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1901-07-09

House of Representatives.

Mr. Speaker

took the chair at "2.30 p.m., and read prayers.

QUESTIONS

DISTRIBUTION OF HANSARD

Mr POYNTON

- It was stated some time ago that members of State Parliaments who desired copies of the Commonwealth Parliamentary Reports would, upon application, be able to obtain them each week ; but I have been given to understand by members of the Legislature of South Australia that they have not received their copies, although an application was made to the Clerk of the House there, and forwarded by him to the proper authorities.

Minister for External Affairs

Mr BARTON

. - I will undertake that the matter shall be seen to at once.

PACIFIC ISLANDS LABOURERS BILL

Mr PAGE

- I desire to know from the Prime Minister what is the - probable date on which the Pacific Islands Labourers Bill will be taken into consideration.

'Minister for External Affairs

Mr BARTON

. - I must ask the honorable member to give notice of that question for to-morrow.

ORDER OF BUSINESS

Sir WILLIAM McMILLAN

- Will the Prime Minister give .us an idea as .to what is to be the order ' of Government business this evening 1

Minister for External Affairs

Mr BARTON

. - After the -Minister for Defence has explained the provisions' of the Defence Bill, it is intended to proceed with Supply, and when that matter has -been dealt with, the consideration in Committee of the State Laws and Records Recognition Bill and the Audit Bill. During this week, though I am not able to say on what day, but possibly to-morrow, the Minister for Home Affairs will explain the 'provisions of the 'Inter-Sta': Commission Bill, and, after his speech,- the debate on the. second reading -will be adjourned to allow honorable - members further time for the consideration of the measure. I may add that it is also the desire of Ministers that the Customs Bill should be dealt with as- soon as possible.

FEMALE TELEPHONE OPERATORS

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Mr MAUGER

asked the Minister representing the Postmaster-General, upon notice -

Whether it is correct that the Postal department has in its employ in Victoria girls said to be learning the business of telephone operators working for three months without any payment ?

Whether such a practice is adopted in any other State ?

Whether the Government (if there are girls in their employ without payment in any of the Commonwealth departments) will provide for the payment of, at least, the minimum wage which private employers are compelled to pay apprentices under the Victorian Factory Act ?

Mr BARTON

- (1) It is correct. (2)I am not aware that such practice has been adopted in any other State. (3) The Government will provide for the payment of girls whose services are required at such amount as may be determined by the Minister or the Public Service Board.

SURCHARGED ENGLISH LETTERS

Mr A McLEAN, for Sir Langdon Bonython

asked the Minister representing the Postmaster-General, upon notice -

Whether his attention has been directed to the large number of letters received in Australia, surcharged threepence, owing to the senders being under the impression that penny postage prevails between England and Australia, as is the case between England and New Zealand, Canada, South Africa, and India ; and whether he thinks it desirable to take any action in order that the British public may be better informed in this respect?

Mr BARTON

- Attention has not been directed to any large number of letters received in Australia and surcharged threepence. It is not thought desirable to take any tuition in order that the British public may be better informed as to the postage rates that obtain in the United Kingdom, as that is a duty of the Imperial Post-office, and there is reason to believe that it has been properly discharged.

VICTORIAN TELEGRAPH MESSENGERS

Mr CROUCH

asked the Prime Minister, upon notice -

Whether, in view of the fact that the honorable the Premier for the State of Victoria, at the instance of the Public Service Board of that State, has consented to the payment at the rate of £90 per annum, from 27th December, 1900, to those officers previously telegraph messengers for ten years prior to 31st December, 1900, who, if they had remained in the department of the Postmaster-General would have been graded as postal assistants and been paid at that rate ; will he issue instructions that telegraph messengers who have been transferred to the Departments of Trade and Customs and Defence, who, if they had been transferred to State departments would have been entitled to the concession referred to, shall receive payment from 27th December, 1900, at . £90 per annum.

Mr BARTON

- Information in regard to this question is being obtained, and will be ready shortly.

NEWSPAPER POSTAL REVENUE

Sir EDWARD BRADDON

asked the Minister representing the Postmaster-General, upon notice-

Whether he will cause to be laid before this House a return showing -

As regards Victoria -

The revenue received per annum from the Victorian Railways for the carriage of bona fide newspapers. The revenue of the Victorian Postal department from postage on newspapers transmitted from the publishers to agents direct and to subscribers in post towns where there is no delivery by letter carrier ; and also on newspapers re-posted by news agents for subscribers in post towns where there is no delivery by letter carrier.

As regards New South Wales -

The estimated postal revenue to be earned if a charge were made on all newspapers excepting bona fide newspapers, carried from the publisher to the news agent direct, and excepting also those carried from the publisher or news agent addressed to subscribers in post towns in which there is no letter-carrier delivery.

The saving likely to be effected by the exclusion of hundreds of tons of tradesmen's circulars and other publications which are now classed as newspapers and carried free.

Mr BARTON

- This information is being obtained, and will be laid on the table as soon as practicable.

PARLIAMENTARY CLERICAL STAFF: DISTRIBUTION OF BILLS

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Mr SPEAKER

-I have to inform the House that, in consequence of the retirement of Mr. G. H. Jenkins, it has been necessary to re-arrange the staff employed at the table of this House, and the following appointments are being made, upon my nomination : Mr. C. G. Duffy, to be Clerk of the House, and Mr. W. A. Gale to be Clerk Assistant. It is not proposed to fill the position of second Clerk Assistant until an effort has been made to see if the work cannot be efficiently performed by two clerks at the table. I have arranged for files of all the Bills laid upon the table to be supplied to honorable members. They will find that the Bills already circulated have been filed for them in alphabetical order, and from time to time, as amendments are circulated and other Bills printed, they will be added to the files.

DEFENCE BILL

Secondreading.

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Minister for Defence

Sir JOHN FORREST

. - I move -

That this Bill be now read a second time.

I wish I were in better form this afternoon to address myself to this very important question. As this is only the second time that I have spoken in this House, I still feel a certain amount of diffidence, especially since my last speech seemed to cause so much alarm to some honorable members opposite, and especially to my old friend, the right honorable member for Tasmania, Sir Edward Braddon. I should like to assure my right honorable friend, and also honorable members of this House, that in my opinion at any rate, I am not a dangerous person. At the present time I have no designs whatever upon the Constitution. My only desire is to perpetuate that Constitution in the hearts of the people of Australia, and to make it a reality and a blessing ; and, in anything I may have said on the first occasion on which I addressed the House, I did not lose sight of that object. I may say, however, that I do feel somewhat nervous on having intrusted to me a subject on which my experience has not been very great in the past. My inclinations throughout a long political career have always been in the direction of the paths of peace, and have been very remote from the roar of cannon and the clash of arms. Therefore I want to say at the outset that I hope no one in this House will regard me, either now or for some time to come, as an encyclopedia of everything naval and military. I may say, too, that when I took charge of the Department of Defence, I was under the impression that I had not a very arduous duty before me, and that the department would not give me a great deal of work or trouble. Having been very much occupied with public affairs for many years past, I thought I should find myself in a haven of rest in taking charge of what I thought an easy department - the management of the defences of Australia. But I regret to say I find that I have undertaken to control one of the most difficult and one of the most expensive departments of the Commonwealth. What is more, I feel myself in the unfortunate position of controlling a department which takes everything in the way of money and gives nothing back, and, therefore, not a department to receive that support and assistance from the general public on ordinary occasions which are received by what are called paying departments, such, for instance, as that presided over by the Minister for Trade and Customs, which gives a great deal to the Commonwealth funds and asks very little in return. During the short time I have had control of the Defence department, I have found that, unless the Government and Parliament were to keep a pretty tight rein on the expenditure, there would be no difficulty in spending the whole of the funds placed at the disposal of the Treasurer under our Constitution. We could easily spend the whole of the funds, and like some other people, having got the money, still ask for more. There seems to be an idea prevalent - I do not think the idea is especially prevalent in the Defence department, but there seems to be an idea in the minds of people generally throughout Australia - that having obtained federation, this Commonwealth has all at once become possessed of vast stores of wealth. In the minds of those people there seems to be nothing we cannot do. Things which have been altogether impossible for the State Governments, from want of funds, seem all at once quite easy and practicable for the Federal Government. I have not the slightest doubt we will soon wake up to the fact that the Commonwealth has no money except what it gets out of the pockets of the people, and that the people who provided the funds in the past will have to provide them in the future. I do not want to make a Budget speech, or in any way to anticipate my right honorable friend the Treasurer in regard to the finances. But I wish now to instil into the minds of the people that, in regard to defence - so far as I am able to judge, under existing circumstances, with the section which some appear to think a great blot, but which I think a very good one, the " Braddon blot," staring us in the face - we cannot spend much more in the immediate future than we have been accustomed to spend in the recent past. If we are to obtain better results - and I feel sure we can - those results must be obtained by a re-arrangement, and a better and more economical administration. Perhaps it will surprise even some honorable members in this House to learn that the defence forces of Australia cost in the aggregate, for the year ending 30th June last, nearly £800,000.

Mr HIGGINS

- Does that amount include .war expenses 1

Sir JOHN FORREST

- It includes all those expenses paid by the respective Treasurers in the States. I do not know how the expenses were paid in all the States, but, of course, the amount does not include any portion paid by the Imperial Government, which would not be made a charge against the State finances.

Mr CONROY

- Does it include part of the sum paid in connexion with the Transvaal war ?

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Sir JOHN FORREST

- I have no doubt the amounts for which the States were liable and which came in for payment; during the year, were paid. I do not know, as I said before, what systems have been adopted. Some States adopted a system of paying so much a year, while others adopted a system of, perhaps, paying the whole sum at once. However, these are the figures. For the previous year, the expenditure was £659,975. The latter year, I am informed, did not go so far as the year before, inasmuch as the first mentioned year closed down sharp on the 30th June, whereas in some of the States, the expenditure was allowed to run on, as, I think, in this State, for two months. For the year 1900-1 the expenditure was £774,656, which represents an increase upon the expenditure of the previous year of £114,681. That expenditure was made up in this way : - New South Wales, £251,251; Victoria, £220,476; Queensland, £106,295; South Australia, £21,268 - I do not think there could have been very much expenditure in connexion with the South African war included in the last named amount, although there was undoubtedly in Western Australia's contribution of £56,419 and Tasmania's £12,942. Then there was £106,000 on account of the Australian auxiliary squadron, thus making the total expenditure for the year in connexion with our defences £774,656. The number of the forces in Australia on 1st March last, when the Federal Government assumed control of the Defence department, was 69,443. That number was made up as follows : - Permanent force 1,487, partially paid 18,603, volunteers S, S63 - making a total of 28,923 in what may be called the active forces. Then we come to reserves, which number 2,634; rifle clubs, which are represented by 29,252; and cadets, which include 8,635, making a total in all branches of the service of 69,443, or in round numbers 70,000, of which 29,000 are comprised in the active force. The defence system in these States is based to a very large extent upon the partially paid system which exists in Switzerland and in Canada. As far as I can see our system is almost the same as that which is adopted in Canada, and although it is different, still it is upon the same lines as those followed in Switzerland. In that country, which is supposed to be the model for what is called a citizen soldiery, they have 250,000 comprised in the active force and an equal number in the reserve. When the citizen soldiers get past the preliminary stage, they enter what may be termed the active force, and from that branch of the service, after attending so many drills, they are allowed to go into the reserve force, where there are very few drills - in fact only a few drills in a few years. However, they are all liable to be called upon to serve in time of war. These 500,000 soldiers cost Switzerland about £1,250,000 sterling per year. They are all partially paid, but at a very small rate. For instance, the soldier there gets 7 1/4d. per day, and in lieu of rations is allowed 9d., making 1s. 5d. altogether; whereas in Australia the ruling rate of pay - certainly as regards New South Wales, Victoria, and, I think, Queensland, and some of the other States, although I do not think it is so much in South Australia - is much higher. In Western Australia the men are paid at the rate of 1s. 8d. per day. There is, therefore, a very great difference between the pay of the citizen soldier in a country like Switzerland and his pay in Australia. In Canada, where they have adopted the system which, to a large extent, obtains in Australia, and which is also based on the Swiss system, the annual cost is about £500,000 sterling for the maintenance of a force consisting of 36,000 or 37,000. They are all partially-paid militia, and in fact, as far as I can see, the Canadian system is very similar to that which we have adopted here, and then which, having considered the matter to some extent, I cannot at present advise any better - the system of keeping a small permanent force to look after the forts, guns, and armaments, whilst the great bulk of the force consists of citizen soldiers, reserves, rifle clubs, and cadets. Though the cadets are not liable to be called out in time of war, still they form the nucleus - and, in my opinion, the foundation - of the future army in Australia. I believe that the popular feeling in Australia is altogether in accord with the sentiment which I have just expressed. I believe that public opinion is that what we have to look to for our defences in the future are the services of our citizens. Our experience in

South Africa has shown that it is the most economical system, and that for us it will be the most efficient. Any other system, I am sure, would not be in accord with the popular feeling, besides which it would cost altogether too much money. We have seen the intelligent colonist, with a very small amount of training, go forth to fight the battles of his King and country in South Africa, and there to meet the trained soldiers of the Empire. He has been able to win for Australia renown upon the field of battle, and I think I may say, without any boasting, that he has added lustre to the British name. Our citizen soldiers, as far as I have been able to judge, have proved themselves worthy to fight and do their duty under difficulties and privations side by side with the trained veterans of the Empire. I think we may confidently pursue that system in the future, seeing that we have had so recently evidence of its usefulness and efficiency. Whatever doubts we might have had - and I myself had doubts some years ago as to our ability to defend this country from foreign invasion by ships of war equipped with the most approved armament - I have no fear now but that we should be able to offer successful resistance. The experience which we have gained in South Africa will, I think, deter any foreign foe from making a descent upon the shores of Australia. The foundation of the Bill which honorable members have before them is that the sole power in regard to the army is vested in the Governor-General in Council. There will be a Minister to advise, a general officer to command, and there will be State commandants in the various military districts of the Commonwealth. Now it may be said, and with a certain amount of force, that to give the power of all appointments, and really of ultimate control of the army, to the Governor-General in Council, is not consistent with what we are doing in regard to the civil service. That matter will, I hope, engage the attention of honorable members, and doubtless those who have views with regard to it will favour us with their opinions. I may say, however, that so far as I have been able to ascertain, we have no precedent whatever to guide us in British countries - either in the old country or in these colonies, where democratic government has certainly had full sway for many a day. We have had no case whatever in which the Executive Government has been interfered with or restricted in its control of the military or naval forces. If we look at any of the States of Australia - to New South Wales, Victoria, or Queensland, or to others where they have recently passed statutes - it will be found that in every one of the States the sole control is vested in the Governor of the day. For my own part I do not feel justified - I did not feel justified and do not now - in striking out upon a new line in regard to this matter. It might be fraught with great danger, and place the country in a very difficult, and perhaps a very dangerous, position. I have always thought that the erection of buffers between the Government and those whom they employ is a reflection upon our good sense and our honesty. There may be practical difficulties, but at the same time I believe that the Government, responsible as it is to Parliament, is as likely - I should say more likely - to do the right thing as is any tribunal that may be erected independently of Parliament. I know from my own experience that I never made an appointment to the civil service of Western Australia during all the years I was there without first considering well how that appointment would be viewed by the Parliament and the public and we may depend upon it that we shall not find a Ministry in these days - it might have been so years ago, when public opinion was not so strong - inclined to flout public opinion and the opinion of Parliament. An Honorable Member. - What about the appointment the other day? The present Government have done it recently.

Sir JOHN FORREST

- I do not think so.

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Mr Reid

- What about the Public Service Bill ?

Sir JOHN FORREST

- That was manufactured over here. That is of the right honorable gentleman's manufacture. Some public men of these colonies - or, at any rate, some people have said to various Governments - " A Government will not trust you to make these appointments, but we will get someone else to do it, as you are not to be trusted - you, the chosen of the people and of Parliament, are not to be trusted, and therefore someone else must have the power of appointment." I say this is all wrong ; it is not responsible government at all.

Mr Reid

- But the present Government provided for that in the Public Service Bill the other day.

Sir JOHN FORREST

- Yes but the right honorable member for East Sydney brought in similar provisions before, and they have been in operation for many years. However, we will leave that point. With regard to the Defence Bill, in which the Governor-General is Supreme, and will act on the advice of his Executive Council, I do not anticipate for one moment that the opinions of the officers having the chief command of the army or navy will be ignored or flouted. On the contrary, I believe that in 99 cases out of 100 their recommendations will be implicitly followed ; but they may not be followed without demur in all cases, and instead of the Government being under the thumb or under the foot of the military authorities, they will be responsible to Parliament, and in times of difficulty will be able to say "No." However, that is not the object I have in view. I do not anticipate any difficulty at all, because I know" from long experience that most of the appointments made in the civil service, in 99 cases out of 100, are not made by the Minister at all, as the Minister does not care twopence about them, but are made on the recommendation of the permanent head of the department.

Mr REID

- That is not so with the appointments made by the present Government.

Sir JOHN FORREST

- My experience is that members of the Government very seldom indeed suggest appointments, but only confirm or approve of the suggestions or recommendations which come from below.

Mr Thomas

- Who suggested the appointment of Atlee Hunt 1 "Sir JOHN FORREST. - I can say this, that amongst the hundreds of appointments that I have made during the last ten years I do not suppose that I have ever seen, or, at any rate, that I have ever known, one tenth of the officers appointed.

Mr Reid

- They dare not question anything the right honorable gentleman did in the good old days.

Sir JOHN FORREST

- I may say that the desire I have in regard to the administration of the Defence department is that matters connected with finance - disbursements and expenditure - should be as far removed as possible from the control of the military authorities. It seems to me that it is worse than useless to obtain the services of an expert in military matters, and to expect to secure good administration if we hamper him with a lot of details as to expenditure. In my view he would, under these circumstances, be called upon to expend his energies in a direction in which we do not require them to be exerted by such an officer. Apart from that, it seems to me that economy will be encouraged by separating military expenditure from military duties as far as we can throughout the States. I will now refer to a few of the principal features in the measure in the order in which they appear in the Bill. I may say at once that the administration of the defences of the country is to be carried on by the Governor-General on the advice of the Executive Government. There is to be a military officer appointed who will be charged with the military command and discipline of the forces, and who will have complete control of the forces throughout the Commonwealth in regard to all such matters.

Mr Thomas

- Is that officer to be a soldier?

Sir JOHN FORREST

- He certainly will be. He will be the general officer in command of the military forces, and power is also given for the appointment of a similar officer for the navy. I am not so sure - I think it is very unlikely - that this naval officer will be appointed immediately, but no doubt the appointment will be made soon, although not so soon as that of the officer to command the military forces.

Mr CONROY

- Trust the Government to exercise patronage.

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Sir JOHN FORREST

- These two officers - the military officer commanding the troops and the naval officer commanding the navy - will have to make reports annually, and these will be submitted for the information of both Houses of Parliament. The Governor-General has power to declare any part of the Commonwealth a military district. I noticed somewhere that it was stated that the people of the various States would never be content to have their States called districts. I know what a great deal there is in a name.

Mr Reid

- Concerning the matter of administration - is the naval officer to be under the authority of the general officer commanding ?

Sir JOHN FORREST

- No, he is to be independent. The navy and the army are to be independent bodies, but both are under the control of the Governor-General.

Mr REID

- A nice prospect !

Sir JOHN FORREST

- It is the same everywhere. The Commander-in-Chief and the Lords of the Admiralty in England are not the same authority.

Mr Reid

- But where is our fleet ?

Sir JOHN FORREST

- I have said that we may not appoint the officer yet. This Bill is not for to-day - it is for all time.

Mr McCay

- It is like the present Ministry.

Mr REID

- The right honorable gentleman is not in Western Australia now.

Sir JOHN FORREST

- It is like the right honorable gentleman himself ; he is not here for to-day only. The idea in calling the different places districts is that we wish to break down as far as we can - in the military system at any rate - the notion that the permanent forces belong to any particular part of Australia. The men are Australian soldiers, and will not remain all their lives in one place - either at Albany, or Queenscliff, or Thursday Island. They will be liable to be moved about, just as are regiments of the Imperial army.

Mr HIGGINS

- Will these districts correspond with the States absolutely?

Sir JOHN FORREST

- No doubt during the first five years it will be obligatory, for financial reasons, that they should. The idea is that in the beginning the districts will have the same boundaries as the States ; but I need mention only one place to show honorable members how much more convenient it would be to have it otherwise, Take the case of Broken Hill for instance. That place can be much more easily commanded for military purposes from South Australia than from New South Wales - at all events till New South Wales does what I wonder she did not do years ago - build a railway to Broken Hill from Cobar. If I had been Premier of New South Wales, I would have built that railway years ago.

Mr JOSEPH COOK

- And "hang the expense !"

Sir JOHN FORREST

- The expense would be nothing if the line paid. Why talk of expense in connexion with a paying work?

Mr JOSEPH COOK

- I agree with the right honorable gentleman for once.

Sir JOHN FORREST

- No doubt these military districts will correspond with the limits of the States for some time to come - it may be for a long time - but there is power to make the boundaries different, and also to divide them into sub-districts, as well as to direct what forces shall be established in each district and sub-district, and what officers shall be placed over the forces, and to issue commissions to those officers.

Mr McCay

- Is it intended to have a commanding officer for each sub-district?

Sir JOHN FORREST

- Certainly not ; though, when a district becomes so important as to require a commandant, one may be appointed.

Mr McCay

- I do not mean a commandant, but a commanding officer.

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Sir JOHN FORREST

- Each sub-district will require to have some officer in command, but he will not be the commandant. He will be under the command of the commandant of the whole district. It is proposed that the district commandants shall be chosen from the defence forces of the Commonwealth. There is no restriction as to the branch of the forces from which a commandant will be chosen. He may be an officer of the permanent forces, or of the militia, or of the volunteers. That I think is a good provision, inasmuch as it will give an incentive to those officers who are in the militia to aspire to commands in the various districts when vacancies occur. In taking this course, I am not acting in accordance with the views of the military commandants, who think that the choice of the district commandants should be restricted to officers of the permanent forces. But after taking the matter into serious consideration and having regard to the small number of our permanent forces as compared with the large number of our citizen soldiers, and seeing also that we depend for our defence not upon the permanent forces only but upon the citizen forces, I have arrived at the conclusion that we should do everything we can to encourage our citizen soldiery. With that object in view, I think that the highest positions of the defence forces should be open to them.

Mr Reid

- Has the right honorable gentleman laid the report of the commandants on the table of the House ?

Sir JOHN FORREST

- Not yet.

Mr Reid

- Will the right honorable gentleman do so ?

Sir JOHN FORREST

- Yes. It will be observed that the Bill provides that -

No person shall be appointed an officer of the active forces until he has obtained a certificate of competency and fitness in the manner prescribed.

This is one of the most important points of the Bill. AYe are not going to have persons appointed to offices who are not competent to fill them. An exception is permitted under a later clause, where it is provided that if an officer has distinguished himself on the field of battle the examination need not be insisted upon.

Mr WATSON

- Is the right honorable ' gentleman going to abolish the gold lace, the expense of which has debarred many men from becoming officers ?

Mr Reid

- That will never be done.

Mr WATSON

- The expense sometimes runs into £100 for a uniform.

Mr McCay

- Oh, no. In Victoria an officer can get his kit for £15.

Mr Watson

- It is not so in New South Wales

Sir JOHN FORREST

- My experience is that the poorer a man is the more gold lace he likes.

An Honorable Member. - - If some one else pays for it.

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Sir JOHN FORREST

- I should like to direct attention to clause 15. I regard it as an important provision, and it is new to Australia, although it follows the rule that has prevailed in the Imperial service. The clause provides that -
No

combatant officer of the Defence Force above the substantive rank of major in the Military Forces, or above the rank of commander in the Naval Forces, and no adjutant shall hold the same appointment or command for a longer period than five consecutive years from the date of his appointment, whether such date occurred before or after the commencement of this Act : " Provided that in special cases the Governor-General may extend the term of the appointment or command for any period not exceeding two years. . In case of persons who have been more than five years in a command before this

Bill comes into force, the term may be extended two years with the approval of the Government. I think that is a very important and necessary clause. There is no doubt about it that, in regard to the army - as also in many other other instances, including even Ministries - changes do not do very much harm. The new broom generally tries to sweep as clean as it can. It is far better that there should be changes periodically. Five years appears to me to be a long enough term, with two years more if the Governor-General thinks it necessary to extend the time. That is to say, the extension of time has to be recommended in the ordinary course by the officer commanding. The period is long enough for one person to remain in one position. He is not prevented from getting another position in the Commonwealth. But the Bill lays it down that five years ordinarily, and in special cases two years more, is the longest time that any one man shall remain in a permanent office in command of the forces. It has been pointed out to me by those who seem to know, that it is all very well to have this rule in regard to the permanent forces ; in fact, the persons to whom I allude approve of it so long as it affects other people, but they do not want it to affect them. The permanent military forces, I have been told, do not like the provision, and the volunteer officers like it less. My idea is that in all these instances the forces will not lose in the end. There may be some exceptional cases, and, indeed, I may say, that some have been pointed out to me in which the whole life of the corps depends on one man. In fact the case of my honorable friend, the member for Melbourne, has been brought under my notice. I have answered in his case that after the honorable member has had seven years of it he will be very glad that there is such a clause as this in existence. Clause 16 is another very important one. It provides that in time of peace no officer, excepting the two general commanding officers, shall have higher rank than that of colonel in the military forces and captain in the naval forces, but that any officer who at present holds a higher rank may retain it. I think that in the interests of the officers themselves this will be found a good clause. It will enable changes to be made more easily. I believe that if this provision were not made, a great many would not avail themselves of promotion, because we cannot appoint a major-general or a brigadier general to a command which properly belongs to the rank of colonel, and such an officer would either have to forego his promotion or else forego the place available for him. In my opinion, the tendency to have too many high sounding titles in the army should not be encouraged. The rank of colonel for all except the chief officer in the military forces, and the rank of captain in the naval forces, is quite high enough. At any rate, these are proposals which I think will work very well. In Canada, or some other place - I am not quite certain where - the rank is even lower, so that this is not an original provision. Clause 17 is one of the most drastic in the whole Bill. It deals with the determination of seniority. As we are to have an Australian army, we must have an Australian army list, and the great difficulty will be to allot to each person already in the service his proper position. In some States, rank has been much more generously bestowed than in others. In some places, very restrictive provisions have been in operation, the rank of major being considered very high ; while in other States the rank is higher. In South Australia, for instance, they have a brigadier-general.

Mr Isaacs

- Would this clause allow a captain to be placed above a colonel ?

Sir JOHN FORREST

- It will enable that to be done. We have taken the forces of all the States, and clubbed them together, and bearing in mind the fact that one State has been generous in bestowing titles, and has given an officer who has only been a few years in the service a colonelcy, whereas in another State an officer, after 20 years' service, has been made only a major, this clause is essential. It would be very unfair when we bring all these forces together as one army, that the officer, who, after 20 years' service, holds the rank of major, and who in every respect perhaps, is equal, if not superior, to the colonel, who has only had five years' service, but who, through the generosity, or the rule prevailing in his State, has obtained quicker promotion, should not be able to secure the recognition of his rights. We should never have satisfaction under such a state of affairs.

Mr Higgins

- The Governor-General may determine these matters.

