

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

THURSDAY, 11 AUGUST 1887

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LEGISLATIVE ASSEMBLY.

Thursday, 11 August, 1887.

Questions.—Petitions—Provincial Councils—Establishment of University.—Formal Motions.—Lands Department Returns.—Suspension of Standing Orders.—Resignation of the Postmaster-General.—Supply—resumption of committee.—Ways and Means—resumption of committee.—Financial Statement.—Adjournment.

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

QUESTIONS.

Mr. ADAMS asked the Minister for Works—

1. Is it the intention of the Government to invite tenders for the erection of a bridge across the Burnett River, as promised on the 16th of September last year?

2. At what date will tenders be invited?

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

1. It is the intention of the Government to invite tenders for the erection of a bridge across the Burnett River.

2. I am unable at present to fix a date when tenders will be invited, but, as soon as (in the opinion of the Government) circumstances warrant it, necessary action will be taken.

Mr. JORDAN asked the Minister for Works—

When the plans of the extension to Melbourne street of the South Brisbane Branch of the Southern and Western Railway will be laid on the table of the House?

The MINISTER FOR WORKS replied—

The plans of the extension into Melbourne street will, it is expected, be ready to be laid on the table of this House within a fortnight, and will be laid upon the table forthwith.

PETITIONS.

PROVINCIAL COUNCILS.

Mr. PATTISON presented a petition from the residents of the central districts, praying for a measure of decentralisation in the government of the colony in the direction of the establishment of provincial councils; and moved that it be read.

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

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

ESTABLISHMENT OF UNIVERSITY.

Mr. ADAMS presented a petition from the divisional board of Barolin, praying for the establishment of a university; and moved that it be read.

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

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

FORMAL MOTIONS.

The following formal motions were agreed to:—

By Mr. ANNEAR—

1. That a Select Committee be appointed, with power to send for persons and papers, and leave to sit during any adjournment of the House, to inquire into and report on the petition of Edward Bernard Cressit Corser, presented to this House on Wednesday, the 20th July last.

2. That such committee consist of Mr. Miles, Mr. Macfarlane, Mr. Pattison, Mr. Ferguson, Mr. S. W. Brooks, Mr. Stevens, and the mover.

By Mr. STEVENSON—

That there be laid on the table of the House a Return showing what moneys have been paid by the present Government to W. F. Taylor, M.D., and for what services performed.

LANDS DEPARTMENT RETURNS.

Mr. SALKELD, in moving—

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

1. The names of all landed proprietors, whether individuals, syndicates, banks, or other corporate bodies, owning six hundred and forty (640) acres or upwards of freehold country lands.

2. The names of the original purchasers or selectors, the dates of purchase or application to select, the dates of issue of titles, and the price per acre paid to the Crown for such lands.

3. The dates of transfer of such lands from the original purchasers to the various subsequent holders.

4. The number of selections and the area of each selection in each land agent's district taken up during the first two and a half (2½) years after the coming into operation of the Crown Lands Act of 1868, 1876, and 1884, respectively.

5. The area and price per acre of all lands sold by auction and of all lands pre-empted under the Pastoral Leases Acts during each of the last eight (8) years.

—said: Mr. Speaker,—With the permission of the House, I desire to amend my motion, so as to make the 4th paragraph read:—"The number, the average area, and total area of all selections in each land agent's district taken up in each six months during the first two and a-half (2½) years after the coming into operation of the Crown Lands Acts of 1868, 1876, and 1884, respectively; distinguishing grazing from agricultural farms under the Act of 1884." That is the alteration I wish to make.

Mr. MOREHEAD said: Mr. Speaker,—Rising to a point of order, I am sorry to interrupt the hon. member, but he cannot introduce an entirely new motion in this way without notice. I object to such an alteration as the hon. member proposes, which is in itself an elaborate resolution.

The SPEAKER: The hon. member can only amend his motion with the consent of the House, and if only one member objects, his objection will be fatal to the hon. member amending the motion.

Mr. MOREHEAD: I object.

Mr. SALKELD: My object was to save time. I am obliged now to move the motion declared "formal."

Question—

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

1. The names of all landed proprietors, whether individuals, syndicates, banks, or other corporate bodies, owning six hundred and forty (640) acres or upwards of freehold country lands.

2. The names of the original purchasers or selectors, the dates of purchase or application to select, the dates of issue of titles, and the price per acre paid to the Crown for such lands.

3. The dates of transfer of such lands from the original purchasers to the various subsequent holders.

4. The number of selections and the area of each selection in each land agent's district taken up during the first two and a half (2½) years after the coming into operation of the Crown Lands Acts of 1868, 1876, and 1884 respectively.

5. The area and price per acre of all lands sold by auction and of all lands pre-empted under the Pastoral Leases Acts during each of the last eight (8) years.

—put, and the House divided:—

AYES, 30.

Sir S. W. Griffith, Messrs. Rutledge, Miles, Dutton, Moreton, Dickson, W. Brookes, Aland, Mellor, Isambert, Jordan, White, Campbell, Bulcock, Fraser, McMaster, Wakefield, Buckland, Morgan, Salkeld, Kates, Thorn, Lumley Hill, Foxton, Sheridan, Macfarlane, Bailey, Grimes, S. W. Brooks, and Annear.

NOES, 15.

Messrs. Morehead, Chubb, Norton, Macrossan, Nelson, Hamilton, Stevenson, Ferguson, Scott, Stevens, Adams, Donaldson, Pattison, Jessop, and Lalor.

Question resolved in the affirmative.

By Mr. MELLOR—

That there be laid upon the table of the House,—

1. Copy of all correspondence between the Tiaro Divisional Board and the Lands Department having reference to the opening of the bridge over the Mary River, Dickabram, Kilkivan Railway.

2. Copy of all correspondence with the Works Department on the same subject.

By Mr. JESSOP—

That there be laid on the table of the House, a Return of all fees paid for licenses by the schools of arts in the colony for the past twelve months.

By Mr. JESSOP—

That there be laid upon the table of the House, a Return of all officers resigned and dismissed from the Townsville Gaol since its establishment, with the causes for such dismissals and resignations.

SUSPENSION OF STANDING ORDERS.

The PREMIER (Hon. Sir S. W. Griffith) moved—

That so much of the Standing Orders be suspended as will admit of receiving, forthwith, resolutions reported from the Committee of Supply this day.

Question put and passed.

RESIGNATION OF THE POSTMASTER-GENERAL.

The PREMIER said: Mr. Speaker,—Before passing to the Orders of the Day I have to inform the House that my hon. colleague, Mr. Macdonald-Paterson, has tendered his resignation as a member of the Government, and at present only holds office until his successor is appointed. I may say that his resignation is due to a difference of opinion with the Government on a question to which I shall have occasion to refer later in the afternoon.

Mr. MOREHEAD: This is like the ten little nigger boys.

SUPPLY.

RESUMPTION OF COMMITTEE.

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

Question put and passed.

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

That there be granted to Her Majesty, for the service of the year 1887-8, a sum not exceeding £300, to defray the salary of the Aide-de-Camp to His Excellency the Governor.

Question put and passed.

On the motion of the PREMIER, the CHAIRMAN left the chair and reported the resolution to the House. The report was adopted, and the Committee obtained leave to sit again on Wednesday next.

WAYS AND MEANS.

RESUMPTION OF COMMITTEE.

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

FINANCIAL STATEMENT.

The PREMIER said: Mr. Fraser,—In the first place I must crave the indulgence of hon. members in undertaking a task at all times difficult, but on the present occasion especially difficult to me owing to the circumstances of the case—the sudden and, I may say, unexpected defection from the Government of one of its most valued members; the newness of the task to myself, though not newness to the subject, and the very short time which I have had to prepare myself to explain to the Committee the measures the Government think it necessary to propose in dealing with the finances of the country. All of us are tolerably familiar with the present condition of the country. We have undoubtedly been suffering, for some years, a severe depression, but there is every reason, I think, to believe that the tide has turned, and that we are now at the commencement of an era of several years' prosperity—probably unexampled prosperity. And, indeed, the troubles we have gone through during the last few years have been, considering all things, not nearly so great as many people might have expected. A good test of this is shown by the number of insolvencies, which have been extremely small. There have been only two or three insolvencies of real magnitude, and those, as is well known, were brought about, not by over-trading, or by general depression of trade, but by over-speculation in things apart from mercantile matters. So that I am sure there is every indication that the colony is at the present time entering upon a new era of prosperity. We have, however, to deal with the finances as we find them, and, while there is no cause to be uneasy or gloomy about the future, I think this is a time when the finances of the colony require most careful scrutiny, and I shall endeavour as well as I can to explain to hon. members, with such materials as are available, the actual position of the public accounts, what are the causes that have led to its present condition, and the extent to which it may be expected that the normal balance will be restored by the existing sources of revenue, and how the Government propose to deal with the matter in the meantime. I shall not trouble the Com-

mittee at much length with respect to what may be called the historical part of the matter—by the historical part of the question I mean the finances so far as the past year is concerned. I must, of course, call attention to the actual position of the public account, which I think I can do tolerably briefly. But before doing that I wish to say a word with respect to a matter always brought in, like King Charles's head, in every debate on the financial policy of the present Government. That is, when we came into office there was what was called a credit balance of over £300,000, and, in accordance with the practice of previous Governments, and in exact accordance with the proposals of our predecessors, we dealt with that £300,000 as a sort of unexpected "plum" to be disposed of by extraordinary means, and we appropriated it as our predecessors had intended.

Mr. MOREHEAD: No!

The PREMIER: Not on precisely the same works, but in precisely the same manner—to defray the cost of works that under ordinary circumstances would be charged to loan. In a subsequent year we appropriated also a sum of £100,000 for special works—the erection of a rabbit fence and the establishment of central sugar-mills, altogether making a total of £410,000, which the present Government have taken out of the Consolidated Revenue Fund as distinguished from the Loan Fund, and appropriated for special purposes—what we call special appropriations. The question has often been debated in this House whether the Government were right in still treating that fund as part of the consolidated revenue and treating the expenditure as part of the current expenditure of the year. In one sense, no doubt, they were right. It was all the same fund and the appropriation was made during the year in the ordinary course through the departments. In another sense it may be said that the course adopted caused some inconvenience, because it did not enable a comparison to be drawn at once between the ordinary expenditure of successive years without correction as to the money that was spent out of the special fund; but it made no difference in the actual finances of the colony. I will point out now the position of the Treasury on both bases. First, I will give the actual expenditure for the year, including the expenditure on account of special appropriations, and then I will show what the figures would have been if those amounts had been entirely withdrawn from the consolidated revenue and placed to a separate account. If hon. members will turn to Table B of the tables just laid before them—some of which I did not get myself till this afternoon—they will find that at the commencement of the year we had an actual credit balance of £45,000: I shall not go below thousands in the figures I use. During the year the revenue amounted to £2,808,000, showing a total of £2,853,000. The actual expenditure during the same period was £3,263,000, leaving a debit balance at the end of the year of £410,000; that is the actual debit balance as shown by the Treasury statements published in the *Gazette*. If we had taken out the unexpended balance of the two special appropriations, £310,000 and £100,000, and put them into a separate fund there would have been at the commencement of the year a debit balance of £101,000, and if we add to that the expenditure—namely, £3,263,000—we get a total debit of £3,364,000. Then, if we deduct from that total revenue—namely, £2,808,000—we should have got an apparent debit balance at the end of the year—

Mr. MOREHEAD: A real one!

