

the resident of the metropolitan area. I await with some degree of impatience a definite statement by the Minister regarding the resumption of certain lands in the hills districts. The time has come when we should know definitely whether the Upper Canning water scheme is to be gone on with, and, if so, when. I understand that the adoption of the scheme would furnish sufficient water for the metropolitan area for years to come. However, the engineer looks with a covetous eye upon every brook in the hills districts; and since those brooks are usually the sites of orchards, it is easy to understand the disquiet and anxiety which fruitgrowers feel in regard to the matter. I trust it will be possible for the Minister to make a speedy and definite pronouncement on it.

The Minister for Works: There is no covetousness about it; it is simply a matter of duty.

Mr. SAMPSON: I desire again to extend my congratulations and thanks to the Premier and to all the Ministers associated with him. I have never yet approached a Minister without receiving the most courteous and sympathetic and practical consideration. More than that no man can ask. We have been passing through troublous times, but there is a brighter day in store. I recognise that Western Australia has faced, and is facing, many difficulties; but it has innumerable advantages, such as climatic conditions, superiority of situation in regard to European markets as compared with Eastern Australia and New Zealand, cheap lands, and widespread opportunities. These features combine to make the West the most attractive of all the Australias. With the initiation of the great scheme of immigration now launched, it may be said with confidence that Western Australia stands on the threshold of an abounding and permanent prosperity. The hand of destiny beckons; the pathway to national greatness lies before us. No idle thought this, for in all respects the stage is set. The text is at the heart of the people, the characters are taking their places, and as the curtain of doubt and uncertainty is lifted, there will be disclosed a contented and a prosperous people, dwelling in a country rich in those ideals and elements of material prosperity whose realisation will exceed the forecasts of the most optimistic.

On motion by Hon. P. Collier, debate adjourned.

House adjourned at 4.41 p.m.

Legislative Council,

Tuesday, 1st August, 1922.

	PAGE
Questions: Mines, Kalgoorlie	17
Deep Boring	17
Fish Markets, Fremantle	17
BILL: Federation Referendum, 1A.	17
Address in Reply, Second Day	17

The President took the Chair at 4.30 p.m. and read prayers.

QUESTION—MINES, KALGOORLIE, DEEP BORING.

Hon. R. G. ARDAGH asked the Minister for Education,—Owing to the renewed activity of mining at the North end of the Kalgoorlie goldfield, will the Minister for Mines cause inquiry to be made as to the advisability of testing the ground below the present known workings by systematic diamond drilling?

The MINISTER FOR EDUCATION replied:—A complete geological examination was made in 1916, and the results published in *Bulletin No. 69*. A study of this would disclose the most suitable points at which there was a reasonable chance of successful boring operations being undertaken. There is already in existence a standing offer by the Department to subsidise boring on the same terms and conditions as have been granted to those boring at the South end.

QUESTION—FISH MARKETS, FRE- MANTLE.

Hon. F. A. BAGLIN asked the Minister for Education: Will he lay on the Table of the House all letters and files relating to the Fremantle fish markets?

The MINISTER FOR EDUCATION replied: Yes, I have the papers here, and I will place them on the Table.

BILL—FEDERATION REFERENDUM.

Introduced by Hon. A. Lovekin and read a first time.

ADDRESS-IN-REPLY.

Second Day.

Debate resumed from 27th July, 1922.

Hon. A. LOVEKIN (Metropolitan) [4.43]: All of us are from time to time indebted to the Leader of the House for the many acts of courtesy and kindness he extends to us, which I am sure we all appreciate. To-day I wish to further congratulate him on the able manner in which he drafted His Excellency's Speech.

Hon. C. F. BAXTER: How do you know he drafted it?

Hon. A. LOVEKIN: I know the style of the Minister for Education, and I am sure he was the draftsman. Without reflecting upon any other member of the Cabinet, I think it is too able a composition to have been sent out by any other member of the present Cabinet.

Hon. C. F. Baxter: That is not very flattering.

Hon. A. LOVEKIN: With his command of language, he has framed for us the declaration which has been put into the mouth of His Excellency. It is indeed a lucid document, but one that very few, if any, of us can understand. At about 580 or 599 there lived a great poet named Gregory, who, on one occasion, said—

It is worldly wisdom to conceal the mind with cunning devices—to hide one's meaning with words—to represent falsehood as truth and to prove truth to be falsehood. The holy father even all those years back must have had in mind the present Minister for Education, and foreshadowed his capacity for writing speeches.

Hon. H. Stewart: What about reincarnation?

Hon. A. LOVEKIN: I can assure the hon. member that I know nothing whatever about that. I have perused the Governor's Speech and I cannot grasp up to the present moment what the scheme really is. I am not the only one who is unable to grasp the details because Mr. Macfarlane, on the opening day when moving the motion for the adoption of the Address-in-reply, indicated that in his opinion the scheme really meant more than was expressed in the course of that Speech. He said, for instance, that it was intended out of this six million pounds to settle 6,000 people on the land, to double the wheat production of the State, to find money for the construction of houses and for the building of roads, bridges and schools. The money for all these things was to come out of the six millions and also for the 295 miles of railways, concerning which he said he was so pleased. When the hon. member referred to those points, he must have understood much more about the Governor's Speech and what it was intended to convey, than I do. I also desire to pay a small tribute to the Premier, because he is a man for whom I have the greatest respect and admiration. He has done well for this country.

Hon. H. Stewart: With a wealth of deficit.