Sir JOHN FORREST

- This is the recommendation of the commandants, and I do not suppose for a moment that either the Governor-General or the Ministers are going to do this grading off their own bat. I have no doubt it will be

carried out in the ordinary way by some experts, probably by the commandants of the various States or districts who have technical knowledge, and who will submit a report for approval. No doubt that report or recommendation will be approved - at any rate, with but very little alteration. I do not think it is a matter in which the opinions of the Governor-General or of Ministers would be effective to any large extent. This is a very great power, but I do not see any other way of carrying out this work if we are going to give satisfaction to the whole of the services of this great Commonwealth. After the officers have been graded, the gradation lists will be published and will show the rank which each officer will hold from that date. For the future, of course, everything will be plain sailing. The rank of each officer will date from the time of his commission, and where two officers hold the same rank the one who has been appointed first will have priority.

Mr Reid

- Other conditions being equal.

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Sir JOHN FORREST

- No; I do not think that will be taken into consideration, because clause 21 provides that -

The seniority of officers in the active forces appointed after the commencement of this Act in their respective rank shall be regulated by the date of their commissions, and when commissions are of the same date by the order in which their names appear in the Gazette in which their appointments are notified.

When we get these gradation lists, we shall be on fair ground. The commandants recommended that the officers of the permanent forces should take precedence of all others of equal rank in the citizen forces. That is the rule in the old country, but it is not the case either in New South Wales or Victoria. Seeing that the system in Victoria and New South Wales has existed for many years, and also with the object of giving every encouragement to the main branch of our defences, the foundation of our defences - the citizen soldiery - we think that we should not make any difference whatever between those in the permanent forces and those who are only partially paid. We consider they should all rank alike according to the dates of their commissions. That provision has not been found inconvenient. It seems to work very well - so well indeed that it was some time before I found it out - and that being the case, I think we should allow things to remain as they are, when there is no noise about it. Let sleeping dogs lie. It seems to me that these dogs lie down all right, and why should we disturb them?

Mr Reid

- In time of war this plan might be disastrous. We might have a highly trained permanent officer below an infinitely less competent man.

Mr Fisher

- - Or the able one in front of the expert.

Mr Reid

- - -The presumption is in favour of the man who has been trained.

Sir JOHN FORREST

- If it was necessary the general officer would have to get some of them out of the way. There are many ways of doing it. In regard to the grading of the service, my own desire is - and I have no doubt that it will be so - that this "great power" shall be very gently used, and that in dealing with those who already hold certain rank, great consideration shall be given before that rank is taken away from them. That it is necessary that this power should exist, however, I have no doubt whatever. Honorable members will notice that there is a provision for a half-pay list. I am sure that honorable members sitting on the cross benches will prick up their ears at any reference to half-pay; which generally means that a man is getting some pay and doing nothing for it. At the same time, I do not see how we can administer an army without having some provision for the payment of those whom we are not able to provide with employment at the moment. I have no doubt that when the Estimates are being passed year by year, great attention will be given to the half-pay list, but it is still absolutely necessary that provision should be made for it. Then clause 23 provides for unattached lists. I do not suppose any one will object to that, because, so far as I can see, there will be no expenditure in regard to it, and it will give an opportunity of making appointments on these lists which will cost nothing.

Mr HIGGINS

- Is half pay always before retirement ?

Sir JOHN FORREST

- Not always; a man may get half pay for part of the time during which he continues in the service.

Supposing the honorable and learned member was Commandant of Western Australia - a position which, I am sure, the honorable and learned member would fill well - and supposing his five years were up, and we intended to appoint him to the very important position of Commandant of Victoria, there might be a few months, or six months, intervening before he took up the duties of the second appointment, and he would be on the half-pay list during that time.

Mr Higgins

- Is there any half pay for men who have finished their career ?

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Sir JOHN FORREST

- That is a different matter altogether, and one to which I will come later on. That is involved in the question of retiring allowance, gratuity, or pension. Under clause 24 it is provided that- -

The Governor-General may place officers of the defence force on retired lists with honorary rank not exceeding that of colonel in case of the military forces, or captain in case of the naval forces, and may appoint officers on the retired list to the active list, and their seniority shall be as prescribed.

Clause 25 provides for the compulsory retirement of officers and other members of the Defence Force at ages which are set out in the schedule. In any special case the Governor-General may extend the prescribed age for two years ; and officers are not to be permitted to retire when it is deemed expedient by the Governor-General that they should not do so. This is a very necessary clause, because there is no doubt that in all these States, both in the civil service and in the military service, where there is no provision made for pension or retiring allowance, men are kept on in their positions for a very long time after they have become unable to perform their duties as well as they used. I am not going to tilt against a practice which commends itself to others, but I have always thought that the best way of getting a competent service is to provide for retiring allowances, and I do not care in what way it is done, whether by making the members of the service contribute or otherwise. After men reach a certain age, there should be means provided by which they may retire upon a gratuity, an annuity, or something of the kind to which they may have subscribed themselves, or which has been provided under some actuarial arrangement. Where we have nothing of the kind in these States, though the time has not come yet, the time certainly will come, when hundreds and hundreds of people for whom no provision at all has been made will have to go, and then we will see some very painful results. Men who have served the country for many years, and have grown grey and old in the service, and unable to work as they used to do, will have to be told that they must go. I say we must do something for these persons ; I do not care in what way it is done - whether it is decided that they must contribute themselves or otherwise. I regret to say that I find, from reports I have, that there are a lot of officers in the Defence Force who are no longer as well fitted to perform their duties as they used to be. From New South Wales especially I have some reports of this kind. There are some persons there who are not as well fitted as they used to be to perform their duties, but it is not through any fault of their own. It is because they are getting old, and there being no provision for a retiring allowance, the Government and Parliament have naturally been reluctant to turn them adrift and say to them " We have no longer any use for you." This provision of the Bill will strike hard at that class of persons. It will remove them from the service, and we shall have to consider what we are going to do, dealing with each case either on its individual merits or in some other way.

Sir William McMillan

- Does the right honorable gentleman make provision in this Bill for those people ?

Sir JOHN FORREST

- We make no provision in the Bill, and unless the Commonwealth Legislature comes to the rescue, it seems to me that in the near future, at any rate, we shall find difficulty in providing for the cases of those who are immediately retiring. This provision deals only with compulsory retirement, and it will strike a blow at a great many persons now in the military service. The next clause deals with the question of leave of absence, and I thought the best way of dealing with this was to deal with it in the same way as it is dealt with in the Public Service Bill. We should, I think, make no distinction between the military and the civil service in the matter of leave, and, therefore, I have embodied clause 26, which makes the same

provision for leave as is provided for in the civil service. Honorable members will note that the Defence Force consists of the active forces, which comprise the small permanent force who look after the forts and armaments in the various States and the militia, who are partially paid, who have to undergo so many drills and certain duties, for which they are paid so much a year. Then we have the volunteer forces, consisting of those who are not bound to continuous naval or military 'service, and who are not ordinarily paid.

Sir Malcolm MCEACHARN

- Is the right honorable gentleman going to make any provision for a capitation grant to them 1

Sir JOHN FORREST

- They all have capitation grants now.

Sir MALCOLM McEacharn

- No.

Sir JOHN FORREST

- The only exception I think is such a case as the honorable member has in his mind, where men have made a bargain at the beginning that they do not want anything for their services. It often happens that men say - -"You do so-and-so, and I do not want anything," but after a little time they get tired of the arrangement, and say - "You might as well give me something."

Sir Malcolm McEACHARN

- I am not responsible for that, although it is the fact.

Sir JOHN FORREST

- Quite so : it is the fact. I know that we have one or two volunteer forces in Western Australia who are supposed to get nothing, but whenever they go into camp or serve on guards of honour, or do other work, they get paid, so that they are not really volunteers. Then we have the reserve forces, consisting of persons who have already been in the active forces, and have been transferred ; and there is a provision that persons who have served in the active forces for less than three years shall be transferred to the reserve forces only on approval by the district officer, and if they are certified as efficient. Next we have rifle clubs. They seem to be a very popular institution in Victoria, Western Australia, and I believe in other States. I think they cost too much in this State, where they are carried on on a different plan from that adopted in other places. It seems to me that the plan in Victoria is to require the Government to pay for everything, or nearly everything, and that being so, it is a very expensive item.

Mr Watson

- The money had better be spent on that than on gold-lace frills and other things of that kind.

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Sir JOHN FORREST

- We shall see. There are 30,000 members of rifle clubs, of whom 20,000 are in Victoria. In Switzerland the rifle clubs cost £360,000 a year, but of that sum £250,000 is provided by the clubs, and only £1 10,000 by the State. The towns and parishes have to provide the ranges, and rifle shooting is a favorite enjoyment on Sunday afternoon. In this State the ammunition alone which they fire costs an immense sum. I should be sorry to say how much, but if I said about £30,000 or £40,000 a year- perhaps £50,000- I think I should be near the mark. At any rate, it seems to me that if -we are to carry on the clubs as I desire, we should make good shots of the men. But it must be done on some plan which is not too expensive.

Mr Poynton

- . - Has the right honorable gentleman the aggregate cost of all the clubs in the Commonwealth ?

Sir JOHN FORREST

- I think so, but they are only beginning really to be established. Victoria, as I said, has 20,000 out of the 30,000 men.

Mr CONROY

- The clubs want to add. to the expense of the Commonwealth.

Mr Salmon

- That is a very unfair thing to say. It is absolutely incorrect.

Mr McCay

- The honorable and learned member is quite mistaken.

Mr CoNRoY

- I am very glad to hear that, if it is so.

Sir JOHN FORREST

- I have not the aggregate cost ; but it could be worked out from the figures I have. There are 29,000 members of rifle clubs, and a rifle club costs in New South Wales £1 12s. 9d. per head per annum, in Victoria £1 1s. 3d., and in Queensland £4 17s. 6d.

Mr Higgins

- Are volunteers and permanent men to be sworn to serve in any part of the world to which the Governor-General may think fit to send them ?

Sir JOHN FORREST

- If the honorable and learned member will wait a little while I shall come to that matter. I now come to the persons liable to serve. From clause 31 honorable members will notice that all male inhabitants of Australia except those who are exempt from service in the defence force who have resided therein for six months and are British subjects, and are between the ages of eighteen and 60 years are liable to serve. That, of course, would apply to a general call out, which would occur only in time of emergency, that is to say in time of war or invasion, or on the declaration or proclamation of such a contingency. I have some figures before me which show that if we called out those whom it is proposed to call out under the Bill, we should be able to muster 974,000 men.

Mr Watson

- How is the Government going to arm them ?

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Sir JOHN FORREST

- I am not talking of that. There are some exceptions to the calling out. In this regard I have been very considerate to honorable members, I have provided that we who make the laws shall not be liable to be called out. I have also provided that bachelors shall be called out first. Clause 34 provides for the division into four classes of the male population liable to serve in the defence force. The first class comprises all men between 18 and 30 who are unmarried, and these, I am informed by the Government Statist, number 380,000. The second class comprises all men between 30 and 45 who are unmarried or widowers without children, and it numbers 137,000 persons. So that those of us who are married will not be liable to be called out until more than half a million others have first been called upon. The third class comprises all men of the age of 18 and upwards, but under 45, who are married or widowers with children, and it numbers 245,000 persons. The fourth class comprises all men of the age of 45 and upwards, but under 60 years, and it numbers 212,000 persons, making in all 974,000 persons.' When it is known that we have a million men capable of bearing arms to defend their country, I think it will not be supposed that we can be attacked with impunity. It is, however, provided in clause 35, that except in times of emergency the defence force shall be raised and maintained by voluntary enlistment only, so that there is not very much likelihood except in times of emergency of many of us being called upon. Under clause 37 the Governor-General may cause to be raised, maintained, and organized in the manner prescribed such permanent and citizen forces, and may equip them and build ships. In fact, he may do everything that is necessary to maintain a force. It is also provided that if any one in the militia or volunteer forces feels that this Act places upon him any obligation which he did not understand, he can retire. I do not suppose that any one will find this provision so burdensome as to require that step. Provision is also made that every military corps of the citizen forces shall be established in and for some place in a military district. The Governor-General may disband any corps. The period for which men shall serve in the permanent forces shall be that which is laid down by regulation, and in the other forces three years. It is provided that an oath shall be taken and that those who object to take an oath may affirm. I think this is a very necessary provision. I do not see why we should depart from the custom which has prevailed from the earliest times of a soldier, taking an oath to be true and loyal to his country and to his king. From my reading I can remember that, in the days of Rome, the induction of a soldier into the ranks of the army was surrounded with a great deal of ceremony in order to impress upon the man the solemn nature of the obligation he was incurring. Although it may not be so necessary in these days as it was then, I think that it is just as well to surround duties of this kind with as much solemnity as possible, and, therefore, I have provided that persons who enlist as sailors or soldiers, to serve in the active forces, shall take and subscribe the

oath. Clause 48 provides that the Governor-General may - call out the active forces, or any part thereof, for any military purpose wherever he deems it expedient, and also at such times and in such manner as may be prescribed, and that he may call out the defence force or any part thereof for active service anywhere within the Commonwealth, and also without the Commonwealth for the defence thereof, at any time when it appears advisable so to do by reason of emergency.

Mr Higgins

- Then the permanent forces of the Commonwealth can be sent to India.

Sir JOHN FORREST

- They are to be so called out only in cases of emergency. The same clause provides that the Governor-General may - direct in case of emergency that the members of rifle clubs shall be enrolled as members of the active forces, and that, so long as the emergency exists, they shall be deemed to be members of the active forces, and subject to drill, training, and discipline to the same extent as members of the militia and volunteer forces.

The words - without the Commonwealth for the defence thereof are intended to provide for an emergency in which it may be necessary, in order to defend the Commonwealth, to send forces to some place outside it, such as Fiji. The men who will be liable to be called upon to serve without the Commonwealth will be the small body of permanent men who are employed to man the forts and to look after our armaments generally.

Mr Watson

- They are to go away and leave the forts unmanned.

Sir JOHN FORREST

- There will be other men to man the forts if the permanent men are sent away. No member of the citizen forces - and those men constitute the vast majority of the whole body - will be required to serve without the Commonwealth - unless he voluntarily agrees to do so for the defence thereof . . . or in the case of the naval forces while training on board ship.

Mr Crouch

- Who will control the permanent forces while they are serving without the Commonwealth?

Sir JOHN FORREST

- That is provided for in clause 52.

Mr Reid

- Does the right honorable member provide for the taking of the oath by members of the federal forces ? There is no law at present in force to allow of that to be done.

Sir JOHN FORREST

- At the present time there are the various State laws. Without the provisions which I have read, it would not be lawful to send the forces of the Commonwealth beyond its territorial limits, or even to send the naval forces more than three miles from our shores while training on board ship. There is, however, no provision whatever under which citizen forces may be sent beyond the limits of the Commonwealth, unless they have voluntarily agreed to serve without the Commonwealth. It was not thought necessary to make that restriction in regard to the trained soldiers of the permanent forces.

Mr Watson

- Will the right honorable member explain the provisions of clause 51, which give a district commandant the right to call out the forces ?

Sir JOHN FORREST

- Clause 51 gives the district commandant the right to call out the whole or any part of the force within his command only in case of emergency, when he has no time to communicate with the Governor-General. In this big country there may be occasions when it may be necessary for the district commandant to take action in that way.

Mr Watson

- There are plenty of telegraph wires throughout the Commonwealth.

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Sir JOHN FORREST

- There may be times when the telegraph wires will be cut, so that there can be no telegraphic communication for weeks. To show how far one part of Australia may be separated from another in the

matter of mail communication, I may mention that recently, when a very sad event occurred in my family, a letter took fourteen days to reach Melbourne from Perth.

Mr McDonald

- That is a very strong argument for a transcontinental railway.

Sir JOHN FORREST

- The Bill contains a number of provisions for drill, training and inspection, discipline, arms and accoutrements, transports, billeting, ranges, courts martial, execution of warrants and sentences, and offences, in regard to which, although they are very important, I have nothing of special interest to say.

Sir Malcolm McEACHARN

- Has this Parliament the power to make the Melbourne Tramways Company convey members of the defence force free 1

Sir JOHN FORREST

- Clause 70, to which the honorable member refers, deals only with the railways and tramways which are the property of the Commonwealth or of a State. I think that it would have been well, if it had been possible, to fix the rates of pay in the Bill, but the rates of pay now existing are so various that it will take some little time to make uniform rates for the different grades and ranks throughout the service. We may, however, be able to do it before the Bill gets through committee. In Victoria the maximum amount of pay which a man can earn is £7 10s. a year. That amount is given to the man himself, but in addition, every man of the partially paid forces costs the State £15 10s. In New South Wales these men are paid at the rate of 8s. per day, and can earn £9 10s., which goes to the men themselves, but, in addition to that amount, they cost the State £17 16s. 7d. each. In Western Australia there is a capitation of £2 a head, which does not go to the man himself, because he is 'a volunteer'; but when he is called out for an Easter encampment, for guards of honour, and for escort duties, he receives 8s. a day, which comes to £5 17s. a year. In South Australia a man gets £5 a year, but I do not know how much more he costs the State. In Queensland a partially paid man gets £6 10s. a year, and costs still 4 10s. in addition, while a volunteer costs a corresponding amount. Honorable member will thus see that the ordinary rate is about 8s. a day, which is a little bit more than the minimum wage for labourers in the various States.

Mr McDonald

- They do not all get that minimum wage.

Sir JOHN FORREST

- Honorable members can well understand that people who have to work for their living cannot afford to give their services for nothing, except on public holidays, however ardent may be their desire to serve their country as soldiers. A man cannot afford to give up half-a-day's wages in order to go soldiering, however much his inclination may be in that direction. I believe there is an attempt, as far as possible, to work those days into the holidays, but, unless a man be paid his ordinary wages, he would actually be out of pocket, and in these days we cannot expect that. In the country it is different. A good many people there who join the volunteer corps are not laboring men, or men working for daily wages, but are young farmers and others who can get away for an afternoon's drill, without any great loss to themselves. In the centres of population, however, it seems to me that if we want a large citizen force we shall have to pay for it.

Mr PIESSE

- Are civil servants paid as well as other men?

Sir JOHN FORREST

- I believe civil servants are paid.

Mr PIESSE

- Then they are twice paid.

Sir JOHN FORREST

- I do not know how many civil servants attend drill, but, so far as I know, no difference is made between them and other members of the forces, so far as payment is concerned. The civil servant, instead of looking on, if it be a holiday, takes his part. He has to get leave and, altogether, perhaps, he manages better than do the others. I am not speaking with authority, but, from my knowledge of the civil servant, I should think that he gets paid - I mean that if pay were offered to him I do not think he would refuse it. Clause 81 deals with military cadets, and in these I think we have the foundation stone of our system.

Mr Isaacs

- Before the Minister for Defence leaves Part 3 of the Bill, will he kindly tell us why the amounts mentioned in the clauses are printed in italics ?

Sir JOHN FORREST

- I do not know. The printer has done that ; and all I can say is that he had no instructions to print in italics.

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Mr Isaacs

- That is sometimes done in one Chamber, but not generally in this Chamber.

Sir JOHN FORREST

- I think the idea is to draw particular attention to the amounts.

Mr Isaacs

- Then the printer has succeeded.

Sir JOHN FORREST

- As I say, the military cadets are the foundation of our system. Those of us who had the opportunity and the satisfaction of seeing the cadets at the great review at Flemington the other day, were, I am sure, very pleased and proud. We propose to obtain the services of the boy at school as a cadet, and to encourage him to become a senior cadet, when, I believe, he will not require very much more encouragement to join either the militia, the volunteers or some other portion of the defence forces. We shall not only teach him the drill, but we shall also teach " the young idea how to shoot." I believe that from the schools we may hope for good results for our citizen soldier system. It will be noticed that cadets are not liable for service in time of war, but that, of course, goes without saying. Clause 111 provides that there is nothing to prevent the Australian soldier from fighting for his King and country if he volunteers to do so, as, I am glad to say, he has done already. He has, however, to do it of his own free will. There is nothing in the Bill to compel members of the militia or of the volunteer forces to serve beyond the limits of the Commonwealth, unless they are desirous of doing so. I would like to refer to clause 116, because all those things I have been talking about as necessary to be done, mean the expenditure of a large sum of money. Clause 116 of that clause provides -

Nothing in this Act shall be taken as an appropriation of any public money, and no member of the Defence Force shall be entitled to receive any payment under this Act out of the public moneys unless and until provision for such payment is made by the Parliament.

That clause protects the Government and protects the country from all sorts of claims that might be raised by ingenious persons who might endeavour to make out that this Bill appropriated money, or that the army regulations, the articles of war, or something else entitled them to consideration. Clause 117 provides -

The Governor-General may make Regulations whereby married members of the Permanent Forces shall be compelled to insure their lives for the benefit of their wives or families, and such Regulation may authorize the prescribed rate of premium being a first charge against the pay of such members.

That, I think, is a very useful clause. It is applicable only to married men, but I do not see why the provision should not go further. That, however, is a matter which may be considered in committee. By clause 118 it is provided that the Governor-General may make regulations for establishing a fund - For the payment of annuities or gratuities to members of the Defence Force permanently injured in the performance of their duty.

There is at present no sufficient provision in this respect. Under the same clause the Governor-General may make regulations for establishing a fund -

For the payment of annuities or gratuities to members of the Permanent Forces who are retired on account of age or infirmity.

This clause calls to mind the case I referred to just now. When men are no longer able to work as well as they used to, and when their services should be dispensed with, there is at present no provision whatever for them, and in the past these men have been retained, with an inefficient service as the result.

Sub-clause (2) of clause 118 provides -

The regulations may prescribe the amounts to be paid to the fund by each rank.

Sub-clause (3) is an ingenious provision, gently inferring that Parliament may assist the fund. It reads -

Any sums appropriated by Parliament for the purpose shall, subject to the regulations, be available for the purposes of this section.

The sub-clause does not say that Parliament shall do anything, but gently infers that Parliament might do something.

An Honorable Member. - Does that give Parliament the power?

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Sir JOHN FORREST

- I think it is a very good plan that in all these services the men should be made to contribute, and that the Government should assist them. In the Western Australian police force there is a similar provision, which, while certainly on a small scale, has done a great deal of good, though, perhaps, not so much good as it ought. In that State the Government provide annually a grant, and the men contribute so much to the fund from their pay. This provides a gratuity when the men retire, and in some cases the gratuity amounts to many hundreds of pounds, which are very welcome when a man becomes old, and is leaving the force. The best solution of the pension question is, in my opinion, to make the men contribute and then for Parliament to assist the fund. Sub-clause (4) of clause 118 provides that trustees of these funds are to be appointed by the Governor-General. I come now to the last clause, which gives general power to make regulations for carrying the Bill into effect. Honorable members will notice that the Acts mentioned in the first schedule are to be no longer applicable. I see the draftsman has not actually repealed the Acts, but by clause 5 it is provided that the State Acts specified in the first schedule shall not apply to the defence force of the Commonwealth ; and I suppose that is a more gentle way of getting rid of the Acts than, perhaps, the rough and ready plan of repeal, to which some exception might be taken. The second schedule sets out the ages for the compulsory retirement of officers of the Commonwealth military and naval forces ; while the third and fourth schedules describe the oaths to be taken. I have now dealt with all the provisions of the Bill to which I am able to draw attention at the present time; and I shall only say one or two words more, regretting, as I do, that I have already taken up too much time. At the commencement of my remarks I said that I felt some diffidence in this task, not having had very much to do with the defence forces in the past ; but really I ought not to have said so, because I was Defence Minister for many years. Still I had not much to do with the drafting of Acts, being engaged too much with other matters to pay much attention to the subject of the defence forces. Personally, I have given a good deal of attention to this Bill, in the preparation of which I have been greatly assisted by the commandants of the various States. I have also obtained assistance from all sources from which I thought I could profitably get it. I have sought aid from persons in the permanent force, in the militia, in the rifle clubs, and in the volunteers. Persons holding commissions in these forces have been consulted by me in a more or less private manner. I must say, however, that the Bill before honorable members is not in the shape in which it was submitted to me by the commandants.

Mr Reid

- Then they did submit a draft bill?

Sir JOHN FORREST

- They submitted a draft Bill with a report, which draft Bill and report I have not the slightest objection - if honorable members desire it - to placing upon the table of the House. The foundation of this Bill is, to a very large extent, the Bill prepared by the commandants, but in very many particulars alterations have been made, so that while I thank the commandants for the assistance which they have rendered me, it would not be right to allow it to be assumed that this Bill is in any way the same as that which they prepared and submitted. It is not the same measure, and I take the sole responsibility for all the provisions which it contains. As I take it to be the desire of honorable members that they should have the commandants' Bill and their report before them, I shall have no objection whatever to placing those documents upon the table of the House. Among honorable members of this House there are many who have had military experience, either as officers or non-commissioned officers. I believe that one of my colleagues was a sergeant ! I am sanguine, therefore, that I shall receive a great deal of assistance from those honorable members in the perfecting of this Bill. I have been urged to include in this measure other provisions which have not been included. One of them relates to the appointment of a Council of Advice. I was advised to erect a Council of Advice whose function it would be to advise the Minister. But it seemed to me that in the present condition of affairs that suggestion was not a practicable one. In order to have

an effective council of advice it appeared to me that the members of the council must almost necessarily belong to one State. We could not get a council of advice to meet, if one member of it belonged to Western Australian, another to Queensland, another to Tasmania, and another to New South Wales. It seems to me therefore, that at any rate, until we get more settled, it is far better that the Government and the general officer commanding should be responsible to this House than that a committee of advice should be appointed, which committee, unless its members were confined to the State in which the Government might be located would have very little opportunity of meeting.

Mr Reid

- The right honorable gentleman would not need an Act for that purpose ?

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Sir JOHN FORREST

- No. I think it is preferable in our present circumstances to trust to the Government and its naval and military advisers, assisted by committees if necessary. There is nothing to prevent our getting committees to advise us from the beginning if that course is desirable. One of the advantages dangled before the eyes of the public by myself and others who advocated federation was that union would mean the more adequate defence of the Australian continent. One of the principal reasons advanced why "Western Australia should join the federation was that the people of the Commonwealth would be obliged under the Constitution to defend that State from invasion.

Mr Mahon

- And to do so they must build the railway!

Minister for Defence

Sir JOHN" FORREST

- I do not think that we can be defended unless we have the railway. We all know that it was part of the contract, and it is idle to talk about defending Western Australia from invasion without providing the means of getting to that State.

Mr McDonald

- Who were the parties to that contract f

SIR JOHN FORREST

- All of us. I think that if federation is to be a living force in this country it must not be allowed to sleep. It must be in the minds of the people and its good effects must be visible. The removal of all restrictions of trade within our own borders, the universal post and telegraph regulations, and the federal civil service will all help to keep the federal light burning. I hope too that the federal defence force, scattered throughout Australia - which will not always be the same defence force, or consist of the same personnel - will operate as a strong federal light to the people. Before sitting down I would like to say one word with regard to the chief command of the forces. Whatever we may do in the future, I think that it is obligatory upon us now, to place at the head of our military forces, one of the most distinguished officers in His Majesty's army - one who has seen active service, and who has distinguished himself in South Africa.

Mr Watson

- There are plenty here who have done that.

Sir JOHN FORREST

- There are not many here of vast knowledge and experience, perhaps. We want one of the best men in the Empire to start this machine,' whatever we may do afterwards. We want a really good man to initiate our system of defence. We also want a man who is known to have a great regard for citizen soldiers. I believe, in fact I have reason to know, that we can obtain such a man, and if I remain at the head of this department, I intend, whoever is appointed, to do my very utmost to see that the defence forces are placed upon a really solid foundation - a foundation upon which we can build, and which will be likely to endure.

