long as they do not touch his pocket. We shall hear a good deal about the financial proposals of the Government as soon as the mails come in from the northern parts of the colony. What did the Treasurer tell us the other day? He told us that the outlook of the pastoral industry was very hopeful. Very well, what should be the immediate result of that? The land revenue ought to improve. Instead of that, we see an anticipated deficiency in the land revenue. He says:—

"The mining industry has been extremely prosperous during the year 1885-6."

I think it a matter for congratulation that it is, notwithstanding the taxation imposed upon it by the Treasurer last year; and now it is to have additional taxation imposed upon it this year.

"The sugar industry has, throughout 1885-6, made gratifying and unexpected strides in prosperity"—

says the Treasurer. That is the first I have heard of it, and if it has, it is thanks to the capitalists who have seen the industry through. I can assure the Premier that it is the very class of men his Government wished to encourage that have gone to the wall first, and the only ones able to hold their own for a better time have been the large syndicates and capitalists who have done so much to retrieve the industry, and who have received so much undeserved opprobrium from the present Government. The Treasurer goes on to say:—

"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."

And further on he says:—

"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."

"Than they have ever been"! I would like to hear the opinion of some of the farmers in other districts of the colony than that which I represent. I know that the industry of the district I represent is about three-fourths of the whole agricultural industry of the colony, and I know it has not been prosperous, but has been carried on at a severe loss. I would be happy to hear that farmers in some of the other agricultural districts of the colony could endorse the statement which the Treasurer has laid so much stress upon. The Treasurer goes on to say:—

"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."

Why, the amount of wheat produced in this colony is perfectly insignificant!

The COLONIAL TREASURER: It was much larger than the preceding year.

Mr. BLACK: I am quite positive something might be done to encourage it, but the Government have certainly never done anything in that direction yet. I think this final paragraph of the Treasurer's Statement, before he went into the controversy with the Press, is about one of the richest pieces of sarcasm I have ever heard uttered in this House. I will read it. He says:—

"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!"

I would like to know in what way, unless it has been in imposing taxation—

"and has done for many of them more than otherwise they could have done for themselves."

I would like to know where there is a single instance of that? I would like to know in what way any of those engaged in industrial occupations in this country have been benefited by the Government doing for them what they did not do for themselves? Any success they have arrived at has been entirely owing to their own exertions, and without any assistance from the Government, and, I might say, in spite of the Government. The Treasurer goes on to say:—

"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."

I would like to know when this limited period is to come to an end? There is no chance of it ending this year, for we know there is almost an absolute certainty of additional taxation next year unless the Government reverse their land policy. I would like to hear from the Minister for Lands if there is any chance of the Government doing that? We certainly shall not get the additional revenue expected in the way we are going on at the present time. I entirely agree with the hon. member for Townsville when he says that it is the lands of the colony that should bear the additional burden of taxation rendered necessary by the vast expenditure of Government money—loan money. That the necessity for additional taxation is urgent I am quite prepared to admit, but I am not prepared to suggest—in fact, it is not for this side of the Committee to suggest an alternative scheme of taxation to the Government. They have brought about the necessity for this taxation through

their maladministration, and it is for them to suggest to the Committee in what direction the taxation should be imposed; but it is for this side of the Committee especially to point out that, while they cannot refuse the right of the Government to impose taxation, it is their duty to point out, at all events, the causes which have led to the necessity for the taxation; and that I have briefly done in referring to the utter failure of the Government in carrying out their land policy.

The MINISTER FOR LANDS (Hon. C. B. Dutton) said: Mr. Fraser,—I do not know that I should take any part in this debate, as I do not know much about finance. The hon. member for Townsville and the hon. member for Mackay have directed their remarks chiefly against the Land Act, to which they attribute the deficiency in the revenue for this year. The hon. member for Mackay, in the speech he has just made—which is after all simply a repetition of the one we had over and over again from him when the Land Act was passing—it has been almost word for word the same, and he might just as well have read it to us out of *Hansard* for the session of 1884—

Mr. BLACK: It is verified now.