The PREMIER: An apparent debit balance of £557,000. That would have been the apparent

debit balance, but of that a considerable sum would have been in the Treasury; we should in that case have written off as expended at the commencement of the year £147,000, so that the real deficit would still have stood at £410,000. But the actual transactions of the year did not lead to so large a deficiency as that. The actual receipts, as I have said, during the year were £2,808,000; the actual disbursements on account of the year's ordinary expenditure were £3,176,000, showing a deficiency on the year's transactions of £368,000. That is the extent to which the revenue fell short of expenditure last year. I will now ask hon. members to turn for a moment, before I go to other details, to the comparison, which appears in Table A, of the revenue actually received, with the Estimates of the Treasurer last year. It will be found that his estimate of £3,000,000 was not realised by £193,000, the actual receipts being £2,807,000. There was during that year some fresh taxation, to which I will call attention directly, because it may be interesting to know the extent to which that fresh taxation increased the revenue. Hon. gentlemen will observe that the principal falling-off, or rather discrepancy, between the estimate and the actual receipts is in taxation and in receipts from public works and services. The Colonial Treasurer expected to get £1,050,000 from Customs; he did not get more than £967,000. There is also a small deficiency in stamp duty; but I do not think that is a matter of very serious importance. Under the head of "Land Revenue," his estimate as to the rents on homestead and conditional selections fell short to the extent of £18,000, the estimate being £175,000, and the actual receipts only £157,000. The estimate of what would be received from leaseholds under the Act of 1884 was also very far out, the estimate being £220,000, while the actual receipts were under £7,000. In railways there was a great discrepancy. The S. and W. Railway was estimated to produce £400,000; it only produced £367,000. The Central Railway was estimated to produce £170,000; it only produced £127,000. The Northern Railway is about £7,000 short of the estimate, and some other railways were short, but not to an extent of very great importance. During last year the Customs tariff was increased by an *ad valorem* duty raised from 5 per cent. to $7\frac{1}{2}$ per cent., which, if the quantity of goods imported paying *ad valorem* duty had been equal to the quantity imported during the previous year, would, of course, have produced an additional revenue of 50 per cent. on that duty. The goods bearing *ad valorem* duty imported in 1885-6 were of the value, as declared, of £2,850,000, which, at 5 per cent., produced an income of £140,000. I am wrong in saying there would have been an additional increase of 50 per cent. because the *ad valorem* duty on machinery was not increased, which makes a very considerable difference. Last year, goods bearing *ad valorem* duty were imported of the declared value of £2,410,000 only, being a falling-off of £440,000. The *ad valorem* duty on this, at 5 per cent., would have been £120,000, and with 50 per cent. added—from 5 per cent. to $7\frac{1}{2}$ per cent.—would have produced £60,000 more, making a total of £180,000. The actual receipts were, however, only £167,000, showing that the retention of the *ad valorem* duty on machinery at 5 per cent. made a difference of £13,000 in the receipts. If the quantity of goods imported bearing *ad valorem* duties had not decreased from £2,800,000 to £2,400,000 during the year, we should have received £28,000 additional from *ad valorem* duties—that is, one-sixth more than we actually received.

The Hon. J. M. MACROSSAN: What was the value of the machinery imported?

The PREMIER: I have not the information by me. It is clear that a decrease of £13,000 is accounted for in that way. If hon. members will turn to Table L they will find some additional information in comparing the figures of last year with those of previous years. I shall have to refer to this table for another purpose afterwards. This table has not been contained in its present form in the tables previously laid before hon. members, but it contains information which I myself have found very useful in forming a conclusion as to the cause of the present condition of the finances. It shows for a series of years the fluctuations in different sources of revenue, and will be found very useful for the purpose of comparison, and will enable us to draw an inference as to the causes and the proper remedy. It will be observed there that although the Customs fell off to the extent I have mentioned, the Excise showed an increase of over £12,000. If reference is made to the detailed figures contained in the *Government Gazette*, which have not, of course, been circulated with these tables, it will be found that there was, under Customs, an increase in the duty derived from spirits of £5,000, on tobacco £5,000, and on tea £2,000, while many of the other items in the Customs showed a very large diminution. The £12,000 increase of Excise was made up principally—there was an amount for export duty on cedar, but that is a small matter—was made up principally of £4,600 on spirits and £3,500 on beer. I have already said that there was an increase on spirits under Customs, that is on the quantity imported. With respect to beer, the increased excise on beer was considerably greater than the decrease in the duty paid on imported beer. The inference from these facts seems to be that the consuming powers of the people are not decreasing—certainly not of spirits and beer—showing that there is no general poverty among the people, and that they are well able to spend more on articles which, if not actual necessities, are considered necessities by a great majority of the people of this colony. The Land Revenue was below the estimate to the extent of about £32,000 but I will call attention more particularly to that afterwards. Comparing the revenue of last year with the revenue of several years before it—I have already drawn attention to the diminution in the receipts from public works—there is reason—strong reason—to believe that the falling-off has come to an end. To enable hon. members to judge, as far as practicable, what grounds there are for looking forward to an early increase in our different sources of revenue, as compared with last year, a table has been prepared on page 27—Table Z3—which shows, in a comparative form, the condition of the revenue, under its principal headings, for the four quarters of the past year, and for the last three months, May, June, and July. If hon. members refer to that they will see that during all the first three quarters of the financial year there was a decrease in the two principal sources of revenue—Customs and Railways. This does not contain any reference to land. This table shows the fluctuation there was in the revenue from Customs and Railways. For reasons that may suggest themselves to hon. members, and which, at any rate, will be more fully explained later on, it is not necessary to say now why the fluctuation in the land revenue during each quarter is not included in the Statement. In this colony the fluctuations of the Customs and Railway revenue are certainly a good gauge, I think, of the condition of the country. At any rate they give a very good guide to the Treasurer in framing his estimates of what is likely to be received afterwards. Hon. members will observe

that during the first three quarters of last year there was a decrease in the Customs revenue, compared with the corresponding quarters of the previous year, to the extent during the first quarter of nearly £21,000, in the second quarter of £18,000, and in the third quarter of £17,000. There is also a decrease in the first quarter from Railways of £36,000, and in the third quarter of £12,000; there being a small increase of £2,000 in the second quarter. During the same quarters the total decrease from taxation was £15,000 in the first quarter, £18,000 in the second quarter, and £12,000 in the third quarter, and a total decrease in the whole revenue during the same periods of £37,000 in the first quarter, £21,000 in the second quarter, and £57,000 in the third quarter. The large decrease in the third quarter was, no doubt, occasioned to a great extent by the floods which affected some parts of the colony very considerably. In the fourth quarter there was a change in every particular, both in Customs and Railways, and the total revenue shows a considerable increase. In the fourth quarter, the increase in Customs was £19,000 over the corresponding quarter of the previous year, and in regard to Railways there was an increase of £30,000. In total taxation there was an increase of £22,000, and in total revenue of £55,000. Hon. members will next find a comparison of the last three months—May, June, and July—a period during which we may be said to have taken a turn. Hon. members will find that in May of this year there was an increase under the heading of "Customs" of £4,000; in June, an increase of £12,000; and in July, an increase of £15,000. In the same manner there was an increase in regard to Railways, in May of £84,000, in June of £17,000, and in July of £8,000. And under the heading "Total Taxation" there was an increase in May of £5,000, in June of £16,000, and in July of £16,000. There was a total increase in the revenue for these three months over the corresponding months of last year of £15,000, £57,000, and £27,000, respectively. That, I think, shows that the Treasurer is justified in considering that the revenue has an upward tendency. It is sometimes said that this is a heavily taxed community. That is one of the many parrot cries that are often started and kept up until some people begin to believe them.

Mr. MOREHEAD: Cockatoo cries.

The PREMIER: "Parrot cries" is the fitter term.

Mr. MOREHEAD: What is the difference between the two?

The PREMIER: The hon. member, who is an authority on the bone-eating sheep, will perhaps be able to explain the difference between a talking parrot and a talking cockatoo. I will ask hon. members, in reference to this so-called heavy burden of taxation upon the people, to look at Table L, page 12. People talk as if the money paid for the use of railways, and money paid for land, purchased land or rent of Crown land, was part of the taxation of the country, and we are told that we are groaning under a burden of so many pounds per head. If hon. members will look at Table L—

Mr. MOREHEAD: We are all going there.

The PREMIER: That is not worthy of the hon. member—they will see what is the real extent of the overtaxing and overburdening. I think there will be no room for saying that this country is overtaxed at the present time. It will be found that the burden of taxation has varied very little from the year 1876 down to the present year. In this table comparison is made of the last eleven years. It is convenient

to take the year 1876 as a starting point. A Land Act was passed in that year, and for that and for some other reasons which will appear, that is a convenient year for comparison. The taxation per capita has not varied very much. In 1876 it was £3 9s. 1d. In 1879-80 it went down to £2 15s. 1d., and since then it has risen from time to time, the highest being in 1882-3, when it was £3 15s. 5d., and last year it was £3 10s. 5d.

An HONOURABLE MEMBER: There was the year 1885-6.

