

of the taxation of Australia and collect a huge revenue.

Mr. Pickering: T. cy exercise that control, too.

Hon. M. F. TROY: Yes, to the fullest extent. Had we signed that financial agreement, Western Australia would have had only one large source of taxation—incomes. As we got further into difficulties, the income tax would have to be increased. Under such an arrangement the Federal Government would have been relieved of the distasteful work of imposing increased income taxation. Western Australia would have had recourse only to income taxation whenever we wanted more revenue, and that position would be intolerable. If ever a Government enter into an agreement whereby they accept the whole responsibility for collecting the income tax in return for the Commonwealth retaining the whole of the surplus revenue, it will be bad for Western Australia. The Federal Government should keep faith with the people so that with the wiping off of the war debts, income taxation will be reduced. The State cannot do that, because our obligations have been, and will continue to be, increased. I do not wish to be a pessimist, but I prefer to speak the truth. Any man can be a breezy optimist with other people's money. We know that unless the State repudiates its obligations we have to pay interest on all our debts and although we can borrow millions, we must pay the money back. If our only means of financing resolves itself into income taxation, the burden will be so intolerable that no Government will be able to stand up to it, for the people will not have it. I believe, had that agreement been endorsed by the Government, it would have been rejected by Parliament. This session may not last long, because apparently the Government do not contemplate bringing forward much legislation. I am surprised that a Hospitals Bill, which was said to be so necessary last session, is not to be re-introduced. I have a suspicion that the Government are prompted in their action in that regard by considerations arising out of the forthcoming elections. During the session I intend to take advantage of the opportunities I have in the House of criticising any act of mal-administration on the part of the Government. The people of the State, according to the Premier, are taking more active interest in politics than they have done for years past. That being so, I hope they will interest themselves in the migration scheme and in group settlement, and will demand from the Government, not merely bald, empty statements such as appeared in the Governor's Speech, but something concrete. They will want to know where it is all leading to and whether we are to get a decent return from the millions that have been spent in connection with group settlement under methods which I do not approve.

On motion by Mr. Angelo, debate adjourned.

House adjourned at 10.47 p.m.

Legislative Council,

Thursday, 9th August, 1923.

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The PRESIDENT took the chair at 4.30 p.m., and read prayers.

QUESTION—SANDALWOOD TENDERS.

Hon. A. LOVEKIN asked the Minister for Education: In connection with the tenders for cutting and disposal of sandalwood—will he lay on the Table the correspondence between Mr. John Stewart and the Hon. the Premier?

The MINISTER FOR EDUCATION replied: Yes.

QUESTION—ESPERANCE, MINISTERIAL VISIT.

Hon. J. CORNELL asked the Minister for Education: 1, Whether, upon his return from abroad, the member for Kanowna (Hon. T. Walker, M.L.A.) was made aware of the then pending visit of the Minister for Agriculture to the Esperance district? 2, If so, by whom, and what view, if any, did the said member express respecting his desired ability or inability to join in the proposed visit?

The MINISTER FOR EDUCATION replied: 1, Yes. 2, The matter was mentioned in conversation between the member for Kanowna and the Secretary, Premier's Department. As it was understood by the latter that the member was unable to make this trip, the Minister for Agriculture was so advised. No invitation was issued.

QUESTION—R.S.P.C.A. FUNDS AND OFFICIALS.

Hon. A. LOVEKIN asked the Hon. J. Duffell in connection with the Prevention of Cruelty to Animals Act Amendment Bill, now on the Notice Paper (of which Bill Mr. Duffell is in charge) the following questions: 1, Is it a fact that a portion of the funds of the Royal Society for the Prevention of Cruelty to Animals has been tampered with by one or more of the officials of the Society? 2, If so, will he give particulars of such misfeasance and of the circumstances under which it arose? 3, Are the officials of the society under guarantee?

Hon. J. DUFFELL replied: 1, Yes. 2, The particulars asked for are contained in a copy of the minutes of a special sub-committee, which I am laying upon the Table. 3, No, but the matter is under consideration.

ADDRESS-IN-REPLY.

Sixth Day.

Debate resumed from the preceding day.

Hon. A. LOVEKIN (Metropolitan) [4.36]: I first take opportunity to congratulate the Minister on his appointment. By what has fallen from hon. members preceding me, he can be well assured that he will have every assistance from the House, subject to our duty as members and to our duties to the State. At the same time I am sorry the hon. member has experienced what I might call an emotional conversion. A day or two ago he told us that he now views the Wyndham Meat Works and the Electricity Department in quite a different light from that in which he saw them when he sat over opposite as a private member.

Hon. J. Cornell: He now sits at a different angle.

Hon. A. LOVEKIN: I do not know whether that is due to the healing atmosphere created by Mr. Hickson, or to the balm that often eases pain when office is attained. I am sure the view the hon. member now takes can only be a temporary one, having regard to the figures he gave us a day or two ago. He told us that the Wyndham Meat Works had now reached a capital of £1,221,410, and that of that sum £457,722 represented losses on previous years' workings, leaving an actual capital of £763,688. It seems to me rather a novel procedure in finance to capitalise losses.

Hon. G. W. Miles: Was that a statement by the Leader of the House?

Hon. A. LOVEKIN: Yes, in reply to questions. If we are to go on at this rate, capitalising the losses on this venture in the North, it will not be long before most of our revenue will have to go to meet interest on it. The capacity of the Wyndham Meat Works is now about 30,000 bullocks, and at the present time £2 or £3 per bullock goes in interest. I ask the Minister to consider seriously whether he is a convert to the continuation of the Wyndham Meat Works.