The MINISTER FOR LANDS: No; not in those particulars. All the hon. gentleman has done is to carry the speech down to the present time. In the latter part of the speech he has just made he attributes the failure of the Land Act to maladministration. I do not know whether he means to say that the Act itself is defective or has become so through my administration of it. The hon. member for Townsville directed his remarks to it also, but I do not exactly know what they mean. I presume, from what they have said before, that they consider the principle of the Land Act at fault, and that is the real cause of the present deficiency in the Treasury. There is no doubt whatever that if the present Government were to pursue the land policy of the late Government and preceding Governments in Queensland they could have a very considerable surplus now. The applications that were received by the present Government during their first year or two of office amounted in value to between £300,000 and £500,000—I am not quite sure what is the exact amount, but I believe it was over £400,000. It would have made a very considerable difference in the Treasury statement this year if this land which had been applied for were sold. The whole question hinges upon this so far as the principles of the Land Act are concerned: Is it desirable to sell the lands of the country to anybody who will buy them and at such a price as they are willing to take them at, or is it desirable for the people of the country to retain these lands for settlement hereafter? Hon. members opposite say that territorial revenue ought to supply the interest on the loans used in the construction of railways. The policy of the previous Government was to pay out of territorial revenue the interest on loans, and to build railways out to the lands they had sold to capitalists at the prices they were willing to take them at, and carry railways out to these very places. If that is not a suicidal policy for any country to entertain, my ideas of what is fair and just to the country must be totally at variance with those of hon. members who have spoken on the other side. Is it desirable in the southern portion of Queensland that the whole of the country should be sold to large capitalists. Is it desirable, as has been done, to spend money to carry railways out to those lands which have been so readily parted with and which have given them the value which they now possess, and which land when people do

desire to settle upon it, either as agriculturists or as small grazing farmers, can only be obtained at from £5 to £20 an acre? That is what the hon. member suggested we should do.

The HON. J. M. MACROSSAN: No. You colleagues did that.

The MINISTER FOR LANDS: The hon. member said the proper thing to do was to sell our land and pay the interest on loans for our public works out of territorial revenue. If that is the principle proposed by the hon. member his acts would be very inconsistent with some of the principles he has uttered here to-night.

The HON. J. M. MACROSSAN: I did not advocate it. Your colleagues did it.

The MINISTER FOR LANDS: The hon. member for Mackay wants to know if there is anything in the Land Act, any backbone in it, and how it is that it has not been a success up to the present time. Of course, he will make the most of his case by keeping in the background or ignoring the condition of things that has prevailed ever since the Act became law. Everybody in this Committee, and outside of it, will admit that we have during the last three years passed through the most terrible seasons that Queensland has ever known, and that have probably ever been known in Australia. The hon. gentleman asks why is it that an estimate of £30,000 last year was put on the Estimates as the probable returns to be expected from the Act? Well, I am perfectly convinced of this, that if anybody had known at the time those Estimates were framed that we should for a certainty be afflicted for another twelve months with the drought there is not a pastoralist in Queensland but would have thrown up the sponge, and said "It is all over with us now." I certainly was more hopeful than that. I thought that as the drought had continued so long it must break up before the winter set in, and if it had broken up I think the expectations that were held out then would have been fully realised in spite of what the hon. member says. But the drought is not the only difficulty that the Act has had to contend against. The low price of produce here has been even worse than the drought, and it will take a very considerable time, taking into consideration the effects of commercial depression, before people's confidence is established in the country. They have seen the difficulties they have to contend with—not only the drought, but the low value of produce—and it will, as I say, take some time before confidence is restored, but that it will be restored I am perfectly satisfied. The hon. member asked, "Where are the men with £5,000 and £10,000 who were to come to Queensland and take up land under the Act of 1884?" Those men for more than one reason have been debarred from doing so, and it is hardly surprising that they have not come here. The hon. member says, "Let them go up north and give them a start at sugar-growing." Well, they may do that when separation is granted, and then we shall see who will command the young men with capital—whether the sugar-grower of the North or the pastoralists of the West. I know where my own countrymen will go. It will not be up north to drive niggers and grow sugar, but they will go out to the western lands and deal with cattle and sheep. I must revert again to what the hon. member for Townsville said just now. He maintained, and he cannot deny it, that the interest on loans should be met by the sale of land.