The PREMIER: Yes; I am wrong. It was highest in 1885-6, when it reached £3 16s. 7d. That is the only source of revenue which can be called a burden upon the people. The land revenue is not a burden upon the people. It is payment for an equivalent rendered, and the revenue from public works and services is, of course, payment for services rendered. I think there is nothing, therefore, to be alarmed at, or any reason to cry out that we are a heavily taxed people. I have pointed out the comparison as briefly as I can, between this year's transactions and last year's transactions, so far as revenue is concerned. I shall call attention to the expenditure afterwards. I now propose before passing from the revenue to call attention to the estimated revenue for the present financial year, from the sources we have at present available. I may say that these Estimates are the Estimates of my hon. friend, Mr. Dickson, and that the other members of the Government have gone carefully into them, and entirely concur with them, both as regards the Estimates of Receipts and Expenditure. Under the heading of "Customs" we expect to receive £1,100,000, which is a very considerable increase upon the amount actually received last year, which was only £967,000. I showed just now that there has been every indication of an upward tendency during the past few months. I will again ask hon. members to look at Table L, which shows a comparison of income from Customs and from other sources of revenue for the past eleven years, and hon. members looking at that table will see that there has been, with the exception of last year, a steady increase in the Customs revenue, except in the years 1878-9 and 1879-80. Table N shows the same information in the shape of Customs and Excise separately, but I think the comparison is easier with the figures written as they are in Table L, because by running the eye along the line we can at once see the comparative increase or decrease. If hon. members will compare the figures they will find that in 1878-9 there was a decrease of £60,000; in 1879-80, a decrease of £23,000; in 1880-81, an increase of £45,000; in 1881-2, an increase of £111,000; in 1882-3, an increase of £115,000; in 1883-4, an increase of £113,000; in 1884-5 an increase of £71,000; in 1885-6, an increase of £67,000; and last year a decrease of £37,000. I think, sir, there is no reason whatever to doubt that during the current year we shall, perhaps, not quite make up the average increase for two years over the year immediately preceding last year; but considering that we actually received £1,004,000 in the year 1885-6, I think we are not at all too sanguine in expecting that we shall receive £100,000 more, which is much less than two years' average increase from 1885-6. While I do not think we are justified in anticipating two years' average increase, I think we are quite justified in expecting the increased amount estimated.

The Hon. J. M. MACROSSAN: You are forgetting the local taxation since 1879.

The PREMIER: That has no connection with this part of the subject; I shall refer to it directly. The Treasurer anticipates, under the

head of "Excise and Export Duties," an increase of £10,000, which, for the reasons I have given, is a very reasonable expectation. Under the head of "Stamp Duty" we expect an increase of £8,000, to which the same reasons will apply. Under the head of "Land Revenue"—I am now referring to the Estimates, page vi.—we received last year from auction and sales by purchase, £50,000. There is also £12,000 outstanding, which, of course, will be received this year. In 1885-6 the amount received was £93,000, and it is estimated that, by reasonable sales by auction under the existing law, we shall realise £60,000—when some of the town reserves some hon. members spoke about the other night as a public nuisance are, perhaps, disposed of. I do not know whether that is in contemplation or not. That, however, is the amount estimated to be realised. I shall call attention by-and-by particularly to the history of the comparative receipts from auction for the last ten or eleven years, and show how much might reasonably be expected to be received from that source, supposing some hon. members had their way, and applied that great panacea for all our woes—sale of land by auction. I shall call attention to the history of that and show how that great panacea would only put us in a worse position than we are in at the present time—even if there was no other objection to it as far as the present Government are concerned. Under the head of "Homesteads and Conditional Purchases" it is estimated that we shall receive £152,000. That is the estimate of the Lands Department, which ought to be accurate, and I presume it to be so, although they made a mistake last year in anticipating more than they received. The estimate under head of "Rents"—Act of 1881—is £10,000. Nearly £7,000 was received last year, and as selection under the Act is progressing rapidly there is every reason to believe that the estimate will be reached; I trust myself that it will be exceeded. At any rate I am not at all ashamed of the smallness of the amount. Hon. members will no doubt be surprised when they are told that it is almost as much as was derived from the Act of 1876, taking it at the same period after it came into operation.

An HONOURABLE MEMBER: We have more population.

The PREMIER: Our population no doubt is larger, but I do not know that our selecting population is very much larger, or that the area of good country available for selection is nearly as large as it was at that time. That is a fact that must not be lost sight of. Under the head of "Rents of Runs" the estimate is £285,000, an increase of £13,000 upon last year. I think myself—although I do not know that my estimate is worth very much in a matter of that kind—that that amount will be exceeded. Last year the estimate was remarkably accurate—within £2,000 of the amount received—but the re-assessment of the rents that is now rapidly going on will, I believe, result in a large increase. These are the only matters that I need refer to under the head of "Land Revenue." I do not think we are justified in putting down any more substantial increase than this as likely to be realised during the year. Of course I am not personally acquainted with the details of the calculations of which this estimate is the result, but what is important just now is that we should not estimate more than we are likely to receive. Under the head of "Receipts from Public Works and Services" it is estimated that there will be considerable increases. The Estimates under this head have been very carefully considered, both by my hon. friend Mr. Dickson, by the

Minister for Works, and by myself, for some time past. While my hon. colleague the Minister for Works was ill, and away from the department, it fell upon me to revise the Estimates of Receipts and Expenditure connected with it, and I can therefore speak upon them from my own investigation, and after consultation with the officers of the department. The Estimates here are in some particulars under those which were given by the officers of the department, and upon careful consideration there is every reason to believe that they will be reached. Hon. members will see that on the Southern and Western Railway we expect an increase from £367,000, received last year, to £420,000. The Traffic Department estimates that the increase will be much larger than that, but we prefer to be on the safe side. The increase in mileage on the Southern and Western Railway is eighty-two miles, from 632 open at the beginning of the last financial year to 714 at the end of the year. The work that is now going on—that is during the financial year—is this: There will be opened the western section, extending the Western line; that will be near the end of the year, and will not probably bring in much. Then, I hope, a section of the Gympie line, which is likely to bring in a considerable return, will be opened soon; the Beaudesert line ought to be opened by the end of the year; and the Beaurabaline. When I say "before the end of the year" I mean before the end of the year 1887; and I expect the extension of the Fassifern line will be opened before the end of the financial year. I think, sir, that with the increasing traffic we find coming in, and with these additions to the length of line, there ought certainly to be an increase to the very moderate extent estimated. On the Central line there is estimated to be an increase of £33,000. Now that is a large increase on last year's receipts, but if hon. members will turn to the same table that I have referred to before—Table L—they will see a peculiar history in connection with that line. Of course, we all know that at first it did not pay at all, but the receipts since the year 1880-81 have gone up steadily. They went up steadily from £93,000 in that year to £105,000 in 1881-82, £127,000 in 1882-83, and £153,000 in 1883-4; and they remained at that point, £153,000, in 1884-5 and 1885-6, and fell off last year to £127,000, for reasons which, of course, hon. members who are familiar with the condition of the country notwithstanding the large addition to the length of the line will know of. However, taking into account the improved condition of the country now, and the probability of large freights of wool and goods, I think there is nothing unreasonable in anticipating that we shall get back to the revenue which was realised during a succession of years, with £6,000 in addition. On the Northern line the estimated increase is from £93,000 to £115,000, and a comparison of the same table will show that there was a steady increase on that line from £56,000 in 1883-4, to £76,000 in 1884-5, and £94,000 in 1885-6. Then there was a slight reduction last year when everything fell off, but, considering the great prosperity of the Charters Towers Gold Field and the district round about, and the extension of that line to Hughenden, which will be opened in a very few weeks from the present time, there is every reason to anticipate that there will be an increase on that line such as there has been in ordinary past years, and that the estimate will be realised. On the Maryborough and Gympie line there is a small increase of £9,000 estimated in consequence of the opening of the Kilkivan line, and probable local prosperity in that district and other parts of the colony. Of the Mount Perry line I need

not speak, because, unfortunately, it has never paid. The Mackay line is estimated to produce £10,000, which will be realised if the sugar-planters do—as I believe they will—carry out the terms of the agreements made with the Government, when they made sidings from the line into their canefields. Thereceipts from the Post Office are estimated to be in excess of those of last year, and we estimate a considerable increase in the Telegraph Department over the receipts of last year and the year before. As far as other items of receipts are concerned, I do not think it necessary to make any observations. The amount estimated to be received from what is called "Other Receipts," which are principally interest on deposits in banks, is estimated to be considerably less than last year. In consequence of the general increasing plentifulness of money the banks are not so willing to receive money on deposit, and that, I believe, is a very good sign. It is not good that the country should have large sums of money lying idle in the banks, or that the banks should depend upon the Government to provide them with funds for investment, because the money is practically locked up and when required cannot be obtained without unduly straining the finances of the community. I therefore do not regard that decrease as a sign of anything unsatisfactory. The total revenue expected to be received from all sources is £3,121,000, and I believe we shall get that amount, or about that amount—possibly more. But I do not think we should be justified in putting down a higher estimate, especially considering that at the present time we have a deficit of £410,000 to deal with. I now ask hon. members' attention to the proposed expenditure, and I will endeavour to show them what the balance will be. The Estimates have been framed with economy, of course. That goes without saying.

Mr. STEVENSON: That is in the Governor's Speech.

The PREMIER: I say that the Estimates have been framed with economy, and I can assure hon. members that they have been framed with very great care indeed; that every item of expenditure has been considered, and I do not believe that these Estimates can be reduced without very seriously impairing the efficiency of the different services. And I should like to say a word or two upon this point. There has been, I am sorry to say, in some of the Government departments for many years past a great laxity in the expenditure of money. I have had, myself, on various occasions, to deal with accounts sent in for payment from various subordinate officers, the expenditure having been incurred first, and the authority for the expenditure asked for afterwards. Now, it ought to be understood as a first rule of the conduct of Government that no money is to be expended until the expenditure is authorised by Parliament, or unless the Government are prepared to take the responsibility of authorising it; but if subordinate officers are to be allowed to incur expenditure in excess of the amount placed at their disposal, there is an end to all control over the finances. Now, I have been extremely angry on several occasions to find that this rule has been violated, and some of the officers under Government do not seem to recognise that there is such a rule.

Mr. STEVENSON: Blame the subordinates.

Mr. HAMILTON: Why did you not stop it before?

The PREMIER: It is therefore intended to be intimated to all subordinate officers charged with the expenditure of money that for any officer to incur any liability on account of the public service without the previous sanction of the Minister will be taken as conclusive evidence

of the incompetency of that officer to fill his position. If that rule is rigidly observed I believe it will do a great deal to keep down the expenditure. Now, in framing these Estimates there are a great number of instances in which officers of the departments have stated that they want more money; but it is simply a question of whether we can afford to give it to them. Is the money voted sufficient to carry out each service efficiently; is it as much as the Government are justified in asking for? The Government believe that it is, and only the amounts set down are proposed to be expended; and if the head of a department is unable to conduct the department on that basis he must make way for someone else who can, the members of the Government taking the responsibility if there is any inefficiency. That should be understood distinctly to be a positive rule of the service. In England that rule is most rigidly observed. No department can spend one single farthing above what has been previously sanctioned, and it would be a very good thing indeed if that rule was observed here. And now let me say this before I refer to the Estimates of Expenditure. Some persons appear to think, in the country, that the Treasurer is a kind of earthly providence, and that the duty of the Treasurer is simply to draw cheques. But the Treasurer has only a limited amount of money which can be drawn upon, and the expenditure can only be made out of the revenue. If the revenue is not large enough then there are only two courses open; either the expenditure must be reduced or we must increase our revenue. If the money is not in the Treasury the Treasurer cannot spend it, and any Government that spend more money than they have are bound to come to the ground. Indeed, the first duty of every Government is to make both ends meet. I have said that before in this House, and I maintain it now, that the first qualification of every Government is that they should keep their expenditure within their revenue.

