

be made really to rehabilitate the farming industry, to consider whether the benefits to be gained are greater, as I believe they are, than any possible losses. If members believe that, I ask them to vote for the second reading of the Bill.

MR. SPEAKER [10.5]: Before putting the second reading of the Bill, I wish to mention that there is certainly in my mind still a doubt whether the Bill is in order. I am at present unable to satisfy myself that the measure does not propose to place an impost on the Crown. At this stage I shall not rule the Bill out of order; but if it survives to the third reading, I shall give a ruling.

Question put and passed.

Bill read a second time.

House adjourned at 10.6 p.m.

Legislative Council,

Thursday, 12th October, 1939.

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

MOTION—RAILWAYS, GOODS RATES BOOK.

To Disallow By-law.

Debate resumed from the previous day on the following motion by the Hon. A. Thomson (South-East):—

That Railway by-law No. 55—Goods Rates Book—dated the 1st March, 1935, made under

the heading of the Western Australian Government Railways, as published in the "Government Gazette" on the 29th September, 1939, and laid on the Table of the House on the 3rd October, 1939, be and is hereby disallowed.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [4.35]: Mr. Thomson, in presenting his motion, did not provide any substantial reason why it should be agreed to. He certainly suggested that the Government was profiteering in imposing increased freights at the present juncture. Apart from that, he said nothing to justify the endorsement of his proposal. Because freights or prices of articles are increased, it does not necessarily follow that profiteering has been indulged in. Most decidedly there can be no justification for claiming that the railways have resorted to that practice by increasing freights at present. As a matter of fact, no alterations in railway fares and freights have occurred for many years other than by way of reductions. Requests to the department have always been for concessions of one description or another. On the first occasion that there is any increase in freights, Mr. Thomson charges the Government with profiteering! I can understand that he was actuated in making his allegation by the fact that those increases were promulgated immediately after war was declared, but members will understand that the decision to raise those rates was not arrived at as a result of the declaration of war, nor yet was that decision made only within the last few days. Members, too, will recollect that the railways showed a large deficit on the operations for the last financial year. In fact, the adverse balance for 1938-39, as indicated in the Commissioner's report that I have tabled to-day, amounted to £313,220. In another place the Premier explained, as he did 12 months before, that a large proportion of the railway deficit was caused by very considerable increases in the basic wage during the past 18 months. Twelve months ago, when introducing his Budget, the Premier pointed out that there had been an increase in the basic wage and although it had an adverse effect on the railways, the Government did not, for the time being, propose to make any alterations in the rates. The intention was to wait for a few months to clarify the position. As I have already indicated, the ensuing 12 months ended with an ad-

verse balance of £313,220. The increase in the basic wage last year represented between £170,000 and £180,000, which the railways had to provide. Naturally that money has to be obtained from somewhere. If it cannot be provided by the railways then it must be secured from some other source. The latter course would be equivalent to asking the taxpayers to subsidise the users of the railways, and I do not think anyone would regard that as a fair proposition.

On the 7th June last, long before the advent of war, the Deputy-Commissioner submitted to the Government certain recommendations regarding freight increases as one step in a campaign undertaken with a view to arresting the serious drift in the department's finances. The poor prices ruling for wheat and wool at the time would have made any additional rail costs a staggering burden for the farmer and pastoralist, and the Government in its wisdom postponed the introduction of the new rates until a more opportune time. The decision to increase freights was not lightly made. Every avenue for increasing business was explored and certain effective economies were instituted, but the time arrived when economy in expenditure could be carried no further and a review of freight charges was the next natural step.

The tariff items chosen for revision were those under the heading of "miscellaneous" and "C" class (with certain exceptions) and the "small minimum" table. Miscellaneous traffic consists mainly of stone, road metal, gravel, coal, lime ores, rock phosphates, mining props, facecuts, etc. The "miscellaneous" rate is a very low one, coming next to the nominal "manure" rate, and the increased charges which now operate are expected to return an additional amount of £25,000 per annum. The 10 per cent. increase in "C" class traffic will affect such items as sugar, jams, sauces, butter, cheese and the more commonly used groceries. Hardware lines, such as bolts, screws, galvanised iron, etc., machinery (other than mining and agricultural), lubricating oils and imported timber, also come in this category, and to say that any particular section of the community is specially singled out by the increases is hardly in accordance with facts. There are many other districts affected besides the farming areas.

Hon. A. Thomson: Yes. There are the mining districts.

The CHIEF SECRETARY: Added revenue from the operation of the new "C" class rates should be in the vicinity of £12,000 per annum. The "small minimum" scale is a special tariff applying to practically all consignments up to 3 cwt. in weight carried by goods train. Charges are based on the ordinary tonnage rate for the particular commodity plus a reasonable additional sum to cover the extra clerical and other work involved in handling small lots. There is an increase of 3d. on the old charges up to and including 2s. 9d. and 6d. on those of 3s. and over. Taking the two extremes of the scale, the added impost on the intervening rates varies between one and twenty-five per cent., and revenue under this amendment should increase by £12,000 per annum.