The Minister for Education: Yes, I approve of it.

Hon. A. LOVEKIN: Coming to the Speech, let me say I have read or listened to speeches of this character in this State since 1856, but never have I read or heard a more unsatisfactory production than that which we had on this occasion. There is nothing in it, it is badly put together, and some of the statements in it do not say what is meant. For instance, there is here a statement which tells us that we are going to increase the number of our flocks and herds by cheap wire netting. That is the sort of information we get in the Speech!

Hon. J. Cornell: A new element in the breeding of sheep.

Hon. J. Nicholson: And what about the dingoes?

Hon. A. LOVEKIN: I do not know what they propose to do about the dingoes, but

apparently they have discovered a novel method of increasing the sheep. The Speech does tell us that the financial negotiations with the Federal authorities have been abandoned. I think everyone in the State will say, "Thank God for that"; because if those negotiations had been consummated, they would have worked the utmost disaster to the State within a very few years. The Premier, when he came back, told us he had agreed to the principle of the proposals put forward by Mr. Bruce, proposals which must inevitably have led us to disaster. Let us consider what those proposals were. In the first place, the revenue of the State is partly made up from the per capita grant of the Commonwealth, which in 1922 amounted to £418,966. I quote the figures of that year because they constitute the basis on which the proposals were framed. Then there is the special grant of £140,000, and we received from State income tax in that year £320,874, and from dividend duties £177,005, or a total of £1,056,845. Under the proposal, the principle of which was agreed to by the Premier, we would still get that sum for all time, but no more, and the incidence of getting was to be changed. The Premier informed us that in addition to that, we should benefit to the extent of a further £100,000 which the Federal authorities proposed to give us. The proposals of the Federal authorities showed that we would get roughly £133,000 more than we were getting in June, 1922, but that we would get it from a different source. We would first of all have to abandon the £558,996 we are getting from the per capita grant, and the special payments, and take in exchange for that the right to impose the Federal tax, which would yield for Western Australia £692,339. In abandoning the per capita grant and the special grant and substituting the Federal tax we would get a revenue of £1,190,224 as against a present revenue of £1,056,845, leaving us £133,389 to the good under this scheme. That looks well from the point of view of the Federal authorities.

Hon. J. Duffell: That is a thing of the past.

Hon. A. LOVEKIN: I know it is, but I refer to it now because the matter is not finally abandoned. I do not want to see the Premier, or anyone else, attend any future conference and agree to any proposal of this kind.

Hon. J. W. Kirwan: These proposals are dead and buried.

Hon. A. LOVEKIN: Possibly; but they are to be resurrected in a new form. I do not desire that they should be entertained for a moment. Whatever we do in this State, we must hold fast to our portion of the consolidated revenue that is derived by the Federal Government through Customs and Excise.

Hon. J. Cornell: I thought the sandalwood industry was dead and buried, but that is to be resurrected.

Hon. A. LOVEKIN: The Federal income tax was a war tax, one which ought to cease,

and will cease in the ordinary course of events, as the dependants of soldiers die and loans mature and are redeemed out of the sinking fund. That tax ought to become unnecessary. Therefore, we should have no such tax. If we give up our right to share in the consolidated revenue from Customs and Excise and other sources, we shall be perpetuating this war tax which should not exist. That is one matter that the Premier should set his face strongly against. He should see that for the future we have a fair share of the Federal income accruing from this State. This proposal stopped at 1922. It would not matter how our population increased or how many millions we paid to the Federal authorities in customs duties, we would not get a penny back, because we would have accepted the war-time tax. As we increase our population in this State we must increase our revenue. There must be some source of revenue which will grow with our increasing population. The only revenue that will answer our requirements is the revenue from customs and excise. If we are deprived of any share of that, it will be very disastrous for Western Australia. We are borrowing money at present as fast as we can. Last year we spent £3,600,000 of loan moneys and a large proportion of that is going into the Federal coffers through customs and excise duties. The Esperance Railway is being built out of borrowed money, and of this a certain proportion will go to the Commonwealth as duty on rails, etc. We are paying sustenance on our group settlements, and all these people are contributing to the customs. We are not, under the Federal proposal, to get a penny back except through the income tax and the super Federal tax which we take over. The Premier also agreed to the principle with regard to the issue of non-taxable bonds. It was declared that no bonds would be issued in future except those subject to a tax. That would be an absolutely disastrous proposal for Western Australia. We want cheap money. If we are going to issue bonds and offer, on the one hand, say, 5 per cent., which is what the Federal Government are now paying, and on the other hand we are going to say to the investors, "You are subject to an unknown tax," we shall get no one to take up the bonds except insane people or those ignorant of ordinary finance. It is better that people within the State should be able to get their interest on the bonds free of tax. Let the people be given a fair return for their money and do what they like with it, free of taxation upon it. If the Federal proposal were gone on with, we should find that money would not be forthcoming for the renewal of loans. Men with money to invest will say they want 4 per cent. net for it. They will not lend their money if it is subject to an unknown tax. It is better that the loan should be free of tax to our own people, rather than that we should borrow from outside people whom we cannot tax and pay the full rate.

Hon. G. W. Miles: You can get money cheaper at Home than by renewing loans in Australia at 5 per cent.

Hon. A. LOVEKIN: I do not know Bonds worth £138,000,000 at 4½ per cent have been subscribed by the people in Australia, and I have yet to learn that cheaper money than that can be obtained.

Hon. A. J. H. Saw: You are suggesting the Federal authorities should renew free of tax.