The HON. J. M. MACROSSAN: Out of territorial revenue, I said.

The MINISTER FOR LANDS: Well, let the hon. member put it in that way if he likes. It is nothing else but the sale of land. We must sell

land if we do not rent it, and if the hon. gentleman condemns the rent as insufficient, then I maintain that we shall block settlement altogether if we increase the rent. We can easily sell land if we allow speculators to pick the choice spots out of the country, as the Government of which the hon. member for Townsville was a member did, and not only in the northern but in the southern portion of the colony. The hon. gentleman must know that his Government absolutely destroyed the North for settlement. His Government, I say, absolutely blocked possible settlement in the North for the next thirty years. The Government of which he was a member put it beyond the power of any Government to settle people in the North for many years to come. Wherever you go up north, wherever there is a settlement, wherever there is a small township, there will be found the big holders of land, men with 1,280 acres adjoining a township, such as Cairns or a town such as Townsville. If any man had 1,280 acres within a mile of Brisbane he would be considered a wealthy man.

The HON. J. M. MACROSSAN: You are treading on dangerous ground.

The MINISTER FOR LANDS: These Northern lands are held by capitalists in the South and capitalists in Brisbane who are doing nothing with them and are holding them until these townships have reached a stage of development something like Brisbane. Let us block that sort of thing, I say, everywhere. That is not a fault which rests with the late Government alone. Previous Governments set them the example of parting with the land in this wholesale manner, but the late Government are much more to blame because they saw that evil result. They had the experience to guide them.

The HON. J. M. MACROSSAN: What of your Government?

The MINISTER FOR LANDS: Mr. Fraser, —I am not so much at home in this House yet that I can bear these interjections and running commentaries of the hon. gentleman. He knows it disconcerts me, and I should be pleased if he would allow me to proceed. He may adopt that course with the Premier or Treasurer, who are at home in the House, but I am not; and these running commentaries and interjections have a very disconcerting effect upon me. As I remarked just now—and the hon. gentleman cannot deny that he has said it, and the view has also been maintained by the hon. member for Mackay—the cure of the financial difficulties which he says have overtaken the present Government is, according to him, the sale of land—that the greater part of the revenue should be derived from the public lands. Now, there is only one means by which that revenue can be got, and that is by sale, and that policy the present Government are determined they will never think of adopting—at least, I hope they will never adopt it. I am quite sure of this—that so long as I am a member of the Government they will never think of adopting such a policy. If they ever think of adopting such a policy—and I do not think it all likely they will—they will probably leave it to someone else on the other side of the House to carry out, and let them reap the opprobrium which future generations will heap upon them for parting for ever with the heritage of their children. Hon. gentlemen opposite laugh because they are the men who have done this. They are the representatives of the people outside who have acquired the best portions of Queensland in their own hands, and, of course, while they represent those people they are bound to maintain those opinions here, cover them over as they may and have done by specious arguments such as those advanced by

the hon. member for Townsville. He knows very well how to maintain the outward semblance of Liberalism, and at the same time carry on a wholesale robbery of the country by the extravagant sale of Crown lands. The hon. member for Mackay also said that the Government maintained, when the Land Act was passing through the House, that they looked to it to produce enough revenue to meet all possible requirements for the public works policy of the country. Now, the Government never said anything of the kind as applying to any present or subsequent time within any period of four, five, or ten years. They said that the ultimate results from the Land Act would be sufficient to cover all possible requirements of the country—all possible requirements in the way of public works. But that is not to be acquired at once; and nobody ever claimed or thought that it would be. All that the Minister for Works said on the point was that in the future it would be so, but that at the present time it would not. No reasonable man could suppose for a moment that the rent could possibly meet every requirement at the time, but the Government felt sufficient confidence in the people of the colony to believe that they would be satisfied to bear additional taxation rather than see the difficulties of the Government in consequence of carrying out public works at any time met by the sale of land. We know that a private individual may make a luxurious and ostentatious display of wealth as long as he chooses to sell piece by piece of his patrimony; but we look upon such people simply as fools who are robbing those who ought to receive from them the property which it is their duty to preserve. And it is equally the duty of the Government to preserve carefully and deal economically with the public estate, so that those who come after may also share in the benefits to be derived from the proper management of that estate. I firmly believe that this policy will be endorsed by the majority of the people, and that they will readily submit to a moderate increase of taxation to meet any exigencies that may arise in consequence of the large public works policy of the Government.

