

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

TUESDAY, 6 AUGUST 1889

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LEGISLATIVE ASSEMBLY.

Tuesday, 6 August, 1889.

Message from His Excellency the Governor—assent to Trustee Bill.—Question.—Motion for Adjournment—the disposal of nightsoil.—Supply—resumption of committee—financial statement.—Message from the Legislative Council—Health Act Amendment Bill.—Adjournment.

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

MESSAGE FROM HIS EXCELLENCY
THE GOVERNOR.

ASSENT TO TRUSTEE BILL.

The SPEAKER announced the receipt of a message from His Excellency the Governor, assenting, in the name of Her Majesty, to “A Bill to amend the law relating to the duties, powers, liability, and remuneration of trustees.”

QUESTION.

Mr. ARCHER asked the Colonial Secretary—

1. Are the Government prepared, in view of the large numbers of unemployed now seeking work in different parts of the colony, to limit or stop immigration for a time as far as existing contracts will permit?

2. If so, when will existing contracts permit of such limitation or stoppage?

The COLONIAL SECRETARY (Hon. B. D. Morehead) replied—

1. The Government are not bound by any “existing contract” to provide immigrants for any contractor. Under the 9th section of the Immigration Act of 1882, passage certificates are issued, available for twelve months, and there are under this section certain outstanding engagements. By Order in Council, issued in pursuance of the provisions of the Immigration Act of 1882 Amendment Act of 1886, on the 27th October, 1887, artisans and mechanics are ineligible as immigrants under sections 9 and 12 of the principal Act.

2. The number of steamers carrying immigrants has been reduced from two per month to one.

MOTION FOR ADJOURNMENT.

THE DISPOSAL OF NIGHTSOIL.

The HON. SIR S. W. GRIFFITH said: Mr. Speaker,—I wish to draw the attention of the House to a matter that seems to me to be of great importance, and I will conclude with the usual motion. In this morning’s paper it is stated that the corporation of the city of

Brisbane have accepted a contract for five years for the carriage of the nightsoil of the city to the entrance of Moreton Bay. Considering what has taken place in this House, it seems to me a somewhat remarkable course to adopt. A Bill dealing with the subject passed this House some little time ago, is now before the Legislative Council, and is expected back from there to-day, I believe, and the corporation have apparently taken the opportunity, before that Bill becomes law, to enter into that contract. I think it is absolutely certain that such a scheme as that will not be tolerable for five years, even if it is tolerated to begin with. The Government really have it in their power to prevent the proposed scheme being carried out. They can prevent it in various ways; in one way particularly they can prevent it, and that is by refusing any longer the use of the Queen's Wharf as a place of shipment. That will be a very effective way of preventing the corporation carrying out this abominable project. I hope the Government will take the matter in hand, and see that this abominable nuisance is not created in Moreton Bay. I think also that it is a wicked waste of a large quantity of earth, besides other valuable ingredients which are to be thrown into the sea. I beg to move the adjournment of the House.

The PREMIER (Hon. B. D. Morehead) said: Mr. Speaker,—With regard to the hon. member's suggestion, that the Government can prevent the corporation from carrying out the scheme by refusing to let them have the use of the Queen's Wharf, I may say that, beyond existing arrangements, which will terminate at the end of the year, the Government do not intend to allow the corporation to use the wharf. So far as I can see, it is not in the power of the Government, save and except in that way, to prevent the corporation from carrying out such a contract as that proposed. I may say, further, that I took the opportunity of calling the mayor's attention to the passage of the Bill referred to by the hon. member, but the mayor said it was in the hands of the corporation, who had to deal with the matter as they thought best.

Mr. McMASTER said: Mr. Speaker,—The Municipal Council was called together last Monday week to consider this matter. I then suggested that the acceptance of the tenders should be adjourned, pending the passage of the Bill through the other Chamber, and it was adjourned till Friday. I then stated that the Bill had been virtually adopted by both Houses, and suggested that the mayor should ascertain from the Chief Secretary the views of the Government on the matter, and it was understood yesterday that he had done so. I should have preferred that the nightsoil should be deposited on land, but the council concluded, in view of the difficulty of securing a dépôt, and the uncertainty of the Government allowing the use of the railways for the purpose, that they would be in the same difficulty as before if they did not accept a tender yesterday.

The Hon. Sir S. W. GRIFFITH: Is the acceptance of the tender subject to the approval of the Government?

Mr. McMASTER: No. The erection of a dépôt is subject to the approval of the Government. I am not surprised at the contract being for five years, because it will require a large sum of money to get the necessary plant. There will be 4,000 pans used every day, and 50 or 60 horses will have to be employed. The contract specifies that each steamer is to be capable of carrying 4,000 pans.

Mr. HODGKINSON: The steamers are waiting in the Garden reach now.

Mr. McMASTER: All I know is that the steamers have to be approved by the Council, and I do not know whether they are built or going to be built. The specifications are very stringent, and if they are carried out there will be no nuisance caused either in the city or in the Bay. There is a great difficulty in making a marketable commodity of nightsoil, because the farmers will not take it unless they are assured that there is no nut-grass in the dry earth supplied. With regard to wharfage accommodation, the corporation propose to fence off a portion of the land between the Queen's Wharf and the Victoria Bridge, which is their property, and build on it a large shed, so that nothing will be on view.

The Hon. Sir S. W. GRIFFITH, in reply, said: Mr. Speaker,—I regret to have heard the answer given by the Chief Secretary, because I am certain that the Government might stop this abominable scheme if they chose. On reading the report of the meeting of the council I certainly drew the inference that the acceptance of the contract was still dependent on the approval of the Government. It is simply an abominable outrage proposed to be perpetrated, and as a representative of the city of Brisbane I protest against it. Of course, the Municipal Council can do what they please within certain limits, but I am certain that before five years are over some means will be found to put a stop to the nuisance; even if it has to be done by a special Act of Parliament. We are told by the hon. member for Fortitude Valley that it is proposed to have the town dépôt exactly in front of the new public offices. We know the heat of the sun there in the afternoon, and I think the nuisance will very soon become intolerable. Some time ago the town dépôt was in front of the Supreme Court, but the municipal authorities had to go away from there, and we know the complaints that have been made about the dépôt being in front of the old immigration dépôt. I am certain that the nuisance will not be tolerated in front of the new public offices; and if the corporation are wise they will take warning in time, and not enter into a contract that will simply entail a heavy loss on the citizens.

The Hon. Sir T. McILWRAITH said: Mr. Speaker,—I think the Government will be wise in not taking the advice of the hon. member. If the Government are to be made responsible—if the Government are to keep the Municipal Council of Brisbane directly under their eye, I do not think much improvement will be made. The council has been in leading strings too long already. It is the business of the Municipal Council to look after the affairs of the city, and the Government have no business to interfere in the matter. Had the Chief Secretary told them he did not approve of their scheme, and forbidden them to let the contract, the mayor could have told him to mind his own business. The whole thing is so distinctly contrary to the hon. gentleman's own action. He now rises to something like enthusiasm over the matter, but when he was Premier, and had the power to do what he urges the Government to do, what action did he take? Absolutely none.

The Hon. Sir S. W. GRIFFITH: I had not the power.

The Hon. Sir T. McILWRAITH: The law is the same now as then. The Bill to which the hon. member referred is not yet passed.

The Hon. Sir S. W. GRIFFITH: It will be in three days.

The Hon. Sir T. McILWRAITH: The mayor may never have read the Bill. At any rate it is a prospective law, so far as he is concerned.

It is not the business of the Government to interfere, nor would I like to see them interfering in these matters at all. When the council come and ask advice or assistance they have always got assistance from this Government, and that is all they need look for. I think it would be only harmful for the Government to rush in and tell them they are doing wrong; the corporation are responsible to the citizens.

The Hon. Sir S. W. GRIFFITH: The Government can prevent them depositing the material in Moreton Bay.

The Hon. Sir T. McILWRAITH: The Government will see to that.

Mr. MORGAN said: Mr. Speaker,—The leader of the Opposition was not far wrong when he said that there was something running in his mind to the effect that the ratification of this contract by the Municipal Council was in effect dependent upon the approval of the Governor in Council. Here is the report which was submitted to the city council yesterday by a committee of the whole council:—

"We recommend the acceptance of the Brisbane Sanitary Company's tender to perform the city sanitary services, as per specification, for a term of five years from 1st January next, for the sum of £17,500 per annum for rateable and corporation properties, and £1,000 per annum for Government properties, subject to the approval of the steamboats the company proposes to employ in the work by the corporation and harbour authorities; and provided, also, that the Government concurs with the acceptance of the tender, not only as to the amount the Government will be called upon to pay for services, but more especially in regard to the place of deposit, which might possibly be considered to come under the second section of the Health Act of 1881 Amendment Act of 1889, now before Parliament."

Whatever power the Government may or may not have in this matter, I think that if it is possible for them to throw any obstacle in the way of the ratification of a contract which will subject the whole of the citizens of Brisbane to the nuisance that will arise from the cartage of the nightsoil down the river, and not only that, but the nuisance that will arise from having a dépôt right under the Victoria Bridge, which is a main artery of traffic to and from both sides of the river—I say, if it is possible for the Government to step in and prevent that being done, they should do so. The hon. member for Fortitude Valley, Mr. McMaster, has informed the House that the Municipal Council contemplate establishing a dépôt right in front of the new public offices—that is, at the end of Victoria Bridge, over which the traffic from the north side passes to the south, and that from the south to the north side. Almost every citizen of Brisbane, almost every resident of both municipalities, will be subjected to more or less annoyance if a dépôt is established there, and everybody living along the river will be subjected to the same annoyance. I do not think there can be the slightest reasonable objection to the removal of this nightsoil by rail.

Mr. McMASTER: Where can we establish a dépôt?

Mr. MORGAN: By the Amending Bill now before the other Chamber, power will be given to the municipality to provide a dépôt at any distance from the city where they can find a convenient site. Surely to goodness an area of 1,000 or even 2,000 acres, if necessary, might be obtained along the North Coast Railway, where there is plenty of land not settled, to which the nightsoil could be carried nightly by train. But a dépôt could be got even near the present Roma street station that would give less offence than the dépôt which the council propose to establish at Victoria Bridge. I sincerely hope the Government will discover some means of preventing the

council entering into this agreement, which will give rise to widespread discontent among the citizens of Brisbane, and everybody who has to come into the city for any considerable portion of the year.

Question put and negatived.

SUPPLY.

RESUMPTION OF COMMITTEE.

On the motion of the COLONIAL TREASURER (Hon. W. Pattison), the Speaker left the chair, and the House resolved itself into a Committee of the Whole to further consider the Supply to be granted to Her Majesty.

FINANCIAL STATEMENT.

Question—That there be granted to Her Majesty for the service of the year 1889-90 a sum not exceeding £300, to defray the salary of the aide-de-camp to his Excellency the Governor—put.

The Hon. Sir S. W. GRIFFITH said: Mr. Jessop,—I am afraid I cannot congratulate the Colonial Treasurer on the statement he made to the Committee the other evening on the finances of the colony. The statement in effect contained little more than a reading of the tables with which the Estimates are accompanied. I look in vain for anything like a summary of the conclusions to be obtained from the detailed facts, or anything like a general view of the condition of the country to be inferred from the statistics presented to the Committee. The hon. gentleman, it is true, began by telling the Committee that he "congratulated hon. members upon the improved state of the finances of the colony, and also upon the reasonable prospect of a continuance of this state of matters, mainly brought about by the thorough break-up of the very prolonged drought, which had almost paralysed every industry in the colony." For the reasons which I shall give, I am unable to agree with the conclusion that there is an improvement in the state of the finances of the colony. I will go so far as to say that. And as to the "reasonable prospect of the continuance of this state of matters"—I suppose by that the hon. gentleman means a continuance of the improvement in the finances—I think the general condition of the colony, as far as we can judge by the reports which have come to us from different parts of the colony, is by no means so hopeful as we could desire. I am not one to take a pessimistic view of the future of the colony, as I have every confidence in its resources, but I am unable to see, so far as the hon. gentleman's speech discloses, any ground for thinking that there is any immediate prospect of an improvement in the general development of the industries of the colony. It is true that the seasons are much better, and that we shall in time derive a very great advantage from that change; but I look in vain to the arguments of the hon. gentleman for any reason for thinking there will be any considerable and immediate development in the revenue of the colony. We all, of course, if the prognostications of last year had been correct, would have expected to find a wonderful difference in the state of the revenue at the end of the present year. We are told that the net result is that the deficit, instead of being nearly cleared off, as the hon. gentlemen opposite were sanguine enough to hope at one time, has been reduced, it is said, by £117,000. But against that is to be placed the fact that on the 30th June there was nearly £160,000 more of outstanding debts due on account of the year's transactions than there was in the previous year. That is a remarkable fact. That is shown by Table I. The outstanding liability on the 1st July, 1888, was £354,000,

while the outstanding liability on the 1st July, 1889, was £442,000. That is a difference of about £90,000, showing that the practical diminution of the liability of the colony through the year's transactions amounts to only about £28,000.

The HON. SIR T. McILWRAITH: That is perfect nonsense, you know, if you explain the meaning of Table I. You quite misapprehend the meaning of the table.

The HON. SIR S. W. GRIFFITH: I do not misapprehend the meaning of the table at all, and only a man who misapprehends it could make that observation. Table I is a statement showing the amount of unexpended votes, together with the balance of the consolidated revenue fund on the 1st of July for three successive years. It shows that on the 1st July, 1888, the unexpended votes amounted to £354,000, and the votes which lapsed after that time amounted to about £91,000; showing the net liability on account of the previous year to be £263,000. The corresponding figures for this year are—unexpended votes, £442,000; votes expected to lapse, £90,000—an item which is about the same every year—giving a net liability of £352,000, as against a net liability of £263,000 twelve months ago. The last line of the table shows exactly what has been the actual result of the improvement or otherwise in the financial position of the colony. That line shows that the liability in excess of assets on the 1st July, 1888, was £865,000, while the liability in excess of assets on the 1st July, 1889, was £837,000; and taking the £37,000 from the £65,000 you get £28,000, which is the actual improvement in the finances during the twelve months. That is absolutely certain. To anyone who understands what figures mean, that is the real improvement during the year. Now, there is no doubt there are many things in the state of the colony at the present time which would lead one to be rather anxious. There has been a great deal of undue speculation, a tightness in the money market, and what may be called a "general confusion" in private financial matters during the past twelve months, from causes which it is not necessary to refer to now. Those causes will operate for some time longer, and until they are removed and there is some indication of a willingness on the part of those who have money to invest it in profitable pursuits, it is idle to expect any great improvement in the finances of the colony, because the revenue only improves when the general conditions of the colony improve. Now, let us compare the net result of the year's operations—£28,000—with the professions of the Ministry. The Government came into office on the assurance to the country that there was no necessity for increased taxation, and that all that was wanted was economy of administration. An incompetent Government they said had brought the finances of the colony into confusion; but if they were allowed to go in they would show the country how, by economical administration and without increased taxation, all things might be again set right. What is the result? First of all they found what we who had preceded them knew very well, that the revenue of the colony was not sufficient to do the work of the country, and that an increased revenue was necessary. We also told them that it was not practicable to reduce expenditure, and that has also been proved by the action of the Government. They desired, no doubt, to be as economical as they could be, and the best they could do with the expenditure for last year, when they had the control of it, was to exceed the expenditure of the previous year by £130,000. I do not blame them for exceeding it to that extent, as I believe that the Government could not have been carried on

efficiently for less. What were their means for raising additional revenue? They brought in a new Customs tariff of such a remarkable character that two members of the same Government speaking at the same place—and though not exactly at the same time, yet within a few minutes of each other—took credit for it, one as a protectionist tariff, and the other as a freetrade tariff.

The COLONIAL TREASURER: A revenue tariff.

The HON. SIR S. W. GRIFFITH: Yes; it was supported by one member of the Government as a revenue tariff entirely consistent with the principles of freetrade, and by the other as a protectionist tariff, brought in for the encouragement of native industries. A tariff of that kind could never be satisfactory. I wish they had brought in an out and out protectionist tariff, and if that had been done it would not have pressed at all so hardly upon the people, and would have been of a great deal more benefit by encouraging instead of crushing the industries of the country. There can be no doubt as to the effect of the tariff passed by the Government. What has it done? It has produced a net increase of revenue through the Customs of £256,000, so we are told. That is an increase, taking the average population during the nine months it has been in operation, at the rate of 13s. 6d. per head. That has been the additional contribution from the Customs tariff. The net contribution per head of the whole of the people from taxation has not been quite so much, taking taxation altogether, including stamp duty and excise duty, it has been only 10s. 10d. per head. The total increase of taxation has been 10s. 10d. per head, but there is an increase of 13s. 6d. per head through the Customs. If the increase had been contributed equally by the whole of the people in proportion to their consuming capacities, it would not have been so objectionable; but, as a matter of fact, the increase has almost entirely come from the taxation of necessities, and there has been no increase upon luxuries. The result is this: In some parts of the colony a very large portion of the Customs revenue comes from the taxation, we will say, upon spirits and tea, and very little from the taxation upon those articles which are more consumed in towns and the more civilised parts of the colony than in the country. Those people have actually contributed no more to the new tariff than they contributed before; so that the extra burden, instead of being 13s. 6d. per head in the towns, and indeed in all places where the population is a settled family population, has been something like 30s. per head.

Mr. WATSON: Why did you not cheapen the working man's breakfast table?

The HON. SIR S. W. GRIFFITH: The hon. member forgets that it was not my duty to bring in the tariff. I can assure him that if it had been I would have taken care to put the extra burden on the people best capable of bearing it. But the result of the tariff brought in by the present Government has actually been to put the burden on the consuming population in the towns and the more populous parts of the colony. Allowing 13s. 6d. per head as the average for the whole colony, the additional burden cast on those places is at least double that amount. That is how they have raised so much money. On luxuries there was no increase, or nothing to speak of. The beer duty was taken off by them. They made a present to the brewers of a sum which I estimate at something over £10,000—a very nice sum to be divided amongst the few brewers of the colony. According to my own calculations the sum is £13,000, but even putting it at £10,000 it is a very nice present—for that is what it amounts to—to make to them. It has not cheapened the price of beer by a farthing.

The POSTMASTER-GENERAL (Hon. J. Donaldson): The brewers supply it cheaper to the publicans.

The Hon. Sir S. W. GRIFFITH: Then in that case the publicans get a share of it.

The Hon. Sir T. McILWRAITH: You said just now it was a present to the brewers.