Hon. A. LOVEKIN: I do not say at 5 per cent. It may be 4½ per cent. Whatever the market rate is for money, it should be paid free of tax.

Hon. J. W. Kirwan: All mortgages are subject to an unknown tax. The holders of Government bonds are no worse off than the holders of private property.

Hon. A. LOVEKIN: Mortgages and other things are certainly subject to tax, but mortgages cannot be obtained at 4½ per cent. as Government bonds can be.

Hon. A. J. H. Saw: But you do not get the same security.

Hon. A. LOVEKIN: In some cases the security is better. If we adopt that principle of taxing bonds we leave it open to a certain section of the community, who want to confiscate capital or levy upon wealth, to come in and carry their point without any of the odium that would attach to them if they brought in confiscation of wealth. All they would have to do would be to raise the tax to say, 3 per cent. on 5 per cent. bonds, which would practically mean confiscating more than half of the capital invested. Such people might achieve their end without incurring any odium. We want cheap money in this State. We must, of course, pay the market price, but we must do our best to induce people who have money to invest it here. When interest is paid it is spent or invested and helps the community. Capital must be invested, for it cannot be kept in a stocking or some such place. It is better to give the interest free to our own people than pay it to outsiders whom we cannot tax.

Hon. A. J. H. Saw: Is there any private investment that is free of tax?

Hon. A. LOVEKIN: I cannot answer that question off-hand, but probably there is.

The PRESIDENT: I must ask hon. members not to embarrass the speaker.

Hon. A. LOVEKIN: Questions like that do not embarrass me. The Federal Treasurer is now trying to convert a loan. He tried some time ago, and obtained half the money from institutions and insurance companies, which are not subject to a tax on the loan. These people converted at once. The ordinary public share of the bonds was not taken up at all. The Federal Government, therefore, had to give up their desire to convert, and substituted a new loan. Yesterday there was telegraphed from the Eastern States a statement by the Commonwealth Treasurer, as follows:—

The Commonwealth Treasurer (Dr. Earle Page) referred to-day to the fact that 100,000 persons have not yet sent in

applications for the conversion of their holdings in the loan which matures on September 15 next. He wishes to draw the attention of the thrifty to the opportunity provided for continuing their investment. "What do they intend to do?" asked Dr. Page, "if the Commonwealth pays them back on September 15? Of course, there are the banks and the savings banks into which the money can be paid, but the rates of interest payable by those institutions are less than the $5\frac{1}{2}$ per cent. obtainable by acceptance of the conversion terms offered by the Government.

There is the alternative of sending the money out of the country. Then he urges people to take up this loan. People will not take it up because they will be subject to this unknown tax. I would not think of converting. I would take my money and send it away where I could get $4\frac{1}{2}$ per cent. or 5 per cent. absolutely net.

Hon. G. W. Miles: You could reinvest it in the State and make 7 per cent. or 8 per cent., instead of lending to the Government at 5 per cent.

Hon. A. LOVEKIN: I have a few bonds and have worked out what $4\frac{1}{2}$ per cent., non-taxable, means. If I converted these bonds into 5 per cent. taxable bonds my income would be £635 less than it is to-day. When the bonds become due it is obvious I am not going to convert to taxable; nor will any other sane person do so when such action would deplete his income by £12 a week.

Hon. J. W. Kirwan: It depends on the size of the individual's income.

Hon. A. LOVEKIN: In these loan transactions it is not the small man who matters; it is the big man. We should never get £138,000,000 in $4\frac{1}{2}$ per cent. bonds if we depended on the small people. It is the big people who know how to take care of their money. Whoever negotiates on behalf of this State in the future should not agree to the bonds being subject to tax. If they are taxed, it will hit this State very hard. The Premier urged that we should make every effort to support new secondary industries. With that we are all in accord. Here again, to put the matter on a business basis, if I wish to start an industry it is obvious that I will go to the place which enables me to produce cheapest. If I start in Western Australia, I begin knowing that we have a graduated State tax rising to 4s. 7d. in the £. I have to allow for that in the price of the goods I make. I assume that I will conduct a business from which the profits will run into £6,000 or more. If I went to Victoria I would only pay $6\frac{1}{2}$ d. in the £. There are other advantages in Victoria which are not present here. Where am I going to start an industry, here or in Victoria? Another point comes in here. There have been proposals which I have referred to already as agreed to by the Premier, and if any such proposals are to be given effect to in the future, what are we to hold out as an inducement to people to come here and establish industries? There will be a Federal tax of 8s. 1d. in the £ and our own State tax

of 4s. 7d. in the £, or a total income tax of 12s. 8d. in the £. That would be the tax if we gave up our share of the Customs and had the sole right to impose an income tax. The difficulty confronting the man desirous of establishing an industry here or in Victoria, is that he would have to pay 12s. 8d. in Western Australia as against 8s. $7\frac{1}{2}$ d. in Victoria, or, eliminating the Federal tax, which is common to both Western Australia and Victoria, he would have to pay 4s. 7d. here as against $6\frac{1}{2}$ d. in Victoria. In some of the other States the taxes are higher, New South Wales, I think, levying 1s. 1d. The fact remains, however, that ours is the highest. With such a high income tax, how can we talk about starting industries here? We have no chance as against Victoria. By imposing a tax of 4s. 7d. in the £, we must realise that we have gone to the very limit, but there still remain high taxes in other directions, such as municipal rates, heavy water rates, and heavy land taxes.

Hon. G. W. Miles: What about electricity?

