

Legislative Council,

Wednesday, 18th October, 1939.

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

QUESTION—INSPECTION OF MACHINERY.

Status of Inspectors and Staff.

Hon. J. A. DIMMITT asked the Chief Chief Secretary: 1, Is the Chief Inspector of Machinery a member of the Institute or Association of Marine Engineers? 2, Is the Deputy Chief Inspector a member of that Association? 3, How many members of the Inspection of Machinery staff are members of the body referred to in question No. 1?

The CHIEF SECRETARY replied: (1), I have no information in this regard. (2) Similar to (1). (3) Similar to (1).

QUESTION—EDUCATION, PERTH TECHNICAL COLLEGE.

Hon. A. THOMSON asked the Chief Secretary: 1, Is the statement appearing in the "West Australian" newspaper on the 14th October, regarding plans for a three-storeyed building at the Technical College, Perth, correct? 2, Will the Minister lay the said plans and specifications upon the Table of the House? 3, Will the Government agree to placing upon the table of the House a sealed bill of priced quantities prepared by the Department of Public Works as the firm cost of the proposed building? 4, Will the Government call public tenders for this work to enable contractors to submit their firm cost for the proposed building? 5, Will the Government permit an independent person, such as the

President of the Institute of Architects, to examine prices submitted by the departmental officers and those submitted by contractors, with a view to determining which price be accepted—such recommendation to be laid on the Table of this House?

The CHIEF SECRETARY replied: (1) Yes. (2) Yes, when completed. (3) No. (4) No. The building will be constructed by departmental day labour in accordance with the declared policy of the Government. (5) Answered by (4).

LEAVE OF ABSENCE.

On motion by Hon. J. Cornell, leave of absence for six consecutive sittings granted to Hon. C. B. Williams (South) on the ground of private business.

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.

HON. H. SEDDON (North-East) [4.36]:

The motion is for the disallowance of a gazetted by-law relating to certain increases in railway freight charges. In submitting his case the mover expressed the opinion that as the Government was introducing legislation to control prices it should be prepared to exercise the same restraint in regard to increased charges as it was asking other people to exercise. On the other hand, the Railway Department has had to face the effect of basic wage increases, together with other detrimental factors associated with last year's operations, with the result that the deficit was £313,000 in round figures as compared with £19,900 for the previous year. There was also a reduction in the earnings of the department as compared with those of the previous year, the respective totals being £3,599,000 and £3,677,800. Interest has increased from £988,000 to over £1,000,000. Not only did

earnings decrease, but in order to secure the money that was earned, train mileage was increased from 6,535,000 miles to 6,721,000 miles. Paying freight carried in 1939 totalled £2,750,000 compared with £2,948,000 in the previous year. Non-paying traffic was greater. In 1939 the department had to carry 673,769 tons of non-paying traffic as against 544,000 tons in the previous year. The burden was cast upon the Railway Department of carrying fewer tons of paying traffic and more tons of non-paying traffic, and of carrying its load further for less money.

Hon. J. J. Holmes: And employing 600 odd more men.

Hon. H. SEDDON: I will come to that. Altogether 130,000 tons more of non-paying freight were carried, and this meant that the operating expenses were increased by reason of the non-paying traffic. The earnings were not improved thereby. In the circumstances the Commissioner was obliged to ask himself what he could do. I wish to place a few comparative figures before members. They can then ask themselves what they would have done in the Commissioner's place. The railways are recognised common carriers, and exist for the carriage of goods for the people of the country.

Hon. E. H. H. Hall: They are protected by the Transport Act.

Hon. H. SEDDON: To some extent.

Hon. A. Thomson: To a great extent.

Hon. H. SEDDON: On the other hand the Transport Board has had a good deal to say with regard to the railway administration and railway finance. The Railway Department has been asked over and over again to justify its charges compared with those given to the Transport Board by outside carriers. The railways do not get a free hand with the Transport Board.

Hon. E. H. H. Hall: A freer hand than they used to get.

Hon. H. SEDDON: I do not admit that. The Transport Board has dealt with a great deal of competitive transport that was being run on lines that were objectionable. They were objectionable from the standpoint of remuneration paid to those concerned, but, if we examined the finances of those who were competing, we would find they were competing on unsound lines.

Hon. E. H. H. Hall: Outside competitors were doing the railways a lot of harm.

Hon. H. SEDDON: Yes, and to that extent the board has fulfilled a satisfactory function. It has placed that competition on a fair basis.

Hon. E. H. H. Hall: From the railway point of view, yes.

Hon. H. SEDDON: And also from the point of view of motor transport. Let me instance what has occurred in the Lake Grace district. The Transport Board was given a ton mileage figure that was better than the railways figure and was based on sound finance. It has arranged for the carrying of a certain amount of bulk traffic in that area for the farmers at a satisfactory figure.