The Hon. Sir S. W. GRIFFITH: I may have been in error in saying that it was all a present to the brewers. But if it be correct that the beer is supplied cheaper to the publicans, it only means that the present of £10,000 or £13,000 is divided among more people. There is not the slightest doubt, however, that the consumer does not pay a farthing less for his glass of beer than he did before, and I am sure he does not get a bigger glass than he did before. It is no use saying he does, for we all know he does not. That shows how the Government have raised a revenue during the year of £256,000. What is the next source to which they have gone to obtain revenue? I wonder whether hon. members really know the way in which the auction system has been abused during the past year. They used always to boast—although they were at times rather ashamed of it—of the manner in which they had raised revenue by auction. Do hon. members really know the quantity of land sold by auction last year? We have to look into two places to find it. The amount actually raised from sales by auction during last year was £125,000. In addition to that, if we look at the estimated receipts for this year, we find that there is an outstanding balance of £65,000 to come in this year; so that the total value of the land sold last year was nearly £190,000. I do not believe that is generally known. Let us compare that with the amounts produced from sales by auction in previous years. In 1879-80, the amount was £78,000; in 1880-81 it reached £196,000, which included the notorious forced sales of land in the interior. Now, when the sale of country lands by auction is stopped and they are only able to sell town and suburban lands, the Government have actually got up to £190,000, or only £6,000 less than the highest amount ever realised from sales by auction before. Afterwards the amount fell. In 1881-2 it was £113,000; in 1882-3, £114,000; in 1883-4, £75,000; in 1884-5, £43,000; in 1885-6, £91,000; in 1886-7, £48,000; and in 1887-8, £53,000. And now it has gone up with a sudden bound to £190,000. I do not believe the people of this country approve of selling land by auction in this way. Those are the two principal sources of increased revenue the Government have had: £256,000 from Customs, and £190,000—over £100,000 more than they had any right to make—from sales of land by auction. Even assuming that only £50,000 has been improperly raised from the latter source, that brings the total increase to £300,000, with the result that we are only £28,000 better off at the end of the year than we were at the beginning. But we cannot always expect to get an increase of £300,000 from those two sources. I do not think we have much to congratulate ourselves upon, when by this extra burden of the tariff, and the monstrously excessive sales of land, we are only £28,000 better off than we were before. I may also mention here that £90,000 has been saved on what was twelve months ago considered necessary expenditure on public works. I will pass now to the Treasurer's anticipations for the future. The Colonial Treasurer estimates that at the end of next year he will have a surplus of £119,000. He estimates that Customs will realise about the same as this year. That is very probable. He also estimates that stamp duties will bring in £160,000. What reason is there to suppose that stamp duties will realise

anything like £160,000? Because we received it last year—there is no other reason that can be given. In order to estimate whether an amount of that kind will be received, it is necessary to look not only at last year's receipts, but at the receipts for previous years. The largest amount previous to last year was £139,000 in 1887-8. Last year it rose to £166,000. In 1886-7 it was £119,000. In 1885-6 it was £121,000. We know very well that during the past twelve months there has been an enormous quantity of transactions in shares, some of those transactions being very large, and a very large amount of stamp duty was paid with respect to them. There is no reason whatever to suppose that the same thing will take place—at any rate to so large an extent—during the current year. We know that the share market is practically dead at the present time, that there are scarcely any shares being sold. We know also that the land market is practically dead. These are well-known facts, and yet from these, which are the two main sources of stamp duty, the Government expect to derive as much as before. Of course there is also the stamp duty from the Post Office, but I am not speaking of that now; I am referring to the stamp duty that is a variable quantity. Considering the circumstances which we know are at present existing, £145,000 would be a very liberal estimate of revenue from that source, which shows an excess of £15,000 in the estimate of the Treasurer. I will not refer to the monstrous amount—£100,000—expected to be raised by sales of land by auction. To realise that amount during the year the Government must sell, or deferred payments, something like £150,000 worth of land, perhaps more, if they can get buyers, and in addition they will have the £65,000 standing over from last year. I do not make any objection as to the probability of their getting that money, but I object entirely to the propriety of that mode of raising it. There is not much doubt that they will, if they are able, squeeze it out of the people. I pass on now to "Receipts from Public Works and Services." Now, we know the condition of the country, so far as railway traffic is concerned, having seen the results of the present year from the beginning of the year up to the present time, and are therefore able to form a very good idea of the correctness of the large increase anticipated under this head. The hon. gentleman expects an increase of £37,000 on the Southern and Western Railway system; I confess I do not expect that he will get nearly so much. Comparing the receipts of the past year with those of the previous year, I submit that there is no reason whatever for expecting such a large increase as that. For several years I, in conjunction with my colleagues, when in office, carefully revised the departmental estimates of receipts from railways; every year, I think, we cut them down, and yet nearly in every instance our reduced estimate was too great; so that I think this estimate may be regarded with a good deal of suspicion. The increase last year on the Southern and Western lines was £20,000; the hon. gentleman expects £37,000 more this year, but are there any extensions to be opened that are likely to make up that large increase? We shall have the Cleveland line open; that will probably bring in a little; we shall also get a little more, not much, from the extension of the North Coast Railway.

An HONOURABLE MEMBER: Southport.

The Hon. Sir S. W. GRIFFITH: We shall probably get a little more from that. Altogether I think we shall be very lucky if we get £430,000 during the year, considering what we know of the number of persons in various parts of the colony who are unemployed and the general depression that at present exists.

The hon. gentleman has, therefore, over-estimated the receipts from that quarter by at least £20,000. On the Maryborough and Gympie Railway he anticipates an increase of £12,000. But there is no extension of that system, and we know there is hardly any probability of an increase there. In 1887-8 the receipts were £63,000, and last year £65,000, and if it keeps up to that during the present year that is as much as we can expect. The traffic returns are practically stationary; we may expect them to remain stationary, and still the hon. gentleman expects an increase of £12,000. The estimate for the Bundaberg and Mount Perry line is about the same as last year, and that I do not dispute. But on the Central Railway the hon. gentleman estimates an increase of £40,000. I wish I could believe it. I should like to know where it is to come from. It has been estimated for the last six years that this line would give an increase of £40,000, but it has never come yet. The only reason I can see for this substantial increase is that when the new contract to Longreach is let a large sum will be received from the contractor for taking up the material.

The COLONIAL TREASURER: That is earnings.

The HON. SIR S. W. GRIFFITH: It is a sort of earnings, but it will not make up the £40,000. The earnings of that line have been steady for a considerable time. From 1883 to 1885-6 they were £153,000; then in 1886-7 they went down to £127,000; then in 1887-8 they recovered to the extent of £135,000, and last year they were about £140,000. I think the over-estimate in this case is certainly £20,000, probably £30,000. Then the hon. gentleman estimates that the Northern Railway will yield an increase of £8,000. As a matter of fact, the receipts from this line last year were less than the previous year, and as far as we can judge from the sources of information at our command, there is reason to hope that the revenue will be about the same as last year; there is certainly no reason to hope that it will be more. That makes a further £8,000 over-estimated. Then, from Telegraphs the Treasurer expects an increase of between £8,000 and £9,000; why, I do not know. The amount realised last year was less than the previous year; no great extensions have been made from which we might expect to derive a largely increased amount, and I do not believe that we shall realise more than £95,000, if we get as much as that. On these items I calculate the hon. gentleman has made over-estimates to the extent of £75,000—£20,000 on the Southern and Western Railway, £12,000 on the Maryborough and Gympie Railway, £30,000 on the Central Railway, £8,000 on the Northern Railway, and £5,000 on Electric Telegraphs. I shall be very glad indeed if the amounts expected are realised, but I do not think there is any reasonable ground for believing that they will be. If you add to that the £15,000 over-estimate on account of stamp duty, it makes £90,000, by which amount, at least, I think the revenue is over-estimated. I will now ask hon. members to turn to page 1 of the Estimates. The Treasurer told us that he was going to pay all the local authorities full rates on their endowment.

The COLONIAL TREASURER: With the sanction of Parliament.

The HON. SIR S. W. GRIFFITH: That was part of the hon. gentleman's scheme, but there is no provision made for it in the Estimates.

The COLONIAL TREASURER: In the Supplementary Estimates.

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The HON. SIR S. W. GRIFFITH: But that is not a matter that should be provided for in Supplementary Estimates; it is a matter for the Estimates-in-Chief. It is expenditure contemplated for the current year, not expenditure the necessity for which was not discovered until after the Estimates-in-Chief were framed. Supplementary Estimates are to provide for unforeseen expenditure which is found to be necessary after the Estimates-in-Chief have been framed. The hon. gentleman did not tell us the amount that would be required for this purpose, but judging by the over-expenditure under the head of Schedules for last year it will be about £30,000, probably more. Then the hon. gentleman has quite forgotten the payments to members of Parliament for their expenses under the Act now in force. He has only put down £14,400 to be paid, which is the amount payable under the law lately passed, which, however, will not come into operation until the end of the present session; but the whole of the expenditure for this session has been omitted. I am quite sure very little was paid before the 1st of July, because the payments for June were not certified until July, so that all the payments which have been made under the present system are for the few days in May. It is evident, therefore, that the amount omitted from this estimate is not less than £11,000, making £41,000 on this page. Then, there is another trifling error that hon. members may not have noticed. Hon. members are aware that under our present mail contract we pay £55,000 per annum for the carriage of mails to England. It is true that the present contract will expire in February next, but I think it is probable that some contract will take its place. There is only provision made for it up to that date—that is, only £34,000 out of £55,000. How is the mail contract going to be carried on for the remaining five months of the year? On the basis proposed by the Government, I do not think that the next mail contract will be made for less than £55,000 a year. That is another omission of £21,000 in the estimate. So we have omissions of £30,000, £11,000, and £21,000, making a total of £62,000 obviously omitted from the estimated expenditure. Now, if my calculation of an over-estimate of £90,000 is at all correct, and we have to add to that this amount of £62,000, we have apparent miscalculations to the extent of £152,000. Where is the surplus of £119,000 to come from at the end of the year? Certainly there will not be much left, taking it in the most favourable way we can. Looking at these figures I do not see that there is much to be sanguine about in the condition of affairs. On the contrary, I believe we shall have gone considerably to the bad by the end of the year. It will be a very serious thing if that is so, but I cannot come to any other conclusion. It is not my business, of course, to say how the deficit is to be made up, but I think I am right in pointing out that it is a monstrous thing for the Government to put such heavy burdens upon the ordinary articles of consumption. It is the families—men with wives and children—who have to bear these extra burdens, while there is no extra burden imposed upon luxuries. Let us just look for a moment at the revenue received from wines, spirits, and beer. The revenue received from spirits alone last year was £309,000—at a duty of 12s. a gallon. Now, if that duty were raised from 12s. to 14s., which is less than it is in some other colonies, there would be an additional amount collected of £52,000 which would not hurt anyone. Then if instead of taking off the excise duty on beer, it had been left in force, that would have given £26,000 without anyone being a bit the worse for it. A small additional duty on imported beer would have given another £10,000. We heard some

extraordinary statements made in court the other day about the profits on the beer, spirits, and wine selling business, and if those statements were correct those articles could admirably bear additional taxation. My hon. friend the member for Ipswich has just handed me a telegram stating that the publicans of Rockhampton have just resolved to raise the price of a pint of beer from 3d. to 6d., the reason being that the brewers have agreed to raise the wholesale price of beer. I stated just now that the brewers had not lowered their prices in consequence of the removal of the excise duty, and I was right. That raising of prices will enable the publicans to make much larger profits. Last week in court statements were made to the effect that the average on the turnover was about 33 per cent.—that is, what they buy for £66, they will sell for about £100. One gentleman said he had paid £12,000 for the license and good-will of his hotel, and yet he is supposed to be making a good thing out of. Of course, I need not go into details now about the other proper sources of revenue, such as taxation of property, and taxation of dividends, though it will not be long before some steps will have to be taken by some Government to deal with the question. Reference was made in the Treasurer's speech to the export of gold. The export of gold has increased during the year, but the net increase is not nearly so great as one would have hoped. The total export for 1887 was £1,455,000 worth of gold, and in 1888, £1,670,000, or a difference of only £215,000, and that can be accounted for by one mine alone—Mount Morgan. It is to be hoped that this year the increase will be very much greater than that.

The COLONIAL TREASURER: Croydon was shut up all the year.

The HON. SIR S. W. GRIFFITH: I know that, but that is one of the few items in which there is an increase in exports, and it certainly is not a very large one. Before I pass on to the loan account I wish to refer to a minor matter. There is a table showing the amount of Customs revenue collected under the new tariff, and the amount which would have been collected if the old tariff had remained in force. There is an apparent error in this table. It is stated, for instance, that the *ad valorem* duty at 5 per cent. would have produced, under the old tariff, £12,088; but under the new tariff would have realised £14,245, showing an apparent increase of £2,157. And on goods paying an *ad valorem* duty of £7 10s. per cent., the amount which would have been collected under the old tariff is set down as £55,691, whereas the amount received under the new tariff was £51,716. This is, apparently, of course, absurd. The explanation is that the same goods are not subject to the same duty as before, and that should have been stated. Some of the goods have been taken from the 5 per cent. list and put into the 7½ per cent. list, and *vice versa*, and that ought to have been stated. I have no doubt, however, that the statement shows the correct net result. Now, I will say a word or two with respect to our railways and the loan fund. The receipts from our railways are most unsatisfactory. I am afraid we are not yet in a position to offer any opinion as to what changes will take place as the result of the management under the new régime; but I hope it will not be found, as in New South Wales, that we shall have to spend an enormous sum of money in renovating our rolling-stock. According to this morning's paper, the New South Wales Commissioners recommend that a million and a-quarter should be spent at once in making the rolling-stock equal to the immediate requirements of the colony. I hope that will not be found necessary here; nor do I think

it will, because we have spent so much lately on rolling-stock that there cannot be so much old stock in use. The net burden of our railways on the revenue last year, was £397,000. The Southern and Western Railway was a burden to to the extent of £207,000, and the net dividend with respect to that line was £1 9s. 10d. per cent. That is the highest dividend, except that on the Northern Railway which was no burden at all, and paid £4 14s. 5d. per cent. last year. The same line paid £5 4s. 4d. per cent. the previous year. Hon. members should bear that in mind in considering the variety of railways about to be proposed. And there is another matter in connection with our railways with which hon. members are not all familiar, that is, the condition of the loan fund. If hon. members will look at Table D, page 4, they will see that the actual balance to the credit of that fund was only £2,416,511 on the 1st July; and on the next page they will see what amount ought to be at the credit of the fund, that is to say, the money placed to the credit of the different works in the Treasury books as money borrowed on their account and not expended. There is a total there of £4,824,000. The difference between that and the sum of £2,416,000 is, in round numbers, £2,400,000; part of which, however, has not yet been borrowed. The amount not borrowed is about £700,000, so that a sum of about £1,700,000 has been expended upon public works different from those for which the money was borrowed. That is a fact, if these figures are correct.

The HON. SIR T. McILWRAITH: Did you only find that out now? I thought you would have made that calculation long ago.

The HON. SIR S. W. GRIFFITH: My business at present is to discuss the present position of the country. We are not here to recriminate. The business of this Committee is to see what is the present condition of the affairs of the colony, and see that they are kept in such a condition that we can go along safely. We have all been guilty of mistakes; but it is my business now, as it was when I last sat on the Treasury benches, to find out what is wrong and endeavour to have it put right.

The HON. SIR T. McILWRAITH: You might have simply admitted having been told that that would be the result.

The HON. SIR S. W. GRIFFITH: I do not remember having been told so. I confess all my sins, and I am willing to take all the blame I deserve; but I don't think I deserve very much after all. I am now repeating what I said two years ago.

The MINISTER FOR MINES AND WORKS (Hon. J. M. Macrossan): What you were told by us.

The HON. SIR S. W. GRIFFITH: Very likely. But I was not Treasurer at the time and did not conceive it to be my special duty to look after the Treasury. It is no answer, when things are shown to be wrong, to say that I ought to have put them right several years ago. What concerns us now is not how far I am to blame, but what is wrong. I do not think anybody cares whether it is my colleague, the hon. member for North Brisbane, or myself, or Mr. Dickson, or the present Treasurer, who is to blame. We want to know what is wrong and how it can be put right. I pointed out two years ago in what respect we were going wrong with regard to the loan fund. I insisted on the necessity for voting the Loan Estimates separately every year, and if that had been done we should never have been a million and three-quarters out. The only nominal authorisation for the spending of that money is the Loan Acts. Though a Loan Act may be

said to be in part in the form of an Appropriation Act, I do not think it really is one. It is not intended to be at any rate. Our Loan Acts are taken from the English form, and are intended to authorise the raising of money. When the money is raised it becomes part of the consolidated revenue; and according to sound constitutional theory and practice the consolidated revenue can only be appropriated by annual Appropriation Acts, founded upon Estimates in detailed form. That is the only way in which we can keep a thorough control over our revenue; but that has never been done. The result is, that during the last year or two £1,700,000 of loan money has been spent without authority, and we have no means before us of ascertaining how it has been spent. It is no use saying I ought to have found that out sooner; nobody else found it out sooner at any rate. We are not here to recriminate, but to try and set things right. We ought to have had, with these Estimates, as much information as would enable us to see how much of that money was spent during the past twelve months without parliamentary authority. The only semblance of an authority to spend the Loan funds at all is the Loan Acts. It is quite clear, however, that this sum of one million and three-quarters has been expended out of loan without even that shadowy authority. It has been raised under the authority of a Loan Act for other purposes, and has been expended for some purpose for which no authority has been obtained up to the present time, and of which we have no particulars. Its expenditure has not been authorised in the form of a vote. This is a matter which certainly must be looked into. I referred to it the other evening and I refer to it again now, because I consider it is of the utmost importance, of more importance than anything else almost connected with our finances. We do not get from the Auditor-General full reports of these things as we ought to do; but if we had an annual appropriation of the loan expenditure it would be the business of the Auditor-General to report every year what amount had been expended without parliamentary sanction. As a matter of fact we have this large sum placed at the disposal of the Ministry of the day, and expended without any parliamentary authority. I believe, as I have said before, that every Treasurer requires an Act of indemnity to protect him as far as the expenditure made out of loan fund in this way is concerned. I hope to hear from the Government that they will undertake to do something in connection with this matter. There is another thing which ought to be looked to. At present we have no statement of what are the liabilities on account of the different works that are going on. We have a great number of railways going on in this colony, and the hon. gentleman referred in his statement to some of them, but he might have mentioned more. Table D only gives us general headings. When we look at these lines we know that on a great many of them the accounts are overdrawn; already the overdraft in the aggregate amounts to a million and three-quarters. We also know that other works are going on, or about to go on, although the funds are already exhausted; so that this overdraft on account of these lines is continually increasing, and we have no particulars. The hon. gentleman says:—

"The following lines are now in course of construction:—Brisbane to Cleveland; North Coast Railway, Sections 2 and 3; Mangar to Gayndah, Section 1; Extensions to City and Fortitude Valley and the South Coast Railway."

The hon. gentleman has omitted the Cairns Line and the Bowen Line. Then he goes on:—

"The proposed new lines now receiving the attention of the department are as follow:—Extension to Melbourne street; Drayton Deviation; Bundaberg to Gladstone,

Section 3; Sandgate Branch, Duplication Works; Extension to Cabbage-tree Creek; Extension to Magazine Wharves; Extension of Burrum to Bundaberg Railway, including the Burnett River Bridge; Dawson River Bridge; Norman River Bridge; North Coast Railway, Section 4; Dalby to Rocky Point; Mangar to Gayndah, Second Section; Mount Morgan Branch; Woongarra to Burnett Heads; Fortitude Valley, Extension to Mayne; Cleveland Railway, Extension to Redland."