Mr Poynton

- Can the right honorable gentleman give us any idea of the cost of defence under this Bill ?

Sir JOHN FORREST

- I think I have said enough to show the general scope of this Bill, and if I have not dealt as fully with some points as some honorable members might desire, I can only plead that I do not yet consider myself a military expert. I can only say that I have felt some difficulty in doing justice to such a very important

subject.

Mr. REID

(East Sydney). - I would suggest that the debate be adjourned. I do not ask for a long adjournment ; but the Bill came to us only this morning, and it would be of great advantage to members in considering the Bill, if they had the benefit of seeing the reports of the commandants and their draft Bill. Those will help us very considerably. I would suggest that the debate be adjourned for a fortnight, and I move - That the debate be adjourned.

Motion agreed to ; debate adjourned.

SUPPLY

In Committee

(consideration resumed from 4th July,

vide

page 2106), on motion by

Sir GEORGE

Turner -

That a sum not exceeding £1,010,732 be granted to His Majesty towards defraying the services for the year ending 30th June, 1902.

The CHAIRMAN

- I have to inform honorable members that I propose to adopt a new practice in conducting proceedings from the chair. It has been the practice in this House for the Chairman to always rise on submitting a question. This is inconvenient and sometimes very irritating, and as it is the practice in some of the State Houses for the Chairman always to retain his seat, if there is no objection on the part of honorable members, I shall follow that course in future.

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Mr Watson

- May I be permitted to suggest that some confusion might arise under the proposed alteration, if the Chairman retains his seat in putting a question. The effect might be that honorable members might not be quite aware of the question being put. The rising of the Chairman draws the attention of the committee to the fact that the question is being put, and I would respectfully suggest that the practice initiated by yourself, Mr. Chairman, should be continued.

The CHAIRMAN

- It is my intention to always rise when submitting a question finally.

Mr Reid

- That will suffice.

Mr CONROY

- Does that apply also to each clause of a Bill 1

The CHAIRMAN

- Yes.

Mr REID

- I would suggest to my right honorable friend, the Treasurer, whether as a mere matter of arrangement a mistake is not being made in putting down the Federal Parliament as if it were a department under the Minister of External Affairs. If my right honorable friend will look I think he will see that the same mistake was made in the schedule 'of the Supply Act, in which the Senate and the House of Representatives, Hansard, the Parliamentary Library, and the Refreshment room are all- put down as if they were sub-departments under the control of the Minister for External Affairs.

Sir George Turner

- They must be under some Minister for financial purposes.

Mr REID

- I suggest for my right honorable friend's consideration whether it would not be better to adopt the course which I believe prevails in more than one of the States, that is, that whilst we all understand that the Prime Minister is the Minister who deals with these things in the House, the fact- is recognised that the departments themselves are not under the control of the Prime Minister. For instance, the appointments made 'to the various offices in the Senate and the House of Representatives are not under the control of

the Minister, but are made by a specified arrangement. I would suggest that the arrangement in the Supply Bills under which the Senate and House of Representatives are put under the Minister of External Affairs is perhaps an inconvenient arrangement, and that they should be put, as they are in the States, as separate from the ordinary departments of the Government.

Sir George Turner

- We put them under the Chief Secretary's department in Victoria.

Mr Barton

- They are under the Chief Secretary in New South Wales. The headings begin with " Executive and Legislative," I think.

Mr REID

- But the departments are kept under quite separate totals on separate pages, and are quite distinct.

Sir George Turner

- When dealing with the Estimates I will look up the practice in the various States.

Mr Barton

- I think they are' always under the control of the Prime Minister who, nevertheless, is very chary about departing from the recommendations of the President or Speaker.

Mr REID

- It is no doubt necessary to submit the Estimates as they are framed by the President and the Speaker, and, I believe, the practice is for the Government to put them on in that form, even when they intend to object to an item or an amount. I have no doubt that that is a very proper course to follow. With reference to the amount of this Supply, I do not feel inclined to complain of the fact that the Government are asking for three months' supply instead of one, because I have always considered that an application every month for Supply, although in one sense a very convenient arrangement, enabling members to review a very large number of matters, constitutes, as a rule, a very serious obstruction to public business. Therefore, I do not take any exception to the fact that the Ministers have made an application for three months' instead of one month's Supply. We are under a very great difficulty in dealing with these amounts, because as yet we have no list of the officers in the public service, and we are somewhat in the dark as to the arrangements which the Government have really made. I find a number of differences in the amounts which are being paid to the heads of the different departments, and this is also a very inconvenient and unusual arrangement. For instance, in the Supply Bill, which is now the Supply Act, there was a proposal that the secretary to the Minister for Home Affairs should have a salary of £400 a year.

Sir George Turner

- That is not the secretary to the department.

Mr REID

- I should think that would be the private secretary to the Minister.

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Sir George Turner

- An objection was taken to the term " private secretary," and that official is now called the " secretary to the Minister"; whilst the permanent head is the " secretary to the department."

Mr REID

- It is rather awkward to have the term " secretary to the Minister " applying to the Minister's private secretary. Speaking of these private secretaries, I must say that I strongly object to the fact that these gentlemen who are called private secretaries are not taken from the ordinary ranks of the services of the States. I feel that a necessary incident of the present system is that every Minister who comes in is bound to dispense with the services of the private secretary appointed by the previous Government.

Sir George Turner

- That cannot be done ; the officer is in the public service.

Mr REID

- Does the right honorable gentleman mean to say that the present Prime Minister can fix a private secretary for me, if I come into office subsequently?

Mr Barton

- May I be allowed to explain what it was that I said on this subject on a former occasion? I said that I

intimated to the gentleman who was formerly my private secretary, and whose title has since, by the desire of the House, been changed to that of secretary to the Prime Minister-that he could not expect to remain as private secretary to any successor of mine, and that therefore he would be liable to be displaced at the will of that honorable gentleman, whoever he might be. After I made this statement to him, his salary was voted, and his designation was altered to secretary to the Prime Minister ; the question afterwards arose whether his status should not be relegated to the consideration of the commissioner for the public service.

Mr REID

- If the gentleman in question is now to be considered a public officer; every Minister can introduce some one into the public service at a high salary compared with the salaries paid to the bulk of the public servants. Persons having no public service experience whatever and no claim at all to a salary of £400 a year can be appointed to the Commonwealth service, and to positions of pre-eminence over hundreds of officers in that service.

Sir George Turner

- The Public Service Act will block that.

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Mr REID

- Oh, I see ; it can be done only once, by my right honorable friend. That is what it comes to. If such appointments are to be blocked afterwards it means that an objectionable thing has been done once. Of course, I can only express my own opinion, but I do think it would have been preferable if a Minister requiring the services of a secretary had chosen some person from the ordinary services. Such a person any Minister who succeeded to office might have taken as his secretary. But one would have a decided objection to taking as his private secretary a gentleman who had figured as his political opponent under other circumstances in another State. It might be my lot, or that of any other honorable member in this Chamber, who happened to become Prime Minister of Australia, to have under this system a private secretary who had been in political opposition to him. That is highly objectionable. I think it is equally objectionable for another reason that these gentlemen whom Ministers have chosen from amongst the ranks of their political supporters should come into the service in that way. There are hundreds of civil servants who have been ten and fifteen years in the service, and who are not getting £400 a year. I certainly hope that it will be understood by any person who occupies the position of a secretary under the circumstances I have mentioned that, so far as I am concerned, I will certainly recognise no claim of theirs to be regarded as members of the public service, and as having a right to employment after the Ministers who have brought them into the service under the conditions I have described retire from office. I certainly wish to make that statement clearly. It would be infinitely better that Ministers who required such assistance, and it may be a very proper thing for them to have it, should find in the ranks of the public service some competent persons to be employed in that capacity. If an appointment is made from the ranks of the public service, there is an improvement in the condition of perhaps hundreds of public servants below the gentleman appointed. The reason I attach so much importance to these matters is that if you take a man out of a State department, and promote him to some of these positions that are being filled at present, you create a healthy stream of promotion that may go right through the public service, bettering the position of hundreds of individuals ; whereas if you bring in a person from outside, there is no such movement. The movement of promotions stops at the very time when it should flow most freely. I do not desire to say anything with the object of reviving a debate that has already taken place, but I may say that if I had been here at the time I should have strongly opposed the appointment of Mr. Atlee Hunt, just as I have strongly opposed the appointment of Mr. Fegan. If you are going outside the public service, there is no reason why Mr. Fegan should have been abandoned, and Mr. Atlee Hunt taken in. I scorn the suggestion that has been attributed to me that I opposed the appointment of Mr. Fegan because he had been a miner. Such a suggestion is a contemptible one. I have the highest respect for Mr. Fegan personally, and always have had. But the principle that I object to is introducing strangers to the Commonwealth public service when it is not necessary to do so. Mr. Atlee Hunt is another gentleman for whom every one must have the highest respect ; but the - same objection applies to him, and for the same reason. However, the appointment has been made, and the House has condoned it. I believe that the honorable member for Bland tested the feeling of the House in regard to Mr. Atlee Hunt's

appointment, and there is on record a list of the honorable members who condoned that act of the Ministry. I do not wish to revive the matter now, or to refer to a subject which is practically closed, except that I want to place on record the fact that I am 'strongly opposed to the course which has been taken. I regret that there are other instances in which a similar course has been followed. Several gentlemen have been brought into the public service from other positions. Four or five of them have been, unfortunately, political opponents of mine. I think it is a pity, where the Ministry could have selected gentlemen concerning whom there could have been no feeling, that they have imported into the Commonwealth service gentlemen with a political record antagonistic to the party which I represent. I repeat that it is a great pity, and I record my protest against it. But I now want to go away from that matter, and direct the attention of the Government to a matter which I think has not yet been completed. Therefore there is some utility in drawing attention to it. The appointment of Mr. Scott from the Brisbane Post-office to the head of the postal service of the Commonwealth was a very strong step. I believe the salary attached to the office originally was £800 a year. Of course that salary made the appointment beneath the acceptance of a gentleman like the Deputy Postmaster-General of Victoria, who I understand is getting a larger salary than £800 a year. He is a gentleman who I believe is universally regarded as the man who ought to have been selected as the head of the Postal and Telegraphic department of Australia. That is the opinion of those who held similar positions in Sydney and South Australia. Sir Charles Todd, the Deputy Postmaster-General in South Australia, and Mr. Lambton, who has just retired from the public service of New South Wales, after 40 years' service, both looked upon Major Outtrim as pre-eminently fitted for the position. Mr. Scott having received the appointment, and the idea in the public mind being that the salary was to be £800 a year, I find that the salary attached to the office upon the Estimates is £1,000 a year. That is £100 less than the amount which the Deputy Postmaster-General of Victoria receives at the present time. Mr. Scott is over 60 years of age. Major Outtrim is in the prime of life, and in every way he was entitled to this position.

Mr JOSEPH COOK

- He has been at the head of his department a great deal longer than has Mr. Scott at the head of his.

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Mr REID

- Yes. He has been at the head of a department compared with which the Brisbane department is a mere room. The number of persons in the Queensland department is smaller, I believe, than the number of persons in the General Post-office in Bom-ke-street, leaving out all the other postal officials in Victoria. It seems to me to amount to a reflection upon the distinguished officer marked out by common consent for this position. It looks like a reflection on that gentleman unless he has had the offer of this office at £1,000 a year, and not at £800, which would be £100 less than he was getting. It places him in a very unfair position if an offer is put to him in a form in which he cannot accept it; and, if then a gentleman is put over his head, and the moment that gentleman is put over him a salary is attached to the office which Major Outtrim would have accepted. I consider this is a strong step. I do not want to criticise the Ministry too closely in these matters, because everything is in a state of transition, and the Postmaster-General comes from Queensland. But I cannot too strongly protest against this tendency to put a man at the head of a department according to the State from which the Minister comes who is in charge of that department. What principle is there in the contention that, because Mr. Drake happens to be the Postmaster-General and comes from Queensland, that this Commonwealth department, which will employ thousands of officers, should have placed at its head a gentleman who also comes from Queensland? If there is any objection to Major Outtrim, I think the public have yet to discover what that objection is. In the ordinary course of events, he or some gentleman holding a similar position in the larger colonies, if fit for the position, certainly should have had the refusal of the office at £1,000 per year, and not at £800 or £500 per annum. I do not desire to speak too strongly about the case, because Mr. Scott was at the head of the department in Queensland. I have no doubt from that fact that he is a fit and competent person to be at the head of even the Commonwealth Postal department.

Mr JOSEPH COOK

- Mr. Scott was only recently moved up to the position of Deputy Postmaster-General in Queensland.

Mr REID

- Although I do not wish to speak too strongly in these matters, I do feel that some strong language is

called for in reference to the next matter to which I am going to call the attention of the committee. Not content with bringing down from Brisbane Mr. Scott to be the permanent head of the Commonwealth Post and Telegraph department, the same Minister brings down from Brisbane, to take the position next to him, that of assistant-secretary - a position in which he will be trained to assume the position of Mr. Scott when Mr. Scott retires - which cannot be at any distant date if he is over 60 years. This gentleman, who is brought down to take the post of understudy to Mr. Scott in the general management of the postal service of the Commonwealth is absolutely an officer taken from the junior class in the Brisbane Post-office. It seems to me that that is indefensible. There are no less than ten or eleven officers in the Brisbane post-offices who are all in a higher grade, or receiving higher salaries, or who are at any rate senior- to him. Many of them are greatly his seniors.

Mr Watson

- What salary was he receiving 1

Mr REID

- I believe he got a promotion to £400 a year in 1899. Before that he was receiving £330 per annum. I wish it to be understood that I do not desire to pass any reflection on Mr. Oxenham on any account whatever.

Sir George TURNER

- I am told he is entitled to £500 a year in the Queensland Post-office, and that he will get £600 in the Commonwealth service.

Mr REID

- That settles it. My right honorable and learned friend, however, would not settle his business in that way. I know him too well for that. What is the use of the Postmaster-General telling him that, as if it were any explanation of the matter? As a matter of fact, Mr. Oxenham was drawing £400 a year from the Queensland Government at the time he was transferred, and there were ten or eleven officers senior to him. He was not in the first class at all. Now he is not only promoted over the heads of ten or eleven officers in his own office in Brisbane, but he is promoted over scores of officers in Sydney, Melbourne, and Adelaide. I do not say one word against Mr. Oxenham ; indeed I think we all rather envy him his good fortune, and no one will suspect his competency. He may be a most competent officer. But assuming that he may be a most deserving and most competent officer, my right honorable friend must know that there are a number of officers in the postal service of "Victoria who have been there for the last 30 or 40 years, who are still in the prime of life, and who are in a much higher grade than this gentleman ever was in. All these officers in Sydney Melbourne, and Adelaide are put on one side in order to bring a second officer from Queensland, and now we have a great Commonwealth department-

Mr Page

- And there are plenty more good men there, too.

Mr REID

- I have no doubt of that, but still the honorable member cannot fill the department with Queenslanders.

Mr Page

- We will try.

Mr REID

- That is what the Queenslanders are trying to do. My honorable friend is perfectly straight, and I want to congratulate my honorable friends from Queensland on the success of their efforts.

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Mr Page

- Honorable members from New South Wales have not done too badly.

Mr REID

- It seems to me that whilst it may be a matter of- provincial' ambition

On the part of my honorable friend to. bring all the men he can from Queensland, we must not be blind to the rights of men who have been labouring in the public service for 30 or 40 years in other parts of Australia. We really must act as guardians of the interests of hundreds of men whom- we never see, can never hope to see, and perhaps will never know. In Queensland, as I have just pointed out, there are no less than ten or eleven officers who are senior to Mr. Oxenham. I ask, if this officer must come from Queensland, why did not one of these ten or eleven men get one of the offices 1

Mr PAGE

- Perhaps Mr. Oxenham is the most able man.

Mr REID

- Perhaps he is. That, however is rather a reflection on the others, and I do not think we are called on to reflect on ten gentlemen in that way. I defer to anything that is said about Queensland by Queenslanders, because they must know more on the point than we do, but we know something about officers in the other States, and it is certainly a libel on those officers to say that there are not men senior in service and rank in Australia who are quite as able as Mr. Oxenham to take this position. I do not want to labour this matter at all. I discharge my duty when I simply place the matter before the committee. I do not think, however, that the office has yet been filled. I noticed a statement in one of the newspapers that the appointment of Mr. Oxenham was to be made at the next meeting of the Federal Executive, -so that it is quite possible that the appointment has not yet been made. I do ask the members of the Cabinet, with all due respect to Mr. Drake - who no doubt has belief in the perfect competency of this gentleman - I do appeal to them, if there is yet time, to consider the claims of other officers in the other post-offices of Australia. I strongly appeal to the Treasurer on this point. Can it be a good thing in the administration of an immense department such as the post-office will be in Australia, that both the head and the assistant head should come from one spot in Australia, the city of Brisbane ? When the enormous bulk of the postal and telegraphic business is done in Victoria, New South Wales, and South Australia «an it be a sensible business arrangement that if you go to the head officer in the Postal department, or if he is out and you go to the second head, you will still be talking, to Brisbane, and are not talking to a man who has had any wide experience of postal business in Australia, such as is acquired in great capital, cities like Melbourne or Sydney ? I think this a lamentable mistake on the part of the Government, and I hope, if the appointment is not yet made, the Government will see the vital importance of having in either the head or the second officer a gentleman more familiar with the working of the postal business of Sydney or Melbourne than Queensland officers can possibly be. I do not wish to bring into this matter any sort of party attack because we are in Committee of Supply at a time when ' we want to get on with business. Still I think it my duty to bring the matter under the notice of the committee. We are very much in the dark, as I have said, in these Estimates on account of the form in which they are at the present time. It would have been well if we had had a list of the officers already appointed. As Ministers know, in the ordinary conduct of business in the States we know the names of all the officers, and we have a schedule placed before us giving the name, length of service, and so on of each officer. In this particular case we have nothing whatever to guide us. The Public Service Commissioner - and I suppose that appointment has not yet been made-

Mr BARTON

- No.

Mr REID

- I saw the announcement that a very worthy gentleman, Mr. Topp, and I am sure his efficiency for such a position no one would question, was (to be appointed, but I see that his name is since mentioned in connexion with another appointment, which I understand he has accepted.

Mr Barton

- The right honorable gentleman may like it that in the case of these Bills involving important appointments we have purposely refrained from discussing the question until the Bills are passed or on the verge of passing.

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Mr REID

- So far as the Public Service Commissioner is concerned, Ministers know thoroughly what his duties will be, irrespective of whether the Bill is passed or not. Ministers knew the scope of his duties almost before the Bill was brought in. It is of very, great importance, of course, that that gentleman should be appointed, because the Prime Minister will admit that he knows now what the scope of his duties will be, and the sooner Ministers are relieved from what they themselves must consider an abnormal state of things, the better. The policy of the Public Service Bill is to relieve Ministers from the position they are in at present, and I admit it is rather an invidious one. The Public Service Bill will relieve Ministers from it, and, I think, will greatly add to their comfort. I know it would be so in my case. I am sorry Ministers have not

themselves adopted the course of appointing temporarily officers in the public service where they are required, because in that case those officers would not be prejudiced in their former positions if the final arrangement involved further changes. No harm would have been done to the gentlemen themselves or to any other person, and in the event of the confirmation of their appointment there would have been a stream of healthy promotion right through the service. That is the reason why I attach so much importance- to, and regret so deeply appointments that have cut off that stream of promotion. However, I have said all I wish to say in reference to that question.

Mr McCAY

- I think, when we took up this schedule of Supply and turned, as one always does, in such cases, to what Mr. Mantilini called the " demnition total," it gave a good many of us somewhat of a shock to know that the first quarter's supply of the Commonwealth we are now getting under weigh amounted "to £1,010,000. I confess it gave me a good deal of shock, and caused me to make certain investigations into the Supply Act which we passed last month, into the Convention's estimates of the expenditure of the Commonwealth, and into the Estimates or Appropriations as passed in the various States of the Commonwealth with respect to transferred departments, during the years immediately prior to their transfer. I am not here to-day to blame the Government, but I do think there are certain facts and figures which it is desirable we should all have before us, that we may realize where we are going, because, if my inferences from the figures I hold in my hand are correct,-we have started upon a career which is exceedingly delightful, until we come to pay the piper. We have started upon a career which, so far as I can make out, in a rough way, means that the Commonwealth is going to cost anything like a million a year more to the people of Australia than the conduct of the various departments by the -various States has been, costing. I am not going into details upon the matter, but I propose giving the committee and the Treasurer some figures taken from official documents. I had the curiosity to compare the schedule just placed before us with the schedule of the Supply Bill passed last month, and I notice that the process of department making is proceeding very merrily indeed. I notice that between the months of .June and July the salaries alone of officers who are being permanently appointed have increased at the rate of £24,000 per annum, that is to say, there is £24,000 more of salaries provided for in this document of four pages than in the one we had last month.

Mr Watson

- The honorable member means at the rate of £24,000 a year more.

Mr McCAY

- Yes; and if we realize that in spite of all the care we may exercise we have not nearly completed the formation of new offices, and the ultimate appointment of new officers, necessary for what may be called new services of the Commonwealth, we shall see that if we go on at that rate month by month, when the annual Estimates appear before us later on in this year, if there is a corresponding increase in our salary list, the list for new services of the Commonwealth must be surprisingly large.

Mr Conroy

- Over £300,000 " a year extra.

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Mr McCAY

- If the honorable member will allow me it does not come to .that yet, for the new services, according to my calculation. I propose to be very brief, and what I have to say will consist chiefly of a comparison of figures - a comparison of the state of affairs that we actually have presented at the present moment in this new schedule, with the Convention's estimates of new services of the Commonwealth made in 1897. With regard to transferred services it may be said that it is not to be wondered at that the Convention's estimates have been exceeded, because the State expenditure on those services has been growing in the meantime. But with regard to new services of the Commonwealth, there is really no - reason why the Convention estimates should have been exceeded. The services for the Senate, House of Representatives, Parliamentary Debates, Library, Refreshment-room, and incidentals connected with Parliament House, were estimated, so far as I can gather from the estimates of the Convention, at £28,400 per annum. I may say, with respect to this, that I have had to arbitrarily group some of the items in the Convention's estimate, because the details of the Convention's estimates are not the same as in the schedule placed before us. Already, in connexion with the group to which I have referred, the annual

expenditure provided for in this schedule - and I presume the Treasurer will tell me if I am wrong in assuming that this schedule is merely as all Supply estimates should be, the ordinary annual expenditure, and does not contain any unusual items - the Estimates provided for in this schedule for the group to which I have referred already come to £26,268 per annum. In other words, we are already within £2,000 of the limit allowed in the Convention's estimates, and I doubt whether we are yet at the end of the expenditure. There is a noticeable thing in connexion with this matter, and it is that a very large portion of the expenditure appearing in this schedule is for incidentals and contingencies, and what that means exactly we do not know. The next group I have taken is the Executive Council, External Affairs, and Attorney-General. It is difficult to separate exactly in the Convention's estimates what has reference to these departments.

Sir George Turner

- External Affairs and the Attorney-General were not provided for in the estimate of the Convention.

Mr McCAY

- They were not. There ' was a number of things not provided for in that estimate, and the inference I draw from that is not what the right honorable and learned gentleman draws, that, therefore, these increases are not to be exclaimed against or remarked upon. The inference I draw is that we should be all the more careful to be within the estimate of expenditure arrived at by the Convention.

Sir George Turner

- £60,000 was allowed to cover these different things.

Mr McCAY

- Every penny of it is gone, notwithstanding all the fresh appointments that we certainly shall have to make in many departments. The only estimate in the Adelaide Convention was £2,000 a year, and already we have £8,701 a year provided in these Estimates.

Mr Higgins

- What is this for 1

Mr McCAY

- The Executive Council, the Department of External Affairs, and the Attorney-General's department.

Sir George Turner

- The £2,000 was for the Executive Council only.

Mr McCAY

- I shall come to that. But these errors which run first one way and then the other will disappear in the total if the Treasurer will wait. For the Department of Home Affairs, which includes Public Service Commissioner, and Electoral Office - not electoral expenses, which I, for the present, leave out, because they seem to run into about what the Convention's estimate was- -the total was £10,745 per annum, and the expenditure already provided for in the present schedule is £16,400 per annum. This department has already outrun the Convention constable.

Sir George Turner

- The honorable and learned member is taking in all the repairs to public buildings.

Mr McCAY

- I am not.

Sir George Turner

- Then, how does the honorable and learned member get his total t

Mr McCAY

- I will show the Treasurer, if he likes, a schedule with every item marked. I will tell him the items -that I have left out under the head of Minister for Home Affairs in this new schedule. I have omitted £1,300 for repairs, £9,300 solely for maintenance, and the re-vote of £12,000. The other items are actually all salaries except the ordinary contingency vote. That comes to £16,400 a year now, and we know that the Home Office is not half constituted. We have heard two or three times of the staff of-

Sir George Turner

- How does the honorable and learned member make it £16,4001 It is £2,700.

Mr McCAY

- There is the vote for the Public Service Commissioner, which the Treasurer has not looked at yet.

Sir George Turner

- Yes, I have.

Mr McCAY

- There is also the vote for the Electoral Office.

Sir George Turner

- The honorable and learned member makes the serious statement that it amounts to £16,400, and that goes out to the public. I do not make it anything like £16,400.

Mr McCAY

- I have multiplied the quarterly allowance for the department by four to get the year's allowance.

Sir George Turner

- That sum is about ten times as much as it really is.

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Mr McCAY

- There is a sum of £6,300 provided in the Public Service Bill for the Public Service Commissioner and his six inspectors, and that money will have to be paid. Then we have for the Treasurer and Auditor-General a total sum of £3,500 allowed - at present. The Convention allowance was £12,500, but the right honorable and learned gentleman will agree that when the Commonwealth commences to collect fees it will require officers to collect them, and that the expenditure will then run up considerably. Then the new expenditure on the Customs is already at the rate of £3,630 a year, on defence £5,600, and on the Postmaster-General's department £4,950.

Sir John Forrest

- There will be savings on the State expenditures.

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Mr McCAY

- I have not seen them yet ; I shall come to that later on, and we shall see where the savings have been so far. Altogether, that makes a total of £83,700 of new expenditure per annum according to the schedule, and the total of the Convention's estimate for these items of the expenditure was £68,145.- In other words, the estimate of all the items which can possibly be taken has already been exceeded by £15,000. If we add to the expenditure already incurred under this schedule the estimated expenditure made at the Convention - and if what we have just seen is a sample of how likely the estimates are to be correct, we must fear that they also will be exceeded - items that have not yet begun to be amongst the spending items, including an allowance of £10,000 for the expenses of the Inter-State Commissioners, and I think we may be very certain that it will not be less than that sum, the total already comes to £287,000. I have taken in everything else as estimated at Adelaide, although I - am very much afraid that in many cases it will prove to be an under estimate. The Adelaide allowance was £245,000 and £55,000 for contingencies. In other words, the whole of the Adelaide estimate has been absorbed, and nearly the whole of the margin of £55,000 for contingencies. It is perfectly evident from such facts as these that we have to watch where we are going. There is already a great deal being said about Commonwealth extravagance, and I am very much afraid when I look at these figures that there is some justification for the taunt. I did not make this short investigation with the object of finding that it was so. I entered upon it with the view of ascertaining whether the allegations were correct. We have a great many new appointments suggested in this latest schedule, - and we have other new appointments in contemplation. I would suggest to the Ministers that such figures as these show that it is their bounden duty to see not whether we can do with a new officer, but whether we can do without him. I have no doubt that we shall be told that that is being done. I have no doubt that we may be told - and it may be true - that no appointments yet made or contemplated can possibly be avoided, though 'when I find that out of 135 new appointments to the federal service 40 are at salaries over £400 a year, 28 at salaries between £400 and £200 a year, and 67 at salaries under £200 a year, I must confess that the men getting the high salaries have been receiving a very fair share of the consideration of the Commonwealth in the making of these new appointments, for one-third of the appointments are to places carrying over £400 a year. The President of a Central American republic on being told that apparently all his army consisted of colonels replied indignantly - " No. that is not so, some of them are generals." I certainly was reminded of that army when I found that one-third of these appointments were of that character. Of course, we may be told that we are getting skilled men now, and consequently that it is inevitable at first that such should be the case.