Hon. A. LOVEKIN: That has been cheapened a bit recently, but still a good profit is being made. What is necessary is that we should endeavour to reorganise our finances. If I were manager of the State business, I would not have any income tax at all. I would notify people that if they came to Western Australia they could start off without the payment of an income tax, but as we would require some revenue, I would ask them to pay a graduated stamp tax. That would be infinitely better than the income tax.

Hon. J. Nicholson: What would the stamp be payable on?

Hon. A. LOVEKIN: On all transactions from, say, £1 upwards.

Hon. A. J. H. Saw: You would not tax on profits you make, but on the amount of your sales?

Hon. A. LOVEKIN: The amount of the sales governs the profit, so that it comes to the same thing in the end. The only serious objection that I can see to a stamp tax is that one would pay for stamps when making a loss, instead of when making a profit. At the same time, a trader has to pay Customs duties while still making a loss. The advantages of a stamp tax would be many. We would get away from the inquisitorial aspect and other irksome and irritating features of the income tax form. We would also get away from the high cost of income tax collection, which amounts to about £26,000. The stamp tax would only involve the cost of the stamps and nothing for collection.

Hon. A. J. H. Saw: They would be pleased to lick the stamps!

Hon. A. LOVEKIN: Perhaps so. Another advantage of the stamp tax would be that people would pay as they got the money, instead of having to borrow money to pay income tax as is the case now. A farmer who has stock has to take that into account in his returns, and often he has to go to his bank to borrow money in order to pay the tax. Under my suggestion for a stamp tax, he

would only pay when he sold his stock. Then again it is common knowledge that it is much easier to pay in small amounts than to pay one large amount. It comes hard on many workers who have to pay from £5 to £10 income tax at the one time, whereas with the imposition of a stamp tax, he would not miss a penny or twopence from time to time.

Hon. J. W. Kirwan: Would not the evasions be considerable under your proposals?

Hon. A. LOVEKIN: I do not think so because the seller would have to put the stamp on. There would not be many evasions because no merchant or business man would like to subject himself to penalties for not complying with the tax.

Hon. A. J. H. Saw: Would you have an inspector for every transaction?

Hon. A. LOVEKIN: These things would rectify themselves. The customers would police the operations of the stamp tax. People would demand stamped receipts.

Hon. J. Nicholson: But what about the inspection of these transactions in some of the large shops?

Hon. A. LOVEKIN: A penny stamp has to be placed on receipts for £1 or over to-day and there is no inspection.

Hon. J. Nicholson: But the transactions you suggest would be much smaller.

The PRESIDENT: I must ask hon. members not to hold a conversational discussion.

Hon. A. LOVEKIN: I cannot see why it should cost any more to put a 2d. stamp on than it would cost to put a penny stamp on a receipt or need more inspection. At any rate, it would not cost as much as the collection of income tax which now runs to about £26,000. They have one inspector at the Treasury and it costs very little to supervise the stamp tax now. Very few people would seek to infringe the law. We will always have criminals and people who will evade taxation, but that cannot be avoided. I am satisfied that a graduated stamp tax would be much better for the community than the imposition of the income tax.

Hon. E. H. Harris: Under your system one would have to apply a stamp for every tram ticket or train ticket that was sold.

Hon. A. LOVEKIN: We would not tax on those small items. There would be a minimum amount such as 5s. or £1 on which the tax would start.

Hon. J. Nicholson: If that were applied to a ticket for a year, the stamp would cover the ticket.

Hon. A. LOVEKIN: These things could be dealt with and the railway ticket, for instance, could be stamped by the officer selling the ticket with perhaps a punch.

Hon. H. Stewart: If the railways have to punch a ticket, it will cost more than the value of the stamp.

Hon. A. LOVEKIN: In any case, I think it would be a much better system. It would allow people to come here and embark in enterprises without being handicapped with high taxation as against low taxation in the Eastern States. If the losses on the

State trading concerns were stopped, there would be no need for any income tax or stamp tax at all. The Minister for Education has not been able to give me the figures relating to those concerns to the 30th June last. They should be in existence, but in the absence of those figures, I must go back to those for the previous financial year which were given us by the former Minister for Education. Mr. Colebatch said that after setting off the profits against losses on the State trading concerns, the State had had to make good £290,545. If we add the loss on those trading concerns to the amount it costs to collect the income tax, namely, £26,000, it will be seen that we would not require any income tax at all if we could avoid those payments. In other words, all the income tax collected goes to make up the amount lost under these two headings, because the total income tax collected was £320,874. We have a deficit of £405,000 to the end of this year. The people of Western Australia are paying taxation in excess of that deficit. The Commonwealth had a surplus last year totalling £7,475,726. It must not be forgotten that the Federal authorities have also anticipated the payments for old age and invalid pensions and maternity allowances for years ahead, and yet there was that surplus! It works out at about £1 7s. per head of the population of Australia. If we were to receive our share of what we have paid to the Commonwealth in excess of its needs we would receive back £463,438, which would more than wipe out the whole of last year's deficit. I am glad the Government say there will be no additional taxes imposed this year. I claim our people are already taxed heavily enough, particularly in view of the fact that our portion of the Federal surplus would more than wipe out our deficit. The Federal authorities have been doing exactly the opposite to what the State has been doing with respect to the Wyndham Meat Works. We have been capitalising the losses. The Federal authorities have been capitalising the profits and this £7,475,726, instead of being returned to the States, as it ought to have been to enable the States to work out the salvation of Australia, is being capitalised by the Federal Government. They are investing it in gratuity bonds; they are setting aside for defence two and a half millions and for contingencies two and a half millions, instead of returning it to the States. I referred to industries. Last session this House passed a Bill authorising the Government to sell, if they got an opportunity, some of the State trading enterprises which are creating such losses. That Bill was lost in another place at the instance of the Labour Party. I cannot understand why the Labour Party should have opposed the Bill, because it did not provide for the scrapping of the State industries; it merely provided that the Government should stand in the same position as a company or a private individual; and if opportunity offered to sell to advantage, the Government should be able to sell and close