These are all matters of importance, involving the expenditure of large sums of money; some of them are quite new. But until we get a complete statement of the railway expenditure it is impossible to criticise the matter coherently. All we know now is that there is an overdraft to the extent of a million and three-quarters or thereabout unauthorised by Parliament. The loan vote has in some way or other been appropriated to that extent without the sanction of Parliament. The Vice-President of the Executive Council said the other evening that he had pointed this out on previous occasions, and had stated when the £10,000,000 loan was voted by Parliament, that that £10,000,000 would be placed at the disposal of the Government to spend as they pleased. That is to a certain extent correct. That would be so if Loan Acts were Appropriation Acts, and if they authorised the expenditure of the money. I know they have always been treated as such, but I do not think they are Appropriation Acts, or that they authorise the expenditure of the money. But that is quite a different thing; no Loan Act has ever authorised the expenditure of this million and three-quarters; that money has been expended without authority. The greater part of it must have been expended during the last twelve months.

The COLONIAL TREASURER: Certainly not.

The HON. SIR S. W. GRIFFITH: I say the greater part of it. I am speaking from memory, but I know that in 1887 I ascertained as closely as possible all the overdrafts on every account which had been expended without parliamentary authority. I procured all the information I could obtain on the subject, after hammering away for weeks and months, and I submitted Supplementary Loan Estimates which were voted in Committee of Supply. That amount then was, I think, not more than £600,000, so that since that time there has been expended, without parliamentary authority, about a million of money. I have not referred to the land revenue except to the matter of the increased sales by auction. I have gone into that as fully as I think it necessary to do at the present time. I regret to think that the anticipations of the Treasurer are not likely to be realised—I wish they were; that the burdens laid on the people have been so severe, and that the improvement in the finances, of which the hon. gentleman has spoken, is only nominal. In point of fact, the Government began at the wrong end. They simply wanted to raise money by any means, and instead of considering what were the best means to develop the resources of the country by a general improvement in the prosperity, they endeavoured only to get more revenue by taking the money out of somebody's pocket, and, in reality, except the excessive sales by auction, the additional revenue has been in the nature of a poll-tax—a poll-tax, the incidence of which is confined to those least able to bear it. That is not a satisfactory statement to have to make, nor can the increased revenue received by such means as that be considered satisfactory. The Treasurer has not been able to congratulate the country, or the Government, upon having relieved any burdens, or upon having giving encouragement to any branch of industry in the colony, with the

exception of one or two manufacturing industries. One or two manufacturing industries have been encouraged, but a great deal more encouragement might have been given, and quite as much money raised, without imposing the grievous and hard burdens now laid upon the people of the colony. It is no satisfaction to see that things are in this condition. We know that they cannot last. We know that a system of finance like that cannot continue, but it is no satisfaction to know that these errors must be put right by the successors of the Government. We know very well that these things have to be corrected, and I confess I should very much have preferred that the hon. gentleman had effected in some other way the almost nominal amelioration he can claim to have produced upon the whole year's transactions.

The HON. SIR T. McILWRAITH said: Mr. Jessop,—It was a pretty open secret on the Government benches that the first criticism the hon. gentleman would make upon the speech delivered by my hon. friend, the Treasurer, would be that there was nothing in it but what was in the tables supplied with the Financial Statement. That is a joke the hon. member has perpetrated before. I have heard exactly the same criticism from him upon previous Financial Statements. I think it would have been a more handsome thing of the hon. gentleman if he had congratulated the Treasurer upon the manner in which he has attempted—and I think successfully—to grapple with the difficult financial position of the colony at the present time. The hon. gentleman took the position of the fatherly Treasurer who wants to put us right, but his whole tone was not calculated to put us right or to put the Committee right. It was the tone of the father who knew, of course, that he had not always done right himself, cautioning bad young people to get out of their bad ways and get back into ways in which he had gone himself. There is a great deal in knowing the previous action of the hon. gentleman, in understanding the subject at the present time. I would have expected the hon. member, from his previous experience as Treasurer, to have dealt with the tables differently. There is one table, Table I, which has been a subject of perplexity to hon. members for many years, and it is often misunderstood. It was put in for a special purpose, but I never expected to see the day when the leader of the Opposition would have twisted the meaning of that table in order to bring out so very incorrect a result as he did to-day. I will refer to that table, and explain to the Committee how it came to be there, and how the wrong view taken of it has actually deceived the hon. member. About ten years ago, when there was a great deal of discussion about changing the financial year, and when the end of the financial year actually was changed from the 31st December to the 30th June, they gave a certain amount of time to close accounts by reason of the difference between the Treasurer's financial year and that of the Auditor-General.

The HON. SIR S. W. GRIFFITH: It was in 1874.

The HON. SIR T. McILWRAITH: The change I refer to did not take place for years after the Audit Act was passed. When the Audit Act was passed members had very great difficulty, as they now have, in understanding the Treasurer's accounts and the Auditor-General's accounts. It is a matter of considerable puzzle to most hon. members now, and it was a great puzzle to them then. In order to get over the difficulty, it was suggested by hon. members connected intimately with finance that a table should be made up dealing with the matter; it has been there since then, I think it was in 1887,

if I remember right, after working at it for three years, they got the Treasurer at last to put a certain table in, not for the purpose of showing the net liabilities of the Treasurer, in the sense the hon. member took it, but assuming that certain things would lapse, and assuming that a certain amount of what was voted would not be spent. This was what we considered a net liability, but it was not to have that practical effect upon the Treasurer, as the amount of money lapsed could be wiped off during the next year, and the amount of money unexpended might not come to be spent at all. The fact of the matter is, that the principle upon which the accounts are made up now are very much the same as the principle upon which they were made up before the Audit Act was passed, that is, that practically the amount of responsibility for engagements lapsed is balanced every year, and just about the same amount of money is carried forward; so that actually if the Treasurer is in such a position that he can pay what is due on the 30th June, that is all that he can be asked to do.

The HON. SIR S. W. GRIFFITH: This year it is £90,000 worse than usual.

The HON. SIR T. McILWRAITH: That is not the proper balance at all. We have shown in our balance the reduction of the debit account by £117,000.

The HON. SIR S. W. GRIFFITH: By keeping back payment.

The HON. SIR T. McILWRAITH: What an astonishing thing! If the hon. gentleman says to me deliberately that that £117,000 has been caused by withholding payments to the 30th June that we ought to have paid, and which were due, the statement is utterly false. Every penny actually due has been paid.

The HON. SIR S. W. GRIFFITH: I do not mean to say that the Treasurer has deliberately kept back payments, but I say that £90,000 more than usual has been kept back.

The HON. SIR T. McILWRAITH: These are not payments kept back at all. They may never come to be payments at all. Take, for instance, the amount of unexpended votes. It was £442,000, but it does not, as a matter of fact, come to be expended. It is only put there to make a certain calculation, to show members how much of the amounts voted have not been spent, but it is not in any way a liability, in the way that it must be spent.

The HON. SIR S. W. GRIFFITH: It is put down there as the amount that will be spent.

The HON. SIR T. McILWRAITH: Surely the hon. gentleman understands plain figures!

The HON. SIR S. W. GRIFFITH: I thought you did.

The HON. SIR T. McILWRAITH: Did ever the hon. member use that table for that purpose before?

The HON. SIR S. W. GRIFFITH: Yes; on every occasion on which I spoke upon finance.

The HON. SIR T. McILWRAITH: I say "No," though he might have been glad of the chance.

The HON. SIR S. W. GRIFFITH: In my Financial Statement I used the table for that purpose. I used it last year for that purpose, and I think I used it for that purpose in November, 1887.

The HON. SIR T. McILWRAITH: The hon. gentleman closed his last year with a debtor balance of £602,011. Did the hon. gentleman claim the balance then under Table I, which was £250,000, so that instead of the debtor balance being £602,000 it was only £350,000? He never

claimed it, and he knew he could not possibly have claimed it. The hon. member has got to understand what the table means. These tables are put in for a certain purpose.

The HON. SIR S. W. GRIFFITH: They may prove something more than they were intended to prove.

The HON. SIR T. McILWRAITH: I ask the hon. member, in common sense, how can a liability be made of figures in this way? First of all, this £442,000 may not be spent at all. In the next place, the lapsed votes may not be spent, and as a matter of fact, it is never the same figure that is brought forward each year. The table is there for the purpose of showing to what extent the Treasurer has stuck to the amounts the legislature has authorised him to expend. They say he has to spend £2,000,000 in a certain way. These items are put down to show how far he has departed from that. It is not really a net liability, and the actual amount of savings in the year's transactions is, as the Colonial Treasurer said, and said correctly, £117,000. The table is a very difficult one to understand, and, especially as its meaning has been twisted by the hon. gentleman, whose principal faculty in dealing with figures is to twist them; it will be some assistance to hon. members if I read the opinion of a man who ought to be an authority as to the value of the table—an opinion written since the hon. member spoke:—

"Any conclusions to be drawn from Table I are of little practical value. If the payments from 1st July to 30th September 1889, on account of 1888-9 are taken at the same amount as last year—viz., £173,990, and the amount to be carried forward to 1889-90 also the same—viz., £59,423—those sums taken from the unexpended votes on 1st July—£442,000—would leave nearly £189,000 to lapse, instead of £92,000 as estimated, thereby reducing the liability to £747,000, as compared with £855,000 in the previous year."

Practically it does not show what the amounts have been paid into the Treasury for. That it does not show; but as a matter of fact the Treasurer had last year, and accounted for, the amount of his balance. He paid every debt that was due to the Treasury up to the 30th June and accounted for them, as every other Treasurer has done before him. However, that is a matter of detail. The hon. gentleman next criticised the operation of the tariff. I think if there was one unworthy argument used against the tariff by professed protectionists, it was the argument that was repeated over and over again last year that we taxed the poor man and did not tax the rich. It was a thing that required no answering, because the protectionists who used the argument answered it themselves. We said, "Tell us the things which are luxuries that we can protect, and we will add them." And we did so. The hon. gentleman is in exactly the same fix now. He cannot point out any articles of luxury, or even of necessity, that we could have altered to better ourselves. The only thing the hon. gentleman says is that we should have increased the duty on spirits and have refrained from reducing the duty on beer. The reduced duty on beer has not led, I believe, to very much loss of revenue. There is not the slightest doubt that the price of beer has been reduced by the brewer, or that it has been reduced by the publican, and there is nobody else to come between the publican and the consumer. The hon. gentleman thought he had hit the nail on the head by reading a telegram from Rockhampton to the effect that the brewers there had actually met together to raise the price of beer. Does he think that that proves that they had not reduced it? It proves quite the opposite. The reduction was so great, and the competition so keen, that the brewers were not making anything out of it, and they thought it was

time that they met together for the purpose of increasing the price. He does not see how the facts point, and, instead of reading the telegram to strengthen his argument, he had better have refrained from reading it at all. The hon. gentleman also says that the tariff is a tax on the towns and not a tax on the country. That is a miserable argument. He says the reason is because the people in the towns have to pay and the people in the country have not. The hon. gentleman lost himself altogether as leader of the Opposition, and talked simply to Brisbane. He talked of the feeling that exists in Brisbane through utter ignorance. There has been more ill-will towards the tariff through ignorance than from the operation of the tariff itself. I have heard of people talking against it, and when you come to ask them what they want altered they will refer to some articles that were never increased in the tariff at all. I know perfectly well that the increased price of flour, butchers' meat, sugar, and in fact the great bulk of the articles consumed, owing to the last bad season, has operated hardly against the working classes; but these are articles that escaped the tariff altogether. I should have expected that the hon. gentleman, instead of those criticisms, every one of which I heard and answered while the tariff was going through, would have met us in a kinder spirit, if he has any notion of what the protectionist principle is. But he shows that he does not understand it at all. I do not think it is anything against the Government that they disagree on the question of protection and free-trade. I know that the Treasurer is a freetrader and that I am a protectionist. I hope, however, that in the course of time he will change his opinion, which I consider bad. But he has the courage of his opinions, and he has never done anything to violate the principles of protection which I hold. I am the same protectionist that I was before. The spectacle, therefore, of two Ministers having opposite opinions need not be commented upon. The Government represents fairly well the opinion of the country. The country has not yet finally made up its mind on the subject. That it will I have not the slightest doubt, and when that is done hon. members will make up their minds too. The hon. gentleman says he cannot congratulate the Government on the position of the finances, and he tries to represent us as having actually an easy time before us when we came into power last year. I may tell him at once that we had no easy time. We had to provide for a big deficit, and one which was increasing in an increasing ratio. We saw that unless some great alteration was made the deficit must go on increasing. We had to provide against a Government which at its commencement had been intensely extravagant, which increased by nearly 25 per cent. the expenditure of the colony when first it took office. That went on increasing until the hon. gentleman himself, who was then at the head of the Government, saw that some change was absolutely necessary. I am only recounting what actually took place. Do we not all remember how he explained to the people in his speeches afterwards that the Government had got no money, and, therefore, could not spend it? He actually admitted that he was forced to pursue a policy of parsimony during the latter part of his reign.

The HON. SIR S. W. GRIFFITH: Quite true

The HON. SIR T. McILWRAITH: He tried to get money in every way he could, and in order to make the deficit as small as possible in the latter days of his reign, he was parsimonious. And what was the consequence? That that was another blow upon his successors, because there

is not the slightest doubt that during the last eighteen months of being in power he omitted to do many things that, if he had financed properly, he ought to have done. But those things were left undone, and were left as legacies and liabilities for his successors. I refer especially to the Works Department. Anything that may look like extravagance in that department is accounted for by the extraordinary way in which the parsimony of the hon. gentleman displayed itself when he commenced to be an economical Treasurer.

THE HON. SIR S. W. GRIFFITH: Parsimony and extravagance are not exactly convertible terms.

THE HON. SIR T. McILWRAITH: Of course the hon. gentleman knows that I see the difference as well as he does. He was then "whipping the cat," and we are to suffer a great deal in consequence. He ought to have referred to that when he refrained from congratulating us upon the position we have attained to. I regret exceedingly that, instead of pointing out any practical means on which the Committee could agree as to raising money, he considers it his duty—although he deviated a little from it—to suggest nothing. I know perfectly well that that is a policy that he has not acted up to; neither have I. If I had any good idea with regard to the finances of the colony I would not think of bottling it up until I got into the Treasury, after sitting five years in opposition. I should let it out; let my opinions be known. It is the duty of every hon. member to let his views and opinions be known. As a matter of fact the hon. gentleman has done it; but in a way that can result in no practical good. He says, "Don't tax the poor man," and when he ventures so far as that in order to get popularity, I would ask him, Who the deuce are we to tax? Why should not the poor man be taxed as well as everyone else in the colony? If only the rich are to be taxed we should have a very poor Treasury.

THE HON. SIR S. W. GRIFFITH: Don't put the extra burdens on the poor man. Tax all men to a certain extent; if you must put on extra taxes, put them on the rich man.

THE HON. SIR T. McILWRAITH: The hon. gentleman was pretty right when he stated that we have sold a great deal of land by auction; and I think I am perfectly right in saying that if the hon. gentleman had been placed in the same position, he would have done the same thing, if he had had the ability to do it. I admit that the Government have sold a great deal of land, and I believe that my hon. friend the Minister for Lands would have gone further and sold more of it if he could have done so. I have heard a great deal said in Parliament about the system of selling public lands by auction; I have heard a great deal of nonsense on the subject from different hon. members, and I dare say I have talked a good deal of nonsense about myself; and if we have been wrong I think we have a very good guide in the past. On turning to Table L, hon. members will see the receipts of land revenue from 1879-80. That was the year in which the Government over which I presided came into office, and we had then similar experience to that of the present year. We had been left a great legacy of debt from the previous Government, and that year we sold land to the value of £77,898. Next year, bad times still continuing and increasing, we sold £195,850 worth; next year, £113,905 worth; next year, £114,226; next, £75,260. The meaning of these figures is this: We commenced very hard up in 1879 through causes over which our Administration had no control; we had to make up our accounts somehow, and we increased the sales by auction.

As time went on, as hon. members will remember, our administration had the effect of easing the Treasury very considerably, and the sales of land by auction were decreased year by year until in 1883-4, the greater part of which we were responsible for, the amount was £75,260. Then came in the Griffith Government with the great Land Bill of 1884, which, according to their ideas—we must give them credit for that—was going to produce enormous revenue; and they put their foot down and said, no more land was to be sold by auction. We shall therefore be not a little surprised to find, that after enunciating those principles, in the following year they themselves sold land by auction to the extent of £43,139. In the next year they sold land by auction to the value of £91,758; in the next year £48,649; in the next £53,191 worth; and last year the sales amounted to £119,485—that is, by the present Government. There is a peculiarity running through the whole of this business, which I have illustrated by the items I have gone through, and that is this: That every Ministry has sold as much land by auction as they required for the Treasury, and, notwithstanding the Dutton Land Act, the late Government sold all they possibly could. I have seen townships made in places where nobody ever dreamt of making a town; where land has remained for years, and no one has put up even a scrap of a tent upon one allotment—there the allotments are, a pitiable spectacle of the failure of man's ability to make a good Land Bill. I have seen them in various places in the colony; and you may see one within ten miles of Brisbane. What does this prove? It proves that the Griffith Government sold every bit of land they could for the purpose of raising revenue, and one of the last and most stupid things they did, which was bound eventually to result in failure, was to actually sell the frontage to the railway station in Roma street, part of which has been re-purchased. They admitted that they must get money, and if they had sold twice as much land as they did they would have been a great deal less virtuous according to their own account, but they would not have had such a large deficit. With regard to the hon. member's criticism about the loan expenditure, I agree with him to a certain extent. I do not want to give the hon. gentleman, nor do I think he would ask, the credit for having got over the difficulty by passing a Bill to legalise the votes passed in previous years. He has not got over the difficulty at all, as the difficulty is that the Ministry spend money in a way the House has not sanctioned.

THE HON. SIR S. W. GRIFFITH: I said that we must pass an Appropriation Bill every year.