An HONOURABLE MEMBER: Why has not the present Government done that?

The PREMIER: If it is possible. There may, of course, be bad years in which even private individuals fail to make both ends meet, and we have passed through times lately when, I think, a great many people have found that their revenue was not equal to their expenditure. We must not look upon that, however, as an occasion for despair. We may, I think, under such circumstances, trust a little to the future, but under ordinary circumstances it is essential that a Government should be able to make both ends meet. The Estimates, then, are framed on that basis, and although the expenditure for last year was actually less than that of the year before, upon the ordinary items of expenditure over which the Government have control, it is proposed still further to reduce it this year. I believe it can be done. For instance, I will refer to a department I have particularly had occasion to investigate in framing the Estimates of Expenditure. I mean the Railway Department. Certain amounts are put down. They are very careful there and do not spend any more than is given them; but they always spend it all. On consultation with the Commissioner I found he was satisfied that they could do with less, if they only have less given them to spend, and if they are told positively that they must not spend any more than is set down for them. The result is that I find that the Railway Department, with a largely increased extent of lines to look after, can be conducted for about £5,000 less than the amount expended last year.

Mr. MOREHEAD: What about the safety of the public?

The PREMIER: The safety of the public has been taken into consideration, and will not be affected. Over some items of expenditure, as our laws stand, the Government have no control, and unfortunately they are getting rather numerous. It is sometimes said that the expenditure of the departments over which the Government exercise control has got beyond their reach. I have, therefore, had prepared a comparative statement showing the progressive expenditure of the departments for the last six years, irrespective of what we called schedules and special appropriations, and interest. The items of the ordinary expenditure of the departments, the amount of which is authorised by the ordinary Appropriation Acts, is as follows: In the year 1881-2 the amount expended was £1,126,000; in 1882-3, £1,290,000; in 1883-4, £1,532,000; in 1884-5, £1,735,000; in 1885-6, £1,967,000; and in 1886-7, £1,964,000, or actually less by £3,000 was spent on departmental work last year than during the previous year. The amounts set forth in this estimate are less in most instances than the amount actually spent last year. The Colonial Secretary asks for £440,000. The amount actually spent last year will be found in Table J, and was £473,000. The Administration of Justice asks a small increase; the amount actually spent last year was £34,544, and £33,817 is asked for this year. The Department of Public Instruction asks for £205,000, an increase of £14,000 over the amount actually spent, which was £191,000. The Treasurer asks for only £168,000, as against £189,000 spent. The Department of Public Lands asks for £91,000, as against £111,000 actually spent. The Department of Works and Mines asks for £604,000, as against £627,000 actually spent; and the Postmaster-General asks for £331,000 as against £311,000 actually spent, an increase which, I should say, is owing principally to the large cost of the additional telegraph line in the Cape York Peninsula. Upon the schedules, the main items of which are the endowments to municipalities and divisional boards, it is estimated there will be an expenditure of £309,000. The actual amount expended last year was £318,000, and I am rather afraid this amount of £309,000 will be slightly exceeded. The estimated endowments amount for municipalities and divisional boards will be found on page 5—£80,000 for municipalities and £160,000 for divisional boards; but the amounts actually paid last year were equal to that, and I am afraid there will be an increase in this respect during the present year. I propose to call attention to some items of the Estimates to show hon. members that the expenditure has been cut down as far as practicable. I know one of the first items that will attract comment is the estimate of expenditure for the Defence Force. Let me say at once there are only two courses that can be taken with respect to the Defence Force. We must either have one or not have one. It is no use having a useless one. We must either have an efficient defence force, and maintain it on as economical a plan as we can, or else have none at all. To have a useless one would be a farce.

HONOURABLE MEMBERS: What else have we got now?

The PREMIER: I do not know whether hon. members who interrupt me are judges of military matters or what their ideas of a defence force are.

Mr. MOREHEAD: Are you a judge of military matters?

The PREMIER: I do not affirm that I am a judge of military matters, but I know the publicly expressed opinion of persons competent to judge outside of Queensland, and it is that the Queensland system is the best in the colonies, and that the Queensland force, if not the most

efficient, is as efficient as any in the colonies. I undertook last year, when the Estimates were going through, not to increase the vote for the Defence Force; but I find that the number of the force has increased. The number of what is called the Defence Force proper has increased by 109, consisting of a company at Southport and an ambulance corps, and the volunteer branch of the force has been increased to the extent of 830. There is, therefore, an actual increase of 940, for which increase provision must be made in the Estimates. Now, to do that without increasing the expenditure is rather difficult. But I have kept my word. What is proposed to be done is to reduce the amount the men will receive during the year; the amount would be the same for the same period; but we cannot afford to pay them for so many days, and the result is that the proposed expenditure is kept down within the amount authorised last year. Hon. members must face the matter fairly, and must either strike out the whole vote or maintain an efficient force. Of course it is possible to reduce the number of men in the force, and disband half the men here and half the men elsewhere. If hon. members wish to do away with the Defence Force altogether, that is a rational, or rather, it is not a rational, but it is an intelligible proposition; but to propose to make it useless, to take away its efficiency, would be a very stupid mistake. With respect to the Police, it will be found that the Government do not propose to expend any more money on that service than was authorised last year. The Commissioner for Police would, of course, like a very large increase—he would like an increase in the number of men and a corresponding increase in the expenditure—but the Government do not think that an increase is absolutely necessary. They think that we cannot afford to spend any more for that purpose than was authorised last year, and the result is that the Commissioner will have to dispose of the men he has in the best way he can, make the best use of them possible, and distribute them throughout the colony. The most populous places must, perhaps, be contented with a less number of police than they would like to have, in order that the distant parts of the colony may have protection. Then we come to the provision for police magistrates. I do not think it is desirable to abolish any police magistrates. There are a few perhaps who could be replaced if their positions became vacant. We propose to abolish the police magistrate at Springsure, where the work can be done by the police magistrate at Clermont, and a similar arrangement might possibly be made with respect to one or two other places; but unless we adopt a new system and dismiss the police magistrates wholesale, and insist upon the unpaid magistrates doing the work, it is not possible to make any reduction in this department. The Estimates of the other departments of the Colonial Secretary cannot materially be altered. It is, however, proposed to make a reduction which, I am afraid, may not be popular. This reduction will be found at page 38 of the Estimates, and is in the grants to public institutions—to schools of arts and agricultural and horticultural societies. Of course no reduction in expenditure is popular and no taxation is popular, but when it is found necessary to make both ends meet we must see where reductions can be made, and I do not think schools of arts and agricultural and horticultural societies will suffer any great harm if, while the finances of the colony are not in a prosperous condition, they revert to the position they occupied a few years ago. The reduction, I hope, will only be temporary. In the Department of Public Instruction there is a proposed increase of about £10,000, which is due

entirely to an increase in the number of teachers. While the number of children is increasing, and while the number of schools is also increasing, it is, of course, not possible to keep the number of teachers stationary. The Estimates for the Colonial Treasurer's Department are practically the same as last year. There have been no increases in this department for some years, although trade has been expanding, and I do not see that any reduction can be made there. In the Lands Department there is a large reduction proposed, principally with respect to the survey of lands. The Minister for Lands believes that the expenditure which was necessary in this connection, immediately after the Land Act of 1884 coming into operation, need not be kept up to the same large extent. It is not proposed to abolish the trigonometrical survey, but to expend only enough money upon it to retain the services of the staff now engaged in the work. The Department of Agriculture, of course, involves a small increase. The anticipated cost of that department for the year will be found at page 66 of the Estimates. Under the heading of "Reserves," which will be found on the same page, it might be suggested that that would be a fair item on which to make a reduction. I believe the time is not far distant when that vote will have to disappear from the Estimates, and when, as in other countries, the maintenance of reserves and public parks will be undertaken by local authorities. I do not see any reason why the municipality of Brisbane should not undertake the management of the botanic gardens.

Mr. MOREHEAD: They would manage them better than they are managed now.

The PREMIER: In smaller towns in America no one ever dreams of asking the general Government to expend money for such purposes, and I hope Parliament will before long enforce that rule in this colony. With regard to the Department of Public Works, there is a small decrease in the proposed expenditure. There are some general votes in connection with public buildings, such as those for repairs and providing furniture, which must be kept up, and the spending of these will, I am sure, be carefully scrutinised by the Minister for Works. With respect to buildings, only a few are put down, which are absolutely necessary. The others must wait until we can afford to pay for them. With regard to roads and bridges excepted under the Divisional Boards Act, only £2,000 is proposed to be voted this year instead of £6,000. Under the heading "Goldfields" there is a new warden at Croydon, and there is a sum of £2,500 put down for the erection of metallurgical works in connection with a school of mines at Charters Towers. That is, I think, the least that may be done for the Charters Towers Gold Field, considering the revenue derived from it. The proposal to build a school of mines is a matter which must stand over until the Government are in a position to submit a proper and larger scheme, of which schools of mines will form a part. The Railway expenditure, as I have already pointed out, has been scrutinised very carefully, and I am satisfied, from the conversation I have had with the Commissioner for Railways, that the railways can be efficiently maintained for the amount put down in the Estimates. I think that if hon. members will look through the Estimates they will see that, having in view the expanding necessities of the country, they cannot be reduced without impairing the efficiency of the public service. Some reductions have been made, but I think the amounts put down will be sufficient for the present year. I have already pointed out that last year we actually spent less than the year before. In the Colonial Secretary's Department the expenditure was less by £40,000, in 1887—s

the Department of Public Instruction by £19,000, and in the Lands Department by £14,000. There are a few increases in some others, over which we had no control. The expenditure for this year is estimated at £3,180,000, and I am quite sure that the expenditure will at least equal that. It may be a little more—probably it will be, as there are always unforeseen things coming in, while on the other hand there will be some savings, but indeed there is very little room for them in this estimate. The result at the end of the year, if there is no change made in the existing sources of revenue, will be this: We start with a debit balance of £410,000; we shall probably have spent £59,000, which is outstanding, on what is called "Special Appropriation," and there will be a deficit on the ordinary transactions of the year of £59,000. I wish to point this out distinctly. The difference between the estimated revenue—£3,121,500—and the estimated expenditure—£3,180,000 odd—leaves an estimated deficit on the year's transactions of about £59,000. That, added to the £410,000 debit balance we have to start with, and the £59,000 which will probably be spent from special appropriations, would leave at the end of the year, without counting Supplementary Estimates, a debit balance of £528,000. I do not think the Supplementary Estimates are so very important in a calculation of this sort, because the amount which lapses in the ordinary Estimates is generally nearly equal to the Supplementary Estimates. There is also to be added to that a small increase of liability with respect to the New Guinea contributions.