Whilst the railways are regarded as common carriers, and are faced with criticism, it is said that in that capacity they should be prepared to compete with others or go under. This also must be said for the railway system: It was laid down that the railways were to be used for developmental purposes. They were the agency through which the country was opened up. A few years ago the cry was common, "We must provide railway communication to induce and bring about further settlement." We cannot have it both ways. Either we must develop the country and subordinate to a certain extent the business side of the concern, or be prepared to sacrifice the developmental policy and run the railways purely on business lines. The fixing of railway freights according to the developmental policy has had a definite effect upon them. If members will examine the returns placed before them from year to year, especially the ton mileage figures, they will find very strong support for the argument that much of the bulk traffic incidental to primary industries is being carried at a loss. I would illustrate that by saying that whereas in the last year wheat was carried at 1.12d. per ton mile the average earnings on freights came to 1.71d. per ton mile, and that the railways showed a deficit of £300,000. Obviously the wheat traffic was carried at a loss because the average traffic was also carried at a loss. These figures must be taken into consideration when we criticise the action of the Commissioner in raising freights. As the Chief Secretary pointed out, the Commissioner when fixing his freights, dealt with three classifications. In the miscellaneous class he raised the freight 10 per cent. The Chief Secretary

referred to classes of goods that were carried in connection with this particular classification, and quoted stone, road metal, gravel, coal, lime ore, rock phosphate, mine props, face cuts, and Mr. Thomson quoted corn sacks and jute. These commodities comprise bulk traffic and are carried at a low freight rate. The next classification was the C. Class rate which covers groceries and hardware. Everyone uses groceries and most people use hardware. The increase hits not only the farmer, but the goldfields man and the whole community.

Hon. A. Thomson: Outside the metropolitan area.

Hon. H. SEDDON: It hits everyone without discrimination. The small consignment rate for goods traffic has also been raised 3d. and 6d. These are the three classifications upon which the Commissioner has fixed increases. Amongst the commodities appearing in the rates book we find such important items as oil fuel, and articles of

that description. The Commissioner did not increase the freight on oil fuel, which is important both in the mining industry and in the country generally. The question is, could the Commissioner have secured better results in other ways? Could he have effected economies that would have given him the same results? With a view to determining those points, I should like to place certain comparative figures before the House. They will have an interesting bearing on the question of the efficient working of the railways.

Some years ago I quoted figures relating to the Railway Department, which dealt with the earnings per man, the working expenses per man and other activities of the department, and I contrasted the results of 1924 with those of 1929. I have brought those figures up to 1939 so that members may have an opportunity to compare the results and ascertain exactly how the department has progressed during that period. The details are as follows:—

Year.	Miles of railways open for traffic.	Total men employed.	Total men employed per mile open for traffic.	Railway earnings per man employed.	Working expenses per man.	Tons hauled per man.	Passengers carried per man employed.
1924	3,629	7,682	2.11	£ 420	£ 299	445	2,360
1929	4,079	9,612	2.35	395	318	437	1,550
1939	4,378	7,711	1.76	466	377	458	1,480

I may explain that in 1939, 7,711 men were employed in what is called the working branch of the railways. The total number of men employed in the railways in that year was 9,020, the difference representing men who were employed on capital works or construction. When we compare the figures with regard to the railways, we must consider the men engaged in the ordinary operations of the Working Railways. Consequently, I have worked on the total of 7,711 men employed in that branch of 1939.

Hon. L. Craig: What about the 1929 figures? Did they include men on capital works?

Hon. H. SEDDON: No. When considering the details I have given, members will note the improvement regarding the number of men employed per mile of

railway opened for traffic and the distinct drop in passenger traffic, which latter phase plainly emphasises the point brought before Parliament previously to the effect that the department must modernise its methods of passenger transport if it is effectively to compete with the motor car. There were other figures that I took out. Regarding Class "P" locomotives or express locomotives, the details are interesting. I have taken them from the annual report and they are based on a working month of 26 days. The figures for 1929 show that Class "P" locomotives ran an average of 75 miles per day, allowing for the time the engines were off traffic or under repair. In other words, the actual running time averaged 75 miles per day.

Hon. J. Nicholson: What was the hourly basis?

Hon. H. SEDDON: That is taken on the basis of 24 hours per day for 26 days per month. On the same basis the locomotives averaged 95 miles per day during 1939, giving a return of 20 miles per day better than in 1929. There again considerable improvement is disclosed. I fully realise that the tonnage carried was greater in one instance than in the other, but, at any rate, the figures show we have been getting a higher duty performance by our locomotives. The figures regarding trucks are also interesting. The total number of trucks run in 1939 was 10,987. They ranged from bogie trucks to the ordinary four-wheelers. the tonnage capacity varies from 5 to 50 tons per truck. During 1939 trucks carried an average of 324 tons, which worked out on a 365-day yearly basis at .88 tons per truck daily. The mileage hauled on that basis worked out at just over 83 miles per day. That may look rather small, but the figures indicate that some improvement should be possible. We must realise factors that operate to affect the situation. In the first place, our trucks have to proceed over long journeys. As members will note by reference to the Commissioner's report, the average train mileage for last year was 133¼ miles. There is also the question of delays at sidings, where trucks are shunted and held for unloading purposes. Then there is the infrequency of the train service over country lines, which has the effect of reducing the ton mileage and the size of consignments, which again lowers the average carrying capacity of the truck. It seems to me that therein is another line well worth investigation by the Commissioner. One or two factors emerge from a consideration of these comparative figures. The first concerns the necessity to improve our passenger transport methods. It is obvious from the results obtained from the Diesel cars that they represent a means that could be further pursued by the Commissioner with benefit to the department and to the operating figures.

Hon. T. Moore: Have you any returns concerning the Diesel cars?

Hon. H. SEDDON: The hon. member will find those details in the departmental report, which is interesting and satisfactory from the standpoint of Diesel car operations. The point I am endeavouring to stress is that here is an opportunity for the Commissioner of Railways to impress upon the Government the necessity to provide him with a certain amount of capital expenditure, which would

be in accordance with the Government's well proclaimed policy of encouraging secondary industries, and would moreover provide profitable employment for our young men who have become skilled tradesmen. From that aspect alone the matter is worthy of investigation, and merits support from the standpoint of governmental expenditure of Loan funds.

Hon. E. H. H. Hall: You have not lost sight of the fact that the Diesel engines consume imported fuel?