THE HON. SIR T. McILWRAITH: I shall not dwell upon that. We have to go a great deal further than that to get at the foundation of the mischief. This is not a thing which has taken place in the hon. gentleman's time or in my time, as it commenced previously; but I have no doubt that we have all been sinners in that way, and Parliament is very much to blame—as their attention has been called to the fact—that they did not take steps to remedy the matter in a very pointed way. Previous to the year 1884 it was always a small amount of money which was spent in this unauthorised manner, and it was almost equal to an appropriation by Parliament for a specific purpose, as it was spent during that year, or at all events during the following year. It was equivalent to an Appropriation Act, because the House when they voted the money meant it to be spent; but when Parliament began to vote money in great big sums which could not possibly be spent during the year, the natural result that was bound to follow did follow, and instead of

Parliament having the sole control over the loans of the colony, the Treasurer had the sole control, and that is the state of affairs at the present time. In looking for a remedy for this, we cannot avoid looking into the causes which have made the evil so great. When the Loan Bill of 1884 was passed, it was pointed out as plainly as possible to every hon. member, that the Bill virtually took the control of the loan votes completely out of the hands of Parliament, and put it into the hands of the Ministry. That was the inevitable result, because that Ministry could not live more than five years, unless they were re-appointed by the succeeding Parliament—as the duration of Parliament can only be five years. The last Parliament—while acknowledging that the expenditure should not be greater than a million and a-half per annum—deliberately voted ten millions of money, providing for the expenditure at that time of something like seven millions, but they voted money that could not possibly be spent in their time, and would require to be spent in the subsequent Parliament, as we see now. Even the amount voted was increased by the way in which it was manipulated. The late Government said, “We have got so many hungry mouths to feed that we must go in for some public works,” and they put down £100,000 for a work which £200,000 would not complete. That has been done to a considerable extent, and Parliament has always condoned this action on the part of the Colonial Treasurer. In fact, in this colony Parliament will condone almost anything on the part of the Treasurer, as long as he makes a statement at the end of the year. But this is a fault, and a grave fault on the part of a Treasurer, which has always been condoned, and the result is that now, instead of waiting until he is authorised by Parliament to expend £100,000 on a railway, he considers he is perfectly justified in going on with the work, as he will have his action condoned afterwards. Parliament often approves of the plans and sections of a railway which will cost hundreds of thousands of pounds in excess of the money voted for it, and the consequence is that the Treasurer considers he need not wait for the remainder of the money to be voted by Parliament. The remedy for that does not lie in hon. members salving their consciences by passing a Treasury Bills Bill. They know that they cannot possibly spend more than a million and a-half or two millions of loan money annually, and they should not vote more than that amount unless they can see where the interest is to come from. Let Parliament decide what works are to be constructed, and let them approve of those works in detail, and then let them make the necessary appropriation for each of those works. I do not think the Government in office should have to undertake such difficult work, and work which of course does not add to the popularity of the Ministry. But this is a matter far too serious to consider in connection with the popularity or unpopularity to be gained. When the finances of the colony are in the position they now are, we should all throw that consideration aside. We cannot, of course, get into a new groove all at once, but I shall urge upon the Treasurer, and I hope the hon. member will be alongside me in doing it, to bring about such a state of affairs that, year after year, the vote for the ensuing year—as approximately as it can be calculated—shall be made from the loan fund as well as from the consolidated revenue fund. That ought to be done, and to a great extent it can be done. Of course it cannot be done now, because most likely we have already hypothecated the whole of the million and a-half to be expended during this year, and the result will be that a great many necessary works will be bound down to a certain groove, and it is not palatable that a Government should

be bound down in a groove in the expenditure of money upon works that they are not responsible for, but which their predecessors actually shoved them into. I shall leave the Colonial Treasurer to speak for himself, but I shall promise for myself that we shall do everything we possibly can to give back to Parliament the control of the loan fund which they have lost. I regret that the leader of the Opposition did not give us some of his own ideas as to how revenue should be raised in this colony, because, if the hon. member will turn to the page in the Colonial Treasurer's Statement where he refers to the increasing failure of the land revenue, he will see that something requires to be done. I shall not refer to the figures, as hon. members understand the argument perfectly well; but we have a constantly decreasing revenue from the Land Act of 1876. That is a matter of fact, and it is well known that the revenue obtained under that Act will expire in two years. No sufficient provision has been made to take its place, as the Act of 1884, which was going to provide the money, has proved a failure in that respect, and it is quite evident that the lands should be made to produce revenue. I do not hesitate to say that, considering the amount of land sold in the colony, I think we had better face the fads of those men who are going in for ideas which I think they do not believe in themselves—at all events, they can give no reason for them—and adopt some rational scheme by which we may sell the lands of the colony, and get them populated. I believe we shall have to do that, and to face the fact that the land revenue from sales of land must make up the deficiency, and in proportion to the population produce as much as the Act of 1876. That will be sound legislation, and when it comes to the test, no Ministry talking about land taxes or anything of that sort will have the slightest chance against a policy of that kind. A land tax would be but a mere fleabite to what we want to get from the lands of the colony. I have here a map taken from the last report of the Minister for Lands, and on it is a pink space occupying half a page, representing the whole of the lands of the colony, while a little speck in the corner represents the amount of land which has been sold. Now, are we as statesmen—with all that large area of land to sell, in order to put money into the Treasury, and to do something for the trade of the colony—are we to confess that we are unable to get any revenue whatever by selling the fee-simple of the land, outside the little speck in the corner of the map? That is absurd. When we have sold a far larger amount of the lands of the colony it will be time enough to speak about putting on a land tax. It will be a perfectly sound principle when we have sold most of our lands, and it would have been a sound principle if we had sold no land from the first; but at present a land tax would be absurd.

Mr. FOXTON: Have you a map showing the relative values?

The Hon. Sir T. McILWRAITH: No; but a thing of that sort can be easily made. The value depends a great deal on the population; and the sooner the land is populated, the better it will be for my argument. The land will never be of any value until it is sold. Hon. members should not forget that bad as were the evils connected with the Act of 1876, that Act led to good results for the country. I admit that a large amount of land was illegally alienated under that Act—I refer to dummying—but the *bond fide* selection produced a good sum of money for the Treasury, besides increasing trade. As soon as a man got his land he was bound to improve it, and as soon as dummied lands went out of the hands

of the dummies, they also were improved; and those improvements benefited the trade of the colony. Now people can get enormous areas of land on long lease. They are not obliged to improve it, except to such an extent as will enable them to get a longer lease. And, as a matter of fact, the land selected under the Act of 1884 does not produce to the colony, either in the shape of revenue or trade, one-tenth part of that it would have done under the Act of 1876. We have, therefore, to face the fact that a larger revenue has to be derived from the land; and the Treasurer who faces that properly will have the approval of a large majority of hon. members, besides the joy of seeing an overflowing Treasury in course of time. There is another thing to which attention ought to be directed. Almost the only works represented by our loan expenditure that pay any interest are our railways, which are paying about $2\frac{1}{2}$ per cent. In round numbers the amount of interest they paid last year was £350,000. But the amount of interest on our loans is over a million, and the balance has to be made up somehow. We look in vain to other departments for assistance. I look upon our railways as a most hopeful asset, and I am not at all discouraged because I see them paying only $2\frac{1}{2}$ per cent.

Mr. HODGKINSON: £1 8s. 6d. per cent.

The HON. SIR T. McILWRAITH: According to page 15 of the report of the Commissioner for Railways, the Southern and Western Railway pays 2'589; the Maryborough Railway 3'157; the Bundaberg Railway 2'089; the Central Railway 2'090; on the Mackay Railway there is a loss; the Northern Railway pays 6'294; Cairns Railway 4'729; and the Cooktown Railway 0'156; making an average of about $2\frac{1}{2}$ per cent. interest on capital expended. That does not alarm me, but what I see on page 14 does alarm me a little; and I wish to bring it under the notice of hon. members. The South Brisbane Railway, the South Coast Railway, the Brisbane Valley Railway, the Highfields Branch, the Beauraba Railway, the Killarney Branch line, the Kilkivan Branch, the Isis Branch line, the Springsure line, the Clermont line, and the Ravenswood Branch are all worked at a loss. They do not pay working expenses; and I have a great objection to such railways. But looking at the principal railways of the colony, I think we can look with a great deal of hope to them as an asset that will pay at least the interest; and I have no doubt that if we considered it policy to do so, we might make them a source of revenue in a few years. As I said before, they are the only public works that return anything in the shape of interest; and I do not think that is right. Something like a million and a-half has been spent on our harbours and rivers, and the people who enjoy the benefit of that expenditure have as much right to pay for it as those who use the railways have to pay for the use of them; but not a single fraction is got from that expenditure towards the payment of interest. The department connected with our harbours is a non-paying department. Even the lights along our coast are not paid for; that is to say, the departmental expenses are so great that they over-balance the revenue received, and the same may be said with regard to our pilot service. In fact, everything connected with our shipping is a great deal too free in the present state of our finances. It is absurd, as protectionists, to say to the people of the colony, "We will protect you against foreign traders," and at the same time say to the shippers, "We will protect you against manufacturers in the colony." The principle I wish to see adopted is, that we shall get a fair price for the money expended on our harbours.

The HON. SIR S. W. GRIFFITH: The amount is not so much; it is not more than a million and a-half.

The HON. SIR T. McILWRAITH: I think it is about a million and three-quarters. At all events, the amount is a matter of calculation, and does not effect the argument. The loans to municipalities and divisional boards do pay, but they are a small item. As a matter of fact, there is something like £600,000 that has to be made up from taxation to pay the interest on loans, where the revenue does not come from works for which those loans have been voted. I believe that should come from the lands of the colony. The Land Act of 1884, however, does not pay the expense of working it; it does not bring in enough revenue to pay its own way. I think I have gone over all the points that have been referred to by the hon. gentleman in his objections to the Treasurer's Financial Statement. I congratulate the Treasurer on having given a fair and honest statement of the financial position of the colony, and in having grappled with all the difficulties that he required to grapple with at the present time. He could not grapple with the difficulty of protection, nor is the country in a position to face it. Protectionists must be a little more reasonable, they must talk more sense, and must not howl about the poor man being oppressed whenever a 15 per cent. duty is imposed, because in some cases we shall have to put 25 per cent. on the same material. No one would be better pleased than I should to see the courage of the present Treasurer screwed up to such a point that he would adopt a tariff that would be in a real sense a protectionist tariff for the colony.

The HON. SIR S. W. GRIFFITH said: Mr. Jessop,—I rise to say only a few words about Table I, which the hon. gentleman said I did not seem to understand. I am afraid he does not understand it.

The HON. SIR T. McILWRAITH: It was I who invented it, and I have always been sorry for it.

The HON. SIR S. W. GRIFFITH: Under the Act passed in 1874 the financial year ends on the 30th June, but the expenditure on account of that year under the Appropriation Act may be made up to the 30th of September, or later, if it is in pursuance of a contract made before that time. At the end of each financial year it is the practice of the Treasury, and always has been, to see how much of the money that has been authorised to be spent has not been spent—that is the unexpended balance on the 30th of June. An estimate is then made as to how much of that balance will not be required to be spent. That amount is called lapsed votes. That can only be approximately estimated, but it can be approximated very nearly, and the difference shows the amount of net liability on account of the last preceding year. That is carried forward to the next year. On an average these liabilities come to very much the same one year as another, so that the amounts that have to be paid this year on account of last year's liabilities will be practically equal to the amount of this year's liabilities which will have to be paid out of next year's assets. This table becomes important when a departure is made from that state of things. The table is not pure fiction; at least it was not when I had it made up. The first line in the table shows the actual amount of money not expended from the votes of the previous year; that is simply a matter of calculation. The votes which will lapse are also a matter of estimation by the Treasury, which I assume was made. Last year the lapsed votes were estimated at £90,000, and the actual amount which

lapsed was £91,000. This year the amount is estimated at £90,000. I assume that is an honest estimate. This amount will not require to be spent, and the result therefore is, that on the 1st of July we owed £352,000 which we should have to pay on account of last year's liabilities, whereas on the previous 1st of July, we only owed £263,000 on account of the previous year's liabilities. The liabilities this year incurred on account of the preceding twelve months, and not paid, amount to £352,000.

The COLONIAL TREASURER: No.

The HON. SIR S. W. GRIFFITH: If the table is true, that is so.

The HON. SIR T. McILWRAITH: The table does not mean that.

The HON. SIR S. W. GRIFFITH: Of course these liabilities, in one sense, are of no account at all. We have to pay the money some day, you can take a five years' period, if you like; it would not make any actual difference if we paid all this money last year before the 30th June. It would not make any difference to our liabilities, only we should then have had a deficit of about £200,000 on the year's transactions. Do not hon. members see that when you rule your books off on the 30th of June it makes a very great deal of difference to the apparent surplus you have, to show how much debts you have paid? The more debts you can carry forward the larger is the apparent surplus shown on the transaction. I say that this is done in the ordinary course of the Treasury, and ordinarily the amounts carried forward each year are about the same. This year the amount is not the same; the amount carried forward for unexpended votes is £90,000 more than it was last year, consequently the actual expenditure has been £90,000 less than it would be under ordinary circumstances, and this £90,000 deducted from the net savings of the year will make the reduction in the deficit only £27,000, instead of £117,000.

The HON. SIR T. McILWRAITH said: Mr. Jessop,—Whether Table I exists or not, it does not add or take out of the Treasury one single farthing or make the balance one farthing more or less. The money would be accounted for in the same year and the balance carried forward every year. What the hon. gentleman ought to have said is that he considers the amount should have been deducted from the surplus. I did not take credit for it last year.

The HON. SIR S. W. GRIFFITH: Yes, you did.

The HON. SIR T. McILWRAITH: The hon. gentleman knows full well that if he had the ghost of a chance of bringing forward such an argument he would have done so. If he had the slightest notion that such a construction could be put upon Table I he would have used it at once to show that instead of a surplus there was an actual deficit of £200,000.

The HON. SIR S. W. GRIFFITH: I actually did use that argument.

Mr. UNMACK said: Mr. Jessop,—After the able criticism passed by the leader of the Opposition upon the Financial Statement made by the Colonial Treasurer, I have no intention of occupying your time for very long. I should like to make a few remarks upon the subject, because I think we should each of us express our opinion upon the all-important subject of the finances of the colony. I may say that I listened with the closest attention to the Treasurer's Statement, and in spite of what has already been said by the Vice-President of the Executive Council, I must, as did the leader

of the Opposition, confess myself to be very much disappointed with the information conveyed in the statement, and with the actual results of the year's operations. The explanations which the Treasurer has given us are absolutely meagre, and I might almost say *nil*. They have simply consisted of traversing the different financial tables which he has placed in our hands, and I certainly feel that he would have saved himself much labour and anxiety if he had simply asked us to take the tables as read and make the best we could of them.

The COLONIAL TREASURER: You might not have understood them as I did.

Mr. UNMACK: I might not understand them as the Treasurer does, and, in fact, I do not; I differ very much from him in the manner of understanding them; and that, probably, is because we do not examine them from the same point of view. Possibly the strictures which have been passed upon the statement, as regards the omission of very large sums which should have been included in the estimated expenditure, by the leader of the Opposition, are perfectly justifiable and easily borne out; but there is possibly an excuse for these omissions to be found in the fact of having had these tables so hastily prepared. The officers of the Treasury deserve very great credit indeed for their despatch, and for the seemingly careful manner in which these tables have been so quickly prepared, because, considering that the financial year only closes on the 30th June, the time at their disposal for the work has been very short indeed. I mention this because on previous occasions I have already expressed my opinion that it would be a great advantage to the Treasury, and more especially to the Treasurer in bringing his Financial Statement before the House, if the close of the financial year was altered to the 31st March. If that were done, it would enable the Treasurer to carefully weigh all the facts before him, to estimate his ways and means, and to see that his figures were carefully and correctly compiled. He could then place his statement before the House after more careful consideration and at an earlier date than he can do now. I say that, under the circumstances, great praise is due to the officers of the Treasury for the despatch with which they have prepared these tables. The Treasurer congratulates us upon the improved state of our finances. I do not share that feeling, because the actual reduction of the deficit is not what it ought to have been in accordance with the results we were led to expect from the tariff, and considering that the deficiency could have been wiped off to a much greater extent if more economical management had been practised on the part of the Government. There are different ways of sustaining the assertion which I make, and I will do so in the first instance by referring to the financial results of the operation of the tariff. The Treasurer admits that the tariff is not popular. I go further than that, and say that the tariff has created a wide feeling of dissatisfaction from one end of the colony to the other. It has very considerably increased the cost of living, as will be seen on reference to Table L, where we find that during the last year, from Customs revenue alone, the cost of living has increased at the rate of 10s. 10d. per head of the population, whilst the total increase of taxation amounts to 13s. 4d. per head. Of this extra cost the Customs, as I said, is responsible for 10s. 10d., which is no small item, more especially as many of the articles that have been taxed are articles of necessity. It is a fact which cannot be disputed, that the tariff was most positively introduced for the purpose of reducing the deficit. I will quote a few words used at the time by the then Treasurer, Sir

Thomas McIlwraith, in his Financial Statement; they are to be found on page 216 of last year's *Hansard*. The hon. gentleman said:—

"To recapitulate shortly—the Government have done everything they possibly could to reduce the expenditure. They found that under the ordinary rate of taxation a large deficit had accrued that must be provided for. That deficit they proposed to provide for by increasing the Customs duties of the colony, and, in one item, abolishing the excise."

And, further on, he said:—

"The estimate under the new tariff is, I believe, sound, and will result in changing the balance from the debtor to the credit side."

Looking at the tariff from that point of view, what has been the result? I propose to treat the tariff as a special and separate source of revenue which has been set aside for one certain purpose—namely, to reduce the deficit. Then we find that the tariff has produced, over and above the vote which the old tariff has given us, the sum of £256,558. And what is left of it? I maintain that the whole of that £256,000 ought to have been sacredly applied to the reduction of the deficit. There is only £116,000 left of it; and, therefore, I say that if you can bring your mind to exclude that tariff—if you assume that that tariff had never been imposed—the country, under the last twelve months' management, has absolutely gone £140,000 to the bad.

The PREMIER: We know that.

Mr. UNMACK: I say that the tariff was imposed for the purpose of clearing off the deficiency, and that therefore the whole of the extra money—£256,000—ought to have been devoted to that purpose. Instead of that there is only £116,000 left, and I say that, assuming that the tariff had not been imposed, the country is £140,000 worse off than it was twelve months ago. Now, when we remember that these are moneys that have been pressed out of the people in a way which has proved most objectionable, I certainly think that the Government have broken faith with the taxpayers in appropriating it to any other purposes than those which they were specially intended for. It might be excusable if the ordinary general revenue had failed, but it has done nothing of the sort, because we find that in addition to the £256,000 derived from the new tariff, there has been a further increase over the previous year of £180,567, which makes a total excess over the revenue of the previous year of £437,134. I may not be correct as to a few pounds—I am taking round numbers, and would point out that of this £437,000 only £116,000 remains; therefore I contend that the Government have spent £320,000 over and above what was spent in the previous year. That, looking at the general state of the finances, certainly does not show evidence of due care and regard for economy.

The COLONIAL TREASURER: What about the increase in the interest on the public debt—£88,000?

Mr. UNMACK: That is a comparatively small item. Against that you may put the interest received from municipal bodies and local authorities, which amounts to over £30,000. But the more we look into these matters the worse they appear. The Colonial Treasurer told us in reference to the Works Department that—

"The late Treasurer placed the sum of £175,905 as the probable expenditure of this department, but reference to the returns of expenditure will show that the amount expended falls short of the estimate by the sum of £90,323. This amount, no doubt, can be accounted for, mainly by a number of the works not having been carried out."

I say this is making matters worse and worse. Here we find that in face of the drought, and in the face of extra taxation, the Government has been absolutely starving the country by not

going on with public works which were intended and required—and then they call this saving money. I contend that if they had managed things properly this £90,000 should have been spent amongst the people to provide labour for them and help them. That would have been the proper way to encourage industry. The Treasurer also told us that in connection with the Defence Force there is a saving of £13,753, but the Estimates show an increase of £7,000 in this department. Further, we find in the Mines and Works Department £6,000 more for various purposes, so that there is an increase of about £13,000 for the Defence Force. I am really beginning to fear that this force is nothing more than a cancer that is rapidly growing and eating into our revenue. There appears to be no limit to the expenditure for this purpose. Look where you like, you find votes for the Defence Force hidden away and cropping up in all directions. I think the time has come when we should know the limit to which the country is about to be pledged for this force. Year after year we find the expense increasing, and the sooner we know the extent of our liabilities in this direction the better. Another subject to which I desire to refer is the most alarming reduction in the percentage returns from our railways, according to the tables furnished to us, and I must say that the state of affairs disclosed surpasses all reasonable belief. The returns from our railways only amount to £1 8s. 6d. per cent., and I really cannot understand how this has been brought about. I may here point out that there are some very inexplicable figures in Table Q, to which I wish to direct attention. For instance, in the Wide Bay and Burnett district, I notice that there has been an increase of only seventeen miles of line; the traffic receipts upon these seventeen miles have been apparently £2,217, whilst—and here is the most extraordinary part of the business—the expenditure, presumably upon these seventeen miles has been no less than £18,639. I certainly think figures such as these ought to have been explained to us by the Treasurer. How can we possibly arrive at any conclusion from them as to whether the management of this line is such as it ought to be. No wonder that the percentage of receipts on this line has been reduced to 5s. 5d. per cent. On the next page of the same table I find the Northern Railway in almost the same extraordinary condition. There has been no increase in the mileage since 1877-8, the figures being 260 miles; the receipts have decreased by £1,621; there has been an increase of £3,352 in the expenditure, and the rate of the percentage of receipts has been reduced by 9s. 11d. per cent., from £5 4s. 4d. in 1887-8 to £4 14s. 5d. in 1888-9. These are things that want explaining. On the Mackay Railway there are thirty-one miles in existence, the same as in 1887-8. The receipts have been reduced by £2,814—

An HONOURABLE MEMBER: No sugar to export.