Amongst the items mentioned by Mr. Thomson as being affected by the increased tariff are cornsacks and crude and fuel oil. In the case of the former, any consignment in excess of half a bale would not be subject to any extra cost, and crude and fuel oil has been granted special exemption. So the hon. member was not quite correct in the statement he made.

Hon. A. Thomson: It does not say that in the schedule, so far as I know.

The CHIEF SECRETARY: Fresh fruit and vegetables—vital necessities for people living in the country—range from "A" to "B" in the railway tariff and consequently are not affected by the increased rates but are mentioned now to indicate that all essentials are not embraced in the recent alterations. Finally, I desire to point out that the variations to which exception is taken apply to the carriage of consignments by goods train only. An alteration was not suggested for the thousands of consignments forwarded by passenger train at parcels rates. The increases in the freight for "small" applies only to those transported by goods train. There has not been, nor is there, any intention to increase the rate for goods carried on passenger trains. The hon. member was under the impression that he had a good argument against the new freight charges but he acted under a misapprehension. Members will realise that the Railway Department should be able to recoup some, if not all, of the extra cost incurred as a re-

sult of the rise in the basic wage and other circumstances. I have explained the nature of the increases in freight and the revenue we expect to obtain in consequence, and I think I have shown that the department can be cleared of any suggestion of profiteering. I have also indicated that some months have passed since the Railway Department made representations for an increase in freight, in order to meet to some extent the deficit incurred in the operations of the department over the last year. There appears to be every possibility that the department will experience difficulty in recouping itself for the full amount of the deficit that will probably occur as the result of existing conditions. The railways are not the only public utility likely to be affected by basic wage increases and war conditions; though other utilities will not necessarily be affected to the same extent.

The State Shipping Department is in a serious position because of the necessity for insuring our ships against war risks. I am advised that in the case of the State Shipping Service the additional cost involved already will amount to something like £25,000 for the year mainly made up of war risk insurance that must be paid. The service must be carried on. I do not know what will happen in the matter of freights, but something will have to be done.

Hon. J. M. Macfarlane: Is the service not getting the 20 per cent. increase on freights?

The CHIEF SECRETARY: There has been no increase that I know of in freights charged by the State Shipping Service. A temporary increase of 10 per cent. has been made in the freights charged by Eastern States boats, but that applies only until the price fixing commissioner has investigated the position. Should he be of opinion that the 10 per cent. increase is not sufficient, he will suggest what the increase should be. I have no doubt that we shall be guided by his decision. Certain it is that something will have to be done to enable the State Shipping Service to meet the additional costs that are being imposed upon it. I do not suggest that the railways are in the same position as is the State Shipping Service. There is no question about war risk insurance in connection with the railways. There is, however, the big question to which I have referred, namely the huge increase in wages cost shown in the last 12 months. Naturally the Commissioner of Railways must take that into consideration, and, by

economies on the one hand and increases in rates on the other, endeavour to make good the amount of money involved. I submit that the hon. member has not made out a case justifying the disallowance of the by-laws, and I hope the House will not carry the motion.

On motion by Hon. C. H. Wittenoom, debate adjourned.

BILLS (2)—FIRST READING.

- 1, Lotteries (Control) Act Amendment.
Introduced by the Chief Secretary.
- 2, Road Districts Act Amendment (No. 2).
Introduced by Hon. J. Cornell.

BILLS (2)—THIRD READING.

- 1, Mortgages' Rights Restriction Act Continuance.

Passed.

- 2, Guardianship of Infants Act Amendment.

Transmitted to the Assembly.

BILL—TESTATOR'S FAMILY MAINTENANCE.

Report of Committee adopted.

BILL—RIGHTS IN WATER AND IRRIGATION ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. H. SEDDON (North-East) [4.56]: When dealing with this Bill, Mr. Nicholson raised a point upon which I hope the Chief Secretary will throw some light. By the Act of 1914, whilst the natural waters were brought under the control of the State, the question of governing artesian wells seems to have been limited to the sinking of wells by private individuals after the date of the passing of the Act, for the legislation deals only with wells belonging to the Crown. In other words, up to that time, private wells were regarded as the property of persons who sank them. After the Act was passed those rights were still preserved to such persons. By this Bill it would appear that all the artesian wells in Western Australia will be brought under

the control of the Crown and under the provisions of the Act. The point was stressed by Mr. Nicholson, and upon it the House should require enlightenment. The sinking of an artesian well, even in the days when that was done, involved considerable expenditure. It would scarcely be right for the Government to resume those wells and take control of them after they had been sunk by people for the benefit of their own properties. The point has caused me a certain amount of concern. I trust that in the course of his reply the Chief Secretary will deal with it, because the matter is of interest to a certain number of people, particularly those residing in our pastoral areas. It might be desirable to defer the Committee stage to permit of further investigation being made into this question.