Hon. A. LOVEKIN: Unlike Sir John Forrest, who made two blades of grass grow where one grew before, the Premier has made millions of grains of wheat flourish, where tens only grew before. Therefore, it behoves us to express our appreciation for what he has done for the State. I regard Sir James Mitchell, however, in the light of a highly spirited horse who will gallop along full of enthusiasm, and if you give him the rein and his head, he will bolt. We know, as a rule, what happens to the animal that bolts. He generally comes a "cropper," before the finish of the race. Since the Premier's return to Western Australia, we have had much

waving of flags and much jubilating. The time has now arrived when we should cease these things and endeavour to get down to business and analyse the proposals of the Government to find out what they really are. We should view the question as a board of directors would view a proposition put up to them and consider whether it is such a scheme as we could confidently recommend to a body of shareholders. In trying to analyse the immigration scheme, I must take it as it is set out in the Governor's Speech, as far as I am able to follow it. I have had some information which came from London and which told me that the scheme was somewhat different from that which is set out in the Governor's Speech, inasmuch as a condition was attached to the limit of money to be advanced to each settler. That limit was fixed at £750 per settler. In order to ascertain whether that information was correct or not, I sent a telegram to Mr. Prowse, one of the Federal members from this State, asking if that was one of the conditions. The reply I got was that no one in Melbourne knew what the conditions were, except Mr. Hughes, and he was then ill. A few days later Mr. Hughes was well enough to take his place in Parliament, and subsequently Mr. Prowse sent a telegram telling me that the terms set out in my telegram were substantially correct, unless they had since been modified in London. I have the Premier's assurance that there has been no modification. In the Governor's Speech there is no reference to the limitation of £750 per settler. I merely mention this aspect at the present stage, in case the matter may crop up later. I will take the conditions of the scheme as set out in the Governor's Speech. According to that document, the Government's proposals are these: In the first place, six million pounds are to be made available to the State in annual instalments of two million pounds. Secondly, for each two million pounds the State is to provide for 25,000 immigrants. In the third place, the interest on the money lent is approximately at six per cent. I will not quibble about a point or two regarding interest.

The Minister for Education: Where does it say that?

Hon. A. LOVEKIN: I gather it from Col. Amery's speech delivered in the House of Commons on the 26th April last. I will come to that matter later on. We need not quibble about a point or two. The interest may be at 5½ per cent., but by the time the charges and other things are put against that item, it will practically be 6 per cent. I will not quibble on that point, but content myself with saying that the interest is approximately 6 per cent. The Imperial Government, the Commonwealth and the State each contribute one-third of that interest for the first five years only. In the next place, at the expiration of five years, the State assumes sole responsibility for the principal and the whole of the interest. The Speech goes on to tell us how the money is to be applied. It is to be used to strengthen the

funds of the Agricultural Bank, so that new work may be put in hand by existing settlers to enable them to double their present production of wheat and increase the stock-carrying capacity of their farms. It is to be used to provide houses for people in the country towns. It is also to be used to settle 6,000 additional people on the land and to provide the means for clearing, draining, fencing and housing on their holdings and to provide railways, roads, and other facilities to enable them to market their products. That, shortly, is the scheme. I suggest to hon. members that the scheme has only to be stated for its absurdity to become manifest at once. Take, in the first instance, our present production. It has been reached by the expenditure from the Agricultural Bank and the Industries Assistance Board of funds amounting to over six millions. To double our production will require little less than the whole amount of money to be provided under the scheme! If that is so, little or nothing will be left for the other works. On reference to the published figures, I find that the present production has cost this country, without taking into consideration the soldier settlement scheme at all, about eight millions of money. A good deal of that has been repaid. The Agricultural Bank originally advanced up to about five million pounds. A large proportion of that has been repaid and now the amount stands at about three millions. The original cost of producing up to our present standard, however, from these two sources of financial strength was, as I have stated, somewhere in the neighbourhood of eight million pounds. It is proposed that we shall double our production and find the money out of the six million pounds, which is to be advanced to the State. I am well aware that we will not have to spend double the amount to double our production, but we will have to spend a great deal of that six million pounds. Clearly, however, whether the work was done in the past or now, the cost will run out at about the same amount of money. At any rate, we are going to double our wheat and other production, which has already cost us about eight million pounds to bring it to the present stage; the money for that work has to be taken from this six million pounds and I am sure it will be a very large proportion of that loan. The money for all these things is to be provided out of the one loan of six millions, and I intend to try to show that the Government are endeavouring to work a miracle, inasmuch as they are aiming to do 20 million pounds' worth of work with six millions of money.

Hon. J. Duffell: You make no allowance for those already established and who would naturally extend their operations.

Hon. A. LOVEKIN: I have already said that these people have repaid their advances and that the money now stands at about three millions, instead of five millions. In

addition to doubling the production, it is proposed that we shall build houses for people in the country districts. We do not know how much these are to cost per house or how many houses are to be erected. There has been a tender called already for one thousand houses. The cost of those buildings will have to come out of the six millions. Then we are to settle 6,000 people on the soil of this country. We know from past experience that no man can be settled in the country districts for anything less than £1,000. I believe the cost of past land settlement worked out at about £1,700 per settler and under the soldier settlement scheme, the cost was about £1,100 odd per man. If, however, we settle 6,000 men at a minimum amount, hon. members may fix that amount at whatever they like, we reach £6,000,000 at £1,000 per settler. It may be said that men can be settled at £600 or £500 or some other amount, but I think the cost has already been suggested by the Government when they have indicated that on the small blocks in the South-West, something like £800 will be spent in clearing and fencing the holding before the settler goes on to it. On that basis, to settle 6,000 people it will probably take £1,000 per settler and that will take up the whole of the six million pounds. I suggest that it is not a fair thing to look at this scheme while it is in progress. We must wait until we get the finished edifice to judge whether it will be sound or not. Therefore, I propose to take the scheme and analyse it as at the end of five years, when all the money will have been spent, when all the settlement will have taken place, and when the first production will have begun. In addition to the expenditure I have already named, we shall have to raise during the next five years, at least 10 millions of money by way of ordinary loan. During the last four years, without any of this settlement scheme in progress, we have increased our indebtedness to the extent of £8,125,000.