Hon. H. SEDDON: That is quite true. On the other hand, the cost of working the Diesel engine as compared with the engines on which local fuel is used is a big factor. Some time ago a Royal Commission dealt trenchantly with the question of the cost of our local fuel from the point of view of thermal efficiency and cost as compared with the other fuels.

Then again there is the question of economy in the railways, and I draw members' attention to the figures that were published in the "West Australian" this morning with regard to the operations of the Railway Department. Those figures show an improvement as far as the earnings of the department were concerned for the period July to September, 1938, in comparison with the figures for the same quarter of this year. In the 1938 quarter the earnings were £820,700, and in the 1939 quarter the figures were £849,600.

Hon. A. Thomson: What was the improvement?

Hon. H. SEDDON: About £29,000. The working expenses also were reduced in the same quarter. In 1938 the total was £757,294, and in 1939 they were reduced to £752,599. The improvement there was about £5,000. On the other hand, interest charges have increased from £250,000 in 1938 to £255,700 in 1939. The loss, however, has been decreased. In the first quarter, July to September, 1938, it was £186,594, whereas in the same quarter of the current year it was £158,699. Thus the Railway Department has shown a considerable improvement in that direction. All that I am hoping is that in its eagerness to effect economy the department has not been following the policy it has adopted in the past of deferring expenditure on necessary maintenance, expenditure that will have to be made up later.

Hon. G. W. Miles: Was that the cause of some of their losses in previous years?

Hon. H. SEDDON: The expenditure was spread over a number of years. I know of one branch, which, in the last 15 years, has been living on its fat, if I may use a colloquialism. The department has been taking out equipment and using it in ordinary maintenance. That is not an altogether desirable state of affairs. In conclusion, I do not think the hon. member, judging by the figures I have quoted, has made out a case for the disallowance of the by-law. There is evidence, I think, that the Commissioner, provided of course he gets the necessary money, will obtain equipment that will be more in keeping with modern conditions. I have presented the figures to members in the hope that they will be regarded by the department as being of sufficient interest to justify investigation. In view of those figures, I cannot support the hon. member's motion.

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

BILLS (2)—FIRST READING.

1, Workers' Compensation Act Amendment.

2, Land Tax and Income Tax.

Received from the Assembly.

BILL—FACTORIES AND SHOPS ACT AMENDMENT.

Read a third time and transmitted to the Assembly.

BILL—SUPPLY (No. 2), £1,200,000.

Second Reading.

Debate resumed from the previous day.

HON. A. THOMSON (South-East) [5.9]: I know it is usual for this type of measure to come down from another place, but I have frequently, as other members have done, raised my voice in protest against our being compelled to pass so much money with so little information before us. On the 8th August last we were asked to agree to supply to the extent of £1,750,000; now we have a second Supply Bill before us for £1,200,000, a total of £3,050,000. I am not holding the Government responsible for the position that has arisen in respect of the

control of public finance, but if the figures that were quoted by Mr. Holmes last night are correct, figures that showed the amount of our increased indebtedness, they give us food for thought. While it is admitted that much of the expenditure is carried out in accordance with the policy of the Government, one feels at times that Parliament should have some say in the policy. Yesterday I asked a question and received the reply that I expected.

Hon. G. Fraser: So you were satisfied.

Hon. A. THOMSON: I was not disappointed, but I do consider at times that it is as well to have placed on record requests for information that members are desirous of obtaining, and the replies that are given. We are spending large sums of money, and I know that I shall be repeating what I have often said before when I remark that Parliament is the custodian of the public purse. We are faced with the position that the Government of the day—and this applies not only to the present Government but to all—enters into obligations by starting public works and committing the country to considerable expenditure. Then, that having been done, we are requested to endorse its actions. I very strongly object to endorsing some of the Government's expenditure, especially on work that is carried out by day labour. The question I submitted to the Chief Secretary and which was answered yesterday, is well worthy of the consideration of the House. In effect, I therein challenged the Government to prove that the carrying out of a public work by day labour was cheaper than having it done by contract. I asked a fair and reasonable question, and my object was if possible to make a comparison. The question had reference to the construction of a three-storey building, and I desired the Government to agree to place upon the Table of the House a sealed bill of priced quantities prepared by the Public Works Department as the firm cost of the proposed structure. I wanted the quantities to be sealed and placed upon the Table of the House, and that public tenders should be invited for the work. The department could have tendered for the construction, and if its tender had been the lowest I would have endorsed the action of the Government in proceeding to carry out the undertaking by day labour, which is Labour's

policy. I am not reflecting on the Government when I say that in my opinion the method adopted in respect of the expenditure of the large sum of money that is involved in the erection of the building, judging by the experience of some of the Eastern States, is liable to lead to possible graft as far as the officers of the department are concerned. After all, men on small salaries may have temptation placed in their way. I know that may seem a grave charge to make, but when there is no check upon construction costs in the erection of such buildings, the procedure adopted by the Government is not in the best interest of the State. I have had many years' experience of the building trade and I know what happened in one State. I admit that the Principal Architect submits an estimate for Government works, but if I were submitting an estimate for the construction of a building under conditions over which I had no control, I should have to allow a liberal margin.

In former years when so many men were being placed on main road construction, I asked a responsible officer how he could base an estimate when he had to utilise men who were quite inexperienced in road making. Many of the men had never tackled pick and shovel work; they had to undertake a job for which they were not physically capable. I do not say that the men employed on Government jobs are not able to carry out the work, but there is no check on the cost of construction under the present system. We know what happened in connection with the construction of the huts at Northam. Obviously the principle is wrong and, in addition, the system produces unfair competition. The Government has the advantage of obtaining supplies from State Sawmills and joinery works, from State Brickworks and from State Quarries. Thus automatically the taxpayers are required to pay any increased charges deemed necessary, either by way of taxation or through increased freights and fares. Indeed, they have to pay fairly dearly by way of increased taxation to make good any shortage.