Mr. PALMER said: Mr. Fraser, — The Minister for Lands has stated that the member for Townsville through his action has hindered settlement in the North for twenty or thirty years, and referred to the wholesale spoliation on his part of the land in the North. There is a document connected with the report of the Minister for Lands for the year 1885 which shows the whole extent of the land of the colony in one area; in a smaller area the land held under pastoral tenure; in a still smaller area the land held under the Act of 1876; and the areas become smaller and smaller till there is a comparatively infinitesimal area showing the amount of freehold land in the colony. That small portion compared with the whole of the colony does not represent more than the palm of my hand in comparison with the whole extent of this Chamber. The hon. member must have a very small idea of the extent of the colony. Why, there is more land to be taken up in the North, and better land, than has ever been taken up yet, and there will be plenty long after the present Minister for Lands has done with the administration of his Land Act. The Financial Statement presents so many different aspects, and it has been looked upon from so many different points of view that it is only natural that I should take a view different from those that have been before presented. I must say that there has been more interest taken in this Financial Statement than in any since I have been a member. I did not see so many members asleep while it was being delivered, though one member told me he fell asleep three or four times in trying to

read it afterwards. I think it will be very interesting to the taxpayer, as well as to hon. members, because he will have to make up the deficit. The Colonial Treasurer is very happy in some of his classical quotations, and I have one which I think will apply at the present time—*Facilis descensus Avernus*. It is very easy to descend, but very difficult to regain a balance on the right side. I scarcely think the Minister for Lands or the Colonial Treasurer can blame the drought for all the deficit piled up in the four financial statements which have been presented since I have been a member. The drought is in some degree blamable, but the drought has not been all over the colony; a great many tracts along the coast have not been visited by it, and those are the lands on which the Act of 1884 has been at work. In reading the Financial Statement, I counted the word "drought," in various forms, thirteen or fourteen times; in fact, I got tired of counting. It is variously called drought, rigorous seasons, adverse seasons, and so forth.

The MINISTER FOR WORKS: We have had petitions referring to the drought.

Mr. PALMER: That is in the interior; the coast lands have not suffered much. The revenue has been increasing year by year, and if that had not been the case—if the revenue had been stationary—where would the expenditure have been? I felt relief from the statement made by the member for Townsville, that the Treasury accounts are perplexing. I began to think there was no bottom in them and that they could never be understood. When I found his figures contradicted by the Premier, and the Premier's contradicted by the member for Mackay, and the member for Mackay's contradicted by the Treasurer, I thought smaller members like myself, who try to flounder through the figures, might be excused if we did not quite understand them. I believe the accounts can be kept in such a manner that they may be understood by any member of the House who chooses to devote a little time to them. The accounts of mercantile establishments are so kept, and why should not public accounts be kept in that way? In reference to Table I, in which the liability in excess of assets is set down at £412,575, I would ask the Colonial Treasurer whether that is the amount of debt? The increase of expenditure in four years has been £557,964. Are we to add to that the deficit of the years 1884-5 and 1885-6, because that money has been spent? And the expenditure from trust and loan funds, I think, ought to be added to the others. The excess of liabilities over assets is £412,575. That is the amount we are liable for, but according to Table K the expenditure is still greater than that. I make out that we are liable for £980,000. If we are going to raise taxation to cover a deficit of £69,000 only, I am afraid we shall be insolvent; the Government will have to file their schedule. Well, I hope we shall understand it in time; I have tried hard to understand it, and now I make out the amount that the Treasury is liable for—the increase of expenditure for four years, the liabilities in excess of assets—as nearly £900,000. There is a statement in the Colonial Treasurer's Statement here that I scarcely think he can have brought his experience to bear upon. Sometimes he refers to the extraordinary paralysis of all the industries of the country, and then a few paragraphs further on he refers in the most hopeful manner to the prospects that are before every industry in the colony without any exception. In the very prologue to this inflated Statement, he says:—

"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."