The Minister for Education: Mostly for the soldier settlement scheme.

Hon. A. LOVEKIN: Possibly that will be continuing, but we have been for years increasing our indebtedness at the rate of two million pounds a year and, if it is not expended on one thing, it is expended on another. While the soldier settlement scheme has been in hand, we have been carrying out no public works. The Canning water scheme and necessary reproductive schemes have been allowed to stand in abeyance for years. Year after year our loan expenditure has averaged two millions, and it will continue to do so when this scheme is in progress. We shall still require two millions of loan money a year to meet the needs of the people already in Western Australia. In order not to make the position worse than possible, I have estimated that, if we have 75,000 more people brought into this State, we shall want at least the same loan expenditure as we have had in the past. Therefore, during the next five years, we shall require 10 millions of money for roads, rail-

ways, bridges, schools, etc. In addition to this we shall require more hospitals throughout the country, more schools, more medical officers, more teachers, more civil servants, and more police, all of whom will have to be paid for.

Hon. R. G. Ardagh: I think we have quite sufficient now.

Hon. A. LOVEKIN: I shall be well within the mark if, for these purposes, I add £300,000 to our current expenditure to meet the needs of the increased population of 75,000 people.

Hon. J. Nicholson: That is per annum?

Hon. A. LOVEKIN: Yes. Therefore, at the end of five years, our financial position will stand thus:—Expended under joint scheme at £1,000 per settler, £6,000,000; expended on loan works, etc., £10,000,000; increased deficit, at £300,000 a year, £1,500,000; total increased indebtedness in five years, £17,500,000. I maintain that this amount is far too low. We shall never do it for that money and carry on the necessary works for the present population. In addition to the £17,500,000, our share of the interest on the six million pounds, and on the other moneys, will have to be paid from the start. Therefore, I take the mean of the interest, namely, for one-half the period 2 per cent. on £6,000,000, and 6 per cent. on £11,500,000, which is equal to £810,000 per annum. This sum, multiplied by five and divided by two, gives a total of £2,025,000, which, at the end of five years, must be added to the £17,500,000, making a total of £19,525,000. In round figures, 20 million pounds will be added to our indebtedness at the end of the five years. With this added indebtedness there will be an increased interest bill at the end of five years which at 6 per cent., will mean £1,200,000. If I were attempting to make a general forecast of the position at the end of five years, I should add other liabilities; for instance, the conversion of some of our present low-priced stocks into high-priced stocks. On top of this, we must recognise that there will be no inconsiderable percentage of failures. The land settlement scheme of Canada, according to a booklet issued recently by the Pacific Railway Company, resulted in 11 per cent. of failures and the Speech tells us there have been failures under the soldier settlement scheme.

Hon. C. F. Baxter: We shall be very fortunate if we get out with 11 per cent. of failures.

Hon. A. LOVEKIN: I suggest that our percentage will be much greater. Still, by the good management of the Premier and the Minister for Education, we may get the failures down to 11 per cent. I can only hope we shall.

Hon. C. F. Baxter: I hope so, too.

Hon. A. LOVEKIN: The Speech laments the fact that, in past years, we have brought so many people to this State at the expense of the taxpayers, who have taken their departure again. From 1909 to 1921, we are told 45,409 people were brought here at con-

siderable expense to the taxpayers and 35,941 left the State. Last year 29,333 people came here and all, with the exception of 27, departed from the State. We retained only 27, and our population was augmented only by the increase of births over deaths, which means an increase of burden rather than of aid.

Hon. A. J. H. Saw: Were those people who departed the same as those who arrived?

Hon. A. LOVEKIN: It does not matter.

Hon. A. J. H. Saw: Yes, it does.

Hon. A. LOVEKIN: No; it does not matter who left the State.

Hon. J. Nicholson: You are giving the number of heads?

Hon. A. LOVEKIN: Yes, that is what we have to count. It does not matter who they were.

Hon. J. W. Kirwan: Most of the people who left were better off than those who came, unfortunately.

Hon. A. LOVEKIN: Perhaps so. Our profit in the immigration business during the year was 27 souls. We have to bear in mind, too, that although we retained only 27 people, all the advantages of the present scheme were in existence. The land was available, the Agricultural Bank was available; yet for some reason for which I cannot account, we retained only 27.

Hon. J. Mills: The soldiers had preference.

Hon. A. LOVEKIN: Yes, but we cannot shut our eyes to the fact that the movement of population for the year resulted in a gain of only 27 souls out of the 29,333 people who came here. If one looks at the Agricultural Bank figures, he will find a big record of failures. At the present time there are over 2,000 men on the I.A.B.

Hon. A. Sanderson: At what date?

Hon. A. LOVEKIN: Those figures were supplied to me by a member of the present board only the other day. Some of these 2,000 men on the I.A.B. will pull through, but very many accounts will have to be written off. In connection with the Premier's scheme we must allow a substantial margin for failures, in view of the experience of the past. At the end of five years, when we shall have to take over the responsibility for the whole of the six millions of money, these failures, as well as every other obligation, will fall solely upon the State. It has been said that the influx of 75,000 people will decrease our indebtedness per head. I want to test this statement. Last year, after deducting the sinking fund, we owed £41,398,121, equal to £124.3 per head of the population. Now let us add 20 million pounds to the debt and 75,000 people to the population and our indebtedness per head of population is increased from £124 to £149.