Mr. MOREHEAD: And the contribution to the Imperial fleet.

The PREMIER: There are two matters not touched upon in the Estimates, about which I intend to say a word. First, there is the proposed contribution to the Imperial Institute, upon which negotiations have been going on for a long time with the Governments of the other colonies, with whom this Government have promised to act in concert when they arrive at a common understanding on the subject. At the present time no common understanding has been arrived at, consequently we are not in a position to make any proposition to the House. The other matter is in respect of the contribution towards the maintenance of an additional squadron in Australasian waters. No provision is made on the Estimates in respect of that this year, because first of all the matter is not sufficiently ripe to be submitted to Parliament for consideration; and if it were, the expenditure would not be necessary until the ships were launched, which would most likely not be earlier than two years after the arrangement was concluded. There is, therefore, no necessity to provide for any expenditure on that account in this year's Estimates. There are one or two other matters which I can only touch upon in passing. Hon. members will find in Table E a statement of the Savings Bank Account. The deposits during the year amounted to £1,003,000, while the amounts withdrawn amounted to £1,032,000, showing a slight reduction in the total amount remaining in the Savings Banks. I do not think that is any indication of want of prosperity. It is very well known that a very large number of the deposits in the Savings Banks have been withdrawn to pay for purchase of land, and I believe it is a fact—and it may be called a remarkable fact—that in extremely few instances have any instalments in respect of those purchases not been met. I believe they have been met with noteworthy regularity all over the colony. And, while a great deal of the money

comes from the Savings Banks to make those payments, a very small amount of the money received by the vendors goes into the Savings Banks. I will say a word about the Trust Funds later, but will now turn to the Loan Fund, which is a very important item of expenditure. From Table O, which gives a comparative statement of the Loan Fund for the last eleven years, hon. members will see that the expenditure has been gradually creeping up. In 1876-7 it was £754,000; in 1877-8, £701,000; in 1878-9, £963,000; in 1879-80, £1,004,000; in 1880-1, £991,000; in 1881-2, £883,000. Then it began to increase. In 1882-3 it was £1,204,000, in 1883-4, £1,665,000; in 1884-5, £1,565,000; in 1885-6, £1,923,000; and last year, £1,943,000. Now, the works actually going on at the present time, as far as I can ascertain, unless the rate of progress is reduced, are likely to involve an expenditure of £1,850,000. It is a matter of very serious consideration whether the Government should continue to prosecute at that rate the works paid for out of the Loan Fund, for two reasons: First, because of the rapidly increasing addition that is made to the charges on the revenue, and, also, because some regard must be paid to the state of the money market in London. I do not propose to review again now the circumstances attending the issue of the last loan. It is sufficient to say that the Agent-General was placed in circumstances of very great difficulty. The best advisers in London expected a war, and if the war had broken out it would have been impossible to obtain a loan on any terms. Of course it is easy to be wise after the event. No doubt if the loan had not been floated on that occasion, things having turned out as they have, we should have got a very much larger price. On the other hand, if war had broken out, we should not have got a price at all, and that would have put the colony in a position of very great inconvenience. That is the history of that loan. I had the opportunity of being there very shortly afterwards, and became fully acquainted with all the circumstances. Now, I think I have said enough to show that the finances of the colony require a great deal of consideration, and that we are bound to put forward some definite proposition for making both ends meet. We have to meet the deficiency, which, unless some change is made, will be £530,000 at the end of the year. There is no reason for us to be frightened—no reason to do anything in a panic. The prospects of the colony were probably never brighter. A revival is taking place in every branch of industry. The pastoral industry is looking up.

HONOURABLE MEMBERS: Oh! oh!

The PREMIER: Some pastoralists always make poor mouths, but we are accustomed to see them making the poorest mouths when they are getting the most profits. Of course I sympathise with the legitimate pastoral industry; hon. members know the difference. The agricultural industry is fairly prosperous, and the desire for land for settlement is very great. Considering the short time I have had at my disposal, I could not be expected to be prepared with figures as to each branch of industry—and indeed for the figures I have used up to the present I am indebted almost entirely to the labours of my hon. friend Mr. Dickson, before he tendered his resignation. Now, in addition to the revival in these branches, I have reason to believe that the deposits in the banks are increasing to a great extent, not only in the metropolis, but in the country towns as well. We find the price of land is in no way diminished, but is rather increasing; although there is not so much speculation, there is certainly no fall in

value. The revival of the gold-mining industry is also very marked. There is no doubt that this colony now not only is, but is recognised to be, by far the greatest mining country in the Southern Hemisphere; and it is not only attracting attention in the old country, but also in the southern colonies, where there are plenty of enterprising men who know what they are about, and who are more likely to do good to the mining interest here than is done by the floating of some of those great companies in England. When it is announced that such and such a company is floated in England for £100,000, it does not mean that £100,000 is going to be spent in Queensland in developing our resources; it probably means that very little of the money finds its way here, but that the greater part finds its way into the pockets of the people in London who float the company. Speculations of that kind are very often more injurious than beneficial to the colony. In some cases, however, companies have been floated, and the money has been paid to people who live here and intend to remain here, and will invest the money they get in other mines. All our important goldfields—Charters Towers, Gympie, Etheridge—have done well during the last year. Croydon Gold Field has been discovered, and is likely to be one of the most important goldfields in the colony. The fields round Rockhampton have made wonderful advances and are likely to continue to advance and be of great benefit to that part of the colony. The absolute figures are these: Last year the amount of gold obtained, so far as is known, was 341,000 ounces, as against 311,000 ounces the previous year; and for the first six months of this year the amount is 208,000 ounces—a very large increase. I think all these things indicate that we are going to be prosperous; but at the same time it does not follow, notwithstanding a term of prosperity, that our existing sources of revenue are sufficient to enable us to meet our liabilities. I should like, before I call attention to the probability of any further increase in our expenditure, to compare for a moment what it costs us to manage our landed estate and public works with what we get from them. From our railways we got last year £652,000, and from our land we received £553,000, making altogether £1,205,000. Now, it cost us to manage the Works Department £627,000, and the Lands Department £111,000—altogether £738,000, and the interest on our railways was £528,000; so that the expenses last year of earning £1,205,000 amounted to £1,267,000. Nevertheless the difference is not very great—many people probably thought it was much greater. I will ask hon. members again to direct their attention to Table L, and look at the comparative fluctuations in the different sources of revenue, in order that they may see what increase of revenue will be necessary to meet the necessary increases in items of expenditure. If hon. members look at the interest table—which is the last of the tables—they will find that at the present rate of increase the amount of £971,000 will have to be paid this year for interest. And that item will go on increasing, as we have no control over it. Then, referring to Table S—expenditure on account of endowments to local authorities—hon. members will see how they have been increasing. The amount paid to municipalities has increased from £26,000 in 1878-9—the year the Local Government Act came into operation—to £82,000 now, there being a steady increase of late years. It has increased from £38,000 in 1882-3 to £82,000 now, so that in four years it has more than doubled. Divisional boards began moderately in 1880-1 with £46,000; in 1882-3 the amount was £80,000, and now it has reached £162,000.

And those endowments are continually increasing. There was an increase on those two items of over £40,000 last year: and, as the law stands, the increase cannot be controlled by the Government. The amount paid last year was very much in excess of the estimate. Now, if hon. members will refer to Table T they will see the extent to which our railways are a burden on the finances of the colony, and I hope hon. members who represent the different parts of the colony where the people are calling out for more railways will study this Table T.

Mr. MOREHEAD: *The via recta!*

The PREMIER: It is a most discouraging table; and I confess I have myself learned a great deal during the last two days on this matter. Hon. members will find that the actual charge on the Consolidated Revenue Fund, in respect to all the railways in the colony—that is, after charging expenditure against receipts—for the year 1883-4 was £96,000; and for the last financial year it was £399,000; so that during the short time the present Government have been in office the net increase in the burden of the railways upon the consolidated revenue has been £303,000.

The Hon. J. M. MACROSSAN: You might have known that before.

The PREMIER: That amount will no doubt be diminished. I will now call attention to the detailed statements on the following page, showing the net receipts produced by the railways of the colony. In 1883-4 the Southern and Western Railway produced a net return of £2 15s. 11d. per cent.; in 1886-7 it was reduced to £1 9s. The Wide Bay and Burnett Railway in 1883-4 produced a net revenue of £1 4s. 9d. per cent.; in 1884-5 it produced £1 13s. 11d.; and last year it went down to 9s. 5d. per cent.

Mr. NELSON: Are these Treasury returns or are they the Commissioner's?

The PREMIER: These are the figures for the financial year. On the Central Railway, in 1883-4, the return on capital invested was £4 6s. 8d. per cent.; last year it was only 13s. 1d. On the Northern Railway the return on capital invested was, in 1884-5, £4 0s. 6d. per cent.; last year it was £2 8s. All these things, though not perhaps generally known, form an important factor to be considered in weighing the present position of affairs unless some change is made. There will be an increase in the railway expenditure, and there will be a certain increase in the cost of the different departments. In these estimates there is no increase, nor was there any last year; in fact, this year shows a diminution. But that state of things cannot go on. There must be an increase of expenditure to keep pace with the growing wants of the country. Turning now to revenue: We have only three sources of revenue—taxation, land, and services; they are all summed up in that. From the existing sources of taxation we look to receive a steady increase, but not a very large one. It has been steadily increasing even during the last two years of depression, but it will not increase to any very large extent. Receipts from public works and services cannot be forced. You cannot compel a railway to pay any more than the people who use it pay. If you increase the rates, you reduce the traffic; and if you reduce them, you decrease the revenue. But although railways cannot be forced, we may, I think, expect a large and increasing revenue from them—though not a very largely increased revenue for the current year or the year afterwards. Then we come to another source of revenue—the land. I know some hon. members are of opinion that

we ought to derive a large portion of our revenue from sales of land by auction, forgetting what happened in New South Wales, where they lived on the sale of land by auction for several years; it was done wholesale. I will ask hon. members to observe what has been the amount derived or derivable from the sale of land by auction in this colony. I will start with 1876-7, in which year was realised from that source £24,000; in 1877-8 the amount realised was £50,000; in 1878-9, £17,000; in 1879-80, when there was a change of Government, £78,000; in 1880-1 it went up to £195,000; in 1881-2 it fell to £114,000; and a similar amount was realised in 1882-3.