the deal. It seems to me that those in favour of State enterprises should have supported that Bill, because it would have given an opportunity to deal with State industries on the same basis as private industries can be dealt with. Two years ago we had a select committee on the Wyndham Meat Works and the State Shipping Service, and it was ascertained that the "Kangaroo" could have been sold, but it was not sold. We could have got £480,000 for the Wyndham Meat Works, and the acceptance of this would have enabled us to cut our loss by paying £15,000 a year interest on the lost capital.

Hon. A. J. H. Saw: Did we get an offer of £480,000?

Hon. A. LOVEKIN: It was held out that we could get an offer to that extent. Therefore the Government should make an effort this session to pass that Bill so that, if an opportunity offers to make a good deal, they will be able to take advantage of it. I hope I am not divulging anything I ought not, but there was a gentleman here a week or two ago in connection with the State Implement Works.

Hon. J. Nicholson: Did he want to buy them?

Hon. A. LOVEKIN: No; he said the site was unsuitable and the plant was obsolete. He would not trade against the Government, but he did say that if the Government ceased operations, he would be prepared to start an industry here. He would require a larger area where cottages could be erected for the men, and he was prepared to get up-to-date plant and employ more men than are being employed at the State Implement Works today.

Hon. H. Stewart: Where was he coming from?

Hon. A. LOVEKIN: I do not want to say anything more than I have said. I will give the hon. member the name privately if he wishes.

Hon. A. J. H. Saw: Was he coming from the clouds or from a land of sunshine?

Mr. LOVEKIN: I shall not answer that question as it might give the show away. The State might get a good offer for some of its enterprises, but the Government have no power to entertain it. The Government should have this power. If a private individual had the implement works and someone offered to do very much better, he would take advantage of the opportunity.

Hon. J. Nicholson: It would be an encouragement to secondary industries if the Government disposed of its trading concerns.

Hon. A. LOVEKIN: It certainly would. This gentleman very properly said, "I cannot afford to embark my capital as against that of the Government, because the Government can lose their capital and go to the taxpayers each year and renew it. I have no taxpayers upon whom I can call, and therefore I cannot compete." Reference has been made to the high cost of living and the high rents that workers and others are subject to, especially in the metropolitan area. It has

been suggested that a fair rents board should be established to regulate rents. In another place yesterday one landlord came in for a good deal of abuse for having raised his rents. I cannot express an opinion on the case; but it is not the landlords' fault that rents are rising. It is more the fault of the municipalities and the Government for increasing their taxation. We are getting into another vicious circle. I took out some figures from the rate book to show how rents gradually rise. For a house which, with the land, cost £1,000 the rent charged was £2 per week. The annual value put on the house by the municipality was £45. On that the owner was charged municipal rates £5 19s. 11d., water and sewerage rates £5 12s. 6d., insurance £1 10s., repairs and vacant tenancies £10, Federal tax £5 15s. 5d.—because the rent was added to the landlord's other income—and State tax £3 0s. 3d.; a total of £31 18s. 1d., which the landlord had to pay, and he received £104 by way of rent. This left him with £72 1s. 11d., which made it practically a 7 per cent. investment. No one can claim that that is too high for house property. Then the municipality raised its general rate from 1s. 6d. to 2s. 6d. in the pound and at the same time the Government raised its tax rate from 2.006d. to 2.007d. In consequence of the extra taxes, the landlord raised the rent from £2 to £2 2s. a week and he then paid under the new taxation rates, municipal rates £8 15s. 8d., water and sewerage rates £6 5s., insurance and repairs were the same, Federal tax £6 1s., State tax £5 13s. 5d. This left him with a net income of £72, or, again, a 7 per cent. proposition. The unfortunate tenant, of course, paid all this extra taxation and got nothing more in return for it. The increase, however, was not due to any fault on the part of the landlord. It was the fault of the municipality and of the Government increasing their taxation. In the interests of the people coming to the State, we ought to try to keep the rental values down, but we shall not be able to attain the desired end by creating a fair rents board. Such a board would be compelled, in equity, to allow the extra charges which the 2s. extra rent just covered.

Hon. J. Nicholson: Have not they to live, too?

Hon. A. LOVEKIN: Yes, but as soon as a man's rent is raised a couple of shillings, the municipal authorities increase the annual value. The landlord has to pay so much more by way of taxation, and he puts up the rent to cover the extra outlay, and in the following year the municipality, finding that the rent has again been put up, once more increases the annual value, and so it goes on. These annual values are not going up to the extent that the municipalities are putting them up, and that is where there should be some check. In 1920 certain premises had a capital value of £1,900; the annual value was £76, and the rates amounted to £10 12s. 2d. In 1921 the capital value was increased to £2,150 and the annual value to

£86. In 1922 the capital value was jumped to £2,325 and the annual value to £93. In 1923 the capital value was increased again to £2,450 and the annual value to £109. Of course water, sewerage, and other rates go up in accord with the annual value. No one can say that annual values have gone up to that extent. These constant increases are responsible for the increased rentals. It is at the source that we must try to check this increase. Those members of the Labour Party who are advocating a fair rents board should not place too much reliance on such a board, because it must grant to the landlord the increases he himself has to pay. Therefore it would give no relief to the tenants. Attention should be directed to checking the increase of taxation at the source, and then a landlord would have no excuse for putting his rents up. Mr. Collier in another place once said, "Thank God we have an Upper House." I endorse that remark.