By working under this system, the Government is placed in the happy position of being able to build up its own industries which, I understand, do not pay income taxation or any other taxation. The saving in that direction must be consider-

able and would represent a fairly reasonable profit to men engaged in private industry. I voice my protest against the continuance of the system. I am not speaking for myself, because I gave up this class of business years ago, but I am speaking on a subject of which I know something, having spent a lifetime in the building trade. There are contractors who have gone to the expense of providing considerable plant with which to construct large buildings, but many of them are practically in the position of being unemployed. The Government is spending approximately £1,000,000 in the metropolitan area, and those contractors have no chance of getting Government work. From this point of view, one is justified in urging that the time for making a change has come. I cannot move for the appointment of a public works committee or a public accounts committee. If I did so, I should be ruled out of order on the ground that my proposal would impose a burden upon the people. The Government, however, could take action to this end. Under such a system we would have control over the finances, and instead of such a body proving to be a burden on the people, it would result in saving them considerable sums of money.

Apparently the Government is not prepared to accept the challenge thrown out in my question. I asked that a sealed bill of costs be laid on the Table. This would mean that when tenders were called for certain work, the Public Works Department's tender would be opened at the same time as would other tenders. If I was as sure as the Government claims to be that the system now in vogue is the cheapest of all, I should have readily accepted the challenge and silenced my opponents for all time. In speaking on these matters, however, one appears to be butting the wind or hitting one's head against a brick wall. Still, if one speaks long enough and often enough on the question, another Government, if not the present one, might eventually be persuaded that closer control should be exercised over the finances of the State.

I wish I could move to reduce the sum mentioned in the Bill by a considerable amount. I should like to have the Bill referred back to another place with a request that until such time as the Government gives satisfactory evidence of exercising proper control over the finances of the State—in other words, to act as would a

private individual and ensure that the best value was being obtained for the money expended—this House would continue to voice its disapproval. All we are asked to do is to vote increases. Year by year we are told that the Government needs more money and that taxation and freights must be increased. Admittedly the financial responsibility of the Government is great, but if we had a public accounts committee, we would know that effective control was being exercised over expenditure. True we have an Auditor-General, but all he can do is to audit the accounts and certify them as being correct.

Hon. H. Seddon: Some of his comments have been very interesting.

Hon. A. THOMSON: Very interesting indeed. I deliberately threw out the challenge to the Government, and Ministers have not been game to accept it. Having voiced my protest this afternoon, I suppose, with other members, I must support the Bill to grant Supply, but I do so with great regret.

HON. H. SEDDON (North-East) [5.24]: I desire to make a few remarks upon the finances of the State generally. We have undoubtedly reached a most serious stage in our national history, and obviously the question of finance is destined to become more and more important from the point of view of the Government. There is one matter that is not at all appreciated by the general public as yet, namely, the tremendous need that exists for conserving our accumulated wealth, both with regard to the savings of the community and the moneys available to the Government, in order that the Commonwealth might undertake an adequate defence policy. I am looking forward with considerable interest to the introduction of the Loan Bill in order to ascertain how its provisions fit in with the policy of the Commonwealth for the defence of our country.

The Commonwealth Government has taken tremendous powers under its war defence legislation, and this country, within a month, has advanced towards the position of totalitarian control to a degree that I suppose would not have been deemed possible previously, and yet very little reference has been made to this fact. The reason is that the whole of the community is seized with the necessity for organising our economy in the direction of placing it on a war basis. Consequently one of the most important

aspects is that of Government finance. A little while ago I made slight reference to the control that has been rigidly placed upon private and commercial financial enterprises in Germany, and the degree to which those people are regimented in the matter of their savings and their activities. Therefore it is not necessary to do more than refer to that point here. Still, I think that what Germany has done, we shall before long have to consider very seriously, and consequently we must face the position of conserving the investments of our people.

On this point I should like to direct attention to a question I asked in the House a little while ago as to the steps the Government proposed to take in dealing with so-called investment companies. Comments have appeared in the Press of the Eastern States about a company that is operating in Western Australia, and those comments should have aroused and attracted the attention of everybody having at heart the welfare of the people who have been thrifty enough to save their money and wish to invest it safely. Yet the reply of the Government was that it would be inadvisable to interfere with the operations of companies that might be brought under this classification because of the fear that, by so doing, it might interfere with the commercial activities of the country. I contend that this is a matter demanding urgent legislation. Measures have been passed in the Old Country dealing with this development; similar legislation has been placed on the statute-book of Victoria.

Hon. A. Thomson: And also of South Africa.

Hon. H. SEDDON: In view of the fact that these investment companies, when properly managed, do offer opportunities to the small investor to get a decent return on his capital with safety, this is a matter that might well receive the attention of the Government to the end of introducing similar legislation here.

Some time ago we were told that the question of revision of the Companies Act had been investigated, and that a Bill for that purpose was in course of preparation. Revision is long overdue. The Companies Act of Western Australia is, I suppose, the sole survivor of many statutes urgently requiring to be brought up to date; and this is a branch of financial activity that could well be dealt with in the revision.