Mr. UNMACK: If there is less sugar to export the expenses ought to be less, but instead of that, while the income has decreased by £2,814, the charges have increased by £379, making a total difference of nearly £3,193 on this line. These are figures that the Treasurer should have explained in making his Financial Statement.

The COLONIAL TREASURER: They will be explained in due time.

Mr. UNMACK: I maintain that they ought to have been explained when the Financial Statement was laid before us, so that we should be enabled to judge of how these lines are managed. Of course we all expect and hope that the new system just inaugurated under the

Railway Commissioners will bear good fruit, and possibly some of these discrepancies will be altered. I intend that, with such discrepancies before us, especially those I have pointed out in connection with the Wide Bay and Burnett Railway, it would be far better to close them at once rather than run them at such enormous loss, or to charge the loss to the districts concerned. The next item I desire to draw attention to is the new arrangement which we are evidently about to have in connection with the Colonial Stores. I am very pleased to see that such an arrangement is about to be made, but it appears to me that it will be of considerable cost to the country, because, on looking at the items, I find that they are excessively heavy. First of all there is a reduction in the amount of stores of £15,000, and we are told that there is nothing to be supplied to the departments but stationery, except to the Post Office and the Railway Department. Now, if the labour of the officers in the Colonial Stores is to be decreased, how is it that not a single officer is being taken away from that department? We are told that the amount of work is to be reduced, as they are to supply less stores to the various departments; but on going through the Estimates I find that this £15,000 is replaced by £21,000 distributed among the different departments for stores, so that there is a direct increase in stores of over £5,000. I do not know whether that is a system which will answer the purpose. We have had no information yet how this is to be managed, although no doubt it will be given by-and-by, when the Estimates of the particular departments are under consideration. We have had no information yet as to whether each department is to buy its own stores, or whether they are to be under some supervision. No doubt the Colonial Treasurer will supply the information. I wish to point out that there is a great increase in the expenditure, for reasons not explained, whilst the same staff is to be kept to do less than half the work which they are now doing. The remarks made by the Colonial Treasurer in reference to the boring for artesian water—that the charges should in future be paid by the different boards and municipalities concerned—I quite agree with; but I certainly consider that the actual works themselves should be retained in the hands of the Government, because they are best able to do that work with advantage to the country, and certainly with advantage to those immediately concerned. I quite believe in that system, and think that those who are to have the benefit of the water supply ought to bear the burden, and not the general taxpayer.

The COLONIAL TREASURER: I have said that, as you will find if you read the Financial Statement.

Mr. UNMACK: I was saying that I quite agree with the hon. gentleman in that opinion. The question of Ways and Means has certainly been most lightly touched upon by the Colonial Treasurer, and, according to my idea, it has been dealt with in a most unsatisfactory manner. The hon. gentleman says that we are to remain as we are—in other words, there is to be no change of any kind—and he gives this as his reason:—

“The Government, after devoting the most careful attention to the question of Ways and Means, have resolved to continue the present tariff, at least for the present financial year. One of the main reasons why they have arrived at this conclusion is that it is not advisable at so early a period to make any alteration that would result in disturbing the settled arrangements of trade and commerce, such as would result from a revision of the tariff at so early a stage of its operation. Even if the state of the revenue permitted it, I think the tariff should be allowed to run a sufficient time to enable hon. members and the country generally to see the effects of it in good seasons.”

Now, up to a certain point, I agree with the hon. gentleman. I agree that it is not desirable to disturb the tariff, but I give a different reason entirely. It ought not to be disturbed because the result is not good, only we want something more. Surely there are other sources from which the Colonial Treasurer can obtain extra taxation, because the sooner we wipe out the deficit the better; but, at the present rate, it will take five years at least to wipe it off. I say the tariff could be readjusted in some way without disturbing commercial relations, but at any rate there are two sources of revenue which might be added to the tariff, and which would have given immense satisfaction to the public generally, and which would not have interfered with anyone, had they been added before, as they are both sources upon which large profits are made by those dealing in the articles. At the same time the price would not be increased to the consumer. If the tariff has been proclaimed obnoxious, certainly the removal of the excise duty on beer has been more obnoxious to the general public than anything ever done before by the Ministry. Taking the figures which were supplied in the paper moved for by the hon. member for Ipswich, Mr. Barlow—but of which I doubt the correctness, although I am not in a position to prove it—I find that the excise duty on beer last year would have been £34,279 4s. 6d. Now, I believe it would have been £40,000, taking into account the increase in the production of the article. The amount received on hops and malt was £16,000, and deducting that, there would have been increase to the revenue of £18,000 had the excise duty on beer continued; and I think that duty might fairly be put on again. It would give great satisfaction, while it would not interfere with the profits of the retailers, and it certainly would not increase the price of the article to the consumer. Then the other source of revenue I refer to is an additional tax of 2s. a gallon on spirits. Taking the consumption which has been given us, that would produce a sum of £54,261. Now, £54,000 in round numbers on that and £20,000 on beer is a total of nearly £75,000, which would easily slip into the coffers of the Treasury, and relieve the general taxpayers to that extent. No one would object to that taxation, and it would relieve the Colonial Treasurer of a great deal of anxiety. We should be doing a good thing if we did nothing else with this money than devote it to useful works to give employment to those in need of it in these bad times. I shall not detain the Committee any longer, and I shall now conclude by saying that I am not satisfied with the financial operations of the Government during the past year. The amount of taxation imposed upon the people has not been applied as it was intended it should be applied. About five-eighths of it has been spent in general charges and general administration, which I think was a breach of faith.

The MINISTER FOR LANDS (Hon. M. H. Black) said: Mr. Jessop,—I am not at all surprised that the hon. member for Toowong is not satisfied with the Treasurer's Statement. It is quite evident that the leader of the Opposition also is not satisfied, and it is extremely doubtful if any hon. gentleman on that side is satisfied with it. The peculiar position those hon. gentlemen occupy is that of severe critics; and I can hardly expect them to otherwise than honestly criticise the statement, and at the same time express the most extreme dissatisfaction with anything which emanates from this side, including, of course, the general financial policy of the Government. I must say the speech of the leader of the Opposition did not have that hearty ring which some of his criticisms have. I think he knows perfectly well that the

Government in their efforts to retrieve the financial position of the colony and place the finances on a more satisfactory footing than he was unfortunately compelled to leave them in, has resulted in so much success that he does not think he can honestly criticise what has been done. There is no intention on the part of the Government of altering the tariff. If the suggestion of the hon. member for Toowong were carried out—if a duty were put on beer, and the duty on spirits increased by 2s. per gallon—it would lead to a revision of the whole of the tariff; and we have no intention of doing that. I think the tariff has worked satisfactorily up to the present time. We are quite satisfied on this side, at all events; and as the public become more and more familiar with the causes which brought about the present tariff—chiefly the gross extravagance of the previous Government—I think they will admit that this Government have done something at all events in the direction of putting the financial affairs of the colony in a far better position than we found them. It is not the first time that the previous Government have left a deficit; and they will do it again the first opportunity they have, especially if we leave them a surplus.

THE HON. SIR S. W. GRIFFITH: There is no immediate probability of that, at any rate.

THE MINISTER FOR LANDS: I think if this Government succeed in converting the present deficit into a surplus they will have the good sense to spend it before their successors take office, or at any rate appropriate it in such a manner that they will get the credit of it. If hon. gentlemen refer to Table K they will find some extremely interesting information. In the year 1878-9 there was a deficit of £216,000; in the next year that deficit was reduced to £61,000.

THE HON. SIR S. W. GRIFFITH: Including £129,000 transferred from the Railway Reserves fund.

THE MINISTER FOR LANDS: I will give the hon. gentleman credit for all those little amounts. I am referring to the general principle carried out on this side, in contradistinction to the principle the leader of the Opposition has invariably carried out when he has had the opportunity—that is, to land the colony in debt. That deficit of £61,000 was in the next year converted into a surplus of £266,000.

THE HON. SIR S. W. GRIFFITH: How?

THE MINISTER FOR LANDS: I leave the hon. gentleman and his friends to explain that.

THE HON. SIR S. W. GRIFFITH: Look at the footnote. By borrowing money.

THE MINISTER FOR LANDS: In 1880-1 we had a surplus of £266,000; the next year there was a surplus of £218,000 on the year's transactions; in 1882-3 there was a further surplus of £66,184; and in 1883-4 there was again a surplus of £59,706. At all events in those four years there was a surplus of £605,307. The leader of the Opposition, when he took office in 1884, had a surplus of £310,000. The very first year of the administration of his Government they converted that surplus into a deficit of £99,197; the next year the deficit on the year's transactions was £221,865; in 1886-7 the deficit on the year's transactions was £455,885; and in 1887-8 the deficit on the year's transactions was £191,365. On those four years they had a deficit of £968,313. And what was the result? An indignant country would not have their financing any more. Yet, Mr. Jessop, those are the critics who find fault with us. We took office under a most unexampled difficulty—that of facing a deficit of not less than £602,000 left us by our predecessors; yet we have

not only in one year succeeded in stemming the tide of financial disaster into which our predecessors had led the colony, but have produced a surplus on the year's transactions of £116,846, and that after paying £88,000 additional in the shape of interest on our loans. I have no doubt that, commencing, as we have done, with a surplus of £116,846 on the first year's transactions, we shall, year by year, reduce the deficit, without unduly pressing on any class of the community; and I maintain that we have no right to be severely criticised by our opponents when we are endeavouring to remedy the disaster in which they landed the colony. The leader of the Opposition asked, "How is the bulk of this made up?" and he answered, "By auction sales." I have not the slightest hesitation in saying that I am a firm believer in auction sales as a part of our land system. I do not believe in auction sales to the exclusion of other land settlement, but, as I say, as a part of our land system, and there is no greater proof of the popularity of auction sales than the readiness with which the people responded to the auctions of the present Government, showing their decided preference for freehold as against leasehold.

THE HON. SIR S. W. GRIFFITH: You only sold town lands.

THE MINISTER FOR LANDS: We have only power to sell town lands; but I trust that those hon. members who hold with us as to the wisdom of auction sales will, in view of the success of these sales, give us power to sell increased quantities of country lands. What was the cause of the financial depression in which the previous Government left the colony? It was the Land Act of 1884, which was supposed not only to settle the people on the land but to leave an overflowing Treasury. We know that financially that Act was a mistake. I will not severely criticise the leader of the Opposition, who was one of the chief spirits who passed that Land Act. That has been done so often that it would be almost cruel to heap coals of fire on his head. I hope that, in the general interest of the country, and seeing how absolutely necessary it is that the finances of the country should be put in a better position, the Committee will come to the conclusion that it is only right that greater revenue should be derived from the lands of the colony than is derived from them at the present time. The actual state of the auction sales during the past year was this: We estimated to sell £100,000 worth of land, and in addition to that, as stated in the Estimates, we had to the credit of the department, as balance of sales made by our predecessors in office, the sum of £14,000. That made £114,000, which it was anticipated would come into the Treasury during the year from auction sales. Whenever the people of the colony communicated with the department asking for certain lands to be thrown open to auction, I met their wishes.

THE HON. SIR S. W. GRIFFITH: You mean, anticipated their wishes!

THE MINISTER FOR LANDS: As the hon. gentleman says, I anticipated their wishes, and I will always anticipate their wishes if I think it is a desirable thing to do, and it is in accord with my own ideas. Well, we received £124,687 from auction sales last year. The credit, when we took office, was £14,000, which leaves £110,687 as the amount that has actually come into the Treasury during the year, so that we exceeded our estimate of £100,000, by £10,687. In addition to that, I am pleased to inform the Committee we have a credit of £65,000 yet unpaid. In other words, owing to the system of deferred payments for auction sales, we have £65,000 to the credit of the Lands Department,

on account of sales for the current year, and I anticipate a further revenue from this source of £100,000, making the total revenue for the current year £165,000. And I contend that it ought to be three times as much as that. I contend that the land revenue should pay the interest on the loans expended on our railways. We are borrowing money for the improvement of the public estate, the improvement of the lands of the colony, and it is only right that those lands should provide a revenue sufficient to pay the interest on our loans, and that was always the case until the Land Act of 1884 came in force. I admit that we have been extremely active, and I intend to continue to be active in bringing forward lands for auction. If hon. members could point out that by doing so we have retarded other settlement—grazing farms, homestead, or village settlement—in any way, then they might have just cause for complaint. But it is quite the contrary. Land selection has not at any time since the commencement of the Act of 1884 been more general, or more advanced in the interests of all classes of selectors than it has been during the past year. To show this I will take the figures for the last year of our predecessors—the year 1888. What do we find? There were selected in that year 984 homestead farms of 160 acres and under, comprising an area of 132,071 acres, and yielding an annual rental of £2,259 3s. 4d. That is a class of settlement which should be encouraged and is being encouraged. There were 249 agricultural farms of over 160 acres, embracing an area of 113,512 acres, and giving an annual rental of £1,547 3s. 4d. This was the amount of selection that took place when the Lands Department was presided over by a gentleman who had that class of settlement thoroughly at heart—I mean the hon. member for South Brisbane, Mr. Jordan. The total number of farms of these two classes was 1,233, representing an area of 245,584 acres, and an annual rental of £3,806 6s. 8d. Of grazing farms there were 111, comprising 513,759 acres, and giving an annual rental of £2,727 14s. 10d. The total number of farms of all classes selected during that year was 1,344, the total area selected was 759,342 acres, and the total annual rental was £6,543 1s. 6d. That is that three-quarters of a million of acres actually alienated in various ways, only brought in to the country a revenue of £6,543, an utterly insignificant amount. I contend, therefore, that it is absolutely necessary that some means should be adopted to obtain additional revenue from our lands. Now I will point out what has been done during this year. There have been selected 1,246 homesteads farms of 160 acres and under, as against 944 the previous year, representing an area of 159,022 acres, and producing an annual rental of £2,925 6s.; and 266 agricultural farms, as against 249 the previous year, comprising an area of 134,147 acres, and yielding an annual rent of £1,950 4s. 11d. The total number of farms of these two classes selected during the past year is 1,512, total area selected 293,169 acres, and total annual rent £4,875 10s. 11d. But it is in the direction of grazing farms that the greatest increase has taken place. The number of grazing farms selected is 254, as against 111 the previous year, and these comprise an area of 1,390,038 acres, as against 513,759 acres for the previous year, and give an annual rent of £7,859 0s. 6d., as against £2,727 14s. 10d. The total number of farms of all classes taken up last year is 1,766, comprising an aggregate area of 1,683,207 acres, and yielding an annual rental of £12,734 11s. 5d. I mention these facts to show that notwithstanding that auction sales have been held to a greater extent than previously, yet other settlement, the alienation of land under other clauses of the Act, has not been retarded.

There is another reason showing the absolute necessity of looking upon this matter from a rational point of view, and seeing that our land should contribute to a greater extent than it has been doing hitherto to the revenue of the colony. I do not know if hon. members are aware of it, but our land order liabilities alone up to the present time amount to no less than £37,650.

The HON. SIR S. W. GRIFFITH: I wish they were a great deal more.

The MINISTER FOR LANDS: The hon. gentleman says he wishes they were a great deal more. I dare say he does. I wish they were more, if at the same time we could ensure settlement, and also ensure a reasonable revenue to the State. Hon. gentlemen must understand that that £37,650 worth of land means more than a whole year's land revenue at the present time under the Act of 1884. We do not know to what extent these land orders may be availed of for the selection of land during any year, and it will be a most conflicting element for any Minister for Lands to consider in making an estimate of anticipated revenue; and it will always have the same tendency to upset the Treasurer's calculations. The hon. member for Toowoong made a remark which I could not help taking a note of at the time. He suggested, I believe in all sincerity, that all non-paying railway lines should be closed up, because they were non-paying.

HONOURABLE MEMBERS: He did not mean that.

The MINISTER FOR LANDS: That is what he said, and I would like him to assure me that he did not mean that. If he meant that he should carry the principle a little further, and suggest the shutting up of our telegraph lines and post-office. What about the Harbours and Rivers Department? Those departments are not returning any revenue for the money expended upon them. I think the hon. gentleman made a mistake when he said that. I do not think it is possible he could mean it, because there are a great many lines in the Southern part of the colony that are not paying a great amount of interest upon the money expended on their construction. I do not attach very much importance to railways paying a heavy rate of interest, as I believe the indirect good they do, by enabling people to settle upon the lands of the colony, where they would be otherwise unable to get a reasonable return for their labour, is a sufficient inducement for this country to go on with railway extension for some years to come. Our railways must be extended. Whatever financial condition we may be placed in from time to time, one thing is certain, and that is that if we wish to develop all the industries of this enormous territory, it will have to be done by railway extension chiefly, and the country must be prepared to make sacrifices from time to time to meet the necessary expenditure. I think the Committee should adopt the principle that whatever interest it is necessary to pay upon our railways, it is only a fair thing that the lands of the colony, being especially benefited by railway construction and extension, should by some means be made to contribute the interest upon the cost of railway construction.

MR. GROOM said: Mr. Jessop—I am not surprised at the Minister for Lands rising thus early in the debate to intimate to us what is evidently to be the policy of the Government in the future with regard to the land. The hon. gentleman says that he is a thorough believer in the auction system, and I tell the hon. gentleman that I am quite as firm a disbeliever in that system. I say that if we proceed to sell our lands in the manner enunciated by the Minister for Lands, it

will simply mean ruin to the country. We have already, by former land legislation in that direction, assisted in the aggregation of large estates, more than has been the case in other colonies, almost to the same extent at all events. In some cases the estates so formed are as large as those in New South Wales, though there are a few cases in New South Wales of estates much larger than those here. I think I might put my finger now on one large freehold estate here containing about a quarter of a million acres of land, and that estate is entirely unproductive, except for the depasturing of a few sheep, whilst it blocks settlement and obstructs the real progress of the country. The hon. gentleman says that that is his policy; he is going to assist in the aggregation of large estates.

The MINISTER FOR LANDS: I did not say anything of the sort.