An HONOURABLE MEMBER: What about the Railway Reserves Act?

The PREMIER: The Railway Reserves Act was never intended to authorise the sale of land in enormous quantities, for purposes of revenue; nor, I am sure, would Parliament have listened to such a thing at that time. The highest amount derived from sales of land during the period I have referred to was £195,000, under exceptional circumstances, in 1880-1—a time when money was plentiful, and when people were desirous of consolidating their freeholds in the interior. Since then, the revenue from that source has fluctuated. In 1883-4—the first year of the present Government—it was £75,000; in 1884-5, it was £43,000; in 1885-6, it was £91,000; and last year it was £50,000. It is quite evident from these figures, unless things have entirely changed, even if the Government wanted to sell large quantities of land by auction, that would not be a very important source of revenue. Indeed, I doubt very much whether there are people in the colony who would buy country lands at the present time. I am not adducing that as the reason why the Government do not propose it, because if it were possible to realise, say, £200,000 a year by means of auction sales of land, the Government would not make any such proposition to the House. No doubt it is possible to sell some land, but it would be the pick of the land—just the land that is wanted for agricultural settlement—just the land that it would be a crying sin and shame to sell. What is the cry now? That there is no land available for agricultural settlement in many parts of the colony. And to a great extent that is true. Although we talk about our 400,000,000 acres of land, it is not all fit for settlement; and it is nonsense to talk about our land resources as if we could sell as much land as ever we liked and still have as much as we want. I have no doubt that some hon. members opposite—some, not all, have such vicious notions—would pick out at once those places that are likely to be taken up and occupied by actual settlement and sell them, and no doubt they would get purchasers for them. But what would be the result afterwards? Complaints would be raised on all sides that the best of the land had been alienated. At present, selectors who want land in this part of the colony have to go long distances from the centres of population, and it has long been said that there are no facilities for taking them to the proper localities. No doubt there is land in the Burnett district which before long will be all occupied for agricultural purposes. That could be sold by auction; but at what price? I do not mean what price you would get for it, but what cost afterwards? Our desire to encourage settlement by men who have only a small capital to start with—just enough to enable them to start in farming—would be effectually thwarted. That has been the policy of the present Government since it took office, and such it will be as long as we remain there. If Parliament desires to reverse that policy, and

to say that a large revenue is to be raised from the sale of land, they will have to get another Government to carry it out. We shall go out of office with our colours flying, and not submit to remain in office and reverse the policy which we have maintained, and which we believe to be the right one. If hon. members will look back they will see that the utmost extent to which revenue could be derived from this source would be about £100,000 more than that which is now derived from it; and that will not save the finances. I point this out to hon. members, that the public may not be deluded into the belief that by selling more of the public lands of the colony all difficulties will be avoided. That will not save us. What further sources of revenue are there from the land? Pre-emption we have stopped. Hon. members opposite may, if they please, when they come into power, go back to that, but they will find that the average amount derived from pre-emption was a very small one; it is nothing at present, and in future it will be infinitely smaller still, because nearly all the runs in the eastern part of the country—that is, within the schedule—have been brought under the Act of 1884, under which there is no right of pre-emption. And people living in the west are not likely to spend 10s. per acre to pre-empt land at the present time; so this great fountain of wealth, which we are told every day is available, turns out to be a very small trickling stream after all, although for the purpose of trying it some people would be willing to do the most lasting damage to the best interests of the colony. In respect to homesteads, which are the next item of importance—that of course is a diminishing item, while the rents under the Act of 1884 are a continually increasing sum, though a slowly increasing sum. Last year the amount was about £7,000, and I ask hon. members to look at the sources of revenue under the Land Act of 1876—to look at the first year's rents under that Act. The fact is the first payments that came in under the Act of 1876 were not much more than under the Act of 1884. I find that in 1876-7 the first year's payments were £37,000; in 1877-8 the first year's payments were £17,000; in 1878-9, the first year's payments were £10,000; and in 1879-80, they were £15,000. Before I go I may remark that the first year's payments under the Act of 1876 were, on an average, at least three times as much per acre as they are under the present Act. But that was a quantity that increased and then diminished, while the rents we are receiving now are a continually increasing quantity. In fact, any diminution that may occur will be more than made up by the increases from payments of the purchasing price.

Mr. DONALDSON: Of homesteads?

The PREMIER: The homesteads are not of much importance from a revenue point of view. They do not bring in much revenue. When we consider that two years after the Act of 1876 was passed the total amount of selections taken up and paid for was £10,000 worth, we can see that at the present time there is certainly a very much larger amount of selection going on than that. After that there came on a sort of spurt in selecting, which we must all remember, in the years beginning 1881-2. In the year 1880-81 the amount went up to £20,000; it increased in 1881-2 to £49,000; in 1882-3 it was £46,000; it diminished in 1883-4 to £35,000; and the amount was £21,000 in 1884-5, which was the last year the Act was in operation. We know how that spurt came about. We know what became of those lands. Some of the best lands in the colony were taken up for purely speculative purposes, and were entirely locked up. Of that there cannot be the slightest doubt. That is the history of where the land revenue came

from; it came from persons who took up land for speculative purposes. We are told that the Land Act of 1884 is a failure. Who have complained? Why, the people who were speculating under the Act of 1876, and who never intended to comply with the conditions. They evaded the conditions, and when the conditions of the Act of 1876 are brought to bear upon them, the people are told by agitators—the men who wanted to get the lands for speculative purposes—“This is your beautiful Land Act of 1884;” while, in fact, it was the Act of 1876 and not the Act of 1884 which was in question. The Act of 1876 was, no doubt, a great improvement upon the Act in force before it, but the one in force now is a great improvement upon either of them. Revenue is not the only end a Government should have in view. Of course it is the first duty of a Government to make both ends meet. But it is not the first duty of a Government simply to make money like the old gentleman referred to by Horace. I have shown that we cannot look to the land for any large increase of revenue. Now, the conclusion I draw from the figures and the information I have obtained—which I have given to the Committee as fully as I possess it—is, that the present sources of revenue are not sufficient to meet the expenditure for this year, even if there were no question of wiping out a deficit behind that, and providing for the necessarily expanding expenditure of the colony. I think that no one can come to any other conclusion than that. Then what remedy is to be proposed? There must be some remedy proposed; it is the duty of the Government to make both ends meet. The present sources of revenue are insufficient. What do we want? We want, if we can, to reduce the expenditure, and at the same time to increase the revenue—to do both. We want to make both ends approach each other. Apart from the deficit, if we can provide sufficiently for the ever-expanding expenditure, no doubt these things will come right in the course of two or three years. But some change is necessary to do that. There is one small matter to which I will refer first, and that is the deficit. There are two items which form part of the debit balance—£50,000 for central sugar-mills, and £50,000 for the fence for the exclusion of rabbits, which will also have to be maintained. So far as the loans to sugar-mills are concerned, they are simply loans which are being repaid with interest. The Government think they may fairly be put on the same footing as loans to local authorities, the money being simply lent and ultimately repaid back into the same fund. That is a mere matter of detail into which I need not further enter now. With respect to the rabbit fence, that is an expenditure incurred out of general revenue, but is really for the special benefit of one class of the community, the pastoralists.

HONOURABLE MEMBERS of the Opposition: No, no!

The PREMIER: Not exclusively, but to a very large extent—quite as much as some other works I shall refer to by-and-by have been carried out for the special benefit of other classes of the community. I think that that money and the annual cost of keeping the fence in order may fairly be made a charge upon the stock of the country.

Mr. MOREHEAD: They are already taxed.

The PREMIER: They are; so are we all.

Mr. MOREHEAD: They are already taxed exceptionally.

The PREMIER: At the present time the actual assessment on cattle as paid under the Brands Act is at the rate of 1s. 6d. per 100. It

was reduced two years ago from 2s. 6d. The assessment on sheep is 5s. per 1,000 under the Diseases in Sheep Act.

Mr. MOREHEAD: Those are trust funds—an accumulation.

The PREMIER: I am very much obliged to the hon. member for the information, but really I knew it before. I can only say one thing at a time; I cannot say several things all at once. I said just now that I should refer to the Trust Funds Account, and this is the purpose for which I refer to it. It is proposed that the Brands Fund and the Sheep Fund shall be put together, that the assessment on stock and sheep shall be increased, and that the £50,000 for the rabbit fence should be charged to that account.

HONOURABLE MEMBERS of the Opposition: Oh!

The PREMIER: Of course I am aware that the pastoral tenants will not like that—that they object to bear the smallest part of the burden. It is proposed to increase the assessment, so that it will be sufficient to pay 5 per cent. interest, 5 per cent. towards a sinking fund, and the expenses of keeping up the rabbit fences. That is a matter of comparatively small importance—a matter of raising £15,000 a year. It is proposed to raise the assessment of stock to 6s. 3d., which, on 4,192,000, the estimated number in the colony at present, will produce £13,000. With regard to sheep, it is proposed to charge 12s. 6d. per 1,000, which, on the 9,500,000 in the colony, will produce about £5,300. I hear an hon. member expressing his horror at the idea of the sheep-owners being asked to contribute anything.

Mr. DONALDSON: Who is expressing his horror?

Mr. MOREHEAD: You are manufacturing your own horror.

The PREMIER: I can assure the hon. member for Warrego that I cannot see as far as where he is sitting; I only know his voice.

Mr. DONALDSON: I never spoke.