On motion by Hon. H. V. Piesse, debate adjourned.

BILL—INCREASE OF RENT (WAR RESTRICTIONS).

Second Reading.

Debate resumed from the previous day.

HON. C. H. WITTENOOM (South-East) [5.0]: Having given careful consideration to this Bill, I do not believe it will be altogether to the advantage of the State to agree to it. One of my reasons for opposing it is that all measures of this description in times of stress such as those through which we are passing, should be dealt with by the Federal Parliament. My attention has been drawn by one of my friends to a paragraph that appeared in a journal called "The Wild Cat Monthly" and as it is apropos of the measure we are discussing, I intend to read it for the benefit of members who, when they have heard what I intend to quote from the journal, will agree with me that there is very little necessity for the Bill. The paragraph reads—

Under the National Security Act, the Federal Government last month passed regulations empowering and authorising State Governments to set up boards to determine the fair rent of any dwelling-house or shop. Each board is to consist of a magistrate, and, if the State Government thinks fit, two other persons. The decisions of a board are to be final and without appeal, and costs will not be allowed in respect of proceedings before a board. Any lessor or lessee whose rent is paid up to date may apply to the board

nearest the premises concerned to fix the fair rent, and the rent determined by the board is not to be exceeded. It is an offence punishable by fine or imprisonment for any person to let a dwelling house or shop at a rent exceeding that determined by the board, or to receive knowingly any rent exceeding the rent so determined.

The regulations also enable a State Government to declare that, until December 31 of this year, the rent of a dwelling-house or shop in that State is not to exceed the rent payable on August 31, unless a higher rent is fixed either by a fair rents board or under any State law providing for the determination of fair rents.

Provision is also made to prevent a person contracting out of his right to have a fair rent fixed for his dwelling-house or shop, and also to prohibit threats and boycotts designed to prevent lessees from applying to a board for the determination of a fair rent.

In New South Wales the Government has decided to prohibit any increase in rents beyond the levels existing at August 31.

Legislation to regulate rents was first passed in New South Wales in December, 1915, because of the inclination of some landlords to obtain "unjustifiably high rents" from those who could ill afford to pay them. The 1915 Act provided that the fair rent as fixed by the court should not exceed the rent as at the beginning of January, 1915.

So apparently the States have not been asked by the Federal Government to pass a Bill to control rents. They have been merely recommended to set up boards under a magistrate, which is an entirely different matter. A magistrate may deal with the question entirely by himself or he may have two others with him. The Bill before us would probably be helpful in dealing with excessive rents in big cities like Melbourne and Sydney where there are many secondary industries, but here where our secondary industries are comparatively limited in number, legislation of this kind is not required. The questions of dealing with food prices and rents are not comparable at all. I agree that to restrict prices of food is the proper thing to do, but as I say, we cannot compare the two questions. If there is a scarcity of food, prices must rise. The position is totally different with regard to house rents. If the rent of a property is too high, it will be difficult to get a tenant for it, because people will not pay excessive rents and so houses will remain empty. Speaking from experience I cannot get even a decent rent for most of my places. In Western Australia there never has been a tendency, so far as my knowledge goes, for rents to soar, except perhaps in places

like Kalgoorlie, Boulder and Wiluna, which are enjoying a measure of prosperity. There is also some reason why rents should be higher in goldfields towns because it is not known for how long the period of prosperity will last. When Mr. Thomson was speaking yesterday, he said that he had built many houses and knew the difference between costs and rents, and he added that he certainly would not build houses for letting purposes. My experience also is that in no circumstances would I ever build house property with a view to renting it. It is only in rare instances that it is possible to get anything in the way of a decent rental. Moreover, house property, if not looked after, soon deteriorates. In times of emergency such as the present, rents tend to fall and not rise. Quite a number of people in this primary producing State do not always pay their rents, and indeed no one would expect an increase for, say, market gardens or farms. In any case, the question of determining rents should be left entirely to the parties themselves, at any rate in this State. I realise in a seaside town a good deal of the trade depends on catering for summer visitors, and the season extends over only a short period, about three months of the year. My home is at Middleton Beach about three miles out of Albany, and in that locality more than half the dwelling houses are empty at the present time, or if they are let, the people occupying them pay what can only be regarded as a kind of caretaker's rental. In some cases they occupy the houses rent free and in others the rent may not exceed 2s. 6d. or 5s.

Hon. G. B. Wood: Are not those houses built as summer residences?