Hon. J. Nicholson: Mr. Collier always appreciated the Upper House.

Hon. A. LOVEKIN: We here can criticise our friends, as I have been doing this afternoon, freely for the good of the State without anything untoward happening in consequence. We can also appreciate the work of those who are opposed to us. We can appreciate the efforts of Mr. Monger, the president of the Primary Producers' Association. I think Mr. Monger is doing a grand work for the State, according to his lights. We may not agree with all his principles, but he is quite disinterested; he seeks no reward for what he is doing, and his one object is the good of the State. We can express our appreciation of that. Though I certainly do not agree with a good many of the principles enunciated by the Labour Party, I quite appreciate the efforts of Mr. Collier, whom I regard as the ablest Parliamentarian we have at present amongst us. Similarly, I appreciate the careful and painstaking work of Mr. Angwin and others of the Labour Party. While appreciating all these gentlemen, we can sit here in judgment, as it were, doing what is best for the State without regard to parties. I thank hon. members for listening to what is perhaps a somewhat disjointed speech.

Hon. J. W. HICKEY (Central) [5.32]: In offering a few brief remarks on the Address-in-reply I wish to add my congratulations to those which other members have extended to Mr. Ewing on his elevation to Ministerial rank. Without becoming unduly eulogistic, I think we all agree that Mr. Ewing during his occupancy of the position of Chairman of Committees carried out those duties with great credit to himself and with advantage and entire satisfaction to the House. I feel quite sure that the ability which he showed in that position will also be shown by him in the higher position of Minister of the Crown. I heartily congratulate him, and tender him my best wishes. At the same time I sincerely trust that Mr. Ewing will

exercise his individuality and personality in Cabinet, and that he will not be dominated by the Premier; it does appear to me to be the Premier's tendency to dominate. I quite recognise that Mr. Ewing previously spoke on the floor of this House as a sympathiser with and a supporter of the present Government. In his zeal on various occasions he appeared to be almost a champion apologist. Since becoming a Minister he has shown a disposition, in the few remarks which he has had occasion to address to the House, to make use of such expressions as "The Premier will be pleased," or "The Premier desires," or "It is the Premier's wish." I appreciate loyalty to a leader, but a dictatorship should not be set up. Especially when the Government are represented by only one Minister in a Chamber like this, it is necessary that the Minister should stand up for himself and for the House, seeing that he is only one of a crowd. I trust Mr. Ewing will accept these remarks in the spirit in which they are offered, for I feel that the Premier dominates affairs to-day to such an extent that unless the Minister for Education takes a firm stand as the Council's representative in the Government, we cannot look for good results.

The Minister for Education: The Premier's domination does not trouble me at all.

Hon. J. W. HICKEY: I have merely expressed my opinion. Next I wish to congratulate Mr. Kirwan, who I feel sure will prove a worthy successor to Mr. Ewing as Chairman of Committees. Mr. Kirwan's long association with Parliamentary life eminently fits him for the position. Indeed, his almost unique experiences are such that he is bound to prove a success in the Chair. The position of Chairman of Committees requires a man of tact, one in whom members have such implicit confidence that there will be no quibbling at any of his decisions. As regards the Governor's Speech, the most ardent supporter of the Ministry must experience a keen sense of disappointment. I offer my humble congratulations to His Excellency for the very able Speech he put up on the basis of the very poor material furnished to him by his advisers. On looking through the records of past Parliaments and going right down the line, I have come to the conclusion that never in the history of responsible government in Western Australia has there been a poorer affair handed out to Parliament than this Speech. One would naturally expect that in the last session of a Parliament the Government, even the present Government, would give members something to look forward to with some degree of optimism. At least the present Government might have made some apologies for their past misdeeds. However, this Governor's Speech is a windy affair of meaningless words and empty phraseology. I remember an interjection made on the opening day by Mr. Kirwan, to the effect that the Governor's Speech totally ignored the mining industry. From cover to cover of the Speech there is

no mention of that great industry which laid the foundations of the country.

Hon. E. H. Harris: There are two lines.

Hon. J. Cornell: In the past, the mining industry has been mentioned but not attended to.

Hon. J. W. HICKEY: I think I am the first representative of a goldfields constituency to speak in this debate.

Hon. J. W. Kirwan: Both Mr. Seddon and Mr. Ardagh have spoken, and on the mining industry too.

Hon. J. W. HICKEY: I ask pardon. Those two hon. members must have hung on to those two lines then. While I agree that the mining industry is on the wane, I am bound to point out that there are people prepared to hand out assistance to almost every industry except mining. With regard to mining, the same spirit of fighting optimism does not seem to obtain. People were prepared to give the mining industry all the credit when things were good, but to-day they will not give that industry its just due. Unfortunately the history of Australia tends to make us fatalistic with regard to mining. That history shows that the outstanding feature of gold discoveries has been that when gold broke out in any State, it broke out simultaneously in other parts of the same State. By the same order of events, when the slump came, it came all round. In the case of Western Australia, however, we mining men are disposed to regard the all-round slump as a coincidence, though a strange one; and we consider that mining still has a chance in this State. No better illustration of that can be adduced than recent happenings on the Murchison, where phenomenal finds have been made on what were regarded as worked out fields like Paynesville. Some fine discoveries have been and are being made there. Unfortunately, the Government do not take much cognisance of those developments. They are not impressed with the discoveries. They are still prepared to cultivate a feeling of fatalism with regard to Western Australian mining. I am quite sure that if systematic prospecting were instituted by the Government, even at the Murchison, the district that I know best, the low grade propositions in that area would eventually prove the salvation of this State's mining industry. I sincerely trust the Government will take this matter into consideration. Our Department of Mines I regard as one of the best of our Government departments. It contains officers who have had goldfields experience. At the same time, no matter how good the officers may be, the department cannot achieve much for mining unless the Government are prepared to find a pound or two for the mineral industry in the same way as for other industries. I recognise that something is being done in connection with prospecting. The prospecting boards, in particular, are doing good work. We have two members of prospecting boards in this Chamber, and I may mention that I