Mr. GROOM: That is undoubtedly the policy; no other conclusion can be drawn from his speech. The hon. gentleman must say one thing or the other. I have closely watched the land sales which have taken place already under the hon. gentleman, and they have not been in that direction up to the present time, I must say. I may mention that the hon. gentleman did not take credit for one sale which took place at Cairns. In January last there was a sale of ten acres of land at Cairns, which brought about £41,000, and I do not believe the purchasers will ever see that £41,000 again. I saw some of the allotments which have been sold under water, though they may be dry when the tide goes out. Some of those allotments brought as much as £2,000 each. Evidently, the hon. gentleman's policy, as enunciated now, is in the direction of large auction sales, and I shall certainly oppose any such policy, as I have always done in the past.

The HON. SIR T. McILWRAITH: No.

Mr. GROOM: Yes; I have always done so.

The HON. SIR T. McILWRAITH: What about the Railway Reserves Act?

Mr. GROOM: I voted against it, and was one of the strongest opponents of that measure.

The HON. SIR T. McILWRAITH: In talking.

Mr. GROOM: In talking and in voting. There is no use in the hon. member trying to fasten inconsistent conduct upon me. I have been a consistent opponent of auction sales, and I voted against the Railway Reserves Act. I attended the first sale of land in Brisbane under that Act, and so anxious were those who had charge of it in the matter, that they were not satisfied with the ordinary land court room, but they hired the School of Arts in which to conduct the sale. The Government of the day expected to have large numbers of persons from the other colonies, and it was even said that half-pay officers from India would come here to purchase the land.

The MINISTER FOR MINES AND WORKS: Who were the Government of the day?

Mr. GROOM: The head of the Government of the day was the Hon. John Douglas.

The PREMIER: Who was the Attorney-General?

Mr. GROOM: I need not go into that. There is no use in raking up those matters, and I would not have referred to it now if the hon. gentleman, the member for North Brisbane, had not mentioned it. The result of that auction was that the whole of the land sold was bought by four purchasers, and I believe I am right in saying that the Scottish Australian Investment Company purchased the bulk of it.

The PREMIER: They were bailed up by bushrangers, in the shape of the Government of the day.

Mr. GROOM: I am speaking of the principle of sales of land by auction, and I say it is a vicious principle; and I think the sale of that land in the neighbourhood of Roma has been regretted by no one more than by the senior member for North Brisbane.

The HON. SIR T. McILWRAITH: I spoke very strongly against it then.

The HON. SIR S. W. GRIFFITH: And the hon. gentleman goes in for the same thing himself now.

Mr. GROOM: I was strongly opposed to it, and I am still strongly opposed to the principle; nor do I believe, no matter what some hon. members may say to the contrary, that there is that desire, which some hon. members say there is, for the acquisition of a freehold by the auction system. I believe that there is a desire for the acquisition of a freehold by leasing.

The PREMIER: By leasing?

Mr. GROOM: Yes; I daresay the hon. gentleman understands plain English. I say the acquisition of freehold by lease.

The PREMIER: You mean by conditional purchase.

Mr. GROOM: Exactly. One reason for what I may call the non-success of the Land Act of 1876 was that you compelled selectors to go to an auction sale, where they often had to bid against each other, and up to a price far in excess of the value of the land. Thus their annual payments became a positive burden to them, and instead of a man devoting his earnings to the improvement of his land they had to go towards paying his annual rent. Under the present system, where a selector has only to pay 3d. per acre per annum, he is able to devote the whole of his earnings to the improvement of his land; and in the course of ten years he will be able to save as much as will make his selection a freehold without having to go to a usurer and borrow money from him at the rate of 12 or 15 per cent. There is a desire on the part of the public to obtain a freehold in that way. I do not believe that such an enormous revenue should be derived from land as the Minister for Lands indicated, while there are so many other sources of revenue open to us. Suppose we were to put a 5 per cent. duty on the dividends of banks and public companies. How much would that realise in the course of a year? Why, Mount Morgan would, at our estimate, yield £60,000 a year; and no one will say that Mount Morgan is not able to pay that £60,000. Is not such a tax a better way of raising a revenue than the wholesale alienation of the public lands? And why should not we have a land tax and carry out the Minister for Lands' own principle, that those who are deriving most benefit from our railways be made to pay something towards the interest on the cost of construction? We find this to be the case now, that in most of the large pastoral districts where railways are extended, wool is in the London market at a period when formerly it would hardly have left the station. And we not only give them the facilities of railway communication, but we are absolutely subsidising, at a cost to the country of £55,000 a year, a line of steamers to carry that wool home to England at a very reduced rate.

Mr. MURPHY: Not at a reduced rate.

Mr. GROOM: Will the hon. member tell me that the freight would not be higher but for that subsidy?

Mr. MURPHY: We sent it cheaper by sailing vessels before.

Mr. GROOM: But how much more expeditiously is it sent by steamer?

Mr. MURPHY: They only charge the Orient Company's rates.

Mr. GROOM: The hon. member may entertain that opinion; but my opinion, which is very largely shared in by the public outside, is that with the facilities we are affording by our railways, and by subsidising a line of steamers to carry wool to England at a much cheaper rate, those for whom that is done ought to pay something towards the interest on the cost of construction of those railways. With regard to auction sales, it should be remembered that the land you sell is the prime and the best, not the worst; and that cannot go on for ever, or even for very long, without impeding settlement, more particularly in the neighbourhood of large towns. There are various ways by which revenue can be obtained without resorting to what I may call the ruinous policy indicated by the Minister for Lands of selling areas of land by auction. The Vice-President of the Executive Council gave us a list of branch railways which at the present time are working at a loss. I go entirely with what the Minister for Lands said just now, that in building railways in a colony like this there is a very strong objection to what has been called building them on commercial principles. This is borne out by the very fact that the New South Wales Commissioners, within six months of their assuming office, have been obliged to report to Parliament that they require £2,000,000 for rolling stock, and £1,000,000 of that at once, in order to put the rolling stock into a safe condition. That, judging from the opinion of people in that colony competent to give an opinion, has been brought about, not from any mismanagement by the late Commissioner for Railways, or the Ministers who have had charge of the department, but simply from the desire of the public and of the Parliament that the railways should be constructed and conducted on commercial principles, and be made to pay. For that reason, the Commissioner, in his annual reports, kept the expenditure down as much as possible, and showed his receipts as large as possible, in order to show a surplus and a profit. When the report of the Commissioner was read in the House it was pointed out by Sir Henry Parkes that for the last ten years there ought to have been expended on rolling stock in that colony at least £100,000 each year, but that such was the cry to have the railways worked on commercial principles that the Commissioner was absolutely afraid to recommend it. It would appear that there is a marked feeling in this colony that we should conduct our railways on that principle. If we do we shall find hardly one of our railways working at a profit. I believe the Northern Railway and the Sandgate line are the only two which are giving anything like a return of the interest on the cost of construction.

The MINISTER FOR MINES AND WORKS: The country owes money to the Northern line.

Mr. GROOM: With regard to branch lines, the loss on working last year was: Highfields, £2,144; Beauaraba, £463; Killarney, £2,092; Isis, £246; Kilkivan, £1,219; Springsure, £3,814; Clermont, £2,644; Mackay, £2,498; and Ravenswood, £368. But that is no reason why the construction of branch railways should be abandoned. I hold that we shall never promote settlement, nor have the land properly utilised unless we construct branch railways, whether they pay or not. The difficulties of bringing produce to market are so great, and the competition with

the adjoining colonies is so keen, while freights by sailing vessels are so low, on account of so many of them lying idle, that produce can be brought to Brisbane at a price which renders our import duty upon it a mere bagatelle. I was informed a week or ten days ago that a merchant went down South to order a quantity of produce for Brisbane, and it was arranged that it should be brought here by sailing ships, and landed at a price which would quite cover the import duty. When that can be done it is idle to say that the tariff affords any protection to the local producers.

The MINISTER FOR MINES AND WORKS: Would you increase the duty?

Mr. GROOM: Certainly I would. I do not make any secret of that. That is one of the reasons why I ask for the construction of branch lines. If you do not build them you might almost as well stop railway construction altogether. If you take many of these lines, they have been useful to the extent that they have opened up the country, and that counterbalances anything representing the deficiency on them. They have undoubtedly promoted settlement. Take the Highfields Branch Railway, for instance: the progress of settlement in the Highfields district is entirely due to the construction of that line; and in the district known as the parish of Milton, a scrub that originally formed a part of the Rosalie run, which was thrown up as being altogether unavailable for grazing purposes, has now been opened up, and has proved to be most valuable agricultural land. That has nearly all been selected as agricultural farms, and it certainly would not have been selected if the railway had not been constructed. Those are points that we have to take into consideration when we look at the branch railways of the colony. The Mackay Railway is probably one of the poorest that we have, but yet, at the same time, I have no doubt that the members for the district would say that it has been useful in many respects in opening up country. I would certainly say that if we are to work our railways on what are called commercial principles then we might as well stop constructing railways altogether. The advantages which are realised by those railways, and which they afford to the country generally in the cheapening of goods, and in various other ways, are incalculable, and far outweigh the burden which the leader of the Opposition has stated amounts to £369,000, when we take into consideration the counterbalancing advantages. I can remember very well when flour could not be taken from Ipswich to Dalby under £20 a ton, and now what is it taken for? It is the same with everything, so that in saving carriage on goods and in cheapening the food of the people our railways have been extremely useful. Moreover, cheap railway communication is the only advantage which is conferred on the farming community at the present time. I sincerely wish our Treasurer was in the gratifying position of the Treasurer of Victoria, who is able to come down and propose to give £250,000 as bonuses to the farmers, for the encouragement of agriculture. One part of his plan is entirely novel. He is going to give bonuses for improved cultivation, to encourage what is called intense cultivation, by giving £2 an acre for the first year and £1 an acre for the second year for the best cultivated land, so that farmers may be induced to till the soil, and cultivate it to its highest capacity.

The HON. SIR T. McILWRAITH: Why can the Treasurer of Victoria do that?

Mr. GROOM: Because he proposes to sell the Kew Asylum site.

The HON. SIR T. McILWRAITH: Because he has sold Victoria. That is the reason.

Mr. GROOM: No; the hon. gentleman must not say he has sold Victoria. He certainly has not sold all the land. He proposes to sell the site on which the Kew Asylum now stands, and expects to realise from £800,000 to £1,000,000.

The HON. SIR T. McILWRAITH: Why did it reach that value?

Mr. GROOM: By the expansion of the City of Melbourne.

The HON. SIR T. McILWRAITH: Because he had sold the adjoining land.

Mr. GROOM: The hon. gentleman interjects observations to favour his own land policy, and he is not justified in doing so; but I am only referring now to the policy which Mr. Gillies proposes to carry out for the purpose of encouraging agriculture, and I say I wish our Treasurer was in the same position and able to do the same thing.

The MINISTER FOR MINES AND WORKS: Mr. Gillies has a surplus of £2,750,000.

Mr. GROOM: I quite admit that he has a large surplus, and that is owing to the vigorous protective policy which the colony of Victoria has pursued, and to the general encouragement which they have given to agriculture as a whole. It is not only now attracting their attention, but they fortunately made a start long ago.

The MINISTER FOR MINES AND WORKS: The land is out of the hands of the Gillies Government.

Mr. GROOM: Not to the extent that the hon. gentleman thinks. There are still large areas of unsold land in Victoria. I only wish that our Treasurer was in the same position that Mr. Gillies is in, in being able to encourage agriculture in the way he is doing. I do not concur in the doctrine promulgated by the Minister for Lands a few evenings ago, that Queensland is only fit for grazing and dairy farming. I am not of that opinion. It is no use the hon. gentleman saying that Queensland is in any such a position. With seasons such as we are having just now, the colony can grow anything which can possibly be grown in temperate or tropical climates. With proper seasons and fair and reasonable facilities for carriage, we can produce anything. Up to the present time, I am very sorry to say, we have scarcely done anything to encourage agriculture. Of course the travelling dairy is a step in the right direction, but what else have we done?

The HON. SIR T. McILWRAITH: The tariff.

Mr. GROOM: Yes; the tariff to a moderate extent has been useful, but it has not realised expectations.

The HON. SIR T. McILWRAITH: It was very oppressive against the working man, and now you want to make it a great deal more so.

Mr. GROOM: I am quite prepared to accept my responsibility so far as that is concerned. If it were in my power to increase the duties on hay, maize, and chaff for the assistance of the agricultural interest I would do so, no matter how unpopular it might make me; because I believe it is a step in the right direction, and until we do it, and until the gentleman in charge of the Treasury, whoever he may be, comes down with a comprehensive protective policy—a thoroughly protective policy such as they have in Victoria—you will never see local industries, nor will the farming community be, in anything like a prosperous condition. I am very sorry to see things as they are now. It is no use hon. gentlemen shutting their eyes to the fact. I have been here for thirty-three years; I was here during the financial crisis of 1866, and I say that

the extent of depression in the colony now is far in excess of what it was then. There are more working men now out of employment than I ever saw before.

The HON. SIR T. McILWRAITH: No.

Mr. GROOM: I say it is so. At the same time I am not going to say that it is the fault of the gentlemen now in office. A variety of causes have brought that about. We were told that if we gave the squatters twenty-one year leases we would offer large inducements for the expenditure of money on improvements; and now, after the twenty-one year leases have been granted, have those improvements been carried out?

Mr. MURPHY: Wages have gone up 10s. a week.

The HON. SIR T. McILWRAITH: In no places more than on the stations have improvements been carried out.

Mr. GROOM: Then all I can say is that I have been very much misinformed as to what is going on. We were told that if the twenty-one year leases were granted there would be more employment afforded to those out West, and the information communicated to me by men on the spot is that those improvements have not been carried out.

The HON. SIR T. McILWRAITH: The information is wrong.

Mr. GROOM: If I am wrong the opportunity is now given for that statement to be contradicted, and I am glad to hear that it is wrong; but, at the same time, that information has been supplied to me. I was stating that there were a very large number of unemployed at the present time, and they are not confined to one district. As I said before, I am sorry to see it, but that has arisen from circumstances over which the Government have no control. We cannot overlook this fact, that for nearly two years, in a very large number of the agricultural districts, the farmers and selectors have had nothing to sell. They have nothing to sell now. It is perfectly true that we have had a favourable season this year, since March, but the season was then practically over, so that although we have had a good season lately, it must be remembered that in part of 1887, the whole of 1888, and the early part of this year, it was nothing but drought, drought; crop after crop was sown and resulted in failure, and the farmers have nothing to sell even now. That has had a very material effect not only in throwing men out of employment, but in injuriously affecting the revenue to a very considerable extent. The depression is felt by all branches of trade. When those engaged in a particular industry have gone on year after year producing nothing, when they have been obliged to go to banks and other monetary institutions and mortgage their deeds in order to raise means necessary to carry them on until they get some return from their crops, hon. members can very well understand the position of distress in which a great many persons are placed at the present time. It is no use shutting our eyes to those facts. I am not using this as an argument against hon. gentlemen opposite, because this condition of things has arisen from circumstances over which they had no control, any more than hon. gentlemen on this side had any control over them. It is very largely due to a succession of bad seasons. I still wish that more could be done than has been done to assist agriculture. On looking at the Estimates we find that only £3,600 is proposed for the Department of Agriculture, and out of that £2,000 is for salaries, leaving only a very small sum indeed for the support of agriculture generally, and the carrying on of agricultural

experiments. There is another matter to which I wish to direct attention, and although it is only a question of detail, still it illustrates my argument. Whilst the endowment to schools of art is increased from 10s. to £1 for £1, agricultural societies—which are really schools of agriculture, that are doing a great amount of good in a quiet way, being carried on as a labour of love by those connected with them—are only endowed as before, to the extent of 10s. in the £1. I think I am justified in saying—the hon. gentleman can correct me if I am wrong—that the Vice-President of the Executive Council stated not very long ago that he thought the time had come when the endowment to those societies should be increased to £1 for £1.

The HON. SIR T. McILWRAITH: When?

Mr. GROOM: I think I recollect reading something to that effect in some remarks he made at one of our recent shows. Perhaps he said he hoped the time would soon arrive. I think it has come. I think when the Treasurer produces a statement showing a surplus of £116,000 more than last year, and expects to receive a surplus during the coming year of £119,000 more, agricultural societies should receive £1 for £1 endowment. That, at all events, would be evidence that hon. gentlemen opposite have some sympathy with agricultural societies, and with the people engaged in agriculture generally. I am perfectly satisfied that unless we give greater assistance than we are doing at present for the encouragement of agriculture in various directions, it will not progress in such a satisfactory way as we should desire; and certainly it will not advance in the same magnificent ratio as it has in Victoria, where the Government lay themselves out to encourage agriculture in every possible way. Because not only are they going to vote a quarter of a million of money for the encouragement of agriculture by way of bonuses, but they give every protection to farmers. For example, finding that their farmers could not compete against New Zealand oats, which could be imported cheaper than they could grow them, Mr. Gillies is proposing to raise his tariff to 3s. per cental in order to assist the Victorian farmers. In addition to that, they propose to expend large sums for irrigation and water supply, and are doing all they can to advance the agricultural interest. I say we should follow in their footsteps, and that if we wish to settle people on the public lands, we should give them every facility for doing so, and every encouragement. There are various ways in which it can be done. I admit that the present Minister for Lands has shown that he is imbued with a desire to encourage the agricultural industry, and I am sure that in that he will be backed up by a large section of this House, and also by the Under Secretary for Agriculture, because I know that that gentleman has his heart thoroughly in the work, and will do all he can to promote the industry, especially as he well knows the difficulties of those engaged in it. Of course, I shall not attempt to enter into the figures so ably touched upon by the leader of the Opposition and the hon. member for Toowong. I think I have said all I wish to say, and I will conclude by again expressing a hope that we are not going to revert to the system of sales of public lands by auction. I opposed it strongly in the past, and I shall do so in the future. I contend that it is a most vicious system of raising revenue, and that there are other and better means of doing so. If more revenue is required, let those who derive benefit from our railways pay something towards the interest on the cost of their construction; let those who are drawing large dividends from the soil, for which they pay literally nothing, be called upon to contribute

something to the revenue of the country; let the large foreign companies doing business here, drawing large dividends, be called upon to pay something to the Government of the country. We supply them with police, post and telegraph offices, and every possible protection for property, and why should they not be called upon to pay something for these advantages, the cost of which has now to come out of the pockets of the people who are here. There are various ways in which the revenue can be increased without reverting to that most pernicious system, the sale of our public lands by auction.