Hon. C. H. WITTENOOM: Some are, but quite a number are built for letting purposes. In some cases the owners built them to live in for a part of the summer and to let for the remainder of the year. It is only for a short period of the summer that an owner may get £3 or £4 or even £5 a week. That period rarely exceeds five or six weeks. The Bill provides that the rents on the 31st August last must not be exceeded. What will be the position regarding many of the houses that are empty and those places that are let at a very low rental? If the second reading of the Bill is agreed to, it may be possible by amending it to meet the position in the manner suggested by Mr. Thomson yesterday. With

regard to hotel properties, supply and demand automatically adjust the position. I can quote a case that has caused me some little worry. A tenant whose lease was running out in 18 months' time, approached me and asked whether I would extend that lease, because he wanted to go out of it and sell the lease to somebody else. I told him I was prepared to extend the lease, but that at the end of 18 months I would require additional rent to the extent of a couple of pounds. An agreement was accordingly signed. I should like to know what is going to happen on the expiration of that lease in a few months' time. Shall I be able to enforce the additional rental?

Hon. H. V. Piesse: Pass the Bill and you will find out.

Hon. C. H. WITTENOOM: An important part of the Bill is that which allows only 6 per cent. for renovations and additions. That is wrong. I understand that the object of the Bill is not to decrease the profits of owners, but to prevent them from increasing. If the Bill reaches the Committee stage I trust that the figure will be increased to 10 per cent. It is not my intention to vote for the second reading but if the Bill should reach the Committee stage I trust that it will be amended in the directions that have been indicated.

On motion by Hon. V. Hamersley, debate adjourned.

BILL—FACTORIES AND SHOPS ACT AMENDMENT.

In Committee.

Hon. J. Cornell in the Chair; Hon. J. A. Dimmitt in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 101 of the principal Act:

Hon. J. A. DIMMITT: I move an amendment—

That all the words after the word "afternoon" in lines 11 and 12 of paragraph (a) of Subsection 1 of proposed new Section 101 down to and including the word "afternoon" in lines 14 and 15 of paragraph (b) be struck out.

The effect will be to remove from the operation of the measure the Kalgoorlie, Brown Hill-Ivanhoe and Hannans electoral districts.

Hon. J. Nicholson: I should be interested to know the reason for the amendment.

Hon. J. A. DIMMITT: A plebiscite was taken in Kalgoorlie which showed that a majority of the garage-owners desired the districts mentioned to be included in the Bill. Before the Bill was introduced, however, a garage in one of the districts changed hands. The proprietor was strongly opposed to the Bill and influenced some of the other garage proprietors to the point that they sent me a telegram requesting the deletion of these districts from the Bill. I consulted the people concerned in the metropolitan area and, rather than jeopardise the passage of the Bill, they agreed to the request.

Amendment put and passed.

Hon. J. A. DIMMITT: I move an amendment—

That the words "whether within the Metropolitan Shop District or within the shop district lastly mentioned" in lines 16, 17 and 18 of paragraph (b) of Subsection 1 of proposed new Section 101 be struck out.

This amendment is consequential.

Amendment put and passed.

Hon. J. NICHOLSON: I move an amendment—

That after the word "to" in line 5 of the proviso to Subsection 2 of proposed new Section 101 the words "undertake or" be inserted.

A traveller may not be continuing a journey; he may have returned to his home town.

Amendment put and passed; the clause, as amended, agreed to.

Title—agreed to.

Bill reported with amendments.

BILL (2)—FIRST READING.

1, Supply Bill (No. 2), £1,200,000.

2, Traffic Act Amendment.

Received from the Assembly.

House adjourned at 5.26 p.m.

Legislative Assembly.

Thursday, 12th October, 1939.

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

MOTION—URGENCY.

Wool Appraisement.

Mr. SPEAKER: I have received the following letter from the Leader of the Opposition (Hon. C. G. Latham):—

I desire to give you notice that at this afternoon's meeting of the House it is my intention to move the adjournment for the purpose of drawing attention to the urgent necessity of impressing upon the Central Wool Board the desirability of establishing appraising centres both at Albany and Geraldton.

It will be necessary for seven members to rise in their places to support the proposal.

Seven members having risen in their places,

HON. C. G. LATHAM (York) [4.33]: I do not propose to detain the House very long. At the outset, I acknowledge that the matter is one over which this House has very little control.

The Premier: No control at all.

Hon. C. G. LATHAM: We may have some influence. After all, if Parliament cannot influence the people acquiring our wool, I do not know who can. We have a perfect right to voice our opinion, more particularly because of the unfortunate position of this State, which has no representation whatever on the Central Wool Committee. True, we have a State committee to look after our interests; but it is extraordinary that although many telegrams have been sent to the chairman of the board no reply has been received from him. As the matter is urgent—very urgent from the producers' point of