"Normal fruition"—that is very good, Mr. Fraser. Well, the Colonial Treasurer, in the course of that celebrated trip from the Gulf of Carpentaria back to Brisbane, made a speech at a banquet in Charters Towers; and I suppose he will recollect the statement he made there about the enormous territories that were being held by pastoralists out west, and the princely incomes they were deriving from these enormous areas of land, which they were appropriating to their own use, without attempting in any way to improve them by conserving water or any other necessary work. Well, if the country is subject to such sterility as the hon. member says here, where are their princely incomes coming from? I was referring to one item in the estimates of the land revenue which has not been in any previous estimate, that is "Occupation Licenses, £5,000"—the estimated return for 1886-7. I suppose that is under Part V. of the Land Act of 1884. There has been very little operation under that part of the Land Act. No doubt the Minister for Lands could supplement the increase of land revenue very considerably if he would only extend occupation licenses in the North. I reckoned up that he could receive from £10,000 to £12,000 from lands which are now making no return whatever, if the Land Act were so far amended as to say that so much land within the settled districts shall be thrown open to occupation, thereby allowing people to select what they required and apply for it. Under the present conditions they cannot see their way to do so; as if they select a bit of land it has to be put up to auction, rendering them liable to competition they do not wish to submit to. Well, I suppose the deficit and the taxation resolutions we have before us this evening are the result of this excess of expenditure over revenue, increasing year by year, Mr. Fraser, till they have arrived now at almost the culminating point. As that excess of expenditure has been caused by the extravagance of the Government, by the increase of the Civil Service to an enormous extent and shortening their hours, we may very well refer to what they said when they spoke of a revenue from the land which was to do away with all taxation. This is in the Financial Statement of 1884:—

"Government are now framing the Loan Estimates—such as they consider the requirements of the country demand—and these will be laid before Parliament as early as practicable; but they desire to see their land policy affirmed, so that provision may be made for the payment of interest without oppressing taxpayers of the colony."

There is no 2½ per cent. *ad valorem* there, Mr. Fraser.

"Should their proposed land legislation be accepted, they will have no hesitation in advocating a much larger loan than any that has heretofore been sanctioned by Parliament, and, if they deem the services of the colony demand it, will not hesitate to approach the sum of £10,000,000 sterling. They conceive that the circumstances of the country justify this action, and that the present time is opportune, not only for the greater development of the country and the encouragement of immigration, but also is highly favourable for the necessary financial negotiation."

The same inflated strain pervaded that statement that pervades the one we heard last week, and the results are just as melancholy. The land has not brought the return that was anticipated, nor is it likely to, because the revenue must come from the people who are settled on the land, and from what I can see the people do not care to take up land under the present tenure. If they

do it is in the hope that before very long pressure will be brought to bear on the Government so as to alter the conditions under which they hold land. Reference has been made by the Colonial Treasurer, and I think by the Premier, to what he calls the pessimist view that has been taken by the Opposition of the Financial Statement and of the prospects of the country. All I need say on that point is, that if you take out of the Financial Statement all the flowery language, and I might say all the exuberance of verbosity that is in it, and then take the figures, there could be nothing said of it more melancholy than the facts that those figures themselves represent.

Mr. ISAMBERT said: Mr. Fraser.—The hon. member for Townsville expressed an opinion that probably not half-a-dozen members of the Committee understood the Financial Statement. I believe he is right, but notwithstanding that so very few understand it hon. members seem to enjoy this dance of figures so much that it would be a pity to cut their enjoyment short. We might have a little more of it to-morrow, and with that view I move the adjournment of the debate.

The PREMIER: We can't adjourn the debate.