The PREMIER: If the hon. member did not say so he should not be so eager to correct. If I did not refer to him why should he put the burden upon himself of correcting me? I did not refer to him, but to an hon. member nearer to me, who I thought uttered an ejaculation of horror at the idea of asking the sheep-owners of the colony to contribute to such a large extent as that. But that, Mr. Fraser, as I have said, is a comparatively trifling matter. The two items to which I have referred would relieve the deficit to the extent of £100,000, and, I think, very properly. It is proposed, in addition to that, to discontinue the Marsupials Act, which involves a burden upon the country. Last year it amounted to nearly £12,000, but this year it is likely to be less than that, because, although £12,000 is the amount put down upon the Estimates, the additional returns which have been received since show that the amount paid for the first six months of this year was only about £2,500, so that there will be a small saving in that respect to the stock-owners of the country. However, that is a very small matter. So far as the rest of the deficit is concerned, there is no necessity for any immediate action at the present time. But that does not deal with the main question of what is to be done, not only to make up the deficiency, but also to make provision for an ever-expanding increase of expenditure. The endowments, for instance, form an ever-increasing expenditure, over which the Government have at present no control. I think it is entirely an anomaly that the Treasury should be called upon to pay that which is

practically dependent upon the will of other persons. The amount the Treasury is called upon to pay should, according to sound constitutional principles, be entirely dependent upon the will of Parliament, and nobody else. It was certainly a foolish provision to have made, although we made it at a time when it did not very much matter. It is really saying that, whatever amount any local authority may raise, the general public shall be obliged to pay the same amount or twice as much. After all, the Treasury is only the general public, and it amounts to this: that the local authorities are allowed, not only to tax themselves but to tax the whole community. The only authority that should have power to impose any rate or tax upon the whole community is this House. Now, what is proposed to be done in that respect is this: We do not propose to reduce the endowment for the current year; the boards have made their arrangements for the present year, and have, no doubt, incurred responsibilities on the understanding that they should receive a certain amount of endowment in January next. I do not think it would be fair to interfere with that bargain. But I think that for the future we should adopt the same rule that is adopted in other communities—that is, that Parliament shall say each year how much they propose to give by way of endowment, and let the money so appropriated be divisible among the local authorities in proportion to the amount of rates. That is the rule adopted, I believe, almost everywhere else. South Australia at the present time gives, instead of 40s., 5s. endowment. We therefore propose to amend the Divisional Boards Bill now going through the House so as to provide that the endowment shall be paid out of moneys provided by Parliament for that purpose, and shall be divisible in proportion to the amount of rates raised in the districts. Of course the endowment is now paid in proportion to the amount of rates raised, but at the fixed rate of twice the amount or an equal amount, as the case may be. I think Parliament should have full control over the matter, and that the people of the colony should understand that if the money is to be paid at the full rate it must be raised by taxation, and that the same authority which provides for the payment of it—namely, this House—should also impose the necessary taxation for that purpose. I think hon. members, when they think over the matter, will see that there is no reasonable cause for dissenting from this proposal. I think Parliament should have the control of all expenditure, and I am sure that it will always make liberal allowance, wherever it is possible, for those purposes. But, sir, even these things do not come to much. Supposing we save £50,000 or £60,000 in endowment, we are still a long way off meeting the deficiency. Now I have to refer to the three possible sources—land, taxation, and works. Works, of course, we cannot do anything with. I have referred to the question of land. I have said that if the policy of the country is to sell large tracts of land to make revenue that they must change the Government. I have said that and I maintain it, but the other source is taxation. Now as to the question of taxation. I believe that our fiscal system altogether requires revision. I do not know that it is at the present time based on any principle whatever; whether it is based on the principles of freetrade or fair trade, or any other trade—I really do not remember. I was not in the House when it was established, but I believe, at all events, that it was devised simply with the idea of raising revenue. But I believe another use may be made of the necessary evil of taxation. I believe it may be used for increasing the general prosperity of the country.

I have no sympathy whatever with those people who worship the fetish of buying in the cheapest market. That is a matter upon which I know my hon. friend Mr. Dickson will not agree with me, although, let me say, that that was not a matter which entered into the consideration of the Government before he tendered his resignation. But I am glad to have the opportunity of saying what I think on this point, because to a certain extent I have always been restrained from doing so in consequence of my association with the hon. gentleman. I am perfectly aware that on the premises of freetraders their conclusions are irrefutable, but I really doubt whether there is a real freetrader in the world; I am sure there is not. If their great doctrine of buying in the cheapest market is to govern everything, what objection can we have to Chinese? We ought to produce everything by the cheapest labour, and by not doing so we violate one of the elementary principles of freetrade. I know now what will be said; I am generally a victim of epithets. I know the epithet that will be applied to me. My ideas will be called "crude." I shall labour under that for twelve months, and then I shall get some other epithet equally amusing. But I do not mind epithets, because they do me no harm. The people who fancy themselves to be freetraders say truly, "If you do not buy in the cheapest market you are not putting labour and capital to its best advantage; that labour which cannot produce so cheaply as other labour may be applied in some other place, and the capital may be applied in some other place, to greater advantage." That is perfectly right supposing the world were one vast brotherhood, and there was no difference of interests. But we have not yet arrived at that stage, and even what I have just said would be true only to a limited extent, because there might be no room in the world for the employment of all the labour and capital. But we must look at things as they really are. We are in the first place a nation—then a part of a nation with separate fiscal arrangements; and what we have to do is in the first place to look after ourselves. That is our duty, and it is no use telling me that capital or labour may be employed to greater advantage in some other place. Yes, I say; but where? If you cannot employ it in this country, it is no use telling me it will be an advantage to the world to take it away, and employ it elsewhere. I think myself that a great deal of good may be done by disregarding that rule, and I think the time is fast approaching—is, indeed, nearly come—when our tariff must be revised on a different basis. This present year is not the time to do it. There is a general election coming on not later than next year. I say that the tendency of public opinion throughout Australia has been for many years, in my judgment, in the direction of what is called protection, although I think a great deal of injury has been done by calling it by that name. I believe that and I have believed it for many years.

The Hon. J. R. DICKSON: What about New South Wales?

The PREMIER: My hon. friend mentions New South Wales. But they are not freetraders in New South Wales. They only fancy they are. Well, I say this a matter we cannot deal with at the present time. I am not in a position to lay down details of a tariff. I do not think I am competent, for one thing, but I say this is a matter which, I believe, in the immediate future must be dealt with. Now, what other sources are open to us? What present sources are available? I

ask hon. members' attention to what I conceive to be the proper way of dealing with the difficulty. Various things suggest themselves. I have mentioned the tariff, and have explained that it is not desirable to alter that at the present time, and I doubt very much whether a revision of the tariff would give us a larger revenue. I cannot say. I do not possess the requisite knowledge to offer an opinion; it might or might not do so. There are other sources; but, after all, the only other possible source is direct taxation. Some people appear to think that that is very horrible, but it exists in nearly every other country in the world; and I think the time has come when such taxation should be imposed. There are various forms of direct taxation, and the one in England in most favour is an income tax. I do not think that that would be convenient to collect or assess here, and I think this year in particular would be a particularly bad year to impose such a tax, because the incomes are always estimated according to the average increase of the past three years, and certainly the last two years would not be favourable years to go upon. For myself I should like to see a general property tax; that would be an extremely fair tax, but in this colony it would be extremely difficult to manage. It would be very difficult to make the necessary assessments, and would cost a great deal to work. But there remains another source. I called attention just now to the enormous burden that our railways are upon the revenue of the country. A burden of £400,000 a year. Now, who have benefited by the construction of these railways?

An HONOURABLE MEMBER: The squatters.

Mr. MOREHEAD: The townspeople; the people of Brisbane.

The PREMIER: I quite agree that, to a great extent, the people of Brisbane have benefited. So have others; but I say the construction of railways has done more to raise the value of land than any other effect it has produced.

Mr. MOREHEAD: In Brisbane?

The PREMIER: Yes, and elsewhere; in every place where there has been railway construction, and I see no reason on earth why people should not be asked to contribute out of that unearned increment we often hear talked about, to the necessities of the State. I think, and so do the members of the Government, that the time has come when those who derive benefit from that unearned increment should be asked to contribute to the revenue of the State. In the opinion of the Government the best form for a land tax to take—I will explain the details more fully afterwards—is a tax upon the unimproved value of property. It ought not to be a tax upon improvements, but upon the unimproved value, and there should be an exception in the case of small properties, as there is in an income tax, of the first few hundreds of value. I will say more about that afterwards. I say we have no right to compel the general taxpayer to contribute to those burdens to which I have fully called attention, when the people who profit most by them do not contribute a fair share to those burdens. No doubt at the present time, when we get all the revenue which we derive from taxation through the Customs, the incidence falls unequally upon the different classes of the community. The wealthier classes and the landed classes practically contribute nothing to the revenue in comparison with the poor man with a large family, upon whose food he has to pay Customs duty. The taxation in this respect is most uneven and unfair, and it is quite time that some alteration was made, and that a resort should be had to some means of equalising the incidence of

taxation. Upon this point my hon. friend Mr. Dickson and the Government are at variance. My hon. friend does not see his way to taxing land. For reasons I have given I believe this to be the fairest tax that could be proposed. I venture to say that a land tax is coming just as surely as a change in the tariff is coming. It is coming without the slightest doubt, and we are even late in introducing it. They have had it in Victoria for many years; they have had it also in Tasmania, in South Australia, and in New Zealand for many years, and we and New South Wales shall be the two last colonies to adopt it. In New South Wales it has been proposed by every succeeding Government in the past few years. We may stave it off by some quack nostrum, as the hon. member who leads the Opposition would possibly stave it off by the sale of country lands by auction, for that is the only idea in the heads of his party. Upon that point, however, I do not think it need have been necessary for my hon. friend Mr. Dickson and the Government to part company. But there was another matter involved in the policy of the Government to which I have not yet adverted, and that is the question of the decentralisation of the government and the proper mode of dealing with the Central and Northern divisions of the colony. When this House was prorogued last year, in the speech delivered in this House by His Excellency the Administrator of the Government, this was said:—After referring to the question of the administration of the government in the more distant parts of the colony, this statement is made:—

"My Ministers recognise this subject as one of paramount importance, and purpose, during the recess, to prepare for submission to you a measure or measures having for their object to remove, as far as practicable, the evils of undue centralisation in the administration of the government and to provide for the speedy and economical expenditure in the several divisions of the colony of the revenue raised within them."

During the recess it became my duty to report to His Excellency the Governor upon the petition presented for separation, and in that report, which was sent to the Governor to be transmitted to the Secretary of State for the Colonies, I used these words:—

"It is proposed amongst other things to establish branches of the Government departments at suitable places in the Central and Northern districts of the colony, under the supervision of competent officers (to be styled Government residents or by some other appropriate name), who will have authority to conduct the ordinary executive functions of the Government in the same manner as is now done by the permanent heads of departments at the capital, making reference when necessary to the proper Minister by means of the telegraph.

"Branches of the Real Property (Registration) Office are also proposed to be established; and it is intended to keep separate accounts of the revenue and expenditure of the several divisions of the colony, and as far as practicable to appropriate the revenue raised within each division to the necessary public expenditure in respect of matters belonging to the division."