Once again I would like to draw attention to certain ratios. This time I desire to direct hon. members' attention to the taxation return of last year, which was £2,864,223. Then I wish to call their attention to the fact that our loan charges last year amounted to—interest £3,440,331, and sinking fund £449,074. Thus our loan charges totalled last year £3,889,405, as against our total direct taxation of £2,864,223. The returns placed before us in connection with the Budget indicate that last year's deficiency on our loan assets finance was £2,189,560. We have been exceedingly fortunate to be able to carry on under those conditions, and those conditions are characteristic of a good many financial years now. I am inclined to think that with the financial pressure which is bound to come upon us as a result of the war, unless we can remedy that state of affairs materially the Treasurer will find himself in a highly unfortunate position. I can see that the question will have to be approached from a standpoint vastly different from that whence it has been approached in the past. Steps will have to be taken to avoid a most undesirable state of things.

Mr. Holmes to-day referred to that old question which so many of us have stressed year after year—the four per cent. sinking fund applicable to revenue deficits. When that requirement was placed on the statute-book as part of the Financial Agreement, I must confess to having looked upon it as a completely satisfactory proposal. I now contend that by avoiding that requirement on what I can regard only as a legal quibble, a considerable dis-service has been done to the people of Western Australia, for if that contribution of four per cent. had been enforced from year to year the consequent taxation would have been such that even the least interested citizen would have woke up to a realisation that something was hitting him hard. Consequently I maintain that those methods of finance, though they look hard, would in the long run be the most satisfactory, because they would wake people up to the fact that the State cannot continue the pleasant condition of affairs that have existed for so long. We shall certainly have to face this problem; and I fear that when we do face it, the moral aspect of the obligation will be sacrificed to the element of expediency, and that we shall be faced with a course of action which up to the

present we have consistently avoided. I want that position to be faced now. I support this Supply Bill, but I do hope we shall find that the Government will recognise the necessity for conserving the wealth of Western Australia in order that it may be available for the extremely serious struggle upon which we have entered—may be at hand to enable us to carry that struggle through to a satisfactory conclusion.

HON. E. H. H. HALL (Central) [5.35]: I shall take this opportunity, on the Supply Bill, to say a few words on a certain subject, without however trenching on the debate that will take place here next week, when Mr. Baxter will move the disallowance of certain regulations under the Native Administration Act. I take the present opportunity to repeat a question which I have asked this Government on previous occasions—how much longer do Ministers propose to continue the policy of feeding natives—which term includes half-castes—of issuing them with rations and, as far as I see, not taking any action whatsoever to ensure that these people do something in return for the rations issued to them? Telephoning to the Department of Native Affairs this afternoon, I learned that its returns for the year ended on 30th June, 1939, have not yet been completed. It appears that returns are awaited from far distant stations. Accordingly I am forced to quote from the return for the year 1937-38. According to that return, stores and provisions issued for the year amounted to a value of £15,615. To that has to be added a further amount of £5,501 for freight, which I do not think we need take into consideration. The total of the two amounts is £17,116; but the value of the rations, I repeat, was £15,615. For the previous financial year, 1936-37, the total cost of rations issued was £13,857. So there has been an increase. For 1936-37 there were 1,845 natives fed, and for the year 1937-38 the number was 2,102, representing an increase of 167, which is not very great. I venture to say, however, that in the course of this financial year we shall also find an increase, and I think a larger increase, though I hope not. I refer particularly to the natives in what is known as the South-West Division. I know nothing about what happens in the North. Still, it is patent that there are more and more half-castes

in the towns which one visits; and I might say, but I will not say, that so far as it is possible to judge, they are encouraged. Let me give one case in point which I have mentioned here before. I know a half-caste who has been employed on relief work for several years. Quite recently he accosted me and said that he had been put off relief work. He is a married man, with a family of two little girls going to school; and apparently all he can do now is to go along to the police station and draw rations. I should be greatly surprised to hear anyone describe that state of things as satisfactory. We are feeding these people—which is quite all right—but surely it should not be beyond the administrative ability of the present Government to find them some work to do. I have worked out the average amount it costs to feed these people. For the year 1936-37 the cost was £7 10s. 3d. per head, and for last year it was £7 15s. 3d. I do not know that we should feel highly pleased with those figures; but my point is, how long we are to encourage these people in their present condition of idleness? Can we not possibly find something for them to do?

Hon. E. H. Angelo: Most of them are old and diseased persons.

Hon. E. H. H. HALL: I thank the hon. member for his interjection. My reference is not to old, sick or diseased natives, but to able-bodied natives well able to work. Recently I received from a road board in my Province a letter asking me to support a proposal concerning which the board had been written to by the Quairading Road Board. Being anxious to know what the latter board advocated, I wrote to it and only to-day received this letter from the Minister controlling native affairs, under date of 17th inst.—

I have received from the Quairading Road Board a copy of your letter of the 4th October, wherein you request particulars concerning a proposed Bill for the establishment of native settlements. For your information I enclose a copy of my letter to the board informing them of the position regarding the establishment of such settlements. This will no doubt explain the board's action.

Now I shall read Mr. Coverley's letter to the Quairading Road Board, which had sent the hon. gentleman a copy of my letter asking what it was the board was request-

ing other road boards to do. The Minister's letter is dated the 17th October, and reads—

Your letter of the 13th instant to hand regarding a request from Mr. E. H. Hall, M.L.C., for a copy of a proposed Bill, but it would appear that your board is under a misapprehension in this regard as when I visited your district some little while ago I stated at the meeting that if the native regulations which were then in process of revision were passed by Parliament I could proceed with the opening of Carrolup and, when funds permitted, other farm settlement schemes for the betterment of the natives.

It is not necessary to bring down any new legislation for this purpose, but without the authority provided for in the amended regulations it would be extremely unwise to proceed with settlements of this nature. I endeavoured at our meeting to make this point quite clear.