Mr. ISAMBERT: As it seems to be the wish of hon. members not to adjourn the debate, I will go on. I am not acquainted with the clerk of the weather; I never met him, but although he is a stranger to me I do not think it right that he should be blamed with all the sins. It is not right to blame the clerk of the weather as much as he is blamed. I do not think you could find a Governor's Speech for many years past without the clerk of the weather appearing in it. The climate of the country varies, and any sensible Government would adjust its policy to the circumstances of the colony. I do not think the present Government have been very much more successful than any preceding Government. They simply transplant the political notions of an old country into a new colony—carrying out a purely English policy in Queensland. In Victoria, being a small colony and the population being denser, they have had earlier to turn their attention to some sensible policy, having regard to the welfare of the people; and they have had to adopt a home or national policy. It is the height of foolishness to attribute the present fiscal policy of Victoria to sentiment. It is the national outcome of a people legislating for their own benefit, and not allowing themselves to be fleeced by adventurers coming to the colony. So far as I can see, the present separation movement has a great deal to do with the fact that the southern part of the colony is becoming more densely populated. We are naturally driven to adopt a different policy from that which was unnational up to the present time. We are gradually having regard for the many, and not so much for the few. In the early days capitalists came here to get rich as quickly as possible and then to clear out, and they managed to get into Parliament and to get hold of the reins of government. They legislated, of course, for their own particular benefit; and whatever popular legislation has been effected has been wrought out by a few public-spirited men. This legislation not suiting the North, capitalists are again at work to cut off the least populous districts of Queensland and to carry out once more their policy. With regard to this *ad valorem* duty of 7½ per cent., I cannot—although the Government is in duty bound to provide the necessary revenue, and which I should be the very last to oppose—I cannot approve of the indiscriminate way in which this revenue is to be raised. There

are many things that ought to have been selected. There is, for instance, that indescribable nondescript stuff imported here, having no intrinsic value, sold under the name of nick-nacks and fancy articles—that would very well stand a duty of 50 per cent. and no one would be the worse for it. It would keep a lot of rubbish out of the country for which we get no real value, and for which we export our hard sovereigns. Then there is jewellery; that might be very well taxed 20 or 25 per cent., and no one would be the worse for it; and those who are able to spend money in luxuries would assist the revenue. If that were done, such articles as we cannot manufacture in the colony might be exempted from this $7\frac{1}{2}$ per cent. duty; while articles which can be manufactured here might bear very much more, so that not only would revenue be raised, but our industries in general would be encouraged. The Colonial Treasurer urges us not to be guided by sentiment. I will apply that advice to himself. It is entirely owing to his sentiment for freetrade that he proposes this indiscriminate system of taxation, which has as little of the science of politics in it as the Arctic wind has of warmth. I am positively informed—and I say it without fear of contradiction or disproof—that had the Treasurer imposed a proper duty upon chemicals and acids, before six months were over we should see large chemical works established near Brisbane, keeping a large sum of money here instead of sending it to the other colonies. But no; that would be sentiment! I say it would not be sentiment, but looking after our own industries. That is a hard, dry matter of fact; but for fear of going against the sentiment of freetrade that is not done, and instead we have these duties increased to $7\frac{1}{2}$ per cent. That is what I call sentiment. There are a good many things which by discrimination would not only bring revenue to the Treasury, but also assist that prosperity which we all so much desire, and which, if not brought about by the hard lesson of the late bad seasons, may perhaps be tried to be brought about when it is too late. By proposing this *ad valorem* duty the Colonial Treasurer has arrived at a very unenviable position. It is neither protection nor freetrade. It is what St. Paul called neither warm nor cold, and only fit to be spat out. Now, I will just give hon. members an illustration that taxing imported articles does not always increase the burdens of the taxpayer, but is rather an advantage to him. It matters little generally how heavy a tax is, but it matters much how we expend the revenue that we derive from it; what portion is kept in the colony, and what is allowed to be drained out of it by our present unscientific and senseless method of fiscal policy which allows the colony to be depleted of the hard money that diggers and others who come here bring into it. Never was a colony in denser Egyptian darkness than we are at this moment upon the subject of introducing foreign capital by means of borrowing. I have the Colonial Treasurer's own words that two years ago, before we went in for the £10,000,000 loan, we had borrowed over £16,000,000, and had received in cash only £1,900,000. I was perfectly astounded to hear such a result, and if we look into the matter closely our astonishment will be even greater. I have also the hon. the Treasurer's own statement that out of the last £8,000,000 borrowed we actually got only £100,000, or only one-eightieth of the money, and that of the last £10,000,000 we shall get only about £100,000 in actual cash. Then, sir, if we look still more closely into the matter we shall find that the balance of trade on the wrong side corresponds pretty nearly to the money we borrow, proving the injury done to the colony by this sense-