have never yet had an application turned down by the board. That, however, is a small matter. We want a big policy of mining development, just as we have a big development policy in connection with agriculture. But, apparently, the Government are not prepared to back a prospector for more than two or three months.

Hon. J. Cornell: It is not the fault of the boards that the assistance is not greater.

Hon. J. W. HICKEY: I fully acknowledge that. I quite recognise that the members of the boards, who work in an honorary capacity, are doing their utmost for the industry. I complain of the Government, not of the boards. The Government should place sufficient money at the disposal of the boards. If the personnel of the boards is not what it should be, let it be altered. The present Government seem never to have got behind the mining investor. They have never given a fair deal to mining propositions in this country. Any sort of ramp can be worked in Western Australia to-day, just as in bygone days. All these things have been put over us before. It was thought, however, that thanks to past experiences the people have awakened a little. Nevertheless, there is the recent ramp at Sandstone, during which shares went up to over £30 although they were not worth 2s. Who got the money? It is the duty of the Government to find out. Somebody got the money. Somebody got blamed for getting it, and got the sack.

Hon. J. Cornell: They got the sack because they did not get the money.

Hon. J. W. HICKEY: Probably that is just about the fact. Somebody unloaded shares at £30. It is the duty of the Government to find out who was responsible.

Hon. E. H. Harris: And suppose they do find out?

Hon. J. W. HICKEY: Then the individual should be dealt with. There is a department controlling the mining industry, and for the sake of the credit of the State that department, backed by the Government, should not fail to investigate propositions of this description. We find that the people are getting chary about investing money in the mining industry, and if this state of affairs is permitted to continue serious harm will be done to the State. It is the duty of the Government to see that people get a fair deal and that there should not be any repetitions of the scandals such as the Celebration and what has recently taken place at Sandstone. Some assurance needs to be given that the Government will see that in the future investors will get a fair deal. With regard to base metals, little or nothing appears to have been done by the Government in this direction. In Western Australia there are opportunities offering for the development of this branch of the mining industry, particularly in the Northampton district and others where lead predominates. The various reports that I have perused convince me of the existence

of great possibilities in certain parts of this State regarding base metals. So far as silver is concerned, I do not think that Broken Hill is the only part of Australia where this mineral is to be found. If systematic efforts were made to prospect for base metals the result would be satisfactory. Unfortunately, those who are connected with this branch of mining are up against a difficult proposition in the shape of the Fremantle Trading Co. We who have had experience know what this means. I have raised the question time after time, and it seems to me to be a pity that the Government cannot see their way to establish a treatment plant of their own in the Northampton district. The Fremantle Trading Co. is a losing concern. I remember some years ago when the Arbitration Court was sitting at Northampton, perusing the records of that company. But one would require to be a capable accountant to make head or tail of those records; they proved nothing. The Government should make some effort towards further developing the base metal industry, and one of the greatest factors towards that development would be the erection of a State smelter in or around Geraldton. You yourself, Mr. President, are aware that those engaged in the industry are in the hands of the Fremantle Trading Co., and that if it suits that company to close down to-morrow, they will not hesitate to do so. Usually mining companies are obliged to prove their bonafides before the Warden's Court, but it appears that the Fremantle company can close down at a moment's notice. The monopoly held by that company is one which should not exist. Therefore I contend it is time that the Government stepped in and erected a small plant which could be placed at the disposal of those engaged in the industry. I trust the Minister will keep in mind this important matter. What I have been saying is not in the nature of criticism. I have been merely making suggestions which are the outcome of my experience in the district. I know that so long as the disabilities to which I have referred continue to exist, so long will those engaged in the industry suffer. If, by some chance, a new goldfield is discovered, and it leads to something permanent, I trust that as the result of operations we shall not have the spectacle facing us to-day in the shape of the suffering which exists at the Wooroloo Sanatorium. This institution, by the way, is a tribute to the sympathetic administration of the Labour Party. At the same time, it reminds us of the callousness of past Governments towards those who worked underground. If regulations did not exist in earlier years, they should have been framed; if they did exist, they should have been enforced. To-day we find that many of the flower of manhood have been sacrificed on the altar of greed so far as the Kalgoorlie mines are concerned. It is a harrowing spectacle to see in Kalgoorlie so many who were strong healthy men, reduced to a feeble condition, the outcome of the neglect of Governments.

Hon. J. Cornhill: Wooroloo is the last house of call on this earth for too many miners.