The position at the moment is that the regulations are now before Parliament and that objection has been lodged to quite a number of them, some vital to the proposal for the establishment of native farm settlements.

For your information I would advise that I am forwarding a copy of this letter to Mr. E. H. H. Hall, M.L.C.

Hon. C. F. Baxter: The regulations objected to have nothing to do with establishment of native farm settlements.

The Chief Secretary: Regulations are objected to elsewhere, you know.

Hon. E. H. H. HALL: Anything that could be done in the way of settlement would have my whole-hearted support, anything at all to give these people a chance to do something which by nature they are fitted to do; and—if I may say so without being misunderstood—to prevent them from idling about the towns. There is a large increase in the number of natives in Geraldton. They work when they can get work, but unfortunately there is not suitable work for them all the year round. Some obtain employment at pea-picking and in tomato gardens. This work is done by half-castes and I have no doubt they are willing and able to do it. But, as I have said, there is not work for them all the year round. What is to become of these young people of both sexes if employment cannot be found for them? What would become of most of us were we relegated to enforced idleness? We could no doubt pass the time in reading and other forms of recreation; but many of these people have not such opportunities. They are living in the usual native huts in the sandhills. We must face up to

the position. Much money is being expended, but is it being expended wisely? Members will recall the report of the Royal Commissioner and particularly his remarks concerning the Moore River settlement. A considerable amount of money has been spent on that settlement, apart from provisions. In 1936-37, 368 natives at the Moore River settlement were provided with provisions at a cost of £3,450; the cost in 1937-38 was £3,729. The cost of meat is given separately; for 1936-37 it was £1,009, and for 1937-38, £968. It is pertinent to inquire whether anything is being done at the settlement in the way of growing food for the sustenance of the natives. The Chief Secretary, who was the Minister controlling this department, may no doubt oblige by giving us the information when he replies. Is the settlement merely a place where natives are educated?

Hon. H. Tuekey: Is not the position similar in the Great Southern districts?

Hon. E. H. H. HALL: In addition to the cost of provisioning the natives at the Moore River settlement, I find the following on page 37:—

General Loan Fund. Item 47, Moore River Native Settlement. Native cottages, kindergarten, domestic science building and equipment of native huts, £2,327.

I presume that would be capital expenditure and would be in addition to the other amounts I have mentioned. I take the opportunity of again asking, how long are we to carry on this policy of despair as far as the natives, and especially half-castes, are concerned? The time has long passed when we should do something to establish native settlements so that these people may have an opportunity to work all the year round and live under conditions of which we will not be ashamed. They should be provided with hospitals and schools and taught to be self-respecting, self-contained and self-reliant. I, with other members, have no option but to support the second reading of the Bill.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment and the report adopted.

Standing Orders Suspension.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [5.52]: I desire to move, without notice, the suspension of so much of the Standing Orders as is necessary to allow the Bill to pass through its remaining stage at this sitting of the House. My reason is that the House will probably adjourn to-night until Tuesday next, and I think members will agree that there is no necessity to delay passage of the Bill until next week.

The **PRESIDENT**: I accept the Minister's assurance that it is necessary for such a motion to be passed, but it must be carried by an absolute majority of members present, namely, 16 members.

The **CHIEF SECRETARY**: I move—

That so much of the Standing Orders be suspended as is necessary to enable the Bill to be passed through its remaining stage at this sitting of the House.

Question put.

The **PRESIDENT**: There being no dissentient voice, I declare the motion carried.

Third Reading.

Bill read a third time and *passed*.

BILL—LOTTERIES (CONTROL) ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. W. J. MANN (South-West [5.56]): I desire to make only one or two remarks on the Bill, mainly to intimate that I do not support the proposal for a three-year term. I realise that the Lotteries Commission has done excellent work. I also realise that the Government is fortunate in having available the profits from the Commission. Those profits have lightened the Government's burden considerably in the financing of various charities, particularly hospitals. I think we may congratulate ourselves for another good reason, that the Lotteries Commission has—as I have mentioned before,—been responsible for many people making contributions to charity who otherwise would not pay a penny. That is one of my strongest reasons for supporting the State lotteries. As the years pass, I am satisfied that that reason is a sound one. According to the lists that have been published, I believe the

distribution of funds from the lotteries has been reasonable during the past year; at the same time, I think a little more consideration should be shown in some directions, especially in the country. Recently I was a member of a deputation that protested against the closure of a hospital in the South-West. The deputation was informed that the Government proposed to close at least another hospital on the gold-fields. I am not going into the merits or demerits of those hospitals at the moment.

Hon. T. Moore: Was it the department or the Government? Be fair!

Hon. W. J. MANN: What is the difference?

Hon. T. Moore: A great deal. When the matter came before the Government, it did not close the hospitals.

Hon. W. J. MANN: We met the Minister and he, I presume, represented the Government. While the Minister maintained a rather discreet tendency to silence—he had not very much to say—the Under Secretary, who in my opinion is the Pooh Bah of the Department, had quite a lot to say.

Hon. J. Cornell: He generally has.

Hon. W. J. MANN: A hospital has been established at Cue for 40 years, but one realised that its closure may be necessary because of the growth of a larger centre, namely Big Bell, 20 odd miles distant, at which there was a great demand for an institution of that kind. The Greenbushes people feel that although local contributions have not been as great as they might have been, a larger measure of Governmental support should have been received. The Government never tires of mentioning what has been done for hospitals in the metropolitan area. I do not propose to debate that question since we recently had a fairly full discussion on the contributions of the Lotteries Commission to the Perth Hospital. But the circumstances revealed on that occasion destroyed any chance of my agreeing to the extension of the Act for a period in excess of 12 months. We were informed that no agreement existed between the Government and the Lotteries Commission with regard to the financing of the Perth Hospital; but the Premier made it fairly plain that the Commission was ready to find a sum that would meet the interest on that building, and if that was not an agreement, what was it? There might not have been anything in writing, but what was revealed was suffi-

cient to make me consider that the suggestion of extending the period of the operation of the Act to three years should not be entertained. I shall support the second reading of the Bill, but in Committee I shall vote against the proposal to extend the term.