less financial policy of borrowing. If we look into the imports and exports of the last five years we find that the balance of trade is by over one and a-half millions on the wrong side. In 1879 the balance was on the right side by £90,588; in 1880 it was on the right side by £269,260; in 1881 it got to the wrong side by £474,643. That was the year in which the British-India mail service was contracted for; and in the next year, when this service afforded facilities for our colony to be swamped with foreign goods, we at once see the effect of it. The balance of trade for that year amounted to nearly £2,000,000 on the wrong side; in 1883 it was £1,123,787; in 1884 it was £1,865,842; and last year it was very nearly as much on the wrong side. Now, I would like to know how any country on the face of the earth could stand such a drain as that upon its resources! What sense is there in such a policy as that? It proves that the present system of borrowing is as illusive as possible, and that to have a system of borrowing with any sense in it whatever, we must bring the balance of trade to the right side; and when the balance is brought to the right side, and we borrow money, we shall see it imported into the colony, as has been done in Victoria. If we go on as we are doing at present, we shall soon drift into the same condition as New Zealand and South Australia. I am certain that there is not only no member of this Committee, but no man in the colony who will not suffer from this ridiculous borrowing, whereas if we change our fiscal policy in such a way as to bring the balance of trade to the right side, it will at once bring about general prosperity. To give an illustration that taxation on imported articles is not always a tax upon the country, I would point out this: A man who digs gold, say £10 worth, spends in picks, shovels, and other articles which are imported, say £9. This money goes from him to the retailer and from him to the importer, and never comes back into the colony. But let us follow the other £1. If he spends it in colonial produce or colonial manufacture—say, if the miner represents A; before A parts with it to B, the latter must produce £1 worth of goods, and before B parts with it again to C he must produce an equal value in goods, and when that sovereign has changed hands twenty-five times it will have been the instrument of the production of £25 in value, and will have benefited twenty-five people, yet that sovereign will not have lost one farthing in value itself, and will still be in the colony circulating from hand to hand. With regard to land revenue, I think that is a failure. But in some respects we are to be congratulated that the Act has prevented the squandering of the public estate, the inheritance of the people, and that pre-emption—that unparalleled public robbery—has been done away with; and I hope we shall never return to that scandalous robbery of the public estate. I have a great deal of fault to find with the Land Act, so far as relates to the homestead clauses; but I trust that that fault will be amended during the present session, and then we shall have settlement going on briskly, and for the rest I hope that the people will remain the joint proprietors of the lands of the colony. At present we hear of a great deal of unemployed people in the colony, and that the Government have to borrow money to start public works to provide employment for them. I think that the Government is in duty bound to provide employment for the people, either by a sensible fiscal policy, which will encourage our own industries, or by public works. The country is in duty bound to find work for the people, indirectly by wise government or by instituting public works. That is a liability which the Government cannot escape. Now, with regard to the succession duty