Mr. POWERS said: Mr. Jessop,—In rising to address myself to this subject, the first thing I wish to do is to congratulate the Treasurer for having come before us, the first time after five years, with a statement showing that the receipts exceeded the expenditure; and that that statement shows that those receipts had been received under a tariff, approved not only by the representatives of the people sitting on the Ministerial side of the Committee, but also by a large number of those sitting on the other side. If the people in the country wished to see how that tariff was made up, they could easily do so by referring to the divisions that took place upon it. I shall refer to one. There was a question about the item of boots. A great cry was raised in the country against the imposition of a tax on boots. Of course that was one of the best protective duties that could possibly have been proposed to give employment to labour, and to use up the leather we have so much of in this country. When the division took place, I find the members who voted against it were thirteen freetraders on this side and ten on the Opposition side. That minority of twenty-three was composed of nearly the same number of members sitting on either side, and many other duties were levied in the same way. In that way the people can easily see how the tariff was passed. I would also like to point out that if any elector likes to go through those divisions he will find that if they had all been carried against the Treasurer, taxation would have been raised; that is to say, if the proposals against the Treasurer's tariff had been accepted, if he had not fought against them, the taxation would have exceeded what it is now by something like £30,000. I know that it will be said that there were divisions upon other articles. The Colonial Treasurer opposed, among other things, increased duties upon butter, bacon, hams, hay, chaff, maize, and timber, all of which are necessary things, and some of which affect the working man's table, which is so much talked about. Those who opposed the tariff, divided the Committee upon the following articles:—Tobacco, candles, pearl barley, shot, oatmeal, bran and pollard, jams and jellies, and boots, which I have already stated many members on both sides voted against. I find now that this tariff has not only realised the estimate of the Colonial Treasurer, but exceeded it to a slight extent, and that it has exceeded it by a little is attributable to the dry weather. In a fair season the estimate would not have been exceeded on the tariff. Then, we must take the remarks made by the leader of the Opposition, who has not proposed any other way of getting out of the difficulty, and by the hon. member for Toowong, who says—and I should like to point out to the country what he says—“Do not interfere with the tariff, but put on more duties.” He considered that the present taxation is not sufficient, and we know that the hon. member for Toowong is an influential member of the Opposition.

Mr. UNMACK: Spirits and beer are the only articles I mentioned.

Mr. POWERS: The hon. gentleman proposed writing off the deficit, but the £54,000 he proposes to obtain from the duty on spirits will not wipe off a deficit of £600,000.

Mr. UNMACK: Beer and spirits are what I referred to.

Mr. POWERS: *Hansard* will show what the hon. gentleman said; but he did say, "Put on more taxation, and wipe out the deficit." The opposition against the tariff last year was to put on more taxation, and if the tariff had been accepted as hon. members wished, as against the wishes of the Treasurer, the taxation would have been heavier than it is at present. It is well for the country to know this. I intend to refer to a few matters in the Financial Statement. Besides the £2,000,000 loan, soon to be put on the market, we have nearly £2,000,000 in the banks in the colony, making a total of nearly £4,000,000. There is actually about £1,600,000 deposited in the banks in the colony, and it forces the conviction upon us that a new loan must be provided to continue our present works in order to develop the country; and when the new Loan Bill comes on we must approve of it as an absolute necessity for the purpose of carrying on our public works. With regard to the money deposited with the local banks, if it were to be called up at once it would cause a great amount of trouble throughout the colony. The Treasurer referred to the loans to local bodies, and pointed out that the amount proposed to be given was the largest granted for some time, and he also drew attention to the fact that he has not been able to advance all that has been applied for. I hope that provision will be made in the next Loan Bill to allow the local authorities to go to the Government and get what they want for the works approved of by the ratepayers. The local bodies have no power to go elsewhere to borrow money, and the Government should be in a position to advance the money. As to the boring for artesian water, I think the Government have done wisely and well in boring as they have, and I also consider that it is only fair that the local bodies benefited by the boring should bear the expense. Then, coming to the exports and imports, it is shown conclusively to those believing in protection, that it is owing to the bad seasons that the import duties we imposed have not been sufficient to keep out imports. As to putting on heavier duties, so far as protection is concerned, on those things which we find we are now importing, I think the duties are sufficient if we had fair seasons, and that there is no use in increasing the taxation until we get a fair season, and see whether the present duties are not sufficient to keep the articles out. We have had such a bad season that we have been compelled to import all kinds of agricultural produce except sugar, and that has been exported to a less extent than formerly. Last year we only exported sugar to the value of £384,375, which is much lower than in a good season. Had the seasons been good our exports would have been as large as usual, and probably a little larger; so that I do not think the Treasurer's remarks were unwarranted when he referred hopefully to the outlook as promising well for the coming year. As to the land revenue, I think we must make the best of a bad job. It is admitted on both sides that the revenue from land has fallen off. After the speeches already made it is not necessary for me to say anything except that I believe in the settlement of the land, and I think the Minister for Lands is imbued with the same idea of having settlement on the land in order to get revenue, and I am sure that we shall pass the Amending Land Bill in such a form that it will assist in getting revenue as well as in settling

people on the land. We should make the people taking up selections settle on the land, which they are not compelled to do under the present Land Act. Referring to the railways, I think that when the Commissioners take the work in hand things will be considerably altered. I am anxious to hear some explanation on the expenditure on the Wide Bay and Burnett lines already referred to by the hon. member for Toowoong.

The MINISTER FOR MINES AND WORKS: It is the cost of laying the Gympie line with 60 lb. rails; it has been paid out of loan previously.

Mr. POWERS: I understand now that it is a different thing altogether. It appears that this is an expenditure for relaying the line with heavier rails, and therefore the Wide Bay and Burnett lines will stand second on the list, taking receipts and actual working expenses. This charge is put down as expenditure on the lines. I am glad to know what the facts are, as the figures threw a damper on my intention to ask for further railway extensions. The rails taken up will be used on other lines, I suppose, but it is not a fair charge as compared with other lines, and I find that if the expenditure on the Wide Bay and Burnett lines were taken in the same way as that on the Northern and Central lines, the return would be something like £2 8s. per cent. on the cost instead of 5s. 5d. per cent. I believe that a proper estimate will show that the Charters Towers line, the Maryborough and Gympie line, and the Sandgate line are the best paying lines in the colony; and I am glad to have had the explanation that has just been given with regard to the Maryborough line. Now the Commissioners have taken over the management of our railways, I think we can look forward with confidence to the next year's returns, showing that our lines bear favourable comparison with the lines in any other part of the colony. The question has been raised as to whether we are taking the proper means of raising revenue by taxation; but no other form has been suggested, except for the purpose of condemning the Government. In connection with the £256,558 raised by increased taxation, I have taken out some things on which protectionists on both sides, and all people who believe in taxing luxuries, would like to see the duty on—namely, spirituous liquors, beer, tobacco, cigars, cigarettes, silks, opium, tea, hops, confectionery, butter, cheese, bacon, hams, candles, dried fruits, pork, rice, shot, oatmeal, galvanised iron, coal, hay and chaff, potatoes and onions, malt, maize, bran and pollard, bottled fruits, pickles and sauces, preserved meats, jams and jellies, boots, and timber. On these and the goods made to carry a duty of 15 per cent. *ad valorem*, purely protectionist, the extra taxation amounts to £232,167. Those are simply luxuries and goods on which protective duties should be placed; and, therefore, the extra taxation which has been derived from exports which protectionists approve of taxing, would amount to £232,167, leaving only the extra taxation raised on imports, which all protectionists do not approve of taxing, at £24,391, or 1s. 3d. per head, or 10s. per year for a family of eight persons. Then, taking the tariff from a protectionist point of view, the extra taxation by the Government tariff was £256,558, and the extra taxation, according to all the divisions in Committee of Ways and Means, would have produced an additional £33,237. Then, from a freetrade point of view, I ask how would taxation be raised if we left luxuries alone? There are only two other ways. One is by means of an income tax, which must be the tax of the future, but it cannot be adopted at

present, because the leaders on both sides do not approve of it. Then we come back to the land tax. Taking a calculation on the annual ratable value of the lands in the colony in 1886, when everything was taxed to 8 per cent., I find that the lands of the colony, including both municipalities and divisions, are taxed at an average of 2s. in the £1 on the annual value; and the raising of this £256,558 by means of a land tax would mean a tax of about 2s. in the £1 in addition to what is now paid. An additional tax of 2s. in the £1 would only produce £277,190. Every country member knows that there is a howl of indignation from every farmer and selector if the rates are raised even 3d. in the £1; and if they were raised 2s., people would simply refuse to pay the taxes—they would repudiate them altogether and turn out the boardmen who ventured to impose such a tax. That tax of 2s. would be on land and improvements as well. If you took the land value only as against the improved value there would have to be an increased rate of 4s. on the annual rental value of all the properties within municipalities and divisional boards throughout Queensland to raise the extra £256,558. And if we took Henry George's idea, which is to raise all revenue by means of a land tax, it would require the whole of the rental of all the lands in the colony. Some will say that all this extra taxation ought to come out of the land, but I say it is a thing that the country will not stand. They would not have it in America, where Henry George preached his idea, and they will not stand it here. Reference has been made to the endowments to local authorities. I think it is absolutely necessary that they should be continued; but I think the time has come when some limit should be put on the amounts paid to municipalities with small areas. The sum of £37,000 paid to the Brisbane Municipality, which has only a small area, and the sum of £17,000 paid to another municipality, are very large amounts; on the other hand, there are divisions in the country with miles for every hundred yards which the Brisbane Municipality has to look after, receiving insignificant amounts compared with those large endowments. I think the country will support a scheme of that sort. As to public instruction, I hope there will be no curtailment in the expenditure in that direction. I think our educational system has met with the approval of the people in every electorate in the colony, and that any further expenditure in the way of technical education will be also greatly approved. In regard to new loans, I know, of course, that the Vice-President of the Executive Council has done his level best to let the people of England know that the basis of population should not be gone upon respecting the amount of our loans. It should be impressed upon capitalists there that the resources of this colony are really wonderful, and that any question as to the security we offer them is absurd. Look at the Government property around Brisbane, and within thirty miles of it. Look at our railways. Those things ought to be impressed upon the people of England, to show that their loans are secure. When our industries languish, as they do languish in all young and rising communities, and now that the industry of the North appears likely to languish, we have to face the question of raising loans. Our railway system is not complete. Railways taken part of the way towards their ultimate destination are useless. Look at the Cairns-Herberton Railway. That is doing nothing at present, and the only way we can see it through is by raising a loan. I think that the Committee will agree with the Treasurer when that matter comes on. Now, I listened very attentively and with great pleasure to the speech of the leader

of the Opposition, but it really came to this: that no new remedy was suggested, and in fact it pointed out how bad things would have been if the tariff had not been reconsidered.

The HON. SIR S. W. GRIFFITH: Or something else done instead.

Mr. POWERS: There was nothing else mentioned.

The HON. SIR S. W. GRIFFITH: We were not to propose an alternative scheme.

Mr. POWERS: The tariff was approved of by a very large portion of protectionist members on the Opposition side, and those members are still protectionists at heart, and therefore, I say the hon. gentleman has pointed out how bad things would have been if there had been no revision of the tariff at all. Then the hon. gentleman referred to the Estimates, and said they were wrong. But even if they were as wrong as the leader of the Opposition said, we should still be paying our way, which is satisfactory, as we should still have a surplus, and that is better than a deficit. I think we can have great confidence in these Estimates being correct. The Estimates of last year exceeded the amount expected in revenue, and the expenditure was less, so that the country will be satisfied that the Colonial Treasurer has brought in a fair estimate of expenditure and receipts. This Financial Statement, to my mind, could not have been more fairly put to the country, and I do not think the speeches made so far have shown that anything better could have been done. Things seem to me more hopeful, and I have very much pleasure, therefore, in congratulating the Colonial Treasurer on producing such a statement to the House and to the country.

Mr. BARLOW said: Mr. Jessop.—It has been stated that the Ethiopian cannot change his skin, nor the leopard his spots, and I think it may well be said that the present Government have shown that they cannot change their belief in regard to the policy of land alienation. Although last session was so short that we scarcely had time to shake down into our places, they came down with their old policy, the one old cry—land alienation—and in that one case, at any rate, they have been eminently true to themselves. Now, we have been told that taxation proposals should have come from this side of the Committee. My hon. friend, the leader of the Opposition, has been invited to state what he would have done under the circumstances. I think it is quite enough for him to find the law for the other side, without finding finance. He is under no obligation to suggest schemes of taxation, or to do anything else, but wait the course of events, until the present tariff, which has been so much eulogised by my hon. friend, the hon. member for Burrum, shall have extended itself to its ultimate conclusion. There is, perhaps, a little story which may enliven the debate, and throw a little light upon the subject by way of a parallel. I believe there are a number of persons who are waiting open-mouthed to seize the lands of the colony, and who will spare no time or trouble or expense to uphold this tariff. They feel and they know that this tariff is a bad saddle which has to be adjusted to the backs of the people of Queensland, and it is making their backs tolerably sore, and they are in hopes that they will cry out for a more wholesale system of land alienation. We may all have heard the story of the miner's boy who took a fancy to a bull pup, and this bull pup was progressing very favourably with its education. One day it seized the old father by the nose, and the boy did not pull it off; he sooted it on, and said, "Bear it, father, bear it, it will be the making of the pup." That is exactly what the

tariff is doing now. It has seized the people of the colony by the nose, and it is holding on to them, and, unless the people get thoroughly roused to a sense of the situation, I believe it will lead to a great deal of land alienation.

The HON. SIR T. MCILWRAITH: We can make the pup let go. Take the duty off coal for instance.

Mr. BARLOW: The hon. gentleman may threaten whatever he likes; with the majority he has at his command he may ruin whatever industry he likes. At present hon. members on the other side are absolute masters of this country, and I feel that we can do nothing else but try to do the best we can for the people, and cultivate a reactionary feeling. The hon. member for Burrum was very strong on the subject of a land tax; but he entirely forgot to mention what the land tax, as proposed by my hon. friend, was. It was a tax of 1d. in the £1 on the unimproved capital value of the land, with an exception of values up to £500. A man who had a holding worth £1,000 would pay a tax upon £500 of that amount. The hon. member for Burrum, in speaking of the *ad valorem* duties, mentioned the quantity of taxation laid upon the people, and the share which we had in imposing it. I am very happy to say I voted for a great many of those duties, and should certainly do so again. But I voted for them for a very different reason from that for which they were imposed. With reference to the remark as to the Railway Commissioners and their working the railways upon commercial principles, I certainly do not envy the position of those gentlemen who have, to a great extent, to make bricks without straw. They have got a large number of disjointed railways to manage, and I think they will find a difficulty in pleasing everybody, and still more difficulty in returning a profit upon the capital invested in those railways. We were told by the hon. member for Toowoomba something about the commercial principles upon which the New South Wales railways are being worked. I have heard of some railway engines in New South Wales that have been running for 640,000 running miles without any renewal, and I am informed that 300,000 miles is considered very large running in England, and 400,000 miles is out of the question. The consequence of working their railways in this way in New South Wales is, that they have now a demand made upon them for a quarter or half a million of money for rolling stock.

The HON. SIR T. MCILWRAITH: That is caused through working their railways on non-commercial principles.

Mr. BARLOW: I think if the hon. gentleman knew the source of my information he would be surprised.

The HON. SIR T. MCILWRAITH: You got it from the *Courier* this morning.

Mr. BARLOW: I got it from a very intimate friend of the hon. gentleman. The hon. member for Toowoomba has been charged with wanting to increase the taxation. But did not the hon. member last session plead for an increase in the duty on spirits? Did he not point out what the Government were losing by not doing that, and by neglecting to assimilate the duties on spirits to those which prevailed in the other colonies? Did he not also object to the repeal of the beer excise duty? I do not think he can be charged with attempting to increase the burdens of the people. He only attempted to improve the financial scheme submitted to the Committee on that occasion, a scheme which we had to swallow, and which all members on this side of Committee endeavoured to put in a position to

do as little harm as possible. We could do nothing against the majority which carried that tariff. Something has been said about the unremunerative branch lines of the colony. No doubt there are many unremunerative branch lines which do but act as feeders to the main lines. It is impossible to tell exactly where the traffic on a line ceases, where its benefits begin, and where they end. All we can do is to take the broad general results of the railway traffic, and they show a deficit of £400,000. The quarrel between hon. gentlemen opposite and members on this side is as to who shall pay that deficit. None of us denies that in a country like this, which is devoid of rivers, and in which internal communication is an absolute condition of existence, railway communication should not be established. We on this side say that the interest on cost of this should come from the property or the lands benefited by the railways, but hon. members opposite have resolved that it shall be paid from Customs duties levied on the general body of the people. A reference has been made to Mount Morgan, and a tax upon the dividends paid by Mount Morgan. Let anybody imagine what Mount Morgan is. It is a comparatively small area of land, chiefly held, I believe, upon lease, and out of that incalculable wealth is got. But when a proposal is made to tax anything of that kind, it is met by the same argument as the Vice-President of the Executive Council met my argument about a land tax last year. The hon. gentleman said, "We cannot get hold of the original owners," and that is the answer the hon. gentleman gives to every proposal to tax property or income and to make people contribute a fair share of their means and their substance for the benefits which they receive, and the expense to which the country is put on their behalf. But this question of taxing property is one that sooner or later will have to be faced, and in spite of the opposition of the hon. gentleman something will have to be done. The Vice-President of the Executive Council also stated that when he was member for Maranoa he opposed the Railway Reserves Act. I believe he did, when the Scottish Australian Investment Company were called upon to stand and deliver. We were told that the then Government, in passing the Railway Reserves Act, and selling land to make railways, acted the part of bushrangers, and when they wanted to sell the lands at Mount Abundance or Bungeworgorai, or some other such place, the hon. gentleman, in the interests of his constituents, and in the interests of the district, very properly withstood that measure, and I daresay that had any other hon. member been representing Maranoa, he would have done the same. But now the Government of the hon. gentleman have turned bushrangers themselves, and under the guidance of my hon. friend, the Minister for Lands, who spoke so strongly on the subject of land alienation, they propose to do the very same thing. Mention has been made about the surplus in the Treasury, when the leader of the Opposition took office as head of the late Government. I will not go into the whole matter now; it was fully raked up and discussed at the general election. But I have a strong idea that there were claims on behalf of pre-emptives, moneys which were returned immediately afterwards, which had to be paid out of that surplus, which the leader of the Opposition has been accused of having inherited, wasted, and dissipated. I say that against that surplus there were very serious claims. I know I fully satisfied my constituents, from the investigations I made, that the surplus was not really a *bona fide* affair. I have not looked up the matter lately, but later in this debate, perhaps, I can furnish particulars to other speakers, which

will show very clearly that there were serious claims which interfered with the efficacy and efficiency of this surplus in the hands of the leader of the Opposition. The present Government took credit for having added a surplus at the time they were in office, but they forgot to mention the good seasons and the very small railway deficit they had. It is useless to weary the Committee by reference to these tables, which have been read over and over again, but I contend that the deficit on the railways has been the real cause of the disarrangement of the finances of this colony. People may say what they like on the subject, but that is my opinion. The deficit was very much smaller in those days than now, and it is a continually increasing quantity. Good seasons, of course, promote settlement, and enable the revenue to be obtained, and set all the streams of commerce and life flowing; and the leader of the Opposition has been singularly unfortunate in having inherited, with this so-called surplus, which was to a considerable extent, in my opinion, mythical, seasons which prevented him developing the resources that were in his hands.

The HON. SIR T. McILWRAITH: What about last year?

Mr. BARLOW: That was a better year.

The PREMIER: Providence is kind to his own.

Mr. BARLOW: There is another person who is said to be kind to his own. The power of evil is generally credited with being good to his own. The tariff has produced, I notice, an extra amount in Customs and Excise of £241,944, and there is an apparent reduction of £116,846 in the deficit.

The COLONIAL TREASURER: A real reduction.

Mr. BARLOW: I will deal with that presently.

The HON. SIR T. McILWRAITH: Have you gone in for Table I?