That shows that we are getting very near our margin with regard to new expenditure if we are to take the Adelaide estimate as a guide. While I was advocating federation before the public of Victoria, supporting it by every means in my power, I did take the Adelaide estimate as a guide, and I did induce, so far as I could, the electors of Victoria to take that estimate as a guide, and if it is to be exceeded then the people of Australia will regret that in that one particular their expectations are being disappointed. But when I proceeded to examine some other figures I found a much more serious state of affairs existing, at any rate, from my point of view. I would remind the Treasurer that in the Public Service Bill which we passed through committee last week, we provided for services the additional cost of which I have estimated at £100,000 a year, and the departmental estimate for which is stated in one of the newspapers to be £80,000 a year. In looking at the cost of the transferred departments to the various States, I have found facts which it is difficult for me to understand except on a very unhappy supposition.

I have practically disregarded the Convention estimate of the cost of transferred departments because the expenditure of the States upon those departments has been increasing ever since the estimate was made. I have taken the Appropriation Acts of each of the six States for each of the three years immediately preceding the inauguration of the Commonwealth, and I have ascertained from them, so far as I could, what the State expenditure upon the transferred departments during that time has been. In the short time at my disposal I could not pick out in the New South Wales Acts the items particularly referring to the Customs department, and consequently I have not been able to trace the alterations which have occurred in the annual cost of the department to that State. In the schedule to the Bill the New South Wales charge- for Customs expenditure is put down as £16,200 for three months, which comes to £65,000 a- year. In * Victoria, three years ago, the Customs expenditure was £100,000 a year ; two years ago it was £105,000, and last year it was also £105,000, while for the present year - the first year of the Commonwealth - it is put down as only £70,000.

Sir Geo lie e Turner

- But there are a number of services which were paid for by the State under that head, which have not been transferred to the Commonwealth.

Mr McCAY

- Yes ; so that the saving is only nominal. I could not get hold of the items referring to Queensland, but in South Australia the Customs expenditure remains at about £24,000 for each of the four years, in Western Australia at about £31,000, and in Tasmania it has been £8,000, £9,000, £10,000, and for the present year £9,000 again, so that the change has been very little. -The total expenditure of the six States for the three years preceding federation was £297,000, £297,000, and £298,000 in the respective years, and for the first year of the Commonwealth it is to be £262,000. But, as a great many services which were paid for by the States under the head of Customs expenditure have not been taken over by the Commonwealth, there is really a considerable increase in the estimates for this year.

Sir George Turner

- Our Estimates are based on the State expenditure of last year.

Mr McCAY

- I cannot understand how that can be. Coining now to the question of defence, I find that the expenditure of

New South Wales upon defence was £196,000 in the year 1898-9, and £200,000 in the year 1899-00, but I was unable to get the figures for the following year. Taking the figures for the year 1899-00, the expenditure provided for in the schedule - £252,000 for the year - shows an increase of £52,000 a year.

SIR GEORGE Turner

- The amounts shown in the schedule are based upon the State Estimates for last year ; I have not taken, this year's Estimates at all.

Mr McCAY

- I have taken the Appropriation Acts of the various States. I did not include the Supplementary Estimates, because I am not able to include the Commonwealth Supplementary Estimates, since we have not seen them yet.

Mr Reid

- A very fair reply.

Mr Deakin

- By not doing so, the honorable and learned member does not obtain a right basis for his comparison.
Mr McCAY

- I am not giving these figures 'to the committee in any spirit of hostility to the Government ; but I feel it is our business to be economical, and if I discover figures which apparently lead to the conclusion that we are not being as economical as we might be, it is my duty to place them before honorable members. If it can be shown that my basis of comparison is a wrong one, and that we are not about to spend more money than we should, no one will be more pleased than I shall be. The Victorian expenditure upon defence was £152,000, £171,000, and £196,000 per annum in the three years preceding federation, while the expenditure charged to that State by the Commonwealth this year is to be £256,000. I cannot see why the ordinary annual increase of £19,000 or £20,000 should suddenly grow to £60,000.

Sir George Turner

- An enormous amount of money had to be provided on the. Supplementary Estimates last year to supply ammunition to rifle clubs. That one item would 'probably account for the increase.

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Mr McCAY

- Whether that is so or not, my point is, not that the Commonwealth Estimates for this year are not what the State Estimates would have been, but that as this Parliament is now responsible for the expenditure, we should see that no more money is spent than we shall be able to afford, unless we have a great increase in revenue, and that, it seems to me, we have no right to anticipate.

Mr Watson

- Are not 'the items in this schedule debited to the various States 1

Mr McCAY

- Yes ; and if they are added together, we arrive at what Australia as a whole has to pay.

Mr Watson

- But, if the States are willing to bear the burden, we cannot complain.

Mr McCAY

- I do not think a taxpayer cares whether the money he pays goes to the Commonwealth or to the State Government ; what he is concerned about is having to pay at all.

Mr Salmon

- And the Commonwealth Parliament is the only body that can make him pay for these services.

Mr McCAY

- In Queensland the expenditure upon defences for the three years preceding federation was £75,000, £105,000, and £160,000, and the amount provided for in these Estimates is at the rate of £208,000 per annum. In the South Australian expenditure there is a great increase, in the Western Australian expenditure practically none, and in the Tasmanian expenditure very little. The total expenditure of the six States upon defence for the three years preceding federation was £477,000, £536,000, and £676,000, and the expenditure of the Commonwealth for this year is to be £508,000 - an increase, as compared with the State appropriations of last year, of £130,000. In regard to the Postal expenditure, I shall give honorable members only the totals. The total appropriations for the Postal department in the Appropriation Acts of the six States for the three years preceding federation was £2,267,000. £2,177,000- an increase of £110,000, and £2, 280,000- an increase of £103,000. The amount to be expended by the Commonwealth during the present year is £2,600,000, an increase of £320,000. I confess I cannot understand how it is, except it may be that the Commonwealth Government does not know the whole of each department in each State as fully as the State Governments do. But even if - these Estimates in the present schedule are based on the States' Estimates :--

Sir George TURNER

- They are.

Mr McCAY

- Even if they are based on the States' Estimates, the fact remains that the totals proposed to be provided, very much exceed the totals provided in any preceding year by the States' Governments. The Treasurer is again referring to the question of what is in the Supplementary Estimates - what is in his Supplementary Estimates. Every year that the States' Governments have framed their Estimates, the States' Governments have had to bring in Supplementary Estimates, and the Treasurer gives me, as his

answer, that the present figures are based on the States' Estimates. We may, therefore, expect that next year, the Estimates now under consideration will be supplemented by Supplementary Estimates, based on the States' Supplementary Estimates. If every year the States' Estimates have required supplementing, and if the present Estimates are based on the States' Estimates, we may expect that the present Estimates will also require supplementing. In the six States the totals for the three transferred departments were, in the year 1898-9, £2,841,000, as provided in the Appropriation Act; in the following year, £3,005,000, and in the year following that, £3,240,000. Of course, I do not answer for a few thousand pounds here or there in these large figures. In the schedule under consideration we provide for £3,670,000, an increase of £430,000 on the amount provided last year, and an increase of £1,000,000 on the Adelaide estimates.

Sir GEORGE Turner

- It is not the total expenditure, but the loss we have to do with. If the expenditure is increased, the revenue is also increased to a very large extent.

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Mr McCAY

- To a considerable extent it may be. But I do not think, for example, that the change from penny postage to two-penny postage in Victoria will result in anything like an increased revenue to the State. I know the States have to stand these losses, but we are responsible for the management of the departments, and if the States find themselves involved in these losses and deficits, they will put the blame on us. The States will say - "You are managing these departments, and these departments have caused a loss." Even if we were in the right, and the States were in the wrong, these losses would be charged or debited, so to speak, to the Commonwealth, and that would not help to insure that satisfaction with federation we all, I think, desire to see insured. As I say, I only offer these figures for the consideration of the Treasurer. If my figures are wrong I shall be quite satisfied to have them proved wrong, but there is something in them which, I think, requires explaining and answering. In the first place, our expenditure is running up at far too rapid a rate, and, in the second place, the transferred expenditure, whatever may be the cause, is also running up at far too rapid a rate. It is the business of Parliament, or rather of this House especially, to see that the expenditure does not run up too rapidly. I am quite aware that the Treasurer has, in each of his two interim Budget statements, pointed out that up to the present time the Adelaide Convention estimate has not been reached. The Treasurer has relied very largely on that; and this is the first time that we have heard that the Convention estimate is of no use, the Treasurer on the two previous occasions having pointed out that the expenditure was still under that estimate. If the items that have to be increased, but have not yet been increased, be taken into account, it will be found that the expenditure is very close to the total estimate of the Convention, margin and all. If the growth of the State expenditure each year, as compared with the growth shown in these Estimates, be taken, it will be seen that instead of a steady annual increase, such as might be expected from a steady improvement in the state of affairs of the Commonwealth, there is a jump, and an alarming jump at that. At any rate, these figures have made me feel that we shall have to be excessively careful in watching every item of the Estimates, and shall have to see that no unnecessary sum is spent, but that as far as possible both the new expenditure and the expenditure of the transferred departments, do not exceed by a single penny that which is absolutely necessary.

Sir GEORGE TURNER

- We have had some very interesting figures from the honorable and learned member for Corinella, but he would have been wiser had he allowed this question to remain until I had an opportunity of submitting full details to the committee on the Budget statement in a few weeks' time.

Mr McColl

- The Treasurer cannot alter facts.

Sir GEORGE TURNER

- The honorable member may rely on me when I assure him that I will not allow any expenditure unless I am satisfied that expenditure is absolutely necessary. The honorable and learned member for Corinella said that the new expenditure would mean £1,000,000 a year.

Mr McCay

- I did not say that.

Sir GEORGE TURNER

- I caught that as being a most extraordinary statement.

Mr McCay

- I certainly did not mean that. If I said so it was a mere lapsuslingual.

Sir GEORGE TURNER

- I am glad that the honorable member did not mean that the new expenditure would run to that amount, because I think that we shall find that the amount estimated at Adelaide - although that did not provide for many matters that ought to have been provided for, and which would have been provided for had they been foreseen - will not be largely exceeded, if exceeded at all. If I recollect aright, there was one disturbing element omitted from the consideration of the question at that time. When we were dealing with the question in Adelaide, we were dealing with the States that were likely to federate, and Queensland was not taken into consideration at all. If Queensland had been taken into consideration, the estimates then made would have been much larger in many of the departments, and that would make a considerable difference in the figures which the honorable and learned member for Corinella has quoted. For curiosity I have been comparing some of the proposed expenditure with the items suggested at Adelaide, and many of them are closely correct.

Mr Piesse

- Queensland is in the £300,000.

Sir GEORGE TURNER

- I am not certain about that. I think we always dealt with the question as if Queensland were not coming into the Federation at all ; at any rate, that is my recollection.

Mr McCay

- There were 36 senators provided for, so Queensland must have been considered.

Sir William McMillan

- I think Queensland was in the estimate then made.

Sir GEORGE TURNER

- My own impression is that Queensland was not in the estimate.

Mr Piesse

- It was - six senators were provided for that State.

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Sir GEORGE TURNER

- With regard to the Estimates under discussion there are many matters included in the three months, because they could not be paid before the end of the last financial year, and in estimating three months' supply we also estimate liberally in order to be on the safe side. The honorable and learned member for Corinella must not assume because he finds that the proposed expenditure in the Postmaster-General's department is £65,000 for three months, that he has only to multiply that sum by four in order to get the total expenditure for the year. When we come to deal with the full Estimates, that sum will be considerably reduced, and the same will occur in other departments - taking defence expenditure and the expenditure generally. There is no doubt that the expenditure has been going up by leaps and bounds in all the States since the estimate was made at Adelaide, The defence estimate at Adelaide was; I think, something, under £500,000.

Mr McCay

- £750,000.

Sir GEORGE TURNER

- Will the honorable and learned member allow me ? The actual estimate of defence expenditure was something under £500,000, but we thought we ought to be extra liberal, and we put £250,000 more on for the expenditure under the Commonwealth, and thus raised the estimated expenditure to £750,000.

Already the States have far and away exceeded that amount of expenditure. I suppose the States expenditure on defence will be now somewhere between £800,000 and £900,000; and we have to take into consideration also the fact that there is an amount of £116,000 or £126,000 in connexion with the Auxiliary Squadron. The expenditure has gone up rapidly in all the States. In the Postal department of Victoria we cut the expenditure down very low, but were then told that that meant nothing but sweating.

Mr Mauger

- So it was.

Sir GEORGE TURNER

- I was accused time after time of sweating, and since then the expenditure has; as I say, gone up rapidly.
Mr Mauger

- A good job, too.

Sir GEORGE TURNER

- As to the annual appropriation of the previous years to which the honorable and learned member for Corinella refers, I would point out that that does not include any of the very large increases given by virtue of the Act passed in Victoria last year, and which increases have to be provided for on those Estimates.

Mr McCay

- What do those amount to?

Sir GEORGE TURNER

- It is hard to tell, but no doubt it is a considerable sum. As honorable members know, a little step taken the other night means an expenditure of £80,000; and. I do not think my colleague, at the time he allowed that amendment in the Public Service Bill to pass, realized that it involved such a heavy expenditure.

An Honorable Member. - It is not in this schedule.

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Sir GEORGE TURNER

- It is not provided for in this schedule, and one of the difficulties which the Treasurer will have to contend with in the preparation of his financial statement will be in ascertaining what expenditure can be allowed in the various States. My honorable friend has said that there was £24,000 more for salaries provided for in this Bill than in the previous Supply Bill. But the honorable and learned member must recollect that during the last six months all the departments were practically working with the State services. Many of the Commonwealth appointments were made only during the months of May and June. The new expenditure which is provided for in connection with new offices can be easily ascertained, because those new offices have been very clearly shown in order that honorable members may ask any questions they choose with regard to any particular item upon which they may desire information. The honorable and learned member makes it appear that we are expending £15,000 a year more than the Adelaide estimate, which, it should be remembered, was only a bare estimate. Nobody could possibly sit down at that time and say what these new departments would cost, and therefore we made the very wise provision of allowing- £50,000 or £60,000 as a margin upon which to work. When I have the opportunity of placing all the details with regard to the transferred departments before the House, I hope that honorable members will have no cause to regret the amounts to be expended, and I can assure them that, so far as I am able to prevent it, those amounts will not be more than are absolutely necessary. We must not overlook the fact that in connexion with many of the appointments - take the appointments which I have made in the Treasury as an example - the State will be enabled to make a considerable saving. The same remark applies to the appointments which have been made in the post-office. The officers to fill these positions have been taken as far as possible from the State services, and that course will permit of a considerable saving being made in those services. There is no doubt whatever that when the Commonwealth gets into full working order, and when we have one central Administration carefully checking the expenditure in all the States, and taking care to see that it does not grow inordinately, we shall be able to reduce the amount at present expended, by the transfer of officers from services which are overmanned to other services. In Victoria we know that we did reduce our State services to a very large extent. That has not been done in New South Wales, because in that State they were not forced to retrench to such an extent as we were. I am told by the Postmaster-General that in his department alone when vacancies occur in other States he will be able to make transfers, and thus effect a considerable saving to the States. This is a matter, however, with which it is not fair, to deal upon a Supply Bill. The amounts put into this Supply Bill do not necessarily mean that four times their aggregate will be required to provide for the services of the year. I have the draft Estimates before me - and it is well known that departments always ask for large increases : but when the principal Estimates are brought down, honorable members will have the opportunity of seeing what the Government propose. These amounts are not the Estimates proposed by the Government, but are based as nearly as possible on the expenditure of the various States during the last financial year.

Mr Salmon

- Have all these Estimates been checked by the right honorable gentleman's department 1

Sir GEORGE TURNER

- No; the Estimates are now being printed, and my honorable friend will realize that the Estimates for six States will form no small volume, and that the Treasurer will have no light task in going through them all and ascertaining that he is able to justify the proposed expenditure to this House. In the meantime we have simply to ask the different departments to give us an estimate of an amount sufficient to cover them for three months' Supply. That being so, the calculations of the honorable and learned member for Corinella are not correct. Although I admit that the expenditure in the States has gone up very largely during the last few years, it must be borne in mind that the revenue has also increased very largely, and the amount to which we have to look is the net loss of the various services transferred. It would be impossible for me at the present time to give the full details, and I do not know that it is wise to alarm the public by creating the impression that we are incurring an enormous expenditure. When the Estimates are submitted we can discuss the matter fully; but I ask honorable members to accept my assurance that every effort will be made to see that the new expenditure does not increase more than is absolutely necessary, and that the transferred expenditure is kept down to the lowest possible requirements. My right honorable and learned friend the leader of the Opposition has chosen to challenge certain appointments which have been made outside of the State services. But the House dealt with those--

Mr Reid

- Not with all of them. Mr. Oxenham's appointment is a new one.

Sir GEORGE TURNER

- The right honorable and learned member dealt with the appointments that have been made from outside of the State services. The Government agree that wherever possible these appointments should be made from officers within those services; but I would point out that in the first instance it was very difficult to do that. In the case of the Prime Minister, he had to make his selection at once. There was no time to make inquiries. However, I do not think that we can now re-open that question. We discussed it at considerable length on a previous occasion. A motion was moved by the honorable member for Bland, the whole question was fully debated, and the action taken up to that time by the Government was ratified. Were it proposed here to make any appointment from outside of the State services, I could understand such a course being challenged. But before any such appointment is made from outside the State services, the House will have the fullest opportunity of discussing the proposal of the Government. The leader of the Opposition, however, challenges the appointment of Mr. Scott to the chief position in the post-office, and says that Ministers are appointing men from their own States.

Mr Reid

- That Minister, I said.

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Sir GEORGE TURNER

- Ministers generally are not appointing men from their own States, because the permanent head of the Customs department has been taken from Victoria, and the same course has been followed with regard to the Defence department and the Treasurer's department. Nor have the other two Ministers attempted to appoint as permanent heads officers from their own States. With regard to this particular appointment, the position was a difficult one. We laid down a rule, so far as the new departments were concerned, that £750 a year was sufficient remuneration for the permanent head at the start. The permanent heads of the various departments were appointed at that rate, except the Under-Secretary to the Prime Minister, who was allowed an extra £50 a year. But when we come to deal with the transferred departments, we cannot apply that rule, because we find that the permanent head would then be receiving a less salary than many of the officers who are under his control. Therefore, we must give some remuneration to the gentleman who has control of the whole department throughout the Commonwealth over and above what has been given to the officers who have control of the various departments in the States. In South Australia the head of the Postal department was receiving £1,000 a year. In New South Wales the permanent head was receiving £920, and in Victoria £900. Quite irrespective, therefore, of what our desires might be, we could not appoint the permanent head of the central department at a salary less than was being given to the officers mentioned.

Mr Reid

- Since Mr. Scott was appointed at a lower salary, why was the salary increased to £1,000 a year immediately afterwards ?

Sir GEORGE TURNER

- No appointment was made at the lower salary.

Mr Reid

- Then why not offer the higher amount to the higher officer!

Sir GEORGE TURNER

- I know nothing about that. All I can say is, that I have the assurance of my colleagues that Mr. Outtrim is perfectly satisfied with his present position, and with what has been done, and that-Mr. Scott will have no more loyal officer throughout the service than Mr. Outtrim.

Mr Reid

- That is exactly what we should expect from a gentleman like Mr. Outtrim under the circumstances.

Sir GEORGE TURNER

- I think when these appointments are being made some reasonable amount of discretion should be allowed to the Minister. I can easily understand what has been done, because I have done it in my own case. I have taken from the Treasury, not the chief officer, but a high officer, whom I have placed at the head of the Commonwealth Treasury, and I selected him because I knew him to be a man of great experience, and I knew that he was the right man for the position. If I had been called upon to go to Queensland or to New South Wales for an officer, I should have had no experience such as would have enabled me to judge properly in making a suitable selection.

Mr Reid

- Then the right honorable gentleman could have waited until the Public Service Commissioner was appointed.

Sir GEORGE TURNER

- The right honorable gentleman knows very well that if we are to get our departments into working order we cannot wait until the commissioner is appointed under the Public Service Bill. The commissioner will have his hands full for several months before he can deal with the whole of the various offices. I do not think it is any challenge of the wisdom of the appointments to say that the officer at the head of the department comes from the State which is represented by the Minister in control. No doubt the Minister is well "acquainted with the qualifications of the officer who has been appointed, and I do not think any one will challenge the fitness of the gentleman who has been referred to for the position to which he has been appointed. And are we going to say that £1,000 a year is too high a salary ?

Mr Reid

- ;I am not saying anything of the sort.

Sir GEORGE TURNER

- Are we going to say that £1,000 a year is too high a salary for an officer who is to have the control of the whole of the Post-offices throughout the Commonwealth - a department with a revenue of something like £2,500,000, and having to enter into very large contracts ?

Mr HIGGINS

- No, but we want to secure the right man.

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Sir GEORGE TURNER

- That surely must be left to the Minister. He must have a certain amount of discretion in a matter of this kind, before a Public Service Commissioner is in existence, unless it can be shown that some very great wrong has been done to somebody. I do not know that any great wrong has been done to anyone by this appointment,

Mr Reid

- - Of course the right honorable gentleman does not, because, he does not know the facts.

Sir- GEORGE.

TURNER. - Then,, the other challenge is in regard to-

Mr. Oxenham.

I. would point out in connexion, with this matter that because Mb. Oxenham happens to have the position

of assistant secretary to- the department, it does not follow that it gives him any right whatever. to. any of the vacancies, when they take place, in the positions of- deputy postmasters-general in the States. This officer was selected because in the. first instance when

Mr. Drake

took the position of Postmaster-General he. asked the permanent head of the Postal department in his own State -

-Mr, Scott

- if he could give him some officer who could go round with him for the time being and attend to the various matters that were found to require attention while he was travelling from State to State.

Mr. Oxenham

was selected, and was with

Mr. Drake

for several months, and during, that time he acquired a large knowledge and experience in all matters that came before the Minister in- the working of the department, and the Minister, exercising the. discretion which I think he fairly has, thinks that the position of assistant secretary ought, to be filled by Mr. Oxenham.

In regard to. the post-office, the appointments have been given to gentlemen, who have been known to the committee .which has been sitting for several months past in working out all the details. They have an intimate knowledge of what has been going on, and in regard, to these appointments and to the other appointments that are to be made, great' discretion must be given, to- the Minister, for the. time being. These- appointments should not be challenged unless it can be- shown* that some grievous wrong, has been- done; I do not know that any wrong has been done in any of: the States,, or that any wrong will be done by any of the appointments for which, it is proposed to make provision in this Bill. However, these are the matters that have been referred to. There is no. reflection on

Mr. Outtrim

because-

Mr. Scott

has been, selected. It is not. for a moment thought, that he would- not have been competent to fill the position; but there- might have been, some little jealousy if a Victorian had been. put at the head of this department. We might have heard just as many challenges if some, one else had been, put there.

Mr Reid

- Was it done for that reason?.

Sir GEORGE TURNER

- I do not think it was, but. my right honorable friend with, all his virtue would probably have shown, just as much indignation if a Victorian, had been placed in- the position instead of a* Queenslander - and no matter what appointment is made there are bound to be some objections raised. All I can say is that the best has been done with regard to these appointments, and. also in regard to the other appointments, and I know of no reason, why they should be challenged.. I would ask the committee- not to enter into a discussion in regard to the expenses of the. Commonwealth for the current year that may injure us,- not only in the eyes of the public here; but in the eyes of the public of: other countries. I would ask. the committee to wait for the details which will be placed before them, at. the proper time,, and I assure them that. I will put them in possession- of the fullest information- as soon as I can.,

Mr REID

-d. - The Treasurer knows that, we must have some. particulars in. connexion' with his financial, statement. Before- w.e can properly deal with the expenditure of the Commonwealth we must know what the proposals of- the Government are..

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Sir GEORGE TURNER

-TURNER-. - I quite realize that. The- Budget statement will be aL important, statement, but while- the House- is sitting day after day it is a very difficult, thing to get out the various details. However;.! am pressing, the matter on, and; the- statement will be. made at the earliest possible moment. In the meantime I- ask honorable members,, in justice to the Government and in order to. prevent any- idea being, entertained outside that we are going, to rush, into any large expenditure in connexion with the

affairs of the Commonwealth, to wait until the detailed statement' is before them. I assure them that they will then, find that the Government have kept down, the new and transferred expenditure to- the lowest, possible, amount'. Of course some, of the expenditure will be borne by some of the States, and they say - " Why should we not. spend as. much as we like in our own State seeing, that we have to, 1Da,v the money?" But the answer to- that is that we cannot, allow them to go- on. spending- as much as they like, because the- time will come, and- 1 hope it will not be very long: in coming,... when the expenses will not be charged against the State, but on another basis altogether. Therefore, we ought to have the right, no matter what the States may say to keep down that expenditure when we think it is wise to do so in the interests of the whole of Australia.

Mr.Reid. - The Government have that right now.

Sir GEORGE TURNER

- Yes, we have the right, but New South Wales complains, and says - " We have plenty of money, and why should we not spend as much as we like ?" That is a position that we cannot allow. We cannot deal with the desires of every particular State, but have to study the expenditure with regard to the interest of the whole Commonwealth. I would again ask the committee not to enter now into a discussion which will come properly on the Budget, when I shall have an opportunity of placing the exact details before honorable members. Then I shall be in a position to answer any criticisms, and I can assure honorable members that in the meantime the new and transferred expenditure will be kept down as low as it possibly can be in the interests of the Commonwealth.

Mr WATSON

-So far as the explanation of the Treasurer relates to the matter of appointments, I have no comment to make,because so long as experienced and tried officers are selected for the various offices we must trust a good deal to the discretion of Ministers, at any rate until the Public Service Commissioner comes into existence. In connexion with the expenditure, however, I doubt whether, on close investigation, the statement that the new expenditure has been cut down within proper limits will be borne out. Because we find here that a number of new offices have been created which seem to me, at any rate at the first blush, to be altogether unnecessary. With regard to the Defence department, I find that provision is made for a secretary at £900 per annum, a chief accountant at £600 per annum, and a chief clerk at £540. These officers are all in addition to officers filling similar positions in each of the various States.

Sir George Turner

- They are transferred officers.

Mr WATSON

- But will not their positions in the States be filled by other officers ? As compared with these officers, I find that the secretary for the Public Service Commissioner, who will have, for some years to come, a much greater amount of work than can possibly fall to an officer in a machinery department like the Defence department, is to receive £600 per annum, while the man who is to deal with the frills that attach to military affairs is to get £900.