That was a pledge given not only by the Administrator speaking for the Government at the close of the session, but given also by myself in this letter addressed to the Governor. I do not know, of course, what effect that letter of mine may have had, or what influence it may have had with the Imperial Government in dealing with the question of separation. It may have had some influence, and I believe it is most likely it had, because the facts stated in it are weighty; but I say that if ever a man was bound in honour to carry out a promise made, I was bound to carry out that promise, and nothing could absolve me from that promise but absolute retirement from public life.

AN HONOURABLE MEMBER: It would not satisfy the North.

THE PREMIER: I do not know whether it would satisfy the North or not, but I say that that promise I was bound to carry out whatever the consequences might be; and if I stood alone in the House I should endeavour to give effect to that promise, and I think all the members of the Government were equally bound by it. In dealing with this matter it became the duty of the Government during the recess to prepare the measures referred to. One of the foremost of them was one dealing with the appropriation of the revenue of the different districts to the expenditure in those districts. Hon. members who were in the House which met in 1874 will remember the discussion which took place then, and the difficulty that arose in connection with the Customs revenue. One of the great complaints of the northern parts of the colony is that they do not receive a fair share of the expenditure. They say further that the accounts kept by the Treasury are misleading, because they only get credit for Customs duties paid in their particular ports and that that is not all they pay; that if the Customs revenue was distributed per capita in proportion to the population that would be an unfair distribution, because in that portion of the colony, where there is a so much larger proportion of adults, their contribution to the Customs revenue is proportionately very much larger than in the settled parts of the colony. That is true, and I think that any proposal pretending to allocate the revenue of the colony to the different districts of the colony which did not give them credit for the money they actually paid in respect of dutiable goods consumed by them—would be a mere hollow delusion and a mockery. I believe that, and holding those views, the Bill which it is proposed to present to Parliament is framed in that way. What is proposed by the Government is this: that the different districts shall receive credit for all Customs duties received at ports in those districts, and that when dutiable goods upon which duty has been paid are taken from one district to another, that amount of duty shall be reckoned, and be credited to those districts also, so that every penny of duty paid upon dutiable goods consumed in any district shall be credited to that district. That, I think, is fair. But on that point my hon. friend Mr. Dickson, who, I suppose, considered himself bound just as much as I am by the promise made, differs from the Government. Upon that point we are hopelessly at variance, and I regret to say that this is the rock upon which we divided. The measure has not been brought in yet, but it is ready, and the Government desire to take an early opportunity of bringing it before the House. I have said what the Government intend to do, and I think we are bound to do it. I am prepared to do it and take the consequences. I have said a great deal more than I intended to say, but I would just make one or two observations about the question of a land tax, and I shall conclude with a motion affirming the desirableness of imposing a land tax on freehold property. But first I will give a few figures with regard to the land tax in the other colonies. In South Australia there is a land tax at the rate of $\frac{1}{2}$ d. in the £1 on unimproved freehold land. The total quantity of land alienated in that colony is something over 7,000,000 acres, and the tax realised there last year about £100,000. I got that information from the Premier of South Australia to-day. In Victoria there is a land tax on all estates more than 640 acres in extent. The tax levied there is 3d. in the £1 on the value, which is nowhere less than £1 an acre, and which rises to £2 or £3, according to its classification,

That tax realises, according to the latest figures I have been able to get, £128,000, but that is a totally different thing from what this Government proposes. In Tasmania the tax is 6d. in the £1 on the annual value of the land, which is a tax on the same principle as that under our local government Acts. That realises, so far as I have been able to ascertain, about £30,000. The alienated land there is 4,500,000 acres. In Queensland there are about 8,500,000 acres of land alienated, and according to the best estimate I have been able to make—but I do not propose to go into details now—the tax which it is intended to levy will produce, on the basis I have stated, probably something over £100,000. It is proposed to levy a tax of 1d. in the £1 on the unimproved value of freehold land, which is, as nearly as possible, 5 per cent. on a supposed annual value of 8 per cent., or 8 per cent. on a supposed annual value of 5 per cent. It is proposed, however, to except the first £500 of value from liability to taxation. Such a tax, I believe, will be fair. It will come, I have no doubt—whether in this precise form or in some other is a matter of very little consequence. That the time has come for direct taxation in Queensland there can be no doubt. The great burden of public works must be met in some way; our first duty is to pay our creditors. The Government have endeavoured to deal with the matter so as to produce the necessary revenue, doing the least harm to any class of the community. Of course, it is a matter which will not be further discussed this evening. I have to thank hon. members for the indulgence with which they have treated me under circumstances of some difficulty. I hope I have succeeded in explaining to them the condition of the finances as the Government find them at the present time. Whether the reasons that have been urged are sufficient to justify the proposals of the Government is a matter for consideration. The Government have given it the most anxious consideration for some weeks, and they submit the proposals to the House in the fullest confidence that they will commend themselves to the people of the country. I have not the slightest doubt that in a very short time their proposals will be adopted, and that the other changes in policy I have indicated will also be adopted. I should like to take this opportunity of saying that those who think that the Government ought to or could desert their colours and revert to the mischievous policy of alienating land are very much mistaken. A Government may be beaten. When its policy does not commend itself to the country it is time it went out. I do not know what the result of this proposal will be, nor do I care individually, except so far that I believe it to be right and should therefore like to see it carried. But if the Government, as advised by some people, were to change their policy, although by changing it they might exist a little longer, they would neither retain their own self-respect nor the respect of the country, and they would go down deservedly to destruction. There is no disgrace in being beaten, but I do not think we shall be. I do not think we shall be beaten on this proposal. Perhaps I have made a somewhat different speech from the Financial Statement that is generally made when everything is going along smoothly. I am satisfied the course the Government is taking is the right one, and that it will commend itself to the people of the colony. I beg now to move—

That, towards making good the supply granted to Her Majesty, there be levied in each year upon the owners of freehold land within the colony a tax at the rate of one penny in the pound of the unimproved value of such freehold land over and above the first £500 of such value.

Mr. MOREHEAD said: Mr. Fraser,—I hope the leader of the Government does not intend to go any further with the matter to-night. I will move the adjournment of the debate.

The PREMIER: I will move the Chairman out of the chair.

Mr. MOREHEAD: There is another matter to which I wish to refer. We have heard the explanation of the Premier as to the reasons that induced the Colonial Treasurer to leave the Ministry. We were informed that the Treasurer himself would also give some information. If the hon. gentleman does not intend to controvert or correct anything the Premier has said, I suppose we may take that explanation as correct. But we have yet to learn—and we were promised the information—why the Postmaster-General left the Government.

The PREMIER said: Mr. Fraser,—It is no wonder that I should have omitted something under the circumstances.

Mr. MOREHEAD: What! Omit the leader of the Upper House?

The PREMIER: As soon as I had sat down I remembered that I had forgotten that. The Postmaster-General differed from us on the question of a land tax, but upon the other matters to which I have referred he was in accord with the Government.

The COLONIAL TREASURER (Hon. J. R. Dickson) said: Mr. Fraser,—I feel that on the present occasion I cannot allow the Financial Statement to close without making one or two remarks. I am not at liberty to enter upon any field of contention at the present time, seeing that I am not relieved from Ministerial office, but at the same time I think it is my duty to state that my hon. friend the Premier has pointed out very clearly and distinctly the points of difference between the Government and myself. I am glad to say I feel renewed assurance of the correctness of the action I have taken since hearing the hon. gentleman's speech. We have heard an excellent financial statement, and one which is decidedly an improvement in its style upon anything I could have delivered; and I may say it only adds another proof of the great ability possessed by the Premier of this colony that he has been able to grasp such a wide field of matter and to deliver himself of the same so exhaustively and intelligibly, considering the very limited time he has had at his disposal. I intend early next week when the debate has been resumed, and when, I trust, I shall have been relieved of Ministerial responsibility, to enter very fully into the grounds of the action I have taken. I say that at the present time we have no need of any extra taxation whatever. I say the people of the country are taxed sufficiently now, and all the statistics adduced by my hon. friend the Premier clearly tend to show that the people are not able to bear additional taxation. I have yet to learn why it should be a crime to be a freeholder, and why a freeholder should be subjected to a penalty. There was another matter introduced into this speech which I cannot now go into, because the Bill is not before the House—that is the question of financial separation. I can only say that I was quite content with my hon. friend to carry out the promise the Government made, but the details of that measure are such that I feel I am justified in opposing them, though it would be inconvenient to me to advert to them until the Bill is before the House. It would be unintelligible to hon. members to tell them the objections I have taken as a business man to that Bill unless the Bill itself were before the House. The hon. the Premier has taken the opportunity of entering into

the subject of free trade and protection. I am not at all afraid, in due time, to meet the question when the time comes. I shall be quite prepared to maintain the part I trust I have consistently adopted. It is true that as Treasurer of this colony I inherited a tariff which I could not alter without disturbance to the interests of the community; and in my administration of the Treasury I have endeavoured as far as I could to encourage the manufacture of goods required for public works in the colony. To that extent I shall always go, but I shall certainly not do anything whereby a class of exotics, not indigenous to the country, shall be raised at an increased cost to the consumer without doing the slightest good to the permanent industries of the State. These matters, however, I shall be prepared to go into fully in due time. I take my stand in the meantime on this—that taxation in the direction indicated, or in any other direction, is not necessary. I say that administration of the Lands Department is necessary. We have the machinery there which will relieve us of our present impecuniosity, and if we administer that correctly, as we have authority from Parliament to do, without any dereliction of duty, or without any renunciation of policy, we can replenish the Exchequer and avert, at the present time, the great disaster of increased taxation on the people of this colony.

Mr. MOREHEAD said: Mr. Fraser,—I would like to ask the Premier whether he will correct his speech, so that we may have it in a perfect form in to-morrow's *Hansard*? It will be of no use otherwise.

The PREMIER: Before moving that you leave the chair, Mr. Fraser, I have a word to add with respect to my hon. friend the Postmaster-General. I have seen it stated that the cause of his leaving the Government was that certain actions of his, while I was absent from the colony, met with my disapproval. I wish to say, Mr. Fraser, that there is no foundation for that statement. Mr. Macdonald-Paterson left us entirely on the question of the land tax. I beg now to move that you leave the chair, report progress, and ask leave to sit again.

Question put and passed, and the House resumed.

On the motion of the PREMIER, the resumption of the debate was made an Order of the Day for Wednesday next.

ADJOURNMENT.

The PREMIER: Mr. Speaker,—I move that the House do now adjourn. The resumption of Committee of Ways and Means will stand at the head of the paper for Wednesday, and we propose to proceed then with the debate.

Question put and passed.

The House adjourned at thirteen minutes to 7 o'clock