Hon. J. Ewing: Do not you think the population will increase much more than that?

Hon. A. LOVEKIN: I am absolutely certain that Western Australia will not be able to retain that population if it does

come here. It will float to swell the population in the Eastern States. If we take our immigration figures and see the number of people we have brought here, and then take the emigration figures of the number of people who have gone away from here, we shall see how we fare and how the Eastern States gain by the expense to which we have been put. We shall start the five years with an increase of something like £1,200,000 in the interest bill. We shall have an interest bill not of £2,229,000 as it stands to-day, but of £3,429,000. The Speech suggests that the Commonwealth contribution of 25s. per capita would be almost sufficient to pay the State's one-third of the interest. Without quibbling about a few thousands, I may say that is substantially the fact, if applied to the first five years while the scheme is going on. But when we come to the end of the five years and the State has to assume the full burden of the whole of the interest, of course the per capita return of 25s. per head will not anything like meet the obligations we shall have incurred. At the end of five years we shall receive on 75,000 people £93,750 more at the 25s. rate from the Commonwealth, and we shall be paying £360,000 more in interest on the six millions, or £1,200,000 more in interest if we take the total expense of the scheme, as I put it, at 20 millions. As far as this State is concerned, we shall have no appreciable set-off against that. From the Treasurer's point of view during the first five years we shall have no appreciable set-off or recoup. The new settler will have no income tax to pay. He is exempt from land tax. Being forced to stick to his holding, he will have little time to use the railways; he will certainly provide some freight, but this will cost as much to carry as it will pay, if not more. Therefore from the Treasurer's standpoint there can be no recoup except a little additional income tax from traders whose business will have been increased by the greater number of people; but that is an amount which cannot possibly be very great, because the trade will be spread in parts remote from the capital. There will also be the 25s. per capita on these 75,000 people, amounting to £93,750, as against the £1,200,000 interest. While that is approximately our position at the end of the five years, we have to consider also the position of those who are going to participate with us in this scheme of settlement; that is, the Imperial and the Commonwealth authorities. Let us take the Imperial authorities first. I have here a "Times" report of the 7th April last, which any hon. member can see who would like to do so. According to that report Col. Amery, the Financial Secretary to the Admiralty and the Chairman of the Overseas Settlement Committee, presented to the House of Commons a Bill entitled an Act to make better provision for furthering British settlement in His Majesty's Overseas Dominions. The Bill provided for the

co-operation by the Secretary of State for the Colonies with any Dominion Government or with approved private organisations in the United Kingdom or the Dominions in carrying out agreed schemes to assist suitable persons in the United Kingdom to settle in the Dominions. The Bill contains a definition of what an agreed scheme is—

(a) A development or land settlement scheme or (b) A scheme for facilitating settlement by assistance with passages, initial allowances, special training, etc.

Then there is a proviso that—

The Secretary of State shall not (a) agree to any scheme without the consent of the Treasury, (b) contribute in any case more than half the expense—

I want hon. members to note those words—more than half the expense of the scheme, (c) be liable to make contributions to the scheme beyond a period of 15 years after the passing of the Act.

The Bill also provides that the aggregate amount expended by the Secretary of State under any scheme shall not exceed £1,500,000 in the financial year current, or £3,000,000 in any subsequent year, with a limit of 15 years. Now we all know that since the late unfortunate war, adverse tariffs have been put up against the Mother Country almost throughout the world, with the result that Great Britain to-day is unable to export goods and, as a corollary to that, find employment for her people. Obviously she must rid herself of some of her population and endeavour to obtain what markets she can for her products. Hitherto the trade of Great Britain with her Dominions averaged about £8 per annum per head of her population. If by a contribution of 2 per cent. on £6,000,000 for five years, or a total of £600,000, Great Britain can rid herself of 75,000 of her surplus population and still continue to do her £8 per head per annum worth of trade with them, she gains in one year as much as she pays in five. If the volume of trade be increased as I suggest it will, her share of the £6,000,000 contribution becomes a mere bagatelle to her. I am referring to this because whilst Sir James Mitchell comes home and tells us what a magnificent deal he has made, Col. Amery also takes credit for having made a magnificent deal; and I do not think there is any doubt that when the matter comes before the Federal Parliament our friend Mr. Hughes will take full credit for the deal he has been able to make with Western Australia.

Hon. F. E. S. Willmott: As long as they are all satisfied it is well.

Hon. A. LOVEKIN: Yes, but I am concerned not with what the other fellow does, but with what we are doing. The "Times" reports Col. Amery further as saying—

These same people (those already emigrated at British cost) would have cost the community in various forms of relief

to the end of the year about £3,000,000. There was not much difference in the figures.

That is, the cost of passages and the unemployment doles.

The real difference lay in the fact that in one case they would have had them still with us, still unemployed, increasingly less employable, a permanent burden on the country and a weakness to the nation. As it is, they were to-day on productive work; many of them on the way to becoming their own masters; supplying us with goods we needed, and buying our goods, trading under laws which gave those goods a preference over the goods of foreign countries.