Hon. J. W. HICKEY: We will throw a veil over the scene for the time being. Let the dead past bury its dead as Wooroloo will bury those who go there. Let us learn a lesson from what has passed. We cannot apologise for the crimes of our predecessors, but we must take full responsibility now, and when we are endeavouring to resurrect the mining industry we shall be criminally neglectful if we do not see that those who are engaged in it are safeguarded. I trust that the Government will devote some attention to the subject of boring; I do not mean altogether in the direction of boring for gold or base metals, but I do think that operations should be carried on in respect of a search for coal. If we had five or six Colliers, the coal industry as it exists to-day would not be affected. Coal-mining, too, is an industry which does not levy such a toll on human life as does gold mining. I do wish that the Government would seriously consider the advisableness of sending out prospecting parties with the object of boring systematically for coal. Past records have shown us that coal has been found in the Northampton district. I have no actual knowledge of the Lynton field, but from what I have been able to learn from fairly reliable sources, I consider there is a good chance of coal being found there. I have some knowledge of a bore having been put down at Eradu at the Greenough River some years ago, and I believe that coal, whether valuable or not I cannot say, exists there. I make these suggestions in the hope that the Government may be induced to take action in the direction I have suggested. If by any chance coal was discovered, considerable wealth would be created for the State. I am getting rather tired of talking about coal at Irwin. The Government went so far as to put down a bore which in the vernacular proved a "dud." I was given to understand by the Minister for Mines that he intended to put down four bores in that district. I do not know whether he was serious or not, but the department did not make any attempt to go on with the business. There was no water available for boring purposes and it had to be carted for miles. I have raised this question often enough and I intend to raise it once more. Legitimate efforts should certainly be made to carry on operations there, and this work can be done only by providing adequate water facilities. If a private individual had done for his principals what the department set out to do, he would have been sacked immediately. I recognise that the Government are placed in an awkward position regarding the Irwin River district. The whole question is wrapped up to a great extent in the purchase of the Midland Railway. I have never embarrassed the Government when the subject of the purchase of that line has come up for discussion. When the opportunity presented itself to the Labour Government to secure the

railway and lands for a million and a half, sufficient courage could not be summoned to complete the deal.

Hon. J. W. KIRWAN: I think it was that question that brought about the defeat of the Labour Government.

Hon. J. W. HICKEY: Is that so? We do not even know whether the present Government is serious about the purchase of the Midland Company's property.

Hon. J. CORNELL: It will have to be purchased sooner or later.

Hon. J. W. HICKEY: Yes, everybody knows that. For years past I have been associated with deputations urging the Government to purchase the railway, but we have always been met with the stereotyped reply, "We are negotiating." We can make speeches every day in the week, and ask questions in the House, but it does not get us any further. I am fed up with the business. For a long time now we have refrained from bringing this question into prominence, because we were assured by Mr. Colebatch that the Premier when in England was negotiating for the railway, and that if we were to revive the agitation for this purchase the company would be bound to kick up the price. Because of that we agreed to say nothing that would hamper the Government in that way.

Hon. J. CORNELL: Every migrant arriving in the country enhances the value of the company's property.

Hon. J. W. HICKEY: It is time the Government took a serious view of the situation and forced the agreement entered into by the company. Save that I do not stand for private railways, I do not care much whether this line is run by the Government or by the company. In a sense I am satisfied with the running of the railway by the company. The trouble is that it is a menace to the successful development of the country. We have up there vast areas of good land, in addition to coalfields and huge deposits of base metals. None of those resources can be properly developed while the line remains the property of the company, nor will the Government, any Government, allow the company to build a spur line to tap outlying areas; so until the railway is purchased by the Government it is hopeless to look for the development of the country served by the line. The development of the Irwin coalfield is being held up because to do anything in the matter would be to enhance the value of the railway. The line ought to be purchased so that the development of the country might be proceeded with. Between Mullewa and Minginew are several large stations which the Government should purchase and sub-divide for closer settlement. Each of those properties can be secured at a fair price. Their clearing would cost very little. I have no objection to even the development of the South-West, but I say we should first develop our more accessible lands, especially since those lands can be inexpensively treated. Then there is the Yuna-Mullewa railway proposition. When, some time ago, I inspected the country to be trav-

ersed by the line, I was not altogether satisfied that the line was justified. More recently, however, Mr. Moore and I visited Yuna and made a thorough inspection of the district, with the result that I am now convinced the Government could not do better than build the railway. It will serve some of the finest country in the State. From answers given to Mr. Moore the other evening I understand it is intended to send the Railway Advisory Board there at an early date. I hope the Minister will speed up that visit. Mr. Greig last night suggested that the unemployed difficulty at Narrogin had been fictitious. I happen to be associated with a body that makes close inquiries into unemployment wherever it may be found in the State, and I can tell Mr. Greig that the unemployed difficulty at Narrogin was even more serious than at Merredin or Geraldton. It is acute to-day in Perth, notwithstanding which the Premier treats unemployed demonstrations very lightly, and we go gaily along with our immigration policy. I support that policy to a certain extent, but we cannot deny that the wrong class of migrant is being brought into the State. A closer scrutiny and classification of the migrants should be set up. Mr. Monger, in his presidential address to the conference of primary producers, declared that he and his associates were responsible for keeping the Labour Party out of office. We have to agree that this is so. But Mr. Monger forgets that all the benefits the farmers enjoy to-day were initiated by the Labour Government. A good deal has been said about State enterprises. It is peculiar that Victoria, the one State in the Commonwealth which has never had a Labour Government, has more State enterprises than any other State in Australia.

On motion by Hon. J. Nicholson, debate adjourned.

ADJOURNMENT, SPECIAL.

On motion by the Minister for Education, ordered: "That the House at its rising adjourn till Wednesday, the 15th instant."

House adjourned at 6.15 p.m.