HON. J. J. HOLMES (North) [6.12]: The Bill proposes to extend the operation of the Lotteries Act for three years. When listening to the remarks of the Chief Secretary in introducing the measure I was forced to the conclusion that the House might leave well alone. Last year we had two speeches from the Chief Secretary on this matter, and he said the Commission would not be able to carry on unless the Act was made permanent, and the Commission was able to look ahead and plan for the future. After hearing him, the House granted an extension for one year. Last night he came back to the subject again, full of eloquence concerning what the Commission had been able to do in that one year, and the speech he then made was sufficient to convince the House, if it had any doubt on the matter, that the Act should again be extended for one year and one year only. I am prepared to give the Commission credit for what it has achieved. It has done good work and more or less developed a large business. The larger the business it is able to do, the more necessary is it that this House should have complete control.

I consider that the control the House has exercised over the Commission by renewing the measure from year to year has had much to do with the success achieved. When it was suggested last year that the Act should be made permanent, 18 members voted for an extension to one year, and nine for a continuance of the Act for a longer period. That accounted for 27 members. The President made 28, and two were absent. So, by a two to one majority, the House decided against an extension beyond one year. I do not think the House can make a complete somersault after having been so definite on the matter in past years. I am concerned about the persistence of the Government in endeavouring to make this legislation permanent. I may have a suspicious mind, but I cannot help looking for the nigger in the woodpile. I wonder what would happen if we agreed

to the suggestion. Recently the Premier announced that he had entered into an agreement with the Lotteries Commission under which that Commission would more or less finance the construction of the Perth Hospital.

The Chief Secretary: That is not correct.

Hon. J. J. HOLMES: I said that the Lotteries Commission had agreed to help to finance the Perth Hospital. If that is not correct, I am sorry. The statement made had to do with the financing of the Perth Hospital by the Commission. When a member of this Chamber moved that the agreement be tabled, the Chief Secretary said there was no agreement.

Hon. J. Cornell: There was an understanding.

Hon. J. J. HOLMES: I am not satisfied to agree to an extension beyond one year, if this sort of thing is to be done or if there are to be understandings, and later the existence of agreements denied. I do not think it was ever intended that the money raised by the Commission should be used for the Perth Hospital. I think the idea was to give assistance in other directions. It follows as the night the day that the more money that is given to the Perth Hospital, the less there will be for country hospitals. As I understand it, the first function of a Government is to maintain law and order. As to whether that is done in this country, I have my doubts. The next function of a Government is to look after the indigent and sick. That is the duty of the Government, and it should not poll on the Lotteries Commission as it proposes to do. I think we still have a two to one majority in this House against an extension of the operations of the Act beyond one year. I shall vote for the second reading, but will not agree to an extension of the Act for three years.

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

BILL—LIFE ASSURANCE COMPANIES ACT AMENDMENT.

Recommittal.

On motion by the Chief Secretary, Bill recommitted for the further consideration of Clauses 3 and 6.

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 3—Insertion of new sections:

The CHIEF SECRETARY: I move an amendment—

That the words "policy holder" in line 1 of proposed new Section 33F be struck out, and the words "holder of an industrial life assurance policy" be inserted in lieu.

Amendment put and passed.

Sitting suspended from 6.15 to 7.30 p.m.

The CHIEF SECRETARY: I move an amendment—

That after proposed new Section 33G the following be inserted to stand as new Section 33H:—"Every industrial life assurance policy issued after the passing of this Act and every current and subsequent industrial premium receipt book shall have printed thereon in clear and legible type, a notification to the effect that the policy shall not become void for non-payment of premiums unless a premium has been overdue for at least four weeks or such longer period as may be provided by statute or by the company's regulations for the time being."

This amendment should overcome the difficulty with respect to policy-holders not having a full knowledge of the conditions under which a policy is issued. During the second reading I stressed strongly that notice should be given. As members disagreed with the idea of notices being sent out, it was considered that an amendment, providing that every current and subsequent industrial premium receipt book should have printed upon it a notification regarding the policy becoming void for non-payment of premiums, would make the position clear. The amendment I have moved is satisfactory from the point of view of assurance companies, and I trust it will be agreed to.

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

Clause 6—Insertion of New Section 60A:

The CHIEF SECRETARY: I move an amendment—

That after the word "otherwise" in line 11 of proposed new Section 60A the following words be inserted:—"unless such bond, guarantee, or other security be limited to cover the amount of cash shortages in such person's accounts, and losses sustained by the company through his fraud or misconduct."

The Bill as originally introduced provided that guarantee bonds should not be permitted unless they were issued by some fidelity guarantee company. To overcome the difficulty that occurred subsequently, the amendment I moved has been prepared.

Hon. J. Nicholson: This will bring the Bill into line with Eastern States' legislation.

The CHIEF SECRETARY: Yes. The amendment is considered satisfactory from the point of view of those concerned. I am pleased that we have arrived at such a compromise. Whilst I have been critical of the action of some companies which have taken proceedings against bondsmen in the past, I think it is only right there should be some guarantee in cases where the agent is short in his cash as a result of fraud or misconduct, or short for any reason. In years gone by bondsmen have been called upon to make good commissions paid to agents on business that has lapsed during a certain period. In many such instances the bondsmen were not aware of their liability until called upon to refund the money. The amendment should meet the case.