As I shall show hon. members presently, Colonel Amery said later that all this was to be achieved in the case of Western Australia for £8 per settler; that is for £600,000. Therefore, Great Britain's contribution to the scheme is equivalent to a total of about 10 per cent. on the whole cost. That is the position of the Imperial authorities. They have made a magnificent deal, therefore, with Sir James Mitchell. Now I come to the Commonwealth. For five years only the Federal Government are to provide the two per cent. on the £6,000,000, or a total of £600,000, the same amount as the Imperial Government are to find. The Commonwealth from the very outset derives an enormous profit. The last figures I have from Mr. Knibbs' book show that Federal taxation amounts to about £8 13s. per head per annum. But seeing that these new settlers would pay neither land taxes nor income taxes, nor probate dues and so on, I confine myself to the Customs, amusement, and excise taxes, to which these settlers will undoubtedly contribute. They amount to something like £5 per head per annum.

Hon. C. F. Baxter: And postal.

Hon. A. LOVEKIN: I do not think postal charges are included in the £8 13s.

Hon. C. F. Baxter: Postal revenue comes in, though.

Hon. A. LOVEKIN: I do not think it affects that figure. I am taking the matter from the point of view of direct taxation. Postal revenue is of the same nature as railway charges. During the first five years, therefore, in return for £120,000 contributed by the Commonwealth for interest, there will be a revenue from these 75,000 settlers of £375,000. At the end of five years the £120,000 interest contribution will cease, and the Commonwealth will emerge with 75,000 new taxpayers whose contributions by that time will be not only £375,000, but that figure plus income and other taxes, which will bring the total amount up to something like £600,000 per annum. Our Minister says that one of the weaknesses of the Federal position is that although we are borrowing money to carry out the immigration scheme, and part of the scheme is connected with railways, we shall have to pay the Federal Government very large sums of money in duties on rails

and other things which are necessary to the scheme and which we have to import for the purposes of the scheme. Since January last, when this scheme was discussed by Sir James Mitchell and Mr. Hughes, no opposition has been offered to it by the Eastern States. The reason is not far to seek. Past experience shows that a large proportion of people who come here drift away to the Eastern States. From 1917 to 1921 there arrived in the State 133,908 persons, and there departed 127,147 persons. During those years we retained only 6,761 of those who came here. It gives some idea of the margin we must allow for failures amongst those who are to come. The Eastern States have gained considerably at our expense and so, naturally, they raise no objection to this scheme, possibly expecting that as the result of it they will still further gain in population, without much cost to themselves. How are these 75,000 people to be employed? If all our present unemployed would work, and if we added to their numbers 5,000 new settlers, we could then supply the labour needs of every farmer in the State. We are to settle 6,000 of the newcomers on the soil. Their wives and families and dependents will raise that number to 30,000. With the 5,000 persons whom our present farmers are wanting, we thus get a total of 35,000. How are the other 40,000 immigrants to be employed? The Minister for Education recently suggested that each settler on the soil would need at least 12 people to minister to his needs.

The Minister for Education: I did not say anything of the sort.

Hon. A. LOVEKIN: That is what I understood the Minister to say; moreover, this scheme practically supports it. At all events, it seems that the balance of 40,000 new arrivals will be dependent on the 6,000 settled on the soil. Seeing that every man of the 6,000 is to get £1,000, spread over five years, or £200 per annum, that money will have to support the whole of the 75,000 immigrants, for the settler will not be producing until after five years.

Hon. J. Nicholson: The 75,000 will not all be settled at once.

Hon. A. LOVEKIN: No. We shall not have all the 6,000 settled at once. Still, the argument stands. Those 6,000 people will have only £1,000 each, spread over five years. Clearly it will not be sufficient to support the whole of the 75,000.

Hon. J. Mills: If they go to the wheat land they will be producing at once.

Hon. A. LOVEKIN: That experience has not been mine.

Hon. J. Mills: You did not know the game.

Hon. A. LOVEKIN: What is to happen the other 40,000 settlers, for whom no provision is being made? I am not going to stress the question of organisation. It is of the utmost importance, but I believe that organisation for such a scheme as this can be secured. The scheme cannot be carried out in the ordinary

Government departments, but I think we shall be able to get men, good organisers, like Mr. Hedges and Mr. Law, who would be glad to help the State. With so much expenditure and so large an influx of people, probably we shall have a glorious drunk for the next five years. I am not raising any personal objection to that, for I do not think anyone will benefit more from a large expenditure of money and a great influx of people than will proprietors of newspapers, or of picture shows, and the owners of land, especially in the metropolitan area. Still, we are in honour bound to consider the State first. If we do that, we shall not want to see any embarkation on a scheme which must lead to disaster. So far, all the criticism I have directed at the scheme has been of a destructive nature. I do not believe in breaking down things without substituting improvements in their stead. I have made it clear that we are about to run into a further indebtedness of £20,000,000 within five years. I have shown that with an increased population of 75,000, our indebtedness will rise from £124 to £149 per head. If we reckon each settler as representing six people, the indebtedness will be £164 per head. I have shown that, instead of our participating in third shares for five years, we are really taking the bulk of the burden. We must raise millions of money for works and services, while those co-operating with us pay less than one-third of the interest on the required capital for five years only. I have shown that while we can hope for no substantial recoup, Great Britain loses nothing at all; because what she pays in interest for five years, she gets back in trade in one year, and retains the trade even after the five years have elapsed. I have shown that the Commonwealth must make a huge profit from the start, for it will levy two per cent. for five years and six per cent. thereafter on money which belongs to the State, which has been wrongfully withheld from us—our share of the excess per capita contributions due to the abnormal masculinity of our population. And calculations have gone to show that this amount, which is now to the credit of a so-called surplus revenue account, is in the vicinity of £3,000,000. It is money which belongs to us and which has come from our contributions in excess of those made by the Eastern States. The settlement of the vast empty spaces of the Empire is obviously an Empire task. My friend Mr. Kirwan knows that when we were in Canada Lord Burnham and other great leaders of public opinion—Lord Apsley of the "Morning Post," Sir Campbell Stuart of the "Times," Mr. Robert Donald, and Lord Athelston of Montreal—stressed the need of applying Empire resources for Empire benefit. Lord Northcliffe has since added his agreement to such a policy. We in this State have always been loyal supporters of the Empire. Western Australia is the only State that conscripted itself, and I am sorry to say, although we did that, and sent more men away to the Front than our quota, the Federal Authorities were