Sir George Turner

- Simply because the latter was a transferred officer and takes his salary withhim.

Mr WATSON

-It commits us to paying a large salary for the office.

Sir George Turner

- Not necessarily so.

Mr WATSON

- If we start an officer with a certain salary we cannot very well reduce him afterwards.

Sir George Turner

- We cannot reduce him, but we can appoint another officer afterwards at a lower salary.

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Mr WATSON

- I do not think that is likely to be done. I, for one, hope that the feeling of the committee will be tested with regard to the salaries to be paid to the officers of the administrative branch of our military system. The Military department should not require a highly paid officer as secretary. It is in no sense like the post-office, where we require an expert in each of the various States - a man who has grown up in the

service, who knows every detail of it, and how the work may be best accomplished. The post office is a large commercial concern, and I can quite understand the appointment of an officer at a high salary in order to get the best services possible. But for the merely clerical work involved in the administration of the Defence department, the country does not want to pay £900 per annum. I have always protested in New South Wales against such payments for merely clerical work involving no administrative ability at all. This is only on a par with the usual treatment meted out to the glorified persons who pose as military authorities. Whenever military affairs come up for discussion these persons resent anything being said in criticism of the salaries affected, and there seems to be a certain amount of deference paid by Members of Parliament to the requests of the Military Commandants that the circumstances do not at all justify- so far, at any rate, as I can learn. I therefore protest against this particular item, and hope that the committee will see the wisdom of cutting it down materially. With regard to the Attorney-General's department, I should like to ask the honorable and learned gentleman concerned what there is to do to necessitate the payment of a chief clerk, an assistant parliamentary draftsman, and a clerk, in addition to the parliamentary draftsman. I presume that the Attorney-General's department at the present time is largely dealing with the drafting of Bills. There being no High Court in existence, I do not understand what more there can be for these officers to do.

Mr Deakin

- Does the honorable member know how many officers there are altogether in my department?

Mr WATSON

- There are a chief clerk and an assistant parliamentary draftsman.

Mr Deakin

- That is the same person. There are only three officers in the department altogether, two of whom are draftsmen, and the third is a junior clerk. The chief clerk is also the assistant parliamentary draftsman, and the clerk is a copyist, who does such other clerical work as is required.

Mr WATSON

- Then I take it that these officers are at the present time merely engaged in drafting ?

Mr Deakin

- Far from it, though drafting is their main work. There are fifteen or sixteen Bills upon the notice-paper of this House, and five or six upon the notice-paper of the Senate. Almost every one of those Bills is either drafted or in course of being drafted. When amendments are made in committee, in both Chambers, they have to be attended to by the draftsman. I undertake to say that when the work of preparing those Bills, supervising them in committee, and watching over their progress is taken into consideration, it will be found that there is work enough to do to warrant a far larger staff than the Attorney-General has at present. Indeed a great deal of the difficulty I have had to encounter in this House has been largely due to the fact that we have been attempting with our existing staff to contend with an amount of work that could not very well be done by them. In addition to the drafting, however, the transferred departments of the Commonwealth are every day sending, to us catalogues of legal questions dealing with difficulties that constantly arise. I have been engaged in writing legal opinions, sometimes long and sometimes short, upon those matters, which are such as have necessarily arisen in connexion with departments working for the first time under a new written Constitution. Some of these questions require immediate answers. If the honorable member for Bland will call and see what the officers in my department are doing, I venture to say that he will be surprised at the large amount of business that is involved and at the extreme modesty of these demands.

Mr WATSON

- I thank the honorable and learned gentleman for his explanation. Undoubtedly the drafting of Bills does involve a great amount of work, but I do not think it will be anything like so heavy when the machinery Bills are disposed of. When I spoke I was under the impression that the Chief Clerk and the Assistant Parliamentary Draftsman were two different officers.

Mr Mauger

- Does the honorable member notice that the clerk only gets £80 per annum, and does he not think that this officer should receive a living wage?

Mr WATSON

- Of course the clerk may be only a lad. Then I would direct attention to the department of the Minister for

Trade and Customs. I should like to ascertain how far the right honorable gentleman has economized with regard to the officers of his establishment, in order to make up for the creation of the new office of Comptroller-General of Customs, and for a secretary at £750 per annum, as well as various clerks?

Mr Kingston

- I intend to seize every possible opportunity to effect economy.

Mr WATSON

- It seems to me that unless some of the higher paid offices in the States customs-houses are abolished, there is no justification for the appointment of these new officers, who, indeed, seem to be merely doing the work of the Minister. What is the position of the Comptroller-General, unless, at least, he is to manage the affairs of one State himself, and is thus taking the place of another highly paid officer in that State? If that is to be done I can understand the creation of the position. Otherwise it looks as though the Minister were simply appointing a high officer to do the work of the Minister. I do not know whether that is so. I do not know whether I am correct in supposing that Dr. Wollaston will remain in charge of the Victorian Customs department as well as being Comptroller-General.

Mr Kingston

- No.

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Mr WATSON

- That means that in Victoria we shall have a gentleman taking the place of Dr. Wollaston at a high salary.

Mr. Kingston. - At a lesser salary.

Mr WATSON

- I should think it would be slightly less than £1,200 a year.

Mr Kingston

- I did not use the word "slightly."

Mr WATSON

- It means that we shall have an officer at £1,200 a year doing what the Minister ought to do. That is practically what it means, because he has in each State a highly paid officer to look after the work of the department in that State. Over all we are going to have another official, another secretary.

Mr Kingston

- These chief State officers will not be of the same importance as to salary.

Mr WATSON

- Not of the same importance as Dr. Wollaston?

Mr Kingston

- Not of the same importance in regard to salary as at present.

Mr WATSON

- That is another point.

Mr Conroy

- But when taken over they must receive the same salary as they are now drawing.

Mr WATSON

- They cannot be taken over by the Commonwealth at a lower salary.

Sir GEORGE TURNER

- When new appointments are made, they will be made at lower salaries.

Mr WATSON

- Then we find that a similar proposition is being made in regard to the post-office. I have no exception to take to the personnel of the appointments, but the Minister is going to be assisted by a secretary at £1,000 per annum, and by an assistant secretary at £600 per annum, who I suppose will do all the work the secretary ought to do. In all £1,600 per annum is to be paid to these two officers, and the Deputy Postmasters-General in the States will continue to carry on the work they are doing now. They will run the department while the Secretary of the Post-office, although above them in salary and position, will have practically nothing to do. It seems to me that if Ministers were anxious to economize they would keep their Deputy Postmasters-General in their various positions, the Minister, of course, being over them. I do not really see that there is any necessity at present for creating a separate office of Secretary to the Post-office department.

Sir George Turner

- But we must have some central head.

Mr WATSON

- We must have a nominal head, and that nominal head ought to be the Deputy Postmaster-General in one or other of the central States. I do not say that it ought to be the Deputy Postmaster-General in New South Wales or Victoria, but the gentleman filling the position in some central State could be the nominal head. In my opinion the Minister, with officials under him in each of the States, who have had so many years experience, and know how the postal machine works, should be able to control his department without going to this extra expense. He certainly should have a chief clerk and a few other officers at a comparatively small salary to carry out work that must be attended to, but to have the highest paid officer in each of these departments - the Customs, the Post-office, and again in the Defence department - to overlook the correspondence that comes from the various States to the Ministerial head and to advise him, seems to me to be a most improper waste of money.

Sir George Turner

- If they will only properly overlook the expenditure they will save their salaries time and time over again. They will save their salaries if they do their work properly.

Mr WATSON

- It does not always follow that this is done. If these various Deputy Postmasters-General are worthy of their salaries, there should not be any necessity for a man to be placed over them to instruct them, other than the Minister, who, of course, instructs them in regard to matters of policy. There should be no necessity for another mere official to be put over them, especially when we believe that it is going to be a difficult matter to raise the money that the Constitution makes it necessary for us to raise in order to pay these various sums. It has been suggested in the newspapers that a loan of £1,000,000 is going to be raised for Commonwealth purposes. I have no doubt that such a loan is necessary if the Ministers have decided upon it.

Sir George Turner

- It has never been considered. I have simply asked for certain information in regard to the buildings which are likely to be constructed during the next twelve months.

Mr WATSON

- No doubt we shall have to take some means of providing for the erection of buildings in connexion with the post-office, and I would suggest to the Treasurer that if a loan is necessary he should give the local markets a chance.

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Mr O'Malley

- We want more postal buildings in Tasmania.

Mr WATSON

- I also desire to refer to the Government Printing-office. I made some suggestions to the Treasurer when the last Supply Bill was before the committee as to the rates of wages for compositors.

Sir George Turner

- I understand that the Government Printer has made some fresh arrangement -with them. I do not know whether it is satisfactory, but I have asked for a report on the subject.

Mr. HIGGINS

(Northern Melbourne). I have just one suggestion to make. I quite agree with the Treasurer's statement that honorable members ought to be very careful not to alarm the public with regard to the Commonwealth expenditure. There is quite sufficient alarm at present, without stimulating it. I also agree with the Treasurer, that the public, as well as honorable members, will await with interest the delivery of his Budget statement. At the same time I can inform the Treasurer that the expenditure of the different departments, especially the new expenditure, will be most carefully scanned, and if I may judge from what I have heard in different quarters, there is no department whose expenditure will be so critically scanned as the Department of Defence. There is one suggestion which I think I might make at this stage in order to save time. The Treasurer has not indicated in any way on the face of these papers which of the items are new items, as contrasted with the last Estimates.

Sir George Turner

- Where an item is placed in brackets, honorable members will understand that it is a new one. For instance, in the first item, House of Representatives, the words " including Clerk of the House of Representatives " appear in brackets. That is a new item.

Mr HIGGINS

- That is .the only distinction.

Sir George Turner

- Yes.

Mr A McLEAN

- What about the Public Service Commissioner?

Sir George Turner

- That is a new item.

Mr A McLEAN

- It does not appear within brackets.

Sir George Turner

- The items relating to the Public Service Commissioner and the electoral officers are both new.

Mr HIGGINS

- Items given in brackets are items which were not dealt with in the last Estimates.

Sir George Turner

- Yes. I put them in that way in order that questions might be asked on them if desired.

Mr HIGGINS

- Honorable members are not inclined to ask questions on matters which have been dealt with already, but if there are any new items, we are, of course, at liberty to deal with them and scan them closely. I am glad to have drawn this explanation from the Treasurer, because there was nothing on the face of the statement to show what were the new items.

Sir George Turner

- I endeavoured to explain all these things to the committee in introducing the matter.

Mr. REID

(East Sydney).- The Treasurer has covered what I think to be the serious mistakes of the Ministry, in preferring certain persons outside the service to the great body of the public service officers, by speaking of the hurry in which Ministers were. It was a hurry entirely of their own creation, -and it has been fraught, and will be in the future fraught, with very serious consequences. There was nothing that called. upon the Ministry to take over the Post and Telegraph department until their arrangements w-ere perfectly .complete. They could have left the six States to run their six systems on their six Acts, which the Federal Government have to do, until their uniform Act is passed, and in the interval they could have had their Minister. They could have had their Postmaster-General from the first. I do not object to that. Then Ministers could have worked out a federal scheme, so that when they took the post-office over, they could have taken it over on a uniform scheme of their own.

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Sir George Turner

- The Ministers must have- some officers to help them. We have' been doing the work with State officers as far as possible. . Mr. REID. - If the Government had got officers to help them we would not complain, but these gentlemen were not State officers. That is the trouble. Then an inconvenient course was adopted in taking the Defence department over before the they had got ready with their Defence Bill. I do not want to enter into legal questions, but what is the legal position of men in the defence forces ? They entered into written agreements with the different State Governments which have been torn up. Under what agreement are they serving, now that they are handed over to the Federal Government, which has no law, and which has no agreement with them ? There may be some vague words in the State Acts which, will keep these men in the permanent service until they are lawfully discharged.

Sir GEORGE TURNER

- The State Acts are still in existence, and 'the Commonwealth 'Constitution Act provides that in matters of this kind the Governor-General is to do what the Governor would do.

Mr REID

- But the difference between the provision- in the Constitution Act and what I am saying is a very serious

one. The Constitution Act handed over the powers and functions to the Governor-General.

Sir GEORGE TURNER

- To the Executive.

Mr REID

- Of course. But what about the agreements ? We cannot hand over an agreement between A and B without the consent of both parties to that agreement.

Sir George Turner

- Not by an Act of Parliament 1

Mr REID

- But the Act does not say so. The Act permits all the official powers to be handed over, but the root of the relationship is the agreement under which these persons agreed to serve-

Sir George Turner

- They agreed to serve the King.

Mr REID

- To serve the -King under an Act of a certain Legislature.

Sir George Turner

- They are doing it under that Act now.

Mr REID

- But it was by the written agreement that the relationship was made. It was not by talking the oath. Every one takes the oath at all sorts of times, but the root of the relationship that made them soldiers of the King was the written agreement entered into by them. What * relation has the Commonwealth Government to that agreement 1 The difficulty will never arise, I hope, but it would be rather an interesting point if it did. I hope it will never arise, because we do not want to make difficulties. But what I wish to point out is 'that it would have been better if the Defence department had been left with the States until we had passed our Defence Act. Of course, I do not object to the Minister of Defence being appointed the moment the Federal Ministry was formed, because he would have -a great deal to do in connexion with taking over the department. It would, however, have been a more convenient course if those two federal departments of Defence and the Post-office had not been taken over until we had passed the Acts necessary to deal with them. The Ministry were not compelled to take over those departments as they were compelled to take over the Customs department. I think if -the course I suggest had been adopted, it would probably have prevented a great deal of confusion. I am not going to take-up time on the matter now, but I have just placed on record my views in reference to it.

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Mr McCOLL

- I think the thanks of the country and of the 'House are due to the honorable and learned member for Corinella for bringing forward the figures he did to-night. There is no doubt the honorable member has given us all food for thought. The question of the probable expenditure was one which had a great effect throughout the Commonwealth, and federation was accepted by the people of this country very largely upon the Estimates submitted to the Convention, and the people expect that this House, as the controllers of the public purse, will keep as nearly as possible within the limits of those Estimates. I have no doubt that much of the success of the Government during the federal elections was due to- the fact that the Right Honorable Sir George Turner occupied the position of 'Treasurer. The experience Victoria had of the right honorable gentleman during the last five or six years gave people confidence in him, and they felt that financial affairs were safe in his hands, and that he would study economy in every direction. I still believe that he will do so. Of course, a great deal of what one would like to say, after hearing the honorable member for Corinella to-night, must be left unsaid, in view of the request that we should reserve our criticism until the Budget is brought down. We might have said more when the first Supply Bill was before us, but the position was somewhat complicated by a motion which was taken as a want of confidence motion. I think that in the discussion of Estimates, and all financial matters, they should be taken on both -sides of the :House absolutely as non-party questions. If they are going to be complicated by what are to be taken as want of confidence motions, then we cannot have- freedom of discussion, and member's may feel compelled to vote for items which they might otherwise discuss, and, perhaps, endeavour to strike out. I would also like to point out that really the control of these matters lies with

members themselves, and it is no use asking the Government to exercise economy in every direction, and to keep the expenditure within the Convention estimates, as nearly as possible, unless members all round are prepared to assist the Government to do it. Members must, therefore, pass for themselves a self-denying ordinance if economy is to be attained.

Mr MAHON

- In what way ? How did we commit them to their extra expenditure 1

Mr McCOLL

- I will tell the honorable member. Last week, when the Public Service Bill was brought on, a motion was submitted that there should be a minimum wage of £110 per annum paid to every one who had reached the age of 21 years and who had been in the Government service for three years.

Mr MAHON

- Does the honorable member oppose that ?

Mr McCOLL

- I am not here to answer questions. I am here to say that honorable members have no right to submit propositions like that, and those propositions have no right to be carried, without our knowing exactly what they are going to cost the country. While I am not averse to that proposal, we have a right to know what such proposals are going to cost. A further proposal was submitted that women should be placed in a similar position, and I told the House then that I believed it would cost £30,000 or £40,000 to carry that out. From inquiries I have made since, I believe it will cost that much. We cannot expect economy if these motions are going to be pressed upon the Government, because while we want, no doubt, to keep down the high salaries, the savings are really to be made by keeping the ordinary salaries at a fair rate. While I wish to do justice to men and women in the service, and to see that they get a fair return for their work, we have no right to propose the making of sweeping changes without considering what they are going to cost.

Mr MAHON

- Does the honorable member believe in pinching the poorer paid servants ?

Mr McCOLL

- It is all very well to talk of pinching the poorer paid servants, but we are here to do justice to the country, and I know of hundreds of farmers in the country who would consider themselves well off if, after paying all expenses, they made £100 a year clear. I know also that there are miners working 2,000 and 3,000 feet down for £2 and £2 5s. a week, and I say the proposed increase of salaries for work that is not worth half the same wages was not justified without a full exposition of the matter being laid before the committee. I do hope, therefore, that in the discussion of these Estimates members will remember that they must not press large increases on the Government if they expect them at the same time to economize.

Mr. CONROY

(Werriwa).- I think it is a matter of great regret that the Ministry, in giving us this schedule, did not supply more information to the committee. When the Treasurer submitted a temporary Supply Bill for the month before, we were "assured that very much fuller information indeed would be given to honorable members. Now we are asked for three months' supply, and we find exactly the same deficiency as there was before. On that occasion, strange to say, we found that there were four appointments, made by the Prime Minister, of junior barristers of the New South Wales bar. They were all men who were described as absolutely the best men that could be found for the positions they were called upon to fill. One, I think, was

Mr. Atlee

Hunt, whose appointment received a great deal of criticism. It was an unfortunate thing of course for Ministers, because it certainly threw a considerable cloud of suspicion if nothing else over them, that it was a political appointment, owing to the fact that

Mr. Atlee

Hunt had been secretary to the Prime Minister during a political campaign.

Mr O'MALLEY

- Was he a good secretary 1

Mr CONROY

- Judging by results I should say he was not. Still I do not impute any blame altogether for that, because the fault might have been that of the electors themselves.

Mr McColl

- Does the honorable and learned member object to the junior bar being considered ?

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Mr CONROY

- As a member of the junior bar I am very glad to see them considered ; but at the same time I cannot help feeling some little wonderment that the Prime Minister should make all his selections from members of the junior bar who have been in close political contact with himself. It was certainly a very serious thing for any Minister to do, I think what they have done has cast a shadow of suspicion over every appointment since made by them. He made one appointment, as I have said, in the case of Mr. Atlee Hunt ; but we find that there was also another gentleman appointed whose name is not down here - a Mr. Foenander This is another gentleman who is absolutely the best man in New South Wales, I have no doubt - we have the Prime Minister's word for it.

Mr Reid

- Mr. Foenander ?

Mr CONROY

- Yes, a gentleman who ought to be much better known to fame than he is, because he happened to be assistant secretary to the Prime Minister during the election to which I refer. Mr. Atlee Hunt came in as the first appointment, and now Mr. Foenander, who was assistant secretary, is also provided for.

Mr Watson

- What has he been given ?

Mr CONROY

- I am not quite sure whether he comes under the head of contingencies or not.

Mr Reid

- There must be an end to them somewhere. They cannot all come along.

Mr CONROY

- There are so many contingencies put down here that I sincerely recommend to the Ministry the advisability of taking back the schedule and giving us a little further information. The committee is entitled to get full information, and I think we ought to insist upon having it. Is the reason why they are not putting forward the names because there are many more such appointments hidden behind this one? Are there any more political appointments that we have to deal with ? The House would like to know this.

Mr Reid

- The House would not; it does not want to know. They want to keep quiet. The honorable and learned member is quite right in making them know.

Mr CONROY

- I beg its pardon. Some honorable members, perhaps the majority of them, may not desire to know ; but the public want to know something about these things.

Sir George Turner

- I have already said that not a shilling of this money will be used to pay any man to be appointed from outside the civil service, and no more will be appointed from outside the civil service until the House has had a full opportunity of debating the question.

Mr CONROY

- When I rose a month ago and pointed out some of the defects in a Supply Bill, I was promised that the proper information would be supplied in the next Bill. The Ministry will earn the name of a promising Ministry. I do not see anything of a performing Ministry except it is performing on the stage. They are doing no- real solid work ; they are only acting, so that, in that sense, they can be called a performing Ministry. What possible justification can there be for the appointment of Mr. Foenander, who happened to be assistant secretary to the Prime Minister during that political campaign? Am I really to understand that the Prime Minister will again get up and say that throughout the whole civil service of all Australia there was no man so competent, or with the same merits as Mr. Foenander had, and that he is well assured of the fact?

Mr Reid

- There is another wonderful man from Singleton. Is he a junior barrister, too?

Mr CONROY

- I do not at all mind the praise lavished on the junior bar, being a member of the junior bar myself. When I heard Mr. Atlee Hunt, Mr. Flannery, Mr. Garran, and Mr. Bavin praised in that way - and all gentlemen who had taken the keenest interest in the Prime Minister's political campaign^

Mr Chapman

- It showed their good sense.

Mr CONROY

- It may have shown that they knew exactly the type of man they had to deal with. They knew that he would consider office only as a means of exercising political patronage, and not because of the effects which might arise to the people if he carried out his duties properly. What I chiefly regret is that the sole aim of the Ministry seems to be to consider Ministerial office valuable only because of the means it affords to exercise political patronage. Friends here and friends there - political friends it is true in some cases - are all being pitchforked into various places. Then we come to the Postmaster-General, and find that the very same thing is happening in his department. Does anybody really believe that those two gentlemen would have been placed at the head of his department if the Postmaster-General had not personally known them, and was trying to advance their interests without for one moment considering the interests of the State?

Mr MAHON

- They are not junior barristers ?

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Mr CONROY

- They do not happen to ' be junior barristers. We see a new line taken here. Perhaps he is trying to inveigle other branches of 'the service. Why is not all this information put before the committee - what are all these contingencies ?

Sir George Turner

- AVe cannot put items under -the head of contingencies.

Mr CONROY

- In the Estimates in chief the Minister will have to give them.

Sir George Turner

- We cannot give all the items.

Mr. CONROY.- I quite admit that the Treasurer cannot give all the items now, but why did he not give the names ? Is it because the appointments will not bear investigation 1 Is it because Ministers do not want the public -to know anything about them? Of course, - if it is, I can well understand their silence. I think we are entitled to know a very great deal more about them than we do.

Mr KING O'MALLEY

- Is the office boy put down ?

Mr CONROY

-ROY. - I believe he was not able to record a vote in one of t-he Minister's electorates, and that therefore he has been omitted.

Mr MAUGER

- I wonder what relation he is.

Mr CONROY

- There will be so many of their relations put in that we shall not know where this -thing is going to end. I think the committee ought to pay very much more serious attention to these things than it does. I can quite understand the honorable member for Melbourne Ports laughing as he is. In -fact, sometimes when we hear his little jokes, while we do not always know the derivation of the phrase as " mad as a March hare," we can perhaps understand the derivation of another phrase.

Sir John FORREST

- The honorable and learned member is not serious himself.

Mr CONROY

- I cannot be when. I look at the placid countenance of the Emperor of the West.

The- CHAIRMAN. - Order !

Mr CONROY

- I think, sir, the committee is entitled to have -the names of these officers set -forth in -the schedule. Last month we were promised that the next Bill would be brought forward in proper form : but it has not been done. I think this Bill ought to be sent back until it is done. I am waiting for some assurance from the Minister that we are to receive the names of these persons and to know more details about the appointments. The committee will not be put off again. If one or two of us have to stand alone we shall insist upon the items being supplied. We shall not allow 'Ministers, merely because they are in a majority, to deal with us in-this way. When I was discussing the-previous "Supply Bill I pointed out -that the most of 'the trouble which the Ministry had incurred in that respect had arisen entirely through their action in 'taking over a couple of great departments when there was no necessity for -them to take that step. If they had considered matters truly and well they would not have done so, -and we would have been in a position with themselves to know -exactly what work they had before them. We should have been able to tell the amount of expenditure incurred by the new -federal departments, and everything would have gone on in the various -States as it ought to have done. We find that owing to their action in taking over the Postal -and Telegraph department before it was necessary no new offices can be constructed or new lines erected. Almost the whole of that great department has been thrown into a state of confusion solely through the action of Ministers themselves. That confusion, when it is clearly the result of Ministers' own want of thought, deservedly ought to be condemned by the committee.

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Mr WILKINSON

- The leader of the Opposition has taken exception to the appointment of Mr. Scott -to the chief position in the "Postmaster-General's department, and has laid -stress upon the fact that that gentleman hails from the same State as the Postmaster-General. The right honorable member emphasized his objection to" the appointment on the ground that there is in the service of the "Victorian Postal Department a -gentleman who has had a very long experience - Major Outtrim. If I understood the right honorable member aright, he would have the Government, in making these appointments, consider first the oldest servants in the -service o'f the States. But if that course were followed it would give a monopoly of the positions in -the Commonwealth service to the older -States, and the public servants of Queensland, South Australia, and Western Australia would be out of the running -altogether. The leader of the Opposition claims for Major Outtrim that he has had the administration of a much larger department than that which Mi-. Scott has controlled ; hut that does not make him a more able administrator. Queensland has been called a. State of magnificent distances, and the Commonwealth. o£ Australia is to an even greater degree- a territory of. magnificent distances. Mr. Scott has had the advantage of administering a department whose ramifications cover a. very considerable part of the Commonwealth territory; -whereas Major Outtrim - whose abilities I am not disparaging, in. the slightest degree - has administered a department whose offices extend over a much smaller area, and which has had. to deal with a much more concentrated population. It seems to me that for the administration, of a department like " the Federal Postal department, a. knowledge of the requirements of people located in isolated' and distant parts of our vast territory is highly necessary,, and that Mr. Scott's experience will therefore be of more value than that of Major Outtrim. I do not doubt the ability of Major Outtrim, but I know that Mr. Scott has been, a capable administrator who: has won golden opinions, for the work he has done. Although there are not so- many men in the Queensland Postal- department as there are in, the Victorian Postal department,. I. believe that our mileage of telegraph lines is as large as that of. any of. the other States, and that. we have a larger number of. post-offices in proportion to our population than any other State.. In Queensland, every little village has its post-office,, and. since I have been in Melbourne I have heard more complaints: about the administration of the Postal, department than I ever heard in Queensland.. The honorable and learned member for Corinella would make it appear that the proposals- of. the Treasurer largely exceed the anticipations of the Finance Committee of the Convention ; but" I am informed that the amounts in the schedule have been based upon-, the. Estimates in Chief and the Supplementary Estimates -of the various States, so that there seems to be- no force in his contention that we must expect to have to vote: further, amounts upon. Supplementary Estimates.. Then again: no credit is taken, for the saving which will be made by the States- in getting rid of the political heads of' .the Postal department, none of whom' have- been- drawing, less than £.1,000 a. year. That is a saving which will'

not be credited to. the Federal Government,, but it' is- one for which, I think, we should¹ take credit,, and it will go- a large way to counterbalance any increased expenditure by the Commonwealth. The Treasurer has pointed out that it was necessary for the Postmaster-General,, in taking over the Postal department, to have under him an officer with whom he had. previous acquaintance, and who could assist- him. to deal with his correspondence. The leader of the Opposition stated that the Government should not have taken over any department until it had the machinery for working it ready, but how could Ministers obtain the knowledge of the working, of the departments which was necessary to enable them to prepare that machinery ? "Would he have had Ministers go personally through till the correspondence relating to their departments, and make detailed personal investigations into their working ?' It would have been unreasonable to expect anything of the kind. It was necessary that the Postmaster-General should have under him a man who was acquainted with the working- of the Postal department in one of the States, and he selected a gentleman of whom he had considerable experience, and upon whom he could rely. The fact that a most comprehensive Post and Telegraph Bill has been' nearly passed through the- other Chamber at such an early stage of the session- as this shows that the- Minister has not been idle since he took over his department.