Mr. BARLOW: Yes; I have dealt with table I, and I think the hon. gentleman must very much regret that he ever framed Table I. Without these extra duties the revenue would have been £125,098 to the bad at the end of the year, and that would have to be added to the deficit of £602,012 for 1888. If this Government had not put a check upon extravagance and waste, and had not shown the House their idea of what the expenditure of the country should be, and had not framed their tariff and put that ill-fitting saddle on the backs of the people, and imposed that additional taxation, the deficit for 1889, as I make it out, would be £797,110. It is a matter of simple addition and subtraction.

The HON. SIR T. McILWRAITH: That is all.

Mr. BARLOW: It may be very palpable to the hon. member for North Brisbane and to myself; but it is not so palpable to the people of the country. What I wish to show is that the finances were on a down grade, and that whether the leader of the Opposition or the hon. gentleman opposite had been in power, the result would have been the same, unless some vigorous measure of extra taxation was resorted to. There has been some complaint of misrepresentation of the Vice-President of the Executive Council, and I have taken the trouble to look over his address to the electors of North Brisbane, and I have taken a few notes of it. I may say that the hon. gentleman has been slightly ill-used in the matter, when it has been said that he promised to do without extra taxation. I do not find any promise of that sort in his address; but I find a very clever and, if the expression is parliamentary, I may say, a very artful insinuation that that would be the result

of affairs. That is the gist of that document to any person who does not construe it with legal accuracy. The words of that address are:—

"No one can study the Financial Statement"—

That is the statement of the present leader of the Opposition—

"without seeing in it throughout that the Premier can discover nothing in the future, as inevitable, but additional taxation."

What has the present Government discovered? Have they discovered anything or any way out of the difficulty, other than that of additional taxation? One of the first things they did was to introduce a measure of taxation, though by inference they professed to be able to do without it, in this very carefully worded sentence which I have quoted. Then the hon. gentleman found great fault with the estimated expenditure for 1886-7, exclusive of supplementary estimates, of £3,175,787, and said in very strong language that it was totally unnecessary and improper expenditure for this colony to undertake. Well, what do we find? In 1887-8, Mr. Dickson's estimate of expenditure was £3,180,302, and in 1888-9, when the hon. gentleman opposite brought down his Budget, his estimate of expenditure was £3,561,397, involving a deficit of £132,397, so that the estimated expenditure of £3,175,787 was a crime in 1887-8, while the estimated expenditure of £3,561,397 was a sort of virtue in 1888-9. That was the sort of criticism the hon. gentleman made in his address to the electors of North Brisbane. Another charge made against the present leader of the Opposition was—

"That the Land Act had ignorantly destroyed the best source of revenue,"

I daresay it did from the point of view of hon. gentlemen opposite. It was the best source in the sense of being so easy and manageable. There is nothing so easy as to make revenue by the sale of land if you can only get purchasers, and there is nothing which could put a Treasurer more at his ease.

The HON. SIR S. W. GRIFFITH: If he is a thriftless person.

Mr. BARLOW: Yes; if he has no resource beyond selling land, and has no regard for future consequences, nothing is so easy as the sale of land. So that my hon. friend the leader of the Opposition "ignorantly destroyed the best source of revenue." I daresay he did, but he saved the life of the bird that laid the golden eggs, and will lay them for centuries to come. I stand by the Land Act of 1884, no matter what the Government or anybody else may say. I believe its principles are correct, and sincerely trust that, while hon. members on this side have any power left, and can exercise any control over the affairs of this colony, they will not allow any serious interference with the principles of that Act of 1884. I think that in bringing in that Act and putting a stop to the reckless alienation of land, instead of "ignorantly destroying" anything, the present leader of the Opposition did one of the most statesmanlike actions that have been done in any country. Another charge that was made against the hon. gentleman, was that he was in doubt whether additional taxation was necessary, and the hon. gentleman opposite said in his address:—

"He is even in doubt whether additional taxes are required. That depends on whether he and the party retain power. If so, you will require to consider not only a land, but many other taxes."

Verily that prophecy has been fulfilled, and that without my hon. friend the leader of the Opposition remaining in power. Now, I wish to say a few words about this Table I. It is a curious coincidence that a great mind like that of the leader of the Opposition and a

small mind like my own, running in the same channel, should arrive at the same result. I have not had the slightest communication with the hon. gentleman, and I did not know his opinion upon the Financial Statement, but I have arrived at exactly the same conclusions from these figures in Table I, and if the hon. gentleman had had my paper to read from, he could not have given a more exact account than he did of what I imagine to be the right way to view this Table I. The main argument is that these figures, giving the liability in excess of assets, do really represent the true financial position of the colony. What do we find? The heading of this table is as follows:—

“Statement, showing the amount of Unexpended Votes, together with the Balance of the Consolidated Revenue Fund on the 1st July, 1887, 1888, and 1889, respectively.”

Now, I contend upon my own and upon the authority of other members of the Committee, that if the Treasurer was required to have a suspense account—if he was required to put in a box and lock up sufficient money to meet these outstanding liabilities, then the liability and deficit of the colony would stand as it is stated in the lower row of figures in Table I.

The Hon. Sir T. McILWRAITH: But he is not required to do that.

Mr. BARLOW: No; because he is allowed in the Estimates to ask for certain sums of money to be spent, and then, when he has got taxation imposed upon the basis of this spending, he is allowed to recall this money in the shape of lapsed votes. That is just what it amounts to. We find that there is a liability on the year 1888-9 of £263,418 7s. 8d. Of this there was paid from 1st July to 30th September, 1888, £173,990 4s. 8d., and the remainder of the amount, under the authority of the Audit Act, is carried forward. I do not care what the leader of the Opposition did or said when he was Treasurer. I contend that the sum of £352,009 14s. represents the amount for which the revenue is liable, which ought to be spent, and which if not spent was asked for under a misrepresentation when it was voted.

The Hon. Sir S. W. GRIFFITH: It will be spent.

The Hon. Sir T. McILWRAITH: It will not be spent.

The Hon. Sir S. W. GRIFFITH: Then the table is untrue—one or the other.

The Hon. Sir T. McILWRAITH: Your construction is untrue.

Mr. BARLOW: I do not bring charges of untruthfulness against the Government in the sense of telling a falsehood, but I say that if this table does not represent what it says it must be a misrepresentation.

The Hon. Sir S. W. GRIFFITH: It is correct within £20,000.

The COLONIAL TREASURER: I do not believe it is correct within £90,000. You set me a bad example.

The Hon. Sir T. McILWRAITH: The hon. member knows it quite well.

The Hon. Sir S. W. GRIFFITH: Yes, and so do you; but you don't like to admit it.

Mr. BARLOW: As to the probability of the absolute necessity of this money being spent, I will refer to it afterwards, but I contend that it is quite possible contracts may have been entered into for which the country would be liable. We have an instance of that in this contract at the back of the Parliamentary Buildings. A con-

tract has been entered into for a large sum, £13,000, which was voted for the purpose last year, and against which I protested.

The PREMIER: It is going on all the same.

Mr. BARLOW: Yes, and I know the reason why, but I am not going to trouble the Committee with that. I contend that this balance represents a real reduction, as stated by the leader of the Opposition, of the liability of the consolidated revenue fund of only £28,255, and therefore the deficit—the apparent deficit—instead of being £485,165, is really £573,757. The hon. gentleman is perfectly correct; no doubt every penny has been honestly brought to account, and this £485,165 does represent the debit balance of the consolidated revenue fund. At the same time, that has been arrived at by pushing into next year the excess of liability for expenditure represented by the difference between £263,418 and £352,009. I believe the practice in the House of Commons is that every vote lapses at the end of the financial year and has to be revoked, so that the Chancellor of the Exchequer knows exactly what his Budget is. He is not troubled with these questions of the possibilities of spendings, and lapsed votes, and writings off, and all that sort of thing. He goes to the House of Commons and says, “You voted £20,000 last year; we have only spent £10,000; we ask you for a renewed authority to spend the other £10,000.” In that way the Budget is always made to a pound. I believe the reason why that system was not adopted in New South Wales—from whom we got the principle—at the time responsible government was started was that there was such a system of log-rolling that they could never depend upon these re-votes. They never knew when a particular work might not be chopped in half by the refusal of the Parliament to give the re-vote. Therefore they adopted this principle, which has led to infinite confusion in that colony, of carrying those votes forward, treating lapses in the manner described in Table I. With respect to the Works Department, we were told that there is nothing pushed forward into next year. What do we find in Table J? We find that the balances of votes brought forward in that department were £13,000, that the Estimates-in-Chief for 1888-9 were £166,000, and Supplementary Estimates not yet voted, £8,000, the total appropriation being £188,413. Of that has been spent £85,582, leaving a balance unexpended—and I assume that when public works are asked for there is some intention to carry them out—of £102,831. That principle is carried out through Table I; it is the foundation upon which the table is based. As I said before, I never spoke to the leader of the Opposition on the subject, and yet we have arrived at exactly the same conclusion.

The Hon. Sir T. McILWRAITH: You both tumbled into the same hole.

Mr. BARLOW: It is all very well for the hon. gentleman to sit there and tell us we both tumbled into the same hole; but he is not the only financier in the Committee; he is not the only person who understands the subject; and I may tell him that we have not tumbled into any hole at all. I have no doubt we shall find, by reference to the practice of the other colonies, that this liability is always treated as the real and true balance of the consolidated revenue fund against the colony. It is not the cash balance, but the true balance setting forth the liabilities of the colony.

The Hon. Sir T. McILWRAITH: They have not the slightest notion of Table I in New South Wales.

Mr. BARLOW: They have something quite equivalent to it. I will now say a few words about the revenue and expenditure as shown in Table K. I find, reckoning from 1883-4, that the revenue went to the bad during those six years to the extent of £796,760. But what do we suppose the deficit on the railways was at that period? It was £1,710,909. So that if our railways had paid their fair share of interest on cost of construction, or if that amount had been received by taxation or in some other form, there would have been £914,150 to the good. And that shows, what I stated at the commencement of my remarks, that the railway deficit is the real cause of the disarrangement of the finances of the colony. The contribution per head of the population, shown by Table L, is a very considerable increase, and there is a very considerable increase in the Customs Department. Now, I was favoured with a return on the beer duty which I asked for, and I must say I cannot agree with the conclusions of that return, and I will endeavour to give my reasons. The return states that the amount of excise duty on beer which would have been collected, if the Excise Act had not been passed, would have been £34,279 4s. 6d., and it says, "The actual amount of excise duty on beer collected to 30th June, 1889, or for four months while the Beer Duty Act was in operation was £10,413 8s. 9d." It is very true that that amount was collected, but if hon. members will look at the statement of revenue for the year they will find that something like £4,000 of that was given back again. It was held in suspense pending the completion of the tariff arrangements, and then all the duty from the 12th September was refunded. Now, the true amount collected was £6,813 3s. 9d., to the 12th September. I find by the report of the Chief Inspector of Distilleries that the amount that was brewed for the year ending 31st March, 1889, was 3,014,625 gallons. The increase of the beer brewed on the previous year was about 500,000 gallons, and the population of the colony was going on at much the same ratio, so that we may safely infer that there was a yearly increase of 500,000 gallons. Well, rejecting the first three months of the year, and substituting the remaining three months, April, May, and June, 1889, we are entitled to add a fourth of the increase—namely, 125,000 gallons. As in the £6,813 3s. 9d. we had received duty on 545,053 gallons, that leaves a product of 2,594,570 gallons, and taking off 5 per cent., which is the allowance granted for "spoil" on beer, we gain 2,464,842 gallons as the amount of beer which was brewed and did not pay excise duty from the 12th September, 1888, to the 13th June, 1889. The equivalent of that at 3d. a gallon was £90,811, and the gain to the revenue on hops, according to this statement, and a dissection of the figures I have made independently, was £4,118, and on malt £12,079, making a total of £16,197. Suppose that all the hops paying the increased duty were used in the manufacture of beer, entirely exclusive of those hops used for other purposes—such as the brewing of drinks, and for bread-making purposes—granting that every pound of hops were used for the manufacture of beer, I contend there is an amount of £14,614 which has gone into the pockets of the brewers or the publicans, it does not matter which. They settle it amongst themselves, because, as I stated in my remarks made last session, I believe that the rules which regulate the sale of intoxicating drinks are quite distinct from those regulating anything else. I do not think anyone has got a larger glass of beer, or a cheaper glass of beer, by the repeal of the excise duty, and we find now that there is an agitation going on for an increase in the price of beer. That proves conclusively

to my mind that they are brewing from sugar, and that the increased price of sugar is causing the clamour for the increased price of beer. We all know that in country towns that is regulated by usage. In some country towns drinks are one price and in other places a different price, while there is no cause why they should be dearer in one place than in another.

The POSTMASTER-GENERAL: They are 1s. out West.

Mr. BARLOW: There are many places to which the cost of carriage is a great deal more than to other places, and yet the drinks are cheaper. There is no reason for it. It is custom, and when competition becomes a little keen the prices go down. But I contend that, whether it has gone to the brewers or publicans, the sum of £14,614 in excise duty on beer has gone out of the country into someone's pockets. Now, I have contended ever since I have had the honour of being a member of the Liberal party that taxation can come but from three sources. The sale of land, which is applying the proceeds of capital to pay interest; increased Customs duties which have been adopted; or taxation of property in some form or other. There are only three ways for the country to meet the continually increasing deficit which is brought about by the operation of our railways. I have not the slightest hope that the Railway Commissioners will make any impression on that deficit. I sincerely hope they may. If anything I could do or say would assist them, I would most cheerfully say or do it, but I believe it is an incubus which we cannot get rid of, but which we have to face. If they can grapple with it they will be wonderful men, but I am sure gentlemen coming here from the old country with large experience will never consent to any system of starving the lines or doing anything to bring about accidents, for which we shall have to pay heavy compensation. If they are successful in reducing this great and continually increasing burden in the shape of railways, they will well deserve their salaries and the thanks of the public, but I have very little hope. Now I believe that people do not know what taxation is here. In this country the rate of interest is so high. The Premier may laugh, but I say that the rate of interest is so high and the means of living so comparatively easy, that people do not know what taxation is as compared with the United Kingdom or America. The special rates that are levied in some parts of England and in many parts of the States of America are quite equal to the whole of our taxation, and a very large part of our taxation is not raised except from the public estate. It does not come directly out of the pockets of the people in any way whatever, and therefore the plea of extra taxation is a fear which only exists in the minds of those who hear it, and as for capital being frightened away, there is no likelihood of that happening so long as it can secure a high rate of interest. When a country is in such a state that there is no employment for capital, and the rate of interest is extremely low, then it is that capital runs away. Hon. members may laugh, but they will not laugh when these matters are brought forward at the next general election. They will not laugh when these speeches, which we are making against all hope, are quoted. There was a time in the history of Holland when the rate of interest was as low as 1 per cent. Of course, anything like considerable taxation of capital which is earning only 1 per cent., will cause that capital to go somewhere else where it will not be taxed, or where it will be taxed to a

lesser degree. There is no fear of anything of that kind in this colony as long as taxation is not of an outrageous character. It is all nonsense for people to say we shall drive capital away by any moderate system of taxation which will put upon those interests the taxation which they ought to bear, and which they should bear in consideration of the benefits they receive from the public works which have caused the deficit.

The POSTMASTER - GENERAL: And which the people will have to pay for.

Mr. BARLOW: Yes; which they will have to pay for. The difference between the hon. gentleman and myself is, what portion of the people of this colony will have to pay? Shall the persons who derive the direct benefits from these works pay for them, or shall the taxation be levied upon those persons who have large families to support, and who have to earn their daily bread by the labour of their hands?—that is the whole point of difference between us. This railway deficit must go on, in my humble opinion, for years. It cannot—I will not say it shall not; in the face of an overwhelming power such a word cannot be used—I say it cannot, and if the people are true to themselves, it shall not be paid by the alienation of land. It is almost always assumed, in connection with auction sales, that the alienation of land is the same thing as settlement. It is something like the story about Napoleon Bonaparte, who created desolation and called it peace; there is about the same distinction. I am quite willing, consistent with my views, to give encouragement to native industries, but I do say that this hybrid tariff—because it is a hybrid tariff—has pleased no one; and that it has produced as much as it has, is only due to the fact that the drought has caused the taxation to become operative upon a larger number of things than it would have been operative upon otherwise. If it had not been for the drought the tariff would not have produced what it has. It is no use, at this hour of the night, to go into columns of statistical figures to show how the revenue has increased, and where it has increased and decreased. The broad general principles laid down by my hon. friend the leader of the Opposition are as clear and distinct as ever they were. It is, capital *versus* the many; land alienation above all things as a means of revenue, and land alienation at almost any price. I do not blame hon. gentlemen opposite for being consistent advocates of their principles, but as far as I am concerned I shall resist to the utmost any attempt at sanctioning, or making possible, any large alienation of land; because I believe, with the hon. member for Toowoomba, that it is the very worst thing that could happen to this colony. I hope that the Estimates and expectations of the hon. the Colonial Treasurer, will be realised. Certainly the tariff, which was to do such wonderful things, is not paying off the deficit very rapidly. I have never regarded the deficit—£602,000—as something very alarming; and I say that those politicians who have made this deficit a bugbear, who went about the country crying out about the deficit and the deplorable state of our finances, did a great deal of harm to the colony. I should like to know what would be thought of any commercial man engaged in business, with large command of capital and unbounded resources, going about the country whining and crying because he had been obliged to incur a temporary overdraft? I believe that if the ordinary revenue had been left alone, and judicious taxation had been imposed upon the lines I have indicated, the deficit would have been liquidated without the oppressive measures that have been adopted to liquidate it, and that have only partly liquidated it; because, as far as I can understand, the liquidation will go on

for years. And if with that there had been that strict control over the expenditure which every Government should hold, I believe the deficit would very soon have disappeared. As to paying a trifle of interest on the deficit—

The PREMIER: Oh! you are a political Mantilini.

Mr. BARLOW: What about paying a trifle of interest on the deficit? Is there any urgent necessity that it should be squared up; that the whole country should be thrown into confusion by the squaring up of this deficit which does not amount to more than one-sixth of the yearly revenue? It was nothing more nor less than a cry, a good cry; it served its purpose.

The COLONIAL TREASURER: Only one-sixth?

Mr. BARLOW: About that. I will make it one-fifth if it pleases the hon. the Treasurer; it is quite immaterial to me. I ask what did New South Wales gain by the cry raised about her deficiency of £2,000,000? Is not that colony in as good a position now as ever she was?

The PREMIER: No.

Mr. BARLOW: She is not in the books, but she is in relatively as good a position as ever she was, notwithstanding the terrible outcry raised at that time about her deficit of £2,000,000. And I say that the political cry raised here about the state of our finances, when our deficit amounted to only one-fifth of the annual revenue of the colony, was a very poor thing indeed to publish to the world, and that the indictment against my hon. friend the leader of the Opposition, of running into extravagance and creating difficulties, was wholly unsupported by facts.

On the motion of the COLONIAL TREASURER, the CHAIRMAN left the chair, reported progress, and obtained leave to sit again to-morrow.

MESSAGE FROM THE LEGISLATIVE COUNCIL.

HEALTH ACT AMENDMENT BILL.

The SPEAKER announced the receipt of a message from the Legislative Council returning this Bill without amendment.

ADJOURNMENT.

The PREMIER said: Mr. Speaker,—I beg to move that this House do now adjourn. The first business to-morrow will be Supply; and after that the further consideration of the Civil Service Bill.

Question put and passed.

The House adjourned at 10 o'clock.