mean enough to stop the 25s. per capita grant because of the absence of those men. I take it that we have always to bear our fair share of any Empire obligation. It is an Empire obligation to people our vast empty spaces, but though we are practically the weakest link in the Empire chain, we are called upon under the scheme entered into to bear a larger share of the burden, almost the whole of the burden, subject to a dole by the Imperial and Federal Authorities during the first five years. I suggest that the Premier when in England displayed a lack of business acumen and financial perspicacity in coming to the arrangement which was made. Under Col. Amery's Bill, the Imperial Authorities have provided, spread over 15 years, no less than 45 millions sterling, not for lending purposes, but for contributing to land settlement schemes in the Overseas Dominions. The contribution to Western Australia, which possesses the largest area of vacant land in the Empire, is £800,000—one seventy-fifth part of the amount available. Other portions of the Empire seem to have made a better deal. On the 21st July last the High Commissioner of New Zealand announced that his Government had concluded an emigration agreement with the British authorities whereby a maximum expenditure of £400,000 is to be shared equally. New Zealand, of course, is not able to accept so many people as we—the Dominion has not the available land—but it is to get half the expenditure, whereas we are to get one-third of the interest for five years only. Perhaps I may say that I believe from what I can read that Col. Amery himself, if our real position were put to him, would be ashamed to place at our disposal the dole he has allotted us. In the House of Commons in the course of the debate to which I have already referred, he said—

The normal expenditure (under this scheme) was fixed at £3,000,000 per annum, and that £1,000,000 would be required to assist emigration on the basis of a contribution of half and half. The remaining £2,000,000 would be available for assistance to land settlement and development. It was agreed at the conference of Prime Ministers that the British contributions to a scheme of settlement should not exceed £300 per settler.

We have £8 per settler. Mr. Amery went on to say—

Block settlement schemes might yield larger results for a smaller immediate contribution. They were considering at that moment the Western Australian scheme under which Western Australia agreed to settle 75,000 people for £6,000,000, provided that the Commonwealth and the United Kingdom contributed a sum equivalent to one-third of the interest for five years. This would cost us over a period of seven or eight years £600,000; in other words, 10 per cent. of the total expenditure, or only about £8 per settler.

Sir James Mitchell has accepted only £8 per settler, whereas it was agreed at the confer-

ence of Prime Ministers that the British scheme of settlement should not exceed in cost £300 per settler. No one knows better than Sir James Mitchell that the minimum cost of settling any man in this country is £1,000. Yet whilst the Imperial Government was prepared to find up to £300 per settler, he accepted £8 per head to settle 75,000 persons. As soon as the Imperial Government finishes with us, we shall have to carry the load ever afterwards. New Zealand demanded and got £400,000 to settle 10,000 people on the basis of half cost. Victoria, with a still more limited scheme, is to receive £300 per settler, and as the Premier of that State says, it will cost £1,300 or £1,500 per settler.

Hon. J. Nicholson: Do they receive that amount without interest?

Hon. A. LOVEKIN: That is the British contribution to their scheme. When Sir James Mitchell's attention was drawn to the Victorian proposal, he said that the advantage was with us because we were able to make advances to existing settlers to enable them to double their production. I cannot follow that. Can we do more with £100 than Victoria can do with £300? I have already pointed out that if the money is spent on existing settlers it will not be available for the newcomers to the extent that it is used for that purpose. The Premier puts the position forcibly and in a manner which will carry weight with some of the public. He says, "You all admit that we must have people and that we must pay for them. It is better to have cheap money than dear money. We are getting cheap money." But I say money is not cheap at any price when its application creates loss and involves future burdens such as this so-called cheap money will inflict. I have no desire to break down something and not replace that something; I wish to try to help if I can, because this country wants people, and my view is that the position only needs to be impressed upon the Imperial and Commonwealth Governments to ensure the establishment of a fairer division. We should be freed entirely of the finance necessary to bring people here and to place them on the land. If such were the case, we should be relieved of the responsibility of £6,000,000 whilst we carry no less than £14,000,000, as I have shown. The Imperial and Commonwealth Governments can each get a return as the settlers are able to pay back. There would be no loss for them because the Imperial Government will make a profit out of the deal from the start, while the Commonwealth Government will also make a profit by means of the duties which it will be able to levy. My view is that we should say to the Premier, that in view of this unsatisfactory state of things so far as Western Australia is concerned we wish you to again put forward the State's position and we, the Legislative Council, will make the opportunity for you. We will agree to the principle of land settlement but we cannot agree to the details of the scheme, for

which I will advance reasons. I suggest that we say—

(1) The Legislative Council of Western Australia, being of opinion that the scheme as set out in His Excellency's Speech must ultimately involve the State in financial disaster, has laid it aside for further consideration and desires to give its reasons for so doing.

Hon. J. Duffell: That is an amendment to the Address-in-reply.