Mr Conroy

- The Bill, could have been, framed and proceeded with in the Senate: without any disorganization of: the service.

Mr WILKINSON

.- A Bill could have been framed, but the Postmaster-General would have required some one- with expert knowledge at hand to give him information and to make- inquiries-.

Mr REID

- No one would have objected to that.

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Mr WILKINSON

- Had he not taken over the department as lie has done, he. would not have had access to the documents, statistics, and- other information which he has had under his command. He could only have come, into- the office by courtesy of the States in control,, though no doubt that courtesy would have been, extended to him. At the same time,, he has had freer access to all the details which were necessary to enable him to prepare the measure he has introduced than he-otherwise: would- have had. The same thing' applies to- other offices- of the State.. However much we may be in love with economy - and I want as much as anybody to see economy practised - we should not be captious in our criticism. I believe that when the money comes to be expended under the careful management of the Treasurer, a considerable portion of the vote we are now passing will be found to lapse.

The CHAIRMAN

- I desire to inform the honorable member for South Sydney that the Estimates are not now before the committee, but only the resolution. If the honorable member desires to reduce the amount by any given sum, he can do so on the schedule to the Bill.

Mr Watson

- We shall be able to reduce any item then ?

The CHAIRMAN

Question resolved in the affirmative.

Resolution reported.

Motion (by Sir George Turner) proposed -

That the standing orders be suspended in order to enable all steps to be taken to obtain Supply and to pass a Supply Bill through all its stages without delay.

Mr. REID

(East Sydney). -We must not get into the habit of looking at the suspension of the standing orders as a mere matter of form. We cannot throw aside without some explanation the constitutional safeguard which surrounds the application of public money.

Treasurer

Sir GEORGE TURNER

- I thought I had given an explanation when I spoke previously in introducing the resolution, and pointed

out the extreme urgency. I cannot pay a shilling to anybody, and people are waiting for payment all over the States. I have to send to Western Australia.

Mr REID

- I wish to have it on record that the Treasurer is moving a suspension of the standing orders under the circumstances he mentions, because this would be a highly improper motion unless there were these circumstances.

Question resolved in the affirmative.

Resolution agreed to.

Resolution of Ways and Means, covering resolution of Supply, agreed to.

Bill presented and read the first and second times.

In Committee :

Clause 1 - Issue and application of £1,010,732.

Sir GEORGE TURNER

- In order to give the honorable member for Bland an opportunity to move the amendment he desires to submit, it would be wise, perhaps, to postpone the consideration of the clauses until after we have dealt with the schedule. If we passed the clauses, it would not prejudice the honorable member's position, but he would, perhaps, like to deal with the schedule before we deal with the clauses.

Clauses postponed.

Schedule :

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Mr WATSON

- I desire to get the opinion of the committee in regard to the appointment of a secretary to the Defence department, at a salary of £900 per annum. I have no sort of feeling about the gentleman who, I understand, has been appointed, because I do not know him ; and I submit an amendment merely as a protest against what seems to me unnecessary extra military expenditure. The point I take is that for the work required in the administration of the Defence department, more especially from the centre, all that is necessary is a clerical staff of very modest dimensions indeed. It does not seem to me that there is anything like the necessity for a secretary to this department that exists for an under-secretary to any other department. The military administration will be worked for the most part through the commandants, and the clerical work, in my opinion, can be efficiently done by the chief clerk, whose salary is set down here at £540 per annum. I would draw attention to the fact that, in addition to the Minister, there are no less than twelve officials provided for in this Defence department. There is the secretary at £900 per annum ; the chief accountant at £600, the chief clerk at £540 ; five clerks, one at £310, one at £235, one at £200, one at £160, and one at £80. The last-named, I presume, would be a junior. Then there is a senior messenger at £132 per annum, a messenger at £96, a junior messenger at £42, and a caretaker at £110. This, it seems to me, is setting up a large department to attend to the correspondence that comes from the various heads of departments in the States, and to act as a go-between the Minister and the commandants. In New South Wales at the present time there is a military secretary who is paid either £750 or £800 per annum.

Sir George Turner

- £800

Mr WATSON

- That is too much. I thought so when I was in the New South Wales Parliament. The proper thing to do, it seems to me, is to allow Captain Collins, who, I understand, has been, or is to be, appointed to this position of secretary to the Minister for Defence, to continue in his present post at his present salary until he retires in the natural course of events.

Mr Thomson

- What is his salary? Mr.WATSON. - At present he receives £900 per annum. My object is not to dispossess him of his salary, but to prevent his transfer to this post - and the appointment to his former office of another man - at a considerably higher salary than there is any justification for paying. My contention is that there is no necessity for the first two officers mentioned in this schedule., namely the secretary and the chief accountant. They are quite unnecessary for the carrying out of the work of that department. There is a danger it seems to me of spending too much in departments of this character. I suppose, sir,

that I had better move to reduce the total vote by the amount set down to the secretary, namely £900 ?

The CHAIRMAN

- The honorable member can move the omission of the item, if he wishes.

Mr WATSON

- I move-

That the item. Division VI., Minister of Defence, "Secretary at £900 per annum" be omitted.

Minister for Defence

Sir JOHN FORREST

. - I fail to see why the Defence department should not have a secretary as well as any other department. The interests involved are certainly as great, if not greater than those in any other department, and I suppose that we shall have the control of quite as much expenditure. I am sure that the honorable member for Bland does not think that this million and a half of money is to be expended without careful supervision.

Mr Watson

- But the right honorable gentleman is there, and that is sufficient.

Sir JOHN FORREST

-It is all very well to talk like that, but I shall not be there always. We may have some one there who knows a good deal less about the administration of the Defence department than I do. It would be very poor policy for us to trust to the Ministerial head to control the expenditure of a large department. Ministers come and go, and some of them have had very little experience of administration at all. I cannot think that what the honorable member suggests would be an economical arrangement.

Sir William McMillan

- Is this really an additional salary ?

Sir JOHN FORREST

- No; it will cost Australia no more than it is costing now, because we do not propose to have any secretary for the Victorian defences in the future.

Mr Watson

- But will not this amount be charged to the Commonwealth administration, while at present Captain Collins' salary is being charged to Victoria ?

Sir JOHN FORREST

- At any rate Victoria will save it.

Mr Watson

- I am talking about the Commonwealth, and not about Victoria.

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Sir JOHN FORREST

- The interests of the Commonwealth and of the States are identical, in my opinion. Captain Collins will be working for all the States, besides doing all the work which he has hitherto been doing in so far as relates to Victoria. But he will be doing more. He will be the under-secretary to the whole of the States, instead of, as at present, under-secretary to the State of Victoria. In New South Wales there is a military secretary at £800 a year. I have already taken steps to ascertain whether we cannot do without that officer also ; I believe we can, but I am not prepared to say so off-hand. We are really economizing by taking these officers and making use of them, instead of placing an additional burden on the States without any justification. The Government are not going out into the streets to find an officer. We are taking a man who has had experience in this particular post for a dozen years or more. We are transferring him to the Commonwealth, and the reason the salary is higher than it otherwise would be is that he is getting it already. There is an understanding that officers belonging to the transferred departments shall not lose monetarily when they are transferred. What objection can there be to this appointment ? If we had gone to any other department and secured a secretary something might have been said, because we would have been leaving this officer chargeable, to Victoria. But we are utilizing, the services of the very man who was military secretary in Victoria, and therefore we are making, an- economical arrangement. From the little knowledge I have of the- Defence department, I say that we want an experienced officer near the Minister, to- keep him informed, of- all matters, and especially of those- connected with expenditure. Who could be better qualified for the position ; that is, if Captain* Collins is a competent man - and I. have the

testimony of my right honorable friend, the Treasurer, and of several ex-Ministers of Defence in Victoria, including Sir Frederick Sargood and Mr. William. McCulloch, that he is a really competent man-. What better arrangement then could. I make than -to take this man who has for year* and years-- been, advising, the Victorian Minister in regard to- military affairs ? I suppose there is- no' other man in. the service of the States who1 ought to know half as much about defence,, and about all the arrangements connected therewith, as' this officer.. I. think, that he knows a good deal,, besides which, he is of an economical turn of mind. That is a very great thing, and he is- a- very good check on a number of people, because' he takes care that nothing passes- him-. I have not the- slightest doubt that in all. these years he-has rubbed some people up- the wrong way, because when the- Minister writes letters they say - "That is Collins." Every tiling is put down to that poor officer. Everything that is done is. received with the exclamation " Oh, there's Collins !" and it is not unlikely that some people think that if tins officer would only let tilings pass and not keep the: Minister, informed of what is going on; it. would be much, better for them.. I say that we have,made a. very good- arrangement, because we. have- a capable- and efficient officer, and. are- saving £900 a year to Victoria, and I think, with the assistance of Captain. Collins we- may be able to save many more hundreds.

Mr Watson

- I am. not objecting- to> the officer, but to the office.

Sir JOHN FORREST

- I know that; but the honorable- member cannot expect a Minister to manage a. department of this kind, without assistance. With all these generals and colonels how is the- Minister going- to do it? He must have some one t* assist him.

Mr Watson

- But the Minister has a chief clerk. at £540 a year.

Sir JOHN FORREST

- But he has not been appointed, and he may not be appointed at all. We shall see how we get on, and he will not be appointed until I am sure that he is- required-

Mr Reid

- Does the Minister mean that he- put the item for this- chief clerk on the> Estimates, without knowing whether he was wanted or not ?

Sir JOHN FORREST

- I am told that he is wanted; Captain Collins says he is very much wanted. At any rate he lias- not been, appointed, and we- need not be in a very great hurry about filling that position'. I consider that there can be no> reasonable objection taken to the arrangement that has been made, and I hope the honorable member, for Bland will- withdraw his objection.

Mr G B EDWARDS

- I had intended to move an amendment on this Defence vote, and I regret that the honorable member for Bland has allowed his-amendment to take- the form it has. No doubt the- Minister is correct in saying that he must have- a secretary, and; if we- strike the item out altogether, that necessary office will be done away with. I think it would be better if we proposed: a reduction! of £500- in the total of . the administrative- items, leaving it to the. Minister to allot the reduction in whatever way he thinks fit. Whilst the Minister tries to impress this- committee with the fact that there is no great growth of expense* in connexion with the Defence' department, I contend that all the advocates of federation' impressed! it upon the people that the Defence ' department was one of those in which; great savings were to be effected.

Sir John Forrest

- We have not had a chance- yet.

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Mr G B EDWARDS

- No doubt we should; under the Commonwealth have a very muck more efficient service at a lower total cost than we have been incurring in. the- several States,, under- separate Defence systems. Although the Treasurer- has told us that we shall have plenty of- tune to discuss- these questions when he- has made his financial statement, and honorable- members are in full possession of the details, I say that if the committee intends to make any stand in the direction of economizing in the Defence department, now is the time. We are placed in a very serious position, because, although it is stated that there is to be a

saving here so far as Victoria is concerned, as the leader of the Opposition has said, we are all at sea in the matter. If the Commonwealth has taken over the defences of Australia - as in fact it has done - all these divisions, so far as the States are concerned, should be done away with, and the Commonwealth itself should consider what officers are required for the central administration, as well as what officers may be necessary for local administration in the various States. We cannot impress it too strongly on honorable members opposite that these expenses in connexion with the Defence department must be cut down, and there should be no party voting at all in this matter. I hope that the honorable member for Bland will withdraw his amendment and allow mine to be substituted.

Mr Watson

- I think the chief clerk would be sufficient.

Mr G B EDWARDS

- I think that we might leave it to the Minister to allocate the various items after reducing the total by £500. The committee will do a good thing if it only shows its determination to have these items under the head of defence cut down. We should get a much more adequate system of defence for a lower total outlay than has been incurred in the past. I think the Minister for Defence might have given us a little more information when he was moving the second reading of the Defence Bill to-day. We got nothing more from him than the bare reading of the clauses of the Bill, and I did hope that on so important a subject he would at least have risen to something like the region of statesmanship and have told us what ideas were actuating the Commonwealth in formulating our defence system.

Sir Malcolm McEacharn

- He gave us the fullest possible information.

Mr G B EDWARDS

- We had no information as to the system of defence to be adopted, and I think the committee ought to be enlightened on this matter, so that we may know what we are doing in connexion with the new offices that are being created. I hope the honorable member for Bland will allow me to substitute my amendment for his.

Sir WILLIAM

McMILLAN (Wentworth). I think the right honorable gentleman who has charge of the department we are now dealing with might give us some information that would obviate a good deal of this trouble. We all understand that when we have one central administration for defence, the defences of Australia as a whole should be more cheaply provided for I take it that we are simply forming a central department for the administration of the whole of Australia, but that it does not follow that because we are allocating these people to certain offices in the central administration, there will not be a considerable cutting down in the various States.

Sir John Forrest

- Certainly there will.

Sir WILLIAM McMILLAN

- That is the point I wanted to get at. If the right honorable gentlemen will only take the committee a little more into his confidence and show that he will, on the whole, make a saving in the civil administration of this department, and that for every office created here, there will be probably two or three offices abolished in the different States, we shall be more content.

Mr Higgins

- He wants to have one secretary instead of six.

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Sir WILLIAM McMILLAN

- That will be all right. I think a great deal of this, discussion has arisen out of a misunderstanding of the actual position. I take it that before the Minister tackles the different States with a view to economy, and the reconstruction of the administration, he has first to construct his own central administration and I look forward to enormous economies in the different States when this new central administration is once established. If the Minister would give us . that assurance, there would not be so much trouble, but honorable members naturally look with alarm at officer after officer with, high salaries being provided for in this department, if a similar class of officers is to remain in the different States. The committee do not want to cramp the Government in any way in the administration of this great department, and if the

Minister gives us the assurance that by the time the Budget speech is delivered large economies will have been introduced into the whole service, I think it will be satisfactory to the committee.

Mr PAGE

- One of the principal items that was referred to during the Commonwealth campaign - in Queensland, particularly - was our Defence expenditure. I came down from the north nearly 2,000 miles to hear the Prime Minister deliver an address in Brisbane, and that was one of the items which he particularly referred to. He told us that the Defence system of the Commonwealth would be a considerable improvement upon the present system, both as regards efficiency and the general administration. Now what do we find ? That we are to have a Secretary at £900 a year, or £200 a year more than our commandant in Queensland is paid. Then, again, if we take the whole of the salaries of the officers who are to administer the Commonwealth defences, they amount to very "nearly as much as -we are paying in Queensland for the whole of our little standing army.

Sir John Forrest

- Oh, ho. Queensland spends over £100,000 a year.

Mr PAGE

- After what has been said about economizing expenditure in connexion with defence, what would the people of Queensland say if we stood by and allowed all this proposed expenditure to pass without a protest ? If Captain Collins is such a good man, why was it that he had bags and bags of letters in his office belonging to our soldiers in South Africa, with the result that the men never got them ? We do not want any gold-laced gentlemen at all - let us have plain khaki if we are to have anything. We are going the right way to initiate gold lace by giving one officer £900 a year, whilst even in New South Wales they only pay their military secretary £800 a year. There is a great spirit of militarism in New South Wales. The same spirit also prevails largely in Victoria. I can see that in this State the people have been paying the piper, and now want to saddle the Commonwealth with some officers who have been paid large salaries. I, for one, shall vote with my leader in favour of the amendment.

Mr. HIGGINS

(Northern Melbourne). I cannot help thinking that there is a little misapprehension with regard to the position, though I am as strongly in favour of the reduction of defence expenditure as any one. I understand that no objection is taken to the particular person in question.

Mr Watson

- I am not taking any.

Mr HIGGINS

- Of course the idea is to have, eventually, one Secretary for Defence, but it is impossible to achieve that result at once. It is intended to have a centralized administration, so that instead of having six departments the Commonwealth will only have one. Eventually there will be a great saving, but it is impossible in the first year or two to thrust out into the cold men who hold positions and leave the States to pay them pensions or retiring allowances.

Mr Crouch

- There is no pension payable to this officer.

Sir George Turner

- He is one of the best officers we have in Victoria. He saved us thousands of pounds when I was Treasurer.

Mr HIGGINS

- I assume that this gentleman is transferred to the Commonwealth. If so, the Constitution compels us to pay him his present salary of £900 a year.

Mr Watson

- That is right enough, but we do not want a secretary to whom we shall have to pay £900 a year.

Mr HIGGINS

- Then the honorable member's position appears to be that this officer should be left out in the cold ?

Mr Watson

- He should be left where he is now.

Mr HIGGINS

- We cannot do that. Defence has been taken over by the Commonwealth. The consequence is that

Captain Collins can no longer be Secretary for Defence in Victoria. The honorable member must realize exactly what he is doing. I am sure the members of this committee are anxious to do no injustice to any person so far as it can be avoided. We do not want to have a number of men thrust out of the service so long- as they are able to be useful; nor do we want to have a number of officers claiming retiring allowances, or compensation, or pensions. I am not sure whether this officer is entitled to a pension or not.

Mr Barton

- I think we should treat the matter apart from that consideration. We should look at it as a matter of justice.

Mr HIGGINS

- What are we to do? We find that there is an officer receiving £900 a year in Victoria. In New South Wales there is a similar officer receiving £800 a year.

Mr Watson

- There is no proposal to alter that.

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Mr HIGGINS

- That officer retains his £800 a year. I would suggest that those who are responsible for the proposal to reduce the item of £900 should put in black and white what is to be done. It is quite true that Victoria is relieved from the payment of this salary, but at the same time the officer's services are hereafter to be given to the Commonwealth, and therefore it is the Commonwealth that should pay for them. Of course, Victoria will have to pay her share according to population.

Mr. THOMSON

(North Sydney). I quite agree with the honorable member for Bland in his desire to object to extravagance such as we have seen in connexion with some of our Defence departments in the different States, and I look with some alarm at any unnecessary defence expenditure. The outlay already incurred by the States has not, as is generally admitted, given an efficient defence to Australia, and that means that a considerable additional expenditure will be forced on the Commonwealth especially in the direction of fortifications.

Mr Watson

- And armaments too.

Mr THOMSON

- And armaments also, no doubt. If, in addition to that, we have to multiply the extravagances of the State services it will be an unfortunate thing, for the Commonwealth, and the Estimates for defence will be largely increased. But while I would join with the honorable member for Bland in impressing on the Minister for Defence the necessity for reducing the cost of the Defence forces of the Commonwealth, I am not in favour of doing away with the permanent head of the administrative branch. The better the man we get for the position the more will be saved to the Commonwealth. There should be at the head of the department some officer who can pursue a continuity of policy; who will not be, like the Minister, here to-day and gone to-morrow, but will be responsible for the success of the policy and for the economical administration of the department. Therefore I do not think that it would be wise to give the position to a subordinate clerk. I am not in favour of the blind reduction of £500 which the honorable member for South Sydney has proposed. If we impress our views upon the Minister, and he promises to attend to the matter and to strive to make a reduction in the expenditure, we ought to be satisfied with that. We should not cut down the item by £500 without knowing how the saving is to be effected. It has been stated that the secretary is to be paid £900 a year, because he has been receiving that salary in the State service. I quite admit that if he is taken over that salary will have to be paid to him; but at the same time it would be well for the Minister to fix the salary of the position. If not, we know what will occur. This salary will be passed as the salary for the office without anything appearing in the Estimates to show that it is an exceptional case, and it will certainly become the permanent salary for the post.

Mr Watson

- And probably an increase will be asked for on account of long service.

Mr THOMSON

- If this sum of £900 per annum is beyond the limit to which the Ministry think they ought to go as a

permanent salary, then I would suggest that that fact should be stated in the Estimates.

Sir George Turner

- The Public Service Commissioner will determine the salary of all the offices, and a new man going into office will only get the salary fixed by him.

Mr THOMSON

- But the Public Service Commissioner will be largely influenced by the salaries already passed by Parliament.

Sir George Turner

- Not necessarily.

Mr THOMSON

- If the salary is to be £700 or £800, or whatever the Ministry decide is a fair remuneration, why not set it out in the Estimates, and intimate that extra remuneration is given to raise the salary to that which the officer was receiving at the time of transfer? In that way we should have the opinion of Parliament expressed, and we would get rid of any difficulty there might be in the future in reducing the salary to what may be considered a proper level. It must be remembered that if we fix salaries at rates which are considered by the Ministry to be unnecessarily high, merely because of certain conditions or undertakings that have to be carried out in favour of a particular officer, they will regulate all the other salaries in the department, and in that way we shall get a very considerable addition to the expenditure. I consider that the committee ought to know what is supposed to be a proper salary for this position, and when we know that, it might as well be expressed in the Estimates in the way I have pointed out.

Mr Conroy

- The Public Service Bill does not apply in this . case. Honorable members should look at clause 3.

Mr Deakin

- It applies on the civil side.

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Mr CROUCH

- The Minister for Defence informed the committee that the State of Victoria would save this salary. For about twelve years past Victoria would have been very glad indeed to have saved . it. Victoria has had a Secretary for Defence appointed at a large salary, but it has felt for some time past that it would have been far better for its naval and military policy if it had been able to dispense with his services.

Sir GEORGE Turner

- I have never felt it, and I know of no one who has. He is one of the best officers we have ever had, and he has saved Victoria thousands of pounds by preventing extravagance. That is within my personal knowledge.

Mr CROUCH

- The Minister of Defence is appealing to the committee on the ground of his little knowledge. Is it that he does not know his department, and that he must have the experience of this officer? It is one of those cases in which a little learning is a dangerous thing. The Minister has informed us that the real reason why he wants the present occupant to continue in office is that he knows too much for the military. I think myself that the present occupant of the office does know too much for, the military. While the Minister points out that every time he makes an order the military people say " That is Collins," I would draw attention to the fact that whenever there has been any gross and disastrous interference with the military and naval forces, and even when the Minister's name has been put to that policy, the officers have also had an equal right to say " That is Collins."

Sir John Forrest

- They might be mistaken.

Mr CROUCH

- It is because a gentleman with a naval title has been able to occupy the position of secretary to the Minister that he has gained the Minister's ear, and has created for himself a power which is really above the Minister. It has been quite unnecessary, therefore, for us to get expert knowledge from England. Time after time this official has interfered, and always will interfere, with the men whose expert knowledge is sought ; he has interfered with the advice they give, and with the naval and military administration of the department. I appeal to the committee to strike out this item altogether. I do so on grounds altogether

different from those given by the honorable member for Bland, who does not believe in the office because he thinks some other official could discharge the duties attaching to it. If we are to get expert military advice we should follow that advice, and if the committee support the Minister he ought to have a right to address himself to the expert whom he brings out from England, and to address his military advisers generally, without having to obtain their advice through the channel of the Secretary for Defence.

Sir George Turner

- Who is to act as secretary for the Minister ?

Mr CROUCH

- If the Minister in charge of the Bill suggests a private secretary at a salary of £250 per annum,- I will sit down. ,

Sir George Turner

- Who is to act as secretary of the department ?

Mr CROUCH

- The regulations at the present time state that even the commandant is only to communicate with the Minister through the Secretary for Defence. What does that mean? It means that this channel being a permanent one, it must lead to the Minister for Defence being deprived of information- which he should receive. The secretary simply makes himself master of the situation.

Sir John Forrest

- Not at all.

Mr CROUCH

- I am speaking from experience.

Sir John Forrest

- The honorable member has had such a terrible lot of experience, I suppose, and we have had none.

Mr CROUCH

- I am not appealing to the committee, as the Minister for Defence has done, on the ground of little knowledge. I could cite instances - in which, I think, the Treasurer and the honorable member for Wannon, who has acted as Minister for Defence, could also bear me out - where the Secretary for Defence has made himself the commandant for the time being and interfered with naval and military affairs.

Sir John Forrest

- He cannot do it unless the Minister agrees to it.

Mr MAUGER

- It is all coming out now. Has the Secretary for Defence ever interfered with the honorable member for Corio ?

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Mr CROUCH

- I am asked from the rear - and a question of the kind could only come from the rear - whether this officer has ever interfered with me 1 I may say that he has not done so at any time. I am speaking from no personal motive, and I trust the committee will do me the justice of believing that if it were so I should have thought it my duty to keep my seat. I have no personal feeling in the matter, but I know the feeling of the military forces in

Victoria, and I know it is averse to the proposal to create, in connexion with the Commonwealth, this post of secretary for . "Defence, and to perpetuate the Victorian system¹. The proposal to wipe away the successful systems in force in all other Parliaments in Australia, and to create a civil office which will command and overcome the permanent experts that we get, only means entering upon a course that will lead to a great deal of disaster. It has been said that we have to appoint this official to some post. When he was appointed to the department in 1889 he was transferred from a position in the Imperial service, and he is now receiving an Imperial pension. The committee should therefore give this matter every consideration.

Mr Reid

- Is he getting the pension at the present time 1

Mr CROUCH

- Yes, from the Imperial Government.

Mr Barton

- He is not drawing that from us.

Mr CROUCH

- He will not get a pension from the Victorian Government.

Sir Malcolm McEacharn

- Does he draw his pension while he is drawing his salary from the Victorian Government? I think not.

Mr CROUCH

- Yes, he does.

Mr Reid

- He has a perfect right to do so, but the wonder is that we should have pensioned officers in our service.

Mr CROUCH

- The Reclassification Board of Victoria, which went into the whole question of salaries, recommended the State Government, of which the Treasurer was the head, to reduce the salary attached to this office. I think it should also be remembered that when a little while ago we transferred a State officer to a position in the Commonwealth service as one of the clerks of this Parliament, he agreed to take a reduced salary. We should look at the fact that the Secretary to the Department of Home Affairs is only paid £750 a year. If the proposal of the honorable member for Bland is defeated we might make a provision similar to that made in another case where a Clerk of Parliament was taken over at a reduced salary.

Sir John Forrest

- That was not in the case of a transferred department but of a transferred officer.

Mr CROUCH

- I hope the committee will be prepared to support the amendment, and I hope that the Government will accept it.