on the property of deceased persons passing to their heirs, I think that is very justifiable, and coincides with democratic principles. In this particular, I maintain also that the people in general are joint proprietors of all property, and the heirs should pay duty before getting possession of it. I do not think, however, that widows should be so badly dealt with. We cannot say that widows inherit what is left by their husbands. It is already possessed by them as joint property, and its passing to them can hardly be considered succession. If the property pass from parents to children or to relatives, then the duty should be charged. I cannot congratulate the Opposition on their attempts to define the real cause of the deficit. I believe that the Government—the so-called Liberal party—cannot defend their policy, because it is not based upon sound principles, and the Opposition dare not criticise that policy. If they did criticise it as they understood it, they would have to adopt radical principles, which would be against their policy, as representing the Conservatives. For that reason, they are representing the interests of a few. I never felt more amused during my parliamentary career than when I heard gentlemen speaking about the late Government accumulating surplus revenue, after having had to face a deficit when they took office without resorting to taxation. Hardly had the echo died away that they would be able to do without increase of taxation, when they introduced the Divisional Boards Bill, imposing a very obnoxious tax at that time; so that that profession is not worth very much. That they were successful in their land revenue we know. I am sorry to say we know too much of it. It is about on a parallel with the immense land revenue of New South Wales, where they accumulated millions to the lasting damage of the colony. The hon. member for Burke said there was plenty of land yet left in the North unalienated. He is perfectly correct; but it is not accessible. What is the good of sending a farmer into the wilderness when he cannot bring his produce to market, or his rations to his farm? I have had communications from the North—from Port Douglas—where there are a few European settlers, who complain that a man cannot find a homestead selection where the lands are very rich, as they are mostly held by speculative or absentee selectors. This fact formed part of the report of Mr. Hodgkinson. If the land had been actually settled, the North would be the most prosperous part of the colony. It is from speculation that the North has suffered, and it will be many years before the North gets over the damage which has been done by wild land speculation. I believe the present Government have seen the evil of forcing too much land into the market. I believe that if we search colonial history we shall find precious few saints—political saints. I cannot congratulate the Treasurer upon having done anything to cheapen the cost of the breakfast table. If he had turned to and encouraged our industries we should have a far cheaper breakfast table. What is the use of asking people to settle on farms when they cannot sell their produce? Producers without consumers are of very little value. The Government have not made the slightest allusion as to what they will do to relieve or improve the state of the sugar industry. The sugar industry is a most important one, and if it continues to progress a few years longer it will almost top all other industries—mining and pastoral industries included—although at the present time it is in a very unsatisfactory state in more respects than one. Hardly a plantation in the North is paying at the present time. It is

only, as the hon. member for Mackay stated, the rich companies and syndicates that can hold out. That is a very unsatisfactory state for it to be in, yet I believe that wise legislation is able to bring the sugar industry into a prosperous condition again, and also to work out that objectionable element in the industry—the nigger. I firmly believe the sugar-planters in the North can be assisted in such a manner as will result in the benefit of the colony, and relieve it of that objectionable element. But so long as the planters contend that capital and cheap labour are necessary, so long we shall be at loggerheads. The system which the sugar-planters of the North cry out for has done very little, and the reason they are not so badly off as planters in Crown colonies is that they have an exceptional market here, as we ourselves are good customers. I agree with the hon. member for Mackay that the prospects of farmers are not so very bright; they are anything but bright. If it was the drought that caused this calamity, how is it that the same effect has been felt in the rainy belt of the colony where they know no such thing as drought? The sooner the Government give up the idea of blaming the drought and address themselves more closely to the real question at issue, the sooner we shall initiate happy and prosperous times that will enable us to defy adverse seasons.

Mr. NELSON moved the adjournment of the debate.

On the motion of the COLONIAL TREASURER, the Chairman left the chair, reported no progress, and obtained leave to sit again to-morrow.

MESSAGE FROM THE COUNCIL.

PATENTS, DESIGNS, AND TRADE MARKS BILL.

The SPEAKER announced that he had received a message from the Legislative Council, intimating that they had considered the amendments of the Legislative Assembly in the Patents, Designs, and Trade Marks (Amendment) Bill, and concurred in the amendments made by the Legislative Assembly on their amendments.

ADJOURNMENT.

The PREMIER said: I move that this House do now adjourn. After dinner to-morrow it is proposed to resume the debate in Committee of Ways and Means, and I hope it will be concluded. If there is any time to spare after that, the Opium Bill will stand next on the paper.

Question put and passed.

The House adjourned at forty-nine minutes past 10 o'clock.