Hon. A. LOVEKIN: The second reason would be—

(2) The Legislative Council fully recognises the imperative need of peopling the vast empty spaces of the State. It, in common with the Imperial and Commonwealth Governments, fully realises that it is an Empire function and an Empire duty to share in the task and it appreciates the offer of co-operation which has been made, and which is the subject of the scheme referred to.

(3) A perusal of the terms and conditions set forth, however, shows that the incidence of the financial obligations is not fair and equitable as between the parts of the Empire interested in the scheme, namely, the Imperial, the Commonwealth, and the State Authorities.

(4) During the war the State of Western Australia alone, among the Empire Dominions, agreed to conscript itself, and sent to the front at great sacrifice, financial and otherwise, more than its per capita quota of men—

Hon. C. F. Baxter: Do you not think that you should stop crowing about that?

Hon. A. LOVEKIN: We can never stop crowing about that.

Hon. C. F. Baxter: You will make the Imperial Government think that we are regretting it.

Hon. A. LOVEKIN: I am putting it forward to remind the Imperial Government that we are always willing to honour our obligations.

Hon. C. F. Baxter: We are all proud of what we have done, but we hear too much of it.

Hon. A. LOVEKIN: I think it is quite proper to put it up. I go on then to continue my reasons—

—This in itself will serve to demonstrate not only the loyalty of the State, but the desire and willingness of its people to bear in excess of their exact measure of responsibility. Then I go on: (5) The Legislative Council is of the opinion that the fundamental intention of the authorities referred to in promoting the scheme for peopling our empty spaces was that each, viz., the Imperial Government, the Commonwealth Government, and the State Government, should share equally in the duties and obligations of the task. (6) The Legislative Council regrets that the scheme does not give effect to this view, but, on the contrary, seeks to place upon the weakest link of this Empire co-operation much heavier responsibilities than are imposed

upon the stronger links, and it is with the hope of removing this anomaly that the Legislative Council has laid the proposal in its present form aside. (7) Experience has demonstrated that no person can be successfully settled upon an area of land sufficiently large to ensure a competence for less than £1,000, and therefore the contributed advances are totally inadequate to enable the State to provide for more than 6,000 settlers, their families and dependents. (8) Six thousand new settlers together with their wives and families, helpers, and others necessary to administer to their needs—estimated by the Government to total 75,000 souls—cannot be placed on the lands of the State without vast capital expenditure for roads, railways, harbours, schools, hospitals, etc., besides a very large recurring annual cost for maintenance, education, medical officers, magistrates, police, etc., superimposed upon the actual costs of settlement. The whole of these charges must fall upon the State alone, in addition to the £6,000,000 advances under the scheme. (9) The Legislative Council realises that the State will benefit by the addition to its population, but past experience has shown that production from new settlement is negligible during the first five years. Whatever results may accrue to traders, the State Treasurer can benefit only to the extent of the tax on their increased profits, and this cannot possibly suffice to meet the interest charges upon (a) the joint advances, (b) the large sums necessary to provide for the volume of migrants over and above those who settle upon the soil, (c) the capital expenditure necessary for roads, bridges, etc., and (d) the increased annual charges for education, etc., referred to in par. 8. (10) The Legislative Council is impelled to point out that, as a set-off against its interest contribution (limited to five years), trade will accrue to Great Britain, as in the past, to the extent of at least £8 per head, and in view of the adverse tariffs which are being promulgated outside the Dominions against British goods this measure of Dominion trade must necessarily increase. (11) In the case of the Commonwealth the proposed contribution towards interest is fictitious. Since the inception of the Commonwealth Western Australia has contributed to Customs and excise revenues (due to the abnormal masculinity of its population) sums in excess, per capita, of those of all other States. It is computed that these excessive per capita contributions amount to between £2,000,000 and £3,000,000, which moneys to-day are held by the Commonwealth as part of the surplus revenue fund. Hence the Commonwealth portion of the advance actually amounts to an advance of the State's own money. (12) To further show how inequitable is the proposal suggested by the scheme, the Legislative Council would point out that whilst the Commonwealth appears as a contributor of one-third of the inter-

est on money which rightly belongs to Western Australia, for every £1,000 advanced, 12 additional taxpayers are ensured, each of whom will contribute, from the moment of landing, at least £5 per head to the Federal revenue. Thus for every £20 interest found by the Commonwealth there will arise an immediate return of at least £60. To this must be added large sums levied as duties upon rails and other imported goods necessary for giving effect to the scheme. At the end of five years the State must assume this £20 as well as its own quota, whilst the Commonwealth will hold to the £60 Customs duties, together with further added taxes. (13) The State payment towards interest and sinking funds increased from £1,102,000 in 1912 to £2,229,000 in 1921. In 1919-20 no less than £2,062,000 was paid on this head, and in 1920-21 £2,229,000, an increase for the year of £167,000. The deficit for the year ending June, 1922, was £5,493,064. The payments for interest and sinking fund during forthcoming years, obviously, must be still greater. If the State is to add to this, its contribution, on joint advances, besides interest on other loans, to provide roads, railways, harbours, schools, etc., necessary to meet the needs of the influx of new settlers, with no substantial return (which there cannot be for five years), and further add to its deficit the cost of medical officers, teachers, police, civil servants and others, the result to the State finances must prove disastrous. (14) In view of the foregoing the Legislative Council suggests to the Imperial and Commonwealth Governments that the more equitable basis for peopling one of our large empty spaces—Western Australia—which, unoccupied, must become a menace to the whole Empire is:—(a) That jointly, the Imperial and Commonwealth authorities assume full responsibility for so much of the finance as will bring the new settler to Western Australia and place him upon his holding. Repayments to be made by the settler to account of Imperial and Commonwealth Governments on terms to be arranged. (b) That the State of Western Australia shall provide the necessary land on easy terms, and shall manage and control the settlement thereof. The State shall further assume responsibility for the additional capital expenditure required for new roads, railways, harbours, etc., together with the annual expenditure for free education, hospitals, medical officers, police, etc. (c) That the measure of contribution be extended to enable the State, without loss other than that set out in paragraph (b), to absorb so many of the 75,000 migrants who do not find places on the soil. (15) The Legislative Council is impressed that it is more in the Empire interest that reconsideration should now be given to the present proposal, with a view to evolving a scheme possessing greater possibilities of success, than that an attempt be made to give effect to a proposition which augurs

failure, and which ultimately must force upon the State recourse to both Imperial and Commonwealth authorities for financial aid.