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Mr WILKS

- The discussion on this subject, and on the Supply Bill generally, must have drawn attention to the fact that while honorable members of this House profess to be much concerned about economy, when matters are presented to them in connexion with which economy can be exercised, they refrain from dealing with them altogether. It was understood that the Government of the Commonwealth was to be carried on on economical lines, and the question of defence was used as a reason why advantage might be expected from federation. Even from the first, there has been in our discussions a tendency to burke matters of this character. I think the honorable and learned member for Northern Melbourne said that certain offices were to be abolished - secretaries for Defence in New South Wales and in the other States - and that to hurry that along we should assist the Minister. If we wish to have economy in the service we should vote with the honorable member for Bland to strike out this item, so as to force the Minister for Defence to abolish the secretaries for Defence in the various States. He will then have a certain amount of money, and it will be reasonable to suggest that he will be entitled to a secretary. He appealed to honorable members to provide him with a secretary. On his physical proportions he should be entitled to two secretaries, and on account of his genial nature I would like to give him a private secretary into the bargain. There was certainly some force in his complaint when he looked round at other Ministers and saw that they had private secretaries. It is a pity that the Minister for Defence should be picked out for economy of this kind, notwithstanding his attachment to "Tom Collins." Honorable members will know that it has been the practice when there has been any trouble to put it down to "Tom Collins," and the members of the Victorian Parliament have been greatly troubled with this gentleman. I do not wish to suggest that he is not a good officer. I think that the suggestion of the honorable member for Bland will expedite the immediate stopping of the startling proportions to which military expenditure is growing in Australia. We found it to be growing in New South Wales year after year, and we found also, as the honorable and learned member for Corio has pointed out, that the duties of the Secretary for Defence in the State brought him into conflict with the commandants. In New South Wales charges of a similar character were brought against a higher officer, Colonel Roberts. If there is an earnest desire for retrenchment, there is now the opportunity for the committee to set the example. We do not wish the Minister to make a promise that he will not have a secretary, but we want to secure the abolition of the secretaries for Defence in the various States. We find that the under secretaries for Home Affairs and for

Internal Affairs, men requiring varied knowledge and acquirements, are to get a salary of £750, while the secretary for Defence, who performs merely routine work, and keeps the Minister for Defence for the time being posted with the relations of the service, is to get £900 a year. Considered in proportion to the work and skill required from the other under-secretaries, the salary proposed does seem extortionate, and it is in keeping with the high military expenditure which the people of New South Wales and of other portions of Australia have condemned. The honorable member for South Sydney suggests a rough and ready amendment for a reduction of £500. He will find that such rough-and-ready reductions never come off the heads of the service. They never come off the high officials, but the amount is always taken off the rank and file. Though that may appear to the honorable member for South Sydney an admirable way to leave the matter in the hands of the Minister, he will find that the secretary for Defence, whoever he may be, will advise the Minister that the £500 may come off the clerks or junior officers. In dealing with extravagant expenditure, I think the Military department is one in which we should set an example, and for that reason I shall vote for the amendment of the honorable member for Bland, not with the desire that there shall be no secretary to the Minister for Defence, but that the Minister may hurry along and abolish the offices of that kind in the different States.

Mr. WINTER

COOKE (Wannon). The honorable and learned member for Corio referred to a conversation of a very few words which he had with me.

Mr Crouch

- I referred to the fact of the honorable member being Minister for Defence.

Sir Malcolm McEacharn

- The honorable and learned member said that the honorable member for Wannon could bear him out.

Mr WINTER COOKE

- The honorable and learned member first of all did me the honour of saying I was Minister for Defence. I had not that honour, but during the absence of the Minister for Defence I acted for several months. I understood the honorable and learned member to say that I had led him to think - I think he said, I would bear him out, in the statement that Captain Collins had on many occasions interfered unduly with the military commandants. If I recollect the conversation rightly, all I said was that in certain little details, very small sums of money indeed, the secretary for Defence would give his opinion to the Minister. He never acted as if he was the Minister, and I am not aware that on any occasion the present secretary for Defence guided the policy of any Minister. However, I know it to be a fact that he acted as financial adviser to successive Ministers for Defence, and I am quite sure he saved the State of Victoria thousands of pounds.

Sir George Turner

- I know it.

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Mr WINTER COOKE

- I do not think we have in the State of Victoria a more efficient servant than Captain Collins. The Government will have done well if they secure his services as secretary for Defence for the whole of the Commonwealth. I am not now stating whether the salary of the office should be £900 a year. I am very much inclined to agree on that point with what the honorable member for North Sydney has said, that it would be well if the Ministry could state what they think the salary should be, and then, if there is any extra sum, that could be paid to Captain Collins as the new secretary for Defence. I would like to emphasize what I have said with regard to Captain Collins, because Minister after Minister has had the same opinion with regard to him. His position has been a most difficult one ; he has had to act as a sort of buffer between the Minister in his desire to be economical, and the officer of the service, whether military or naval - and I think I might say they were more military than naval in their natural tendency - to be, from a layman's point of view, extravagant. He did not really lay down the policy, but he was simply called upon by the Minister for Defence, perhaps new to the work, and asked if he could effect some economy. He has pointed out to him where economies might be effected, but at the same time he has laid upon the Minister the duty of saying whether economy should take place or not. Of course his advice, given sometimes in that way through the Secretary to the Minister, caused the military and naval people to say, " Collins has done this," as the Minister for Defence has pointed out.

Mr Reid

- How did the Minister for Defence find that out, as he is a new chum here ?

Mr WINTER COOKE

- The Minister has told us that he has experienced something of this kind in Western Australia, if not in defence in other matters. I have no doubt that he will be able to hold his own very well. I think that no military or naval commandant should be prevented from going direct to the Minister.

Sir John Forrest

- He is not.

Mr WINTER COOKE

- If the Minister is to be approached on all occasions by the Secretary for Defence, then we shall have perpetual friction. The Minister will not really get, as he should do, information through the military or naval commandant. I am quite convinced that both commandants should be able to see the Minister at any time they think proper, at his convenience.

Sir John Forrest

- They always can.

Mr WINTER COOKE

- If that be so, then the secretary only remains there as permanent head of the department to carry on its continuity, to give financial advice, and occasionally, as he has done in Victoria, to show that it is quite possible that expenses can be kept down. With regard to Victoria, I may tell the honorable member for Maranoa that during the time when we were very short of money indeed, we cut our defences down to as low as we could possibly do.

Sir George Turner

- £120,000 a year.

Mr WINTER COOKE

- The result was that we were really in a very unsafe state, and the additional expenditure which has been incurred during the last four years or more is really not so large as is absolutely necessary. Therefore honorable members should not be alarmed at the increasing expenditure here. It is all wanted, possibly rather more. Whether it is going quite in the right direction I doubt. We have voted a good deal of money, I believe, for rifle clubs. Rifle clubs are very good in their way, if the enthusiasm does not die down. But I am very much inclined to think that when this war feeling has passed away, unless the men in country districts are tempted by very good prizes indeed to come forward and shoot, or unless they are given a quantity of free ammunition, and rifle ranges at very convenient distances, we shall find that the enthusiasm will die down, and that a good deal of expenditure will have taken place for which we shall get no return. I would advise the Minister to go somewhat slowly even in the matter of rifle clubs. Let us see what will happen in times of peace. In Victoria, and probably in other States, there will be a great clamour for rifle clubs everywhere. Unless the Commonwealth can see its way to spend a great deal of money on free ammunition, and bringing ranges close to the places from where the men are drawn, we shall find that the enthusiasm will die down, and it will have been put to a very large expense in buying rifles and putting up rifle ranges. Although I do not wish to throw cold water on the movement altogether, I think it should not be encouraged enthusiastically. I hope that the amendment will not be carried, because I am sure that we shall want a Secretary for Defence for the whole of Australia. Whether his pay should be £900 a year for all time I do not know ; but on this occasion, at all events, we are bound to pay that sum to this particular officer, who is very efficient for the particular work he will be called upon to do.

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Mr SALMON

- I think the honorable member for Bland will defeat the object he has in view if he insists upon his attempt to carry the motion. -I take it that his desire is somewhat similar to my own, and that is not to enter upon a system of complete military control of the defence force. It has been found in other States to be expensive, and, more than that, extravagant. It has been found in Victoria that thousands of pounds yearly have been saved to the Government through the civil system of administration being adopted. I have had some experience in this matter, for I belong to the defence force. Before I had personal experience of the Secretary for Defence I was strongly impressed with the idea that it would be well for the defence force and for the State of Victoria if he were to vacate his position. But later on my eyes were

opened, and I frankly admit that my previous opinion had been conceived in ignorance of the duties he had to perform, and also of the circumstances surrounding his position. It is absolutely necessary, in order to keep down expenditure, that the Minister, and not a commandant, shall have control, and the Minister cannot possibly have control unless he has at his service a responsible officer, who has had experience and has proved that he is acquainted with both arms of the service, and is imbued with that spirit of loyalty to the country which is really essential when retrenchment has to be effected. The retrenchments which were effected in Victoria during our time of depression would never have been made had the Minister not had at his elbow, aiding and assisting him, man of very strong personality, who was prepared to do his duty, never mind what the consequences might be. At that time I did blame the Secretary for Defence, and feel that he was exceeding his duty, and that he was not treating fairly the military part of the service, but, on a more intimate acquaintance with his work, I must frankly admit that my first opinion was absolutely wrong. I feel that Victoria had no more loyal, more self-sacrificing, more able servant than that gentleman, and I congratulate the Commonwealth upon securing his services. I feel that no one here who has seen the way in which I have spoken and voted on matters of expenditure will accuse me of desiring to see any of the high salaries perpetuated in the Commonwealth. I want to see economy, but in order to get economy we must have men who are capable of administering in an economical fashion. I know from experience that this gentleman is capable of doing so. I do not think we ought to traverse his capacity, because, really, after all, it is the office which the honorable member for Bland is aiming at. He does not impugn the necessity for such a position ; but I can assure him from my own experience, and from the experience of a large number of men who have occupied the position of head of the Defence department in this State, that it is absolutely necessary, if we are to have due economy, that we should insist upon a certain amount of civil control of the Military department. I am one of those who believe that the people should be prepared at all times to defend the country to which they belong. I believe in a system of citizen soldiery, and I would cut down the standing army or permanent force to the narrowest possible limits; and, in my desire to do that, I would insist upon the Secretary for Defence holding a civil appointment and being an officer who is capable of doing the work which I have indicated has been done so successfully in this State. The Minister has told us that he contemplates the appointment of a commandant from the Imperial Army. What will be the first thing that the Minister will have to do ? He will have to resist the demands for increased expenditure which will be made upon him by this officer, and if he is left at the mercy of a clerk - even though that clerk may be in receipt of £500 a year - he will not be able to do this, and to cope with the responsibility which will be thrown upon him. We must have some one who can advise him, and assist him to offer the necessary resistance. If we do away with the civil control of the department we shall be under military control, and shall be launched upon the sea of extravagance.

Sir George Turner

- The military men used to throw the responsibility upon me by written notice.

Mr SALMON

- I know that that has been the custom. The honorable member for Bland wishes to check the growing spirit of militarism, and to encourage the establishment of a citizen soldiery ; and I therefore wish to impress upon him that to do this, and to prevent extravagant expenditure, we must maintain the civil control of the department by having at its head an officer who is capable of assisting the Minister in keeping down expenses. I hope that the honorable member will withdraw his amendment, because I feel certain that he will be able to justify his action in supporting the establishment of this office as an absolute safeguard of the civil rights of the people.

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Mr A McLEAN

- I hope that the honorable member for Bland will not press his amendment. I can assure him that I am as fully impressed with the need for economy which exists as is any member of the committee. It is because I believe that the civil control of the defence forces is much more economical than the military control that I support the item. I was very pleased to hear from the Minister for Defence that all the high-salaried positions in the department are not yet filled, and I hope that he will pause before filling them. Indeed, I strongly advise every member of the Government to exercise the greatest care in regard to the filling of new offices. I understood the Treasurer to justify the increased expenditure upon some of the transferred

departments upon the ground that there was a corresponding increase in the revenue.

Sir George Turner

- I did not justify it. I said that when the revenue went up the expenditure went up in equal proportions.

Mr A McLEAN

- We have not yet dealt with the Tariff question, and until we have dealt with it, and have had some experience of the operation of the Tariff, we shall not know what our revenue is to be. Therefore we are at present legislating in the dark, because we cannot take the Customs revenue of the various States as a guide. In my opinion there are more high salaried positions provided for in the schedule than there is any necessity for at the present juncture, and that is notably so in the Department of Defence. I do not think there is any need for three officers at salaries of £900, £600, and £550 per annum each, and I believe that at least one of the offices could be dispensed with. I would impress it upon the Government that, although the committee may vote the items upon the Estimates, a great many of the salaries seem very large to most of us. When I saw that over £1,000,000 was required to meet the expenditure of the ensuing three months, and that some very expensive departments, such as the High Court and the Inter-State Commission, had yet to be created, I was startled ; but in the absence of the fuller particulars which the Treasurer has promised when he makes his Budget speech, I do not feel that any member of the committee is in a position to say where economy can best be exercised. As a word of warning to the Government I would say - " Do not spend £1 more than is necessary in establishing new offices, until we know more as to what our future revenue is likely to be."

Mr TUDOR

- I hope that effect will be given to the suggestion of the honorable member for North Sydney, and that a certain sum will be put aside for this office, and an additional sum voted for the present occupant of it, because it will be incongruous to have public officials receiving salaries of £900 and £1,000 a year, while they are under the control of inspectors receiving only £800 a year. I think that it would be better if we made the salaries something like that which is to be paid to the secretary for the Minister for Home Affairs - £750 a year, or even less - and to vote as a separate amount the sums necessary to make up the money now received as salaries by transferred officers. I understand that the chief accountant and the secretary for the Defence department are transferred officers, and that the salaries now being voted for them are only what they have been receiving in the State of Victoria, but I think that it would be better to make provision for them in the way I have suggested. With regard to the other officers in the department, I would point out that probably there are State officers who will not now be required, and whose services could be utilized by the Defence department. I do not want to see new men get these commissions, if there are public servants of the States who are now drawing State salaries, and who could do the work. The honorable member for Bland has been informed that if Captain Collins does not receive this position he will still draw £900 a year from the State of Victoria ; and if there are other men in the service of the States who will be in a similar position, I think that it would be well to obtain their services for the Defence or some other department. I make these suggestions to the Government, or to the department, hoping that they will be made use of in the appointment of new officers. There is one officer down for a salary of £540 a year, and surely some other officer in the department may well do this work, without bringing in another.

Mr WILLIS

- I am of opinion that we should have an effective service. When the honorable member for Bland moved his amendment, I think he stated it was with a view to economy, but it seems to me that his proposal would have quite an opposite effect, for we have been told by the Minister for Defence that if this officer be appointed, similar officers throughout Australia will be dispensed with.

Mr Watson

- He has not said that.

Sir John Forrest

- That is the idea.

Mr Watson

- The Minister for Defence has not said that, so far.

Sir JOHN FORREST

- There are not many such officers, but it is hoped one will be dispensed with in New South Wales.

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Mr WILLIS

- The Minister says that is the idea, and I think, he also said he would dispense with the officer in New South Wales, because inquiries had already been instituted. I take it that inquiries have been made in Victoria, and that it is the intention of the Minister to transfer this gentleman from the head position in the department in the State to the head position in the Commonwealth Defence department.

Sir John Forrest

- That is so.

Mr WILLIS

- So that there will be retrenchment in those two States. I take it, further, that the secretaries to the commandants in South Australia and the other States will also be dispensed with.

Sir JOHN FORREST

- They have not got any.

Mr WILLIS

- In those cases no retrenchment will be necessary, but we have it that there will be retrenchment in the two large States, where the greater portion of the population resides. It will be noticed that the amount of increased expenditure involved in the proposal of the Minister is very small indeed compared with the amount of saving that will be effected. A saving of £1,800 will be effected while we shall have to spend something like £900. In New South Wales we shall not have to pay this £900, and the proportionate contributions of the States to that amount would be New South Wales one-third, Victoria two-sevenths, Queensland one-sixth, South Australia one-ninth, Western Australia one-twelfth, and Tasmania onetwentyfourth.

Sir John Forrest

- There are lots of other savings.

Mr WILLIS

- These are the savings on that head alone. New South Wales will be saved as I say this £900, and I take it that if the honorable member for Bland is faithful to his constituents, he would rather see this one appointment made, which would be a charge on the whole Commonwealth, than keep the New South Wales officer unnecessarily in his place, in order to satisfy an idea that this secretary should not be given to the Minister for Defence. If the honorable member is sincere in his desire for economy he would do well to withdraw his amendment. Something was said in the course of his remarks about an outcry in New South Wales in regard to the amount that would be expended on the Commonwealth defences. I followed the course of the federal election campaign very keenly, and I do not think there was one word said about the amount of the defence expenditure in accordance with the estimate known as the Adelaide estimate.

What was the cause of the outcry in the

State was the report of a certain committee, appointed possibly by the leader of the Opposition, then the Premier of New South Wales. Mr. Bruce Smith and two other gentlemen brought in a report in which they stilted that the expenditure on the Defence department should be very considerably increased. Dr. McLaurin and Mr. Thomas Dibbs were also I believe, members of that committee, and they, as Mr. Bruce Smith said, made out that the expenditure would be very excessive. People contended that Dr. McLaurin was right, while others of us contended that Mr. Bruce Smith's estimate was nearer the mark. The people of New South Wales were well aware that the defence forces must be very considerably increased if we were to have an effective service. Indeed, it seems to me beyond dispute, considering the increased defences which are going to be instituted under the Commonwealth that the expenditure must be very considerably increased. I take it that if the honorable member for Bland is sincere he must withdraw his amendment, because if the vote stand it will be a saving to his State of £900, and the proportion that will be saved by New South Wales will be the proportion, which I stated earlier in my remarks.

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Mr POYNTON

- I trust that we shall have something more definite from the Minister than we have had up to the present in connexion with this expenditure. I do not wish to hamper a Minister in his department, but this is the proper time to speak. The more one looks at these Estimates the more one is struck with the want of uniformity. We find that in one department there are a number of clerks -with salaries ranging from £100

to £200, while in another department the salaries range from £3 2.0-down to £ 1 20. In the Defence department there are five clerks, one at £310, another at £235, another at £200, another at £160, and another at £80. When looking, over these amounts I was very much reminded of the remarks of the honorable member for Gippsland, when he stated from his experience as a member of a Royal commission, which sat in Victoria, that one of the great difficulties was that wherever' a department was created, an effort was made to get as many officers into the department as possible so as to give it more importance. That seems to be the trouble from which we are suffering here, each department seemingly differing in importance from the others. What the committee want is an absolute assurance from the Minister for Defence that this is not going to be an increased expenditure - that a corresponding saving, at least, is to be made under the State expenditure.

Sir John Forrest

- That is the very case in regard to this officer.

Mr POYNTON

- The Minister has not said so yet.

Sir John Forrest

- I have said that this officer is a transferred officer.

Mr POYNTON

- The Minister says that the idea is to save expenditure.

Sir John FORREST

- I said that there would be a saving in New South Wales, in addition to this saving elsewhere.

Mr POYNTON

- That is the idea, but we want more than an idea. We want an assurance that there will be a saving in connexion with the Secretary of Defence in Victoria, and that there will be a saving in the other States, so as to have a decreased instead of an increased expenditure.

Sir John Forrest

- There will be £900 saved straight away.

Mr POYNTON

- We want also to know where is the necessity for any one of these officers, if he is not to be appointed now. I am given to understand by the Minister that no appointment has been made.

Sir John Forrest

- None has been made yet.

Mr POYNTON

- And we were led to believe that the appointment would not be made for some time.

Sir John Forrest

- No.

Mr POYNTON

- If the appointment is not to be made for some time, why not wait until it is necessary ?

Sir John Forrest

- We want the secretary now. He is doing the work, and has been doing it for two or three months.

Mr POYNTON

- Then the position is that the Minister does intend to appoint this officer 1

Mr REID

- The Minister says he has been appointed.-

Sir John Forrest

- No; but he is doing the work. I said the chief clerk had not been selected yet.

Mr POYNTON

- I want to make another suggestion. It has been stated here to-night that the reason this salary of £900 differs so much from the salaries of other secretaries in the service, who occupy positions of equal importance, is because the officer is a transferred officer.

Sir John Forrest

- It is a transferred department.

Mr POYNTON

- And this is a transferred officer of this particular department. Would it not be well to fix the value of the

office?

Sir John Forrest

- I would not object to that.

Mr POYNTON

- The same remark applies to other departments. We have another department here in which the salary of the head is set down at £1,200 per annum.

Sir George Turner

- If he had not been a transferred- officer we would not have put him down at £1,200.

Mr POYNTON

- We ought to fix the value of the office.

Sir John Forrest

- I am, quite ready to do that as far as I am concerned.

Mr POYNTON

- I think that the adoption of that course would get over the difficulty.

Sir John Forrest

- If that can be done upon the Estimates or by resolution or in some other way, I have no objection.

Sir GEORGE TURNER

- I have mentioned once or twice that it is not intended that an office shall necessarily carry with it the salary which an officer takes over with him. With regard to this particular office, I think that £750 per annum would be a very fair remuneration. I am not prepared to say that £.750 would be a fair remuneration for the Comptroller-General of Customs, and the same remark applies to the secretary of the Post and Telegraph department. Honorable members might allow this item to pass, however, on my assurance that when I bring in the principal Estimates. I will place in them the salaries which we propose to allot to the various offices. Those salaries, of course, will be subject to the revision of the Public Service Commissioner when he is appointed.

Mr A McLEAN

- Those are the permanent salaries ?

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Sir GEORGE TURNER

- Yes. There is a good 'deal of force in the argument used that if we put down the salary of the secretary to the Minister for Defence at £900, our action may be taken as an intimation to the commissioner that we desire the salary of" that office to be fixed at that.amount. That is not a desirable position, and upon my assurance that when the principal Estimates- are submitted we shall fix what is a fair salary for the various offices, and show the extra amount allowed as extra payment in the case of transferred officers, I think that the item which has been challenged should be allowed to pass.

Mr Higgins

- Fix the amount now.

Sir GEORGE TURNER

- I do not think it would be fair to ask me to fix the amount now. I could not do so at once for the Customs department or for the Postmaster-General's department. But the committee have 1 full power to deal with these matters. They will have full control over them when they are dealing with the Estimates.

Mr. Higgins. - But this amount will be spent 1

Sir GEORGE TURNER

- This £900 must be spent under any circumstances. It really makes no difference whatever. I have suggested a way of getting over the difficulty'. Of course it does not deal with the question which has been raised by the honorable member for Bland, but on reconsideration I am sure he will come to the conclusion that the Minister for Defence must have a secretary. Let me give him my assurance that I believe the retrenchments made in the Defence department in Victoria could not have been made if we had not had the services of an officer who looked at military expenditure from an entirely different stand-point to that of a military officer. We were spending £160,000 in Victoria, and we reduced that amount to £120,000. This year 1 am aware that the expenditure has risen to £220,000, although that is accounted for to a large extent by the number of rifle clubs which have sprung into existence. There is a great outcry that we must have full and efficient defence, but the moment we come to spend money there

is trouble about the various details. I have never been carried away with the idea that we must spend an enormous amount upon defence. A large sum of money in my opinion is absolutely wasted, but unfortunately we have the men permanently in the positions, and it is not so easy to cut them down. The honorable member for Northern Melbourne was right when he suggested that the reduction must be spread over a few years. In New South Wales we have a military secretary and a large staff, and we cannot walk in at once and say, "Out you all go." The only way is, when vacancies occur, to transfer some of these officers to other positions, and by that means to gradually make a saving. In Victoria we reduced our military service by nearly one-third. We held out inducements for men to retire, found positions for them in South Africa and Western Australia, and by that means gradually reduced our expenditure. I have had before me a copy of the departmental Estimates, which I have sent back to the departments with the instruction that they must be largely reduced. When they come back to me they will probably suffer another very large reduction. In the meantime, I hope that the honorable member for Bland will not press his amendment to a division. I trust that he will allow this item to pass, and then when we have the whole Estimates before us, we can deal with the question of what retrenchments should be made throughout the service.

Mr. REID

(East Sydney).- I think that the statement made by the Treasurer clears away a great deal of the difficulty that attends this subject. I am quite prepared to fall in with his suggestion. But the discussion has been a very useful one in throwing light upon one of the greatest difficulties ahead, in view of the scheme propounded by the Minister for Defence to-day. It is evident that the Minister himself really intends to be the commander in chief of all these forces. At the same time he scorns the modern notion of intercepting buffers between responsible Ministers and great public departments.

Mr A McLEAN

- The description which he gave us either referred to Lord Roberts or to himself.

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Mr REID

- I knew it referred to himself, because I know the modesty of my right honorable friend. But although the right honorable gentleman scorns the idea of having any buffer between the responsible Minister and a large public department, it seems that the unfortunate Captain Collins is to be the buffer between himself and the other commanders in chief. That is evidently the position which poor Captain Collins is to occupy. I do not know what will become of him between the different commanders in chief, the Secretary for War and the illustrious general who will come out to be instructed in the art of war, by my right honorable friend, with the help of Captain Collins. I really view the future with some apprehension. But there is an inseparable danger of friction from the two species of control, the civil and the military control, over military matters. At the same time I cordially agree with what has been said as to our future unhappy experience in Australia, if the forces and the military administration are handed over to military officers. There is no doubt that in such circumstances the expenditure will grow out of all reasonable proportion to the needs of the different States and the finances of the Commonwealth. Consequently I reconcile myself even to the prospect of my right honorable friend running the military and naval forces of the Commonwealth. I am satisfied by this debate that Captain Collins is a really good, efficient, and faithful officer. I do not think that anything could be more significant in favour of the man than the testimony of my right honorable friend the Treasurer. We all know that Sir George Turner, during the dark days of the State of Victoria, exhibited what, to my mind, was a splendid degree of firmness and patriotism in discharging a most difficult duty; and he discharged it, I think, with consummate skill. When I hear my right honorable friend give the testimony he has done in favour of Captain Collins, I feel thoroughly satisfied that Captain Collins is the right man for the position, and I withdraw any possible opposition that may have been engendered by the discussion that has taken place to-night. At the same time, it is of supreme interest to us that we should have regard, not so much to the exceptional circumstances of the individual who happens to be mentioned for the moment, as to the establishment of a rigid and stable system of economy. Now, that is the financial necessity, of the Commonwealth, and some very unpleasant work will have to be done before we get to the bed-rock. I sympathize with Ministers who have to begin on the methods of State finance before they get to that bed-rock; but I think this House, however lenient it may be in matters of less importance, and whatever parties it may consist of, will be found by the

Ministry to be thoroughly in earnest in its determination to cut down the expenditure of the Commonwealth. We have an opportunity of laying down a system on sound principles that may last for generations, or, on the other hand, of imitating the bad examples that have been only too familiar in Australian finance, and I thoroughly commend those honorable members who have given this discussion a turn in the direction to which I have referred. I think there will be a great deal of inconvenience attached to the adoption of some of the suggestions that have been made this evening. I am afraid that the Treasurer cannot possibly put what he suggests in his first Estimates, because it will be a matter involving delay, and I am sure that everyone wants to see the financial statement delivered at the earliest possible time. We all know the intense uneasiness, and the losses which are being experienced by the commercial and industrial interests of the States by the delay that is occurring. I do not say it is unreasonable delay, but it is of very serious consequence to the people of Australia, and every day's delay is multiplying the losses of our first year of federal finance. Now take one item - the item of kerosene - which may possibly figure in the new tariff of this Government as a dutiable article. There is an enormous quantity of kerosene afloat which would represent duty to the amount of £100,000, and the profits will go into the pockets of some great syndicate - some Standard Oil Trust, of America - if there is much delay in these matters. That is only one line, and as two great companies engaged in that business are bringing enormous quantities of kerosene here, the longer the financial statement is delayed the more serious the loss will be in our financial year. We must look forward to a period of anxiety and possible strain, no matter what scheme or what Tariff is submitted, and, therefore, - I am glad that this debate has prepared the Ministry for the disposition of the committee, which I think the Ministry will see is very earnestly in favour of the most primitive scale of expenditure. With reference to the salary of this office which we have been discussing, I am glad that the Treasurer has suggested £750. I think that is an ample salary for the position taken as a position, and as far as I am concerned I am perfectly prepared to see Captain Collins in the office at that salary. Of course, if we are under any contract to him, he must get the amount for which we are bound, but I hope the Minister will not postpone economy on the plea of the position in which the State has left any particular service. We cannot forget that the military and naval forces of the States are now the naval and military forces of the Commonwealth, that they are our care and our responsibility, and that we must not continue any extravagant arrangements that may exist in any State, simply because they exist in that State. The Government must grapple with this matter in a different spirit. I quite agree that we are not going to drive any of these people out into the streets at a moment's notice, but if a man is not wanted the truest economy will be to get rid of him - not without some fair consideration. The most wasteful thing we can do is to continue any man in the service of the State when he is not required. It is a demoralizing thing to do, and it would be an injurious way of beginning our system of defence; and it is infinitely better to face the difficulty and give any man a substantial amount and let him go, rather than keep him at work that is not required. If there are any military secretaries who are not required in the States, they must be dispensed with, because the Government cannot keep on a regular retinue of military secretaries when they only require the one secretary. The Minister must have one secretary, but what is the use of having only one secretary if we have to pay for six, or even four or three. I am very sanguine that, although some considerable time has been taken up in this matter, it will prove to be not altogether wasted.