As a member representing the Metropolitan Province it is my duty to put forward my views upon the proposals of the Government. I do not look upon the scheme as sound, and I would not, as a director of a company, recommend such proposals to my shareholders. The Speech contains the same old promises. The Canning water scheme is still under consideration. Perhaps the 75,000 people who are coming here may want some water, and we may get the work done. Let us hope the Wyndham Meat Works will turn out all right, but we shall have to wait and see the turn of events there. I should like, before concluding, to draw attention to an omission from the Speech. Last session here and in another place the Government promised to introduce a Bill to provide that they should have power to dispose of State trading concerns if they could successfully negotiate sales. This promise was not redeemed, and there is no reference in the Speech to such a measure. Unless we get an assurance from the Minister that at an early date such a Bill will be introduced in one of the Houses I shall deem it my duty to test the sincerity of the Government by bringing down a Bill myself. I have pleasure in supporting the motion for the adoption of the Address-in-Reply.

On motion by Hon. A. Sanderson, debate adjourned.

House adjourned at 6.5 p.m.

Legislative Assembly,

Tuesday, 1st August, 1922.

	PAGE
Questions: Railways, Coal supplies	26
Railway Bridge, Fremantle. (1) New structure	
(2) Engineer's report	26
Taxation, Land and Income	27
State Taxation Commissioner	27
Wheat purchases, Williams	27
Land settlement. (1) Preparation for groups.	
(2) Road facilities, Marybrook estate ...	27
Royal Commission, Railways	27
Electric motors driving pumps	27
Wages and hours	28
Drainage, Herdsman's Lake	28
Railway, Esperance Northward. (1) Shipping	
facilities. (2) Linking with Coolgardie line	28
Fair rents Court	28
Wheat Scheme, manager's salary	28
Fencing material for farmers	28
Soldier settlement, advances for clearing	29
Sitting days and hours	29
Government business, precedence	31
Committees for the Session	34
Bill: Supply £1,763,950, all stages	34

The SPEAKER took the Chair at 4.30 p.m., and read prayers.

QUESTION—RAILWAYS, COAL SUPPLIES.

Mr. WILSON asked the Minister for Railways: 1, What was the price per ton paid by the Railway Department for Newcastle and Collie coal (separately) in the years 1916-7, 1917-8, 1918-9, 1919-20, 1920-1, and 1921-2? 2, The equitable price that should have been paid for Collie coal in relation to the prices paid for the imported article in each year, separately? 3, What loss (if any) did the department sustain by using Collie coal in preference to Newcastle coal during the years mentioned? 4, What amount (if any) of money the State gained by using the local coal as against the imported coal during the years mentioned?

The MINISTER FOR RAILWAYS replied: 1, Average price for delivery at Fremantle and Collie: 1916-17, Newcastle coal 28s. 8d. per ton, Collie coal 11s. 5d. per ton; 1917-18, Newcastle coal 32s. 11d. per ton, Collie coal 12s. 11d. per ton; 1918-19, Newcastle coal 35s. 1½d. per ton, Collie coal 13s. per ton; 1919-20, Newcastle coal 41s. 8d. per ton, Collie coal 15s. 5d. per ton; 1920-21, Newcastle coal 47s. 5d. per ton, Collie coal 17s. 7½d. per ton; 1921-22, Newcastle coal 46s. 2½d. per ton, Collie coal 18s. 6d. per ton. 2, The policy and practice of the State are to use the local coal. The small quantity of Newcastle coal now consumed (under 3 per cent. of the whole) is used principally in running of trains in agricultural areas, during harvest months only, in order to diminish the risk of fire. It is not practicable to fix the price for Collie coal on the rate paid for the small quantity of imported coal used. For example, for the past year (ended 30th June, 1922) the Railway Department used in train running only 7,106 tons of Newcastle coal as against 233,495 tons of Collie coal. 3, No loss, on the whole. 4, If prices shown in answer to No. 1 as paid for Newcastle coal were applied to the Collie consumption on the basis of 150 Collie equals 100 Newcastle, the following additional amounts would have been required in the years quoted, viz.: 1916-17, £68,499; 1917-18, £83,893; 1918-19, £109,091; 1919-20, £149,958; 1920-21, £174,394; 1921-22, £144,893. No account is taken in the above figures of the effect of different lengths of haulage; the general effect would be to decrease the amounts shown. The equitable price of Collie coal, the production of this coal being a national purpose, should be the cost of production, based on fair rates and conditions to those employed in the industry, and a fair margin of profit on the capital invested therein, irrespective of the price of Newcastle, Welsh, American, or any other coal.

QUESTIONS (2)—RAILWAY BRIDGE, FREMANTLE.

New Structure.

Hon. W. C. ANGIN asked the Minister for Railways: In view of the report of the