Mr. WATSON

(Bland). - I quite sympathize with those honorable members who say that we ought to have civil control over the military department, and I did not wish, in moving the amendment, to deprive the Minister of expert advice. However, the position when I moved the amendment was that the Minister had given no indication of his intention to do without expert advice on the civil side in each of the States. Since the amendment was moved, he has given the assurance that he intends economizing on the fines put forward by the honorable member for Wentworth, and, for one, I am satisfied with that. The great objection I had was that there was no indication given, either by word of mouth or in the Estimates put forward, that there was going to be any alteration in the system that at present obtains, but I am quite satisfied with the statements now made, especially with that of the right honorable the Treasurer, that when the Estimates come on we shall have an opportunity of going into matters in more detail. I trust that when the Estimates in chief do come before us we shall find that the office of military secretary in New South Wales has disappeared, and that a number of smaller offices on the civil side have also been done

away with. I notice that the Queensland Estimates for this year show that the whole, of their defence administrative work has been carried out by about five or six men, "the head of them getting a salary of £300 a year, for which he acts as chief clerk, accountant and paymaster for a department in which they have an expenditure of somewhere about £100,000 a year. It is shown that they have been able to carry on the civil administration in an economical way. Of course, I am obliged to the honorable member for Robertson for giving me advice out of the vast store of his political experience, and I trust that with all his doubts as to my genuine desire for economy, when the Estimates come on, he will not look with such large equanimity on the military vote. There are 'a number of honorable members who, whilst being strongly desirous of securing increased efficiency in the Defence forces, will not be favorable to any increased expenditure.

Mr. THOMSON

(North Sydney).- I think that when the Minister for Defence came down with a salary designed to suit, not the position but the officer appointed to a position, he should have been prepared to tell the committee the salary which he thought it desirable to attach to the office. As the Minister did not do so, it was my intention to give him . an opportunity of fixing the amount by moving that the sum of £750 be inserted as the salary for the office. It might even yet be advisable to indicate that to the Minister by motion, but I understand from the Treasurer that he has "undertaken, when, the Budget comes on, to give the salaries for the offices, not only in this case, but in all other cases where the salary of the occupant differs from that attached to the office. Under the circumstances I am quite prepared not to move an amendment; but I think we ought to see, in fixing these salaries in the first place, that honorable members understand what is to be the salary for the office altogether independent of other circumstances.

Mr Watson

- I beg to ask leave to withdraw the amendment. .

The CHAIRMAN

-Is it the pleasure of the committee that the amendment be withdrawn 1

Mr CROUCH

- I object.

Amendment negatived.

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Mr MAHON

- I should like to obtain a little information from the

Treasurer. I wish the right honorable and learned gentlemen to let the committee know whether provision is made in this schedule in regard to salaries from which a deduction of 4 per cent. for superannuation allowance will be made, as in New South Wales?

Sir George Turner

- In the transferred departments, yes. The same remark applies to some of the Hansard staff. I think we are deducting something from them. They pay into a superannuation fund.

Mr MAHON

- I should like to know definitely whether that is the case, and whether it is not the fact that some officers are being transferred to the Commonwealth who have free pension lights, whereas there are others from whose salaries a certain sum will be deducted every year?

Sir George Turner

- The officers come over to the Commonwealth with their rights, whatever they may be. Some have pension rights, others are to get pensions on 4 per cent. payments.

Mr MAHON

- I know that the Constitution Act provides that all existing and accruing rights shall be preserved ; but the information I have is that the Treasurer inserted a clause in the Public Service Bill the other night, which enables him to deduct from these salaries 4 per cent. of the amount to go to a superannuation fund.

Sir George Turner

- From which salaries ?

Mr MAHON

- Those of certain transferred officers.

Sir George Turner

- Where they have been deducted in the past, certainly. The officers are in no worse and no better position than they were with the States.

Mr MAHON

- I think the right honorable learned gentleman will find that he has no right to do that. Inquiry will satisfy him that these officers came over to the Commonwealth upon no such stipulation, and that they came here expecting that they would be put on the same footing as officers from other States where there is no superannuation fund.

Sir George Turner

- The honorable member does not mean officers of the transferred departments?

Mr MAHON

- I mean officers taken from the State services, and placed in the Commonwealth service ; not officers of the departments transferred.

Sir George Turner

- The Constitution Act places them in the same position.

Mr MAHON

- I know ; but there are some officers transferred from the Victorian service who have free pension rights - that is, officers who entered the State service before the year 1880. The Government has transferred to the Commonwealth from the New South Wales service some officers who, although they were paying into the superannuation fund in New South Wales, claim that they entered the Commonwealth service on the supposition that they would not be obliged to have deductions made from their salaries for this purpose, and would stand on the same footing as the gentlemen who were transferred to the Commonwealth service from the Victorian service.

Sir George Turner

- I never heard of any such arrangement, but I will inquire of the Prime Minister, who made the appointments. We are simply carrying out the existing laws, whatever they are.

Schedule agreed to.

Postponed clauses agreed to.

Bill reported without amendment ; report adopted.

Bill read a third time.

AUDIT BILL

In Committee

(consideration resumed from 4th July,
vide

page 2115) :

Clause 36 (Continued authority of Treasurer to pay moneys for public service, pending passing of Appropriation Act).

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Sir GEORGE TURNER

- This is a very useful clause, and one, indeed, that will be absolutely indispensable. When the matter was last before the committee, however, the honorable member for Indi raised a very important constitutional question, which had not occurred to me in drafting the Bill, as to whether this particular clause could in any way be construed as an infringement of the sections of the Constitution Act relating to Appropriation Bills and Money Bills generally. The Attorney-General has been good enough to give consideration to the point, and he has come to the conclusion that it is doubtful. That being so, it is not wise for us to place any clause in this Bill which might give rise unnecessarily to constitutional disputes between the two Houses. The object we have in view can be gained just as well by putting this and the following clause into a separate Bill, and dealing with it before the necessity arises for the Bill to be made law. Under these circumstances, I think it would be wiser to omit both clauses, and later on in the session, I will bring in a short Bill dealing with the subject. I ask the committee to negative this and the following clause.

Mr REID

- I hope the Treasurer, in bringing in his new Bill, will also consider the language of paragraph (c), which might perhaps be held to be wide enough to include payments not of the description mentioned. The paragraph provides -

That the payments hereby authorized shall be at such rates and shall not in the whole exceed such an amount as would be equivalent to the authorized expenditure.

Sir George Turner

- I will provide for that.

Clause negatived.

Clause 37 negatived.

Clause 38 -

If the exigencies of the public service render it necessary to alter the proportions assigned to the particular items comprised under any one subdivision in the annual supplies the Governor-General may by order direct that there shall be applied in aid of any item that may be deficient a further limited sum out of any surplus arising on any other item under the same subdivision unless such subdivision shall be expressly stated to be "inalterable."

Every order by which such altered application may be made shall be delivered to the Auditor-General, and a copy thereof shall be laid before both Houses of the Parliament within seven days after the making thereof if the Parliament be then in session and actually sitting or if the Parliament be not then in session or actually sitting within seven days after the commencement of the next session or sitting.

Nothing hereinbefore contained shall authorize the Governor-General to direct that any such sum as aforesaid shall be applied in augmentation of or as an addition to any salary or wages the amount whereof respectively shall have been fixed by law.

Mr REID

- I wish now to raise a matter which I should like the Treasurer to consider. There is a provision in the Bill that these very important documents, which authorize a departure from the terms of the Appropriation Act, and the application of moneys voted for certain purposes to any other purpose, shall be made public. The clause is one which I think is very proper, and it contains a very proper provision that any minutes authorizing these transactions shall be made public, and copies laid before both Houses of Parliament.

Sir George Turner

- They are also to appear in the annual report of the Auditor-General.

Mr REID

- I do not so much wish to press the suggestion I am going to make in regard to these minutes, but I would press it with reference to that report. It happens in some of the States that the Auditor-General's report is due just about the time that Parliament is going to recess. It may be in existence a few days after, and yet, because of the formality that it must be laid before Parliament, the public are kept in the dark as to its contents, dealing generally with the public finances, for half a year after it is ready.

Sir George Turner

- We generally get it early in November. Under the Commonwealth it may, of course, be somewhat different.

Mr REID

- When we come to the clause which deals with the annual report and its presentation to Parliament I shall ask Ministers to allow it to be amended, so that if Parliament is in recess when the report is ready and presented to His Excellency the Governor-General for the purpose of being laid before Parliament, it may be issued to honorable members. That would practically be issuing it to the public. As the clause stands, even honorable members cannot obtain that report if it has not been laid on the table, and thus if the House is in recess, information which it is the right of the public to know may not be available for six months after it is ready.

Sir George Turner

- Parliament does not like it to be circulated before it has seen it.

Mr REID

- There are cases in which there is no possible objection to such circulation. This document is one which should pre-eminently come before the public as quickly as possible. Parliament has no control over it in the way of making alterations. When we come to the clause later on I will suggest an amendment.

Mr. HIGGINS

(Northern Melbourne). I wish to ask whether clause 38 follows exactly the provisions in the Acts referred to in the marginal note. I find that it gives a very great power to the Governor-General in Council. He may

transfer in the annual supplies an excess which is not required in one item to another item.

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Sir George Turner

- But only to an item in the same subdivision. In some of the Acts the provision goes further, and allows an excess which is not required for one item to be transferred to any item in the same division. In this case the transfer is only to be made from one item to another in the same subdivision.

Mr HIGGINS

- Assuming that we have taken some trouble in fixing a salary at £750 per annum in one subdivision, and the Minister finds that he has a little excess in the same subdivision, he would have power under this clause to transfer £150 from another item to the £750 and make it £900 unless the salary had been fixed by law.

Sir George Turner

- The honorable and learned member should read sub-clause (3).

Mr HIGGINS

- There is no law fixing, for instance, Captain Collins' salary. There is a law in regard to men who are in the public service and appointed under the Public Service Act. There is a schedule in the Act which fixes the salary by law. All that sub-clause (3) provides is that -

Nothing hereinbefore contained shall authorize the Governor-General to direct that any such sum as aforesaid shall be applied in augmentation of or as an addition to any salary or wages the amount whereof respectively shall have been fixed by law.

Sir George Turner

- We are going to stop at the word "wages," and that will get over the difficulty. Will the honorable and learned member move that the concluding words of sub-clause (3) be omitted ?

Mr HIGGINS

- Very well. I move-

That the words "the amount whereof respectively shall have been fixed by law," subclause (3) be omitted.

Mr G B EDWARDS

- I think it would be as well to strike out the words "or wages."

Sir GEORGE TURNER

- I do not think it would be wise to omit those words. Where sums are voted for salaries or wages, Parliament will pass such votes on the understanding that those amounts, and those only, shall be paid, and that no increased amounts shall be given without its authority. These transfers are generally in relation to small items, where, for example, we have "stores" in one item, and, perhaps, "travelling expenses" in another. If we have a saving in one, instead of having to swell our Supplementary Estimates, with all these odds and ends, we simply transfer that excess to another item in the same subdivision.

Amendment agreed to.

Clause, as amended, agreed to.

Clauses 39 to 53 agreed to.

Clause 54 -

The Auditor-General shall within fourteen days after making and signing the said report if the Parliament be then in session and actually sitting, or if the Parliament be not then in session or actually sitting, within fourteen days after the next session or sitting, transmit to both Houses of the Parliament the said statement accompanied by such report and by the said copies hereinbefore directed to be appended thereto.

Mr REID

- I observe that this is the clause which provides that the report shall be transmitted by the Auditor-General to Parliament. If Parliament were not sitting at the time at which it was ready for transmission, the result would be that the Auditor-General would delay the transmission of the report until the House met. That might have the effect of keeping the public and honorable members in the dark for months as to the nature of the report. I want to see a proviso, or words added to this effect - Provided that if the Parliament be not in session when such statement and report are ready for transmission they shall be printed and issued as a public document.

The report would be a complete document before it is ready for transmission, and would be incapable of any alteration by the House. We could not conceive of a case in which the House would suppress a report of the Auditor-General on the public accounts, and decide that it should not be made public. That is inconceivable, because even if there were some dispute between the Auditor-General and Parliament, it would still be right to make the report public.

Sir George Turner

- The only question is whether it is necessary to put it into the clause.

Mr REID

- It may not be, but I should prefer to have it in the clause, because sometimes disputes arise between Treasurers and Auditors-General, and I believe that honorable members and the public generally should see the Auditor-General's report at the earliest possible moment.

Mr Barton

- Perhaps it would be better to authorize the Auditor-General to transmit his report to the Governor-General, in that case for publication.

Mr REID

- That would not meet my point.

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Mr Barton

- Once it is transmitted to the Governor-General it is sure to be printed.

Sir George Turner

- The Treasurer might desire to keep it back.

Mr REID

- The Treasurer might want to keep it back. It is difficult to conceive of such a case, but it is just as well to provide for it. There is no harm in putting in the words, and I know for instance of a case where the Auditor-General's report, at a most important time in the history of a State, has been laid aside for several months.

Sir George Turner

- The right honorable and learned gentleman might say that the Auditor-General shall transmit it to the Treasurer, who shall publish it.

Mr REID

- We might say-

Provided that if the Parliament be not in session when such statement and report are ready for transmission, a copy thereof shall be transmitted to the Governor-General for public information.

Mr Barton

- I think it would be better to say that within a time to be mentioned it shall be transmitted to the Treasurer for public information.

Mr REID

- I do not want to delay the clause now, if the Treasurer will agree to put in a provision of the nature I suggest at some more convenient opportunity.

Sir George Turner

- We shall have the Bill recommitted for reconsideration on several points, and we can get the amendment suggested prepared ; it is a good amendment.

Mr WILKINSON

- I should like to know if there is any sufficient reason why we should not have a fixed limit of time within which the report shall be presented?

Sir George Turner

- It is absolutely impossible to do that, because it will take some time for the Treasurer to prepare his statement, and it will take some considerable time for the Auditor-General to prepare his report. I do not think we can fix an absolute date.

Mr PIESSE

- There is a little ambiguity in the use of the word "statement" in line 21 of clause 54. In the preceding clause the word "statement" is used as referring to a statement of facts, while the word as used in clause 54 evidently refers to the statement to be prepared and signed by the Auditor-General. As the clause is to

be reconsidered, I suggest that that matter ought to be attended to.

Sir George Turner

- Yes, I see that wants amendment.

Mr PIESSE

- I would like to support what the leader of the Opposition has been saying on this matter, and also to urge upon Ministers the desirability of circulating other reports. From time to time we get public reports coming to us after the session has opened, when we have other matters to attend to. They do not then get the consideration they deserve, and the country does not get the benefit of the consideration which honorable members might give to them if they were circulated earlier. A complaint of this kind is, I think, made in all Parliaments.

Sir George Turner

- The difficulty is that the Government cannot well circulate an official document until it has been presented to Parliament. Unless there is an understanding that no objection will be taken to that course, honorable members who are very jealous of their rights may get up and ask why we circulated a report before it was laid before Parliament.

Mr Reid

- I think we might have a discussion upon the point now, which would strengthen the hands of Ministers in the matter, because there are many reports which it would be well to circulate early.

Mr PIESSE

- I am not now prepared to say what documents should or should not be circulated in the way I suggest ; but if these reports were circulated before Parliament met, a great deal more good would come of many of them. It might be as well for Ministers to take the matter into consideration, and get authority from Parliament to do what is suggested.

Mr Barton

- Can you mention another case in which it ought to be done ?

Mr PIESSE

- Yes ; I think it might well be done in the case of the report on the Defence force.

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Sir GEORGE TURNER

- I think the suggestion made is a very good one, and personally I should be glad to have some way of publishing valuable and interesting reports. When the House has risen perhaps for a recess of five or six months, such reports to be delayed and brought forward immediately Parliament meets when honorable members have not the opportunity to study them, as they have their parliamentary duties to attend to. I think the Prime Minister will probably take that into consideration, and unless he has some strong objection to it, he will see the force of issuing copies of the reports to honorable members and to the press in order that publicity may be given to them. I feel that there would be no objection by Parliament to that course being followed.

Mr Reid

- If we put this in the Bill it will be a sort of precedent to follow.

Sir GEORGE TURNER

- It will be a sort of guide to follow.

Clause agreed to.

Clauses 55 and 56 agreed to.

Clause 57-

All interest (other than interest on loans taken over by the Commonwealth from the States or any renewal or conversion thereof) payable on account of the public debt of the Commonwealth on the first day of any quarter of the financial year shall be charged and included as a payment in the preceding quarter of such year.

Mr. HIGGINS

(Northern Melbourne). This is an important clause. It enjoins a practice which is regarded by Treasurers as healthy generally. The effect is that if interest is payable on the 1st July, the day after the financial year ends, it is to be debited to the 30th June.

Mr Barton

- Because it has to be provided for out of the previous year's revenue.

Mr HIGGINS

- I have no personal objection to it, subject to any observations which the leader of the Opposition may think fit to make. I am not aware whether he has any objections, having regard to recent discussions in New South Wales. So far as regards the general policy, I have no objection, but I wish to call the attention of the Treasurer to the exception which is made. I can understand that, so far as regards loans taken over by the Commonwealth in the first instance, there is no intention to affect the arrangements of any particular State but after a loan has been taken over by the Commonwealth it is a Commonwealth debt, and the Commonwealth has to pay the interest.

Sir George Turner

- And the State has to find the money.

Mr HIGGINS

- The State has to find the money.

Sir George Turner

- Suppose we took over the whole of the "Victorian debt and tried to convert it. On the 1st July they pay about £800,000 for interest. We would have to charge that to the previous year, and the State could not stand the strain. That was the reason why I had to put this in the clause.

Mr HIGGINS

- Quite so. I can understand from the view of the Treasurer that he does not want to disturb the States' financial arrangements more than is absolutely necessary.

Sir George Turner

- Of course, with anything new there is no disturbance. To interfere with existing loans when we took them over, or when we converted them, would simply mean ruin to the States. They could not stand the strain.

Mr HIGGINS

- Then, of course, the debit of the interest of each State to that State is only to go on for a certain time.

Sir George Turner

- The amount has to be debited to the money returnable to the States at some time, and for all time. The State has to find the money, otherwise I should have been very glad to have gone the full length, because I think it is a proper thing to do.

Mr HIGGINS

- I am satisfied.

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Mr REID

- I thoroughly agree with the proposal which is embodied in the clause that the interest payable, perhaps on the first of a month, in respect to a previous period, should be charged to that period. But since the matter has been mentioned I should like to explain that I was put in a difficulty in New South Wales in two ways ; in one way because my predecessors had always charged interest to the succeeding period, and if I had altered the practice the effect would have been to make me pay eighteen months' interest in twelve months against the year's revenue, which would have been a very unfair proceeding, and the finances did not admit of it being done. And further, our Act had not this provision, but had a provision that it should be charged to the period in which it was paid. If I had not done as I did, I should have been first of all taking eighteen months' interest on the shoulders of twelve months' revenue, and then I should have broken the law. The interest is not payable in respect to the first half-year until the 1st July, and the coupons are not presented until then, consequently the actual payment is on the first day of a new financial year and is chargeable to that year. The difficulty arose from the fact that this had been done for a great number of years before I took office, and I had to follow what my predecessors had done. I should otherwise have had to charge my revenue for twelve months with about half-a-million more than it was entitled to bear. I might have done that if we had had a million or two to spare, but we had not. '

Mr Higgins

- At one time our Treasurer charged eighteen months' interest to one year.

Sir George Turner

- I did that because I had plenty of money in that year, and I did not think I would have enough in the next year.

Mr REID

- If the Treasurer has plenty of money, it is a very good operation to ease off the following year which may be a lean one ; but I was not left a sufficient amount of money to play with when I went into the Treasury ; there was about a million on the other side of the ledger.

Clause agreed to.

Clause 58 agreed to.

Clause 59 (Suspense accounts).

Mr. REID

(East Sydney). - I wish to refer for a moment to clause 58, if I may. It is with reference to the use of the provision that it shall not be lawful for the Treasurer to expend any moneys standing to the credit of the 'loan fund except' under the authority of an Act of the Parliament, which would be an Act specifying certain works. That is a very proper provision in one way. But let us suppose that the Treasurer has in his loan fund a balance, of, say, half-a-million, which he does not immediately require, and that money is extremely dear, and that he wishes to use the money for revenue purposes.

Mr Higgins

- " An Act of Parliament."

Mr REID

- The Commonwealth is as good a security as is its own loan. The person himself is as good a security plus everything he has as is any part of him.

Sir George Turner

- The Treasurer could come down to Parliament and ask for parliamentary authority under this Act. I do not think the Treasurer ought to use loan moneys except for loan purposes, unless Parliament specially authorizes it.

Mr REID

- But see the position it puts the Treasurer in. He ties himself up in a way in which no financier or financial institution would ever do.

Sir George Turner

- The right honorable and learned gentleman will see that if the Treasurer uses the money for revenue purposes, and the revenue does not come in, his loan account is left depleted.

Mr REID

- Does the Minister mean to say that a particular emergency could not be met by the Commonwealth ?

Sir George Turner

- They would have to borrow again. I

Mr REID

- They will have to do it in any case, and the Treasurer does not make the money by not lending it from the loan fund. He is then under a deficiency on which he has- to pay this high interest, and he has the money in another pocket all the time.

Sir George Turner

- The Commonwealth is not likely to be in that position. It always has what it requires.

Mr REID

- That is true, but it is very different in the case of a State. The Treasurer says that ' under our Commonwealth finance it will really never arise, and that is the best reply in the world.

Clause agreed to.

Clauses 60 to 64 agreed to.

Clause 65 (Penalties for misappropriations).

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Mr McCAY

- I would suggest to the Minister the desirability of altering the phraseology of this clause. It provides penalties for misappropriations of money or stores which have come into the possession of a public servant -

By reason or virtue of "his office, service, or employment.

Those words are not in the English Criminal Consolidation of 1861, or in the Victorian Crimes Act, the words there being "by virtue of his Office." I do not think that the words " by reason or virtue of his office "

enlarge the meaning of the phrase. Then with regard to the words " office service or employment," I think it is possible that if there were a misappropriation the Crown would have to prove, in addition to the fact of misappropriation, the fact that the money had come into the possession of the accused because he was the person authorized to receive it, and it was part of his employment to receive it. The provision in the English Act of 1861, which relates to persons in private employ, speaks of the misappropriation of money - delivered to or received or taken into possession by him for or in the name of or on account of his master, and it has been held both in the Court of Crown Cases Reserved and in the Victorian Supreme Court that those words get over the difficulty 'of the Crown having to prove the authority of accused persons to receive money which they have appropriated. I am afraid, that under the clause as it stands, if a person were placed in a position where he came into contact with the public, and one of the public paid money to him, believing that he was the proper person to receive it, although he had not been authorized to receive it, and he took it, the Crown would not be able to prove that it had come into his possession by reason or virtue of his office, service, or employment.

Mr Reid

- It would come to him by reason of his employment. If he were not so employed he would not receive it.

Mr McCAY

- I have grave doubts about it, and the question is sufficiently open to argument to be stated for the opinion of the Pull Court of Victoria. I draw the attention of the Treasurer to the matter, because we do not want technicalities of this kind to prevail against wrong-doing.

Sir George Turner

- I shall direct the attention of the Attorney-General to the point.

Clause agreed to.

Clause 66 agreed to.

Clause 67 (Document in lieu of statutory declaration).

Mr CROUCH

- Might I suggest that there is a new principle involved in this clause. It makes a person who signs an ordinary document liable for perjury in the event of its statements being false.

Sir GEORGE TURNER

- There is the same provision in the Victorian Income Tax Act. In some of the outlying parts of the Commonwealth there are no justices of the peace, and it is intended that in those places a man's signature, under the circumstances provided for in the clause, shall be taken as a subscription to a statutory declaration, and that false statements contained in the document shall make the person subscribing liable to prosecution for perjury.

Mr CROUCH

- Then I would suggest that notice of the fact should be printed upon the document, so that the person who signs it may know that any false statement will render him liable to prosecution for perjury.

Sir George Turner

- I shall make a note of the honorable and learned member's suggestion.

Clause agreed to.

Clauses 68 to 71 agreed to..

Postponed clause 2 (Definitions).

Mr CONROY

- I wish to draw the attention of the Treasurer to paragraph (e) - "Prescribed" shall mean prescribed by this Act or the regulations.

I think the words have been defined in the Acts Interpretation Bill.

Mr.Deakin. - No. We have several definitions marked, but we are not yet proposing to omit them.

Clause agreed to.

Sir GEORGE TURNER

- I move-

That the following new clause be inserted after clause 33: - "Notwithstanding anything contained in this Act the Treasurer or his deputy may, for the purpose of adjusting the. accounts of the various States, transfer by cheque or draft money forming portion of the Commonwealth Public Account from any bank to. any other bank within the Commonwealth."

Under the Constitution, money cannot be drawn from the Treasury except for appropriations made by law, and in this Bill we provide that no cheque or draft shall be drawn except for certain specified purposes. It will often happen, however, as it has happened in regard to the electoral expenditure, that instead of remitting money to the various States we shall ask them to pay the expenses authorized and to send us in the bill. When we know the total amounts expended, we adjust the payments between the various States, and collect small sums from some of the States, and pay small amounts to other States. The object of the clause is to enable the Treasurer, to do this, and it will save the remitting of large amounts from the seat of Government to the various States.

Clause agreed to.

Schedules agreed to.

Bill reported with amendments.

ADJOURNMENT

Title of the King.

Motion (by Mr. Barton) proposed -

That this House do now adjourn.

Mr MAHON

- I would like to draw the attention of the Prime Minister to a statement in the newspapers to-day in reference to the title of His Majesty the King, and to ask whether the Imperial authorities have requested or have invited suggestions from the Commonwealth Government as to that title. If such a request has been made, and the Government have made any suggestion, will the Prime Minister inform us what the suggestion is?

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Mr CROUCH

- I saw, in the Age newspaper yesterday, that the Secretary of State for the Colonies had stated that he was in communication with the Government of the Commonwealth in regard to this matter. Perhaps the Prime Minister will tell us the nature of this communication.

Minister for External Affairs

Mr BARTON

. - - Some months ago, I think in January, a communication was received on the subject. I shall be only too glad to satisfy the justifiable inquiries of honorable members if I find these despatches are not marked private. I will see to that to-morrow. If the despatches are not marked confidential, I shall be able to inform honorable members of what has passed. If otherwise, I may ask leave to say - what has passed.

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22:25:00

House adjourned at 10.25 p.m.