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

Bill again reported with further amendments.

BILL—RIGHTS IN WATER AND IRRIGATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 12th October.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West—in reply) [7.36]: During the debate one or two questions of great importance were raised. Mr. Nicholson wanted to know the real meaning of subclause (1) of Clause 2. This matter has been discussed with the Solicitor-General, with whom Mr. Nicholson has also discussed it. As I pointed out on the second reading, that subclause merely provided for the retention of Section 27 as it appears in the Act. Mr. Nicholson was not satisfied that that was the position. He consulted the Solicitor-General, and with a view to meeting his desires, the amendment that appears on the notice paper has been accepted. I think Mr. Nicholson is now satisfied.

Hon. J. J. Holmes: Do you think it will safeguard the position?

The CHIEF SECRETARY: I do not think it is necessary. My opinion is that the words are redundant, but, if it meets the wishes of the hon. member I see no reason why the amendment should not be accepted. It merely re-states the position in other words. The Solicitor-General also says he has no objection to the amendment. More than one member referred to the Canning River, about which Mr. Wood, in particular, had a good deal to say. He stated that the Canning River was not a river now, owing to the fact it was dammed at the Canning Weir. He also said many other things about it, and we see from the notice paper that he desires to exempt that river from the operations of the Bill. I cannot agree to any such amendment. I have been supplied with further particulars that I would like to give the House. If we do not pass this Bill we shall have a continuance of the troubles that have been experienced in many places for some years past. The measure provides for the control of streams outside irrigation areas, and of streams within irrigation areas that are not covered by irrigation schemes. The Canning River is one of those rivers that will necessarily have to be controlled at some time or other. If it be exempted from the Bill, as suggested by Mr. Wood, it will probably be necessary in the future to bring down special legislation to deal with the problems that will have been created, and which as years go by will become more acute. The engineer for the Metropolitan Water Supply, Mr. Dumas, has reported that since the commencement of the Canning Dam construction the settlers are much better off than they have been for the past nine or ten years. Any suggestion that the construction of the Canning Dam has lessened the amount of water available to settlers is incorrect.

Hon. L. Craig: He did not suggest that. He suggested that the only water the settlers got was that which was allowed to run from the Dam. He did not say whether there was more water or less water, but that it was now a controlled supply.

The CHIEF SECRETARY: The remarks of the hon. member and of other members were submitted to the engineer for comment. I think he has taken a fair view of the remarks that have been made, and I wish to give his reply to the House. He

stated that the waters from Corners Brook, Kangaroo Gully and Turtle Brook, below the Canning Dam, have been allowed to flow downstream, with the result that approximately 180,000 gallons per day are flowing down from those streams in addition to the summer flow from the Canning Dam, which is allowed to run each season. Mr. Dumas said that the trouble arose in connection with pumping plants on the banks of the river. He showed, from surveys made, that in five years there had been an increase of 30 per cent. in pumping power.

Hon. L. Craig: How many new pumps did that cover?

The CHIEF SECRETARY: The hon. member will find the additional particulars I propose to give exceedingly interesting. Mr. Dumas further stated that the horse power along the river amounted to 900, capable of pumping 85,000,000 gallons a day.

Hon. J. Nicholson: A day?

The CHIEF SECRETARY: Yes. He pointed out that that horse power was capable of pumping 85,000,000 gallons a day to an average height of 50ft. If that increase were to go on for another five years, he considered that, in a comparatively dry season, the settlers below the Gosnells bridge would obtain no water after December, and in a dry season the water in the river would run out early in December. That should be convincing to the House as a strong indication that the time has arrived when something should be done regarding the control of our streams. The opinion of Mr. Dumas is that the extension of pumping plants constitutes the greatest danger along the river, and those settlers who have developed orchards will be ruined unless some limitation is imposed. He considers that if the pumping plants were controlled, as contemplated by the Bill respecting similar streams, the water could be fairly apportioned, and the settlers would have the promise of the Government that the Metropolitan Water Supply Department would continue to release whatever water was running in the river during the summer months. He pointed out, however, that if the increase of irrigation plants were allowed to continue, a dry year would bring disaster, but if the increase were stopped, the position would not be so hopeless. In these circumstances, the Canning River will undoubtedly be proclaimed for control if the requests for such a procedure can be justified to the satisfaction of the Irrigation Commis-

sion appointed under the principal Act. Therein is the safeguard necessary from the point of view of settlers along the Canning or any other river. Only upon the recommendation of the Commissioners can action be taken to control any one of those streams. The control and regulation of water in such circumstances is really a thankless job for anyone to undertake, and it is only because of pressure from all directions over past years that the Government thought Parliament should be given an opportunity to decide whether it should attempt to alleviate undoubted inconveniences and hardships incurred by bona fide settlers located along the streams of the South-West.

Hon. G. B. Wood: There was no such pressure on the part of the settlers along the Canning River in favour of this legislation.

The CHIEF SECRETARY: I do not know about that, but I am aware that, from time to time, representations have been made to the Government along the lines I have indicated. Even in 1937 the member for Swan (Mr. Sampson) said—

If something were not done it would not be long before settlers would be forced out of business because they would not be able to get sufficient water for their purposes. He asked what steps were proposed.

Other representations have been made as well, although not necessarily for the specific purpose indicated in the Bill. We do know that other settlers have experienced endless trouble. Years ago I met quite a number of people in different parts of the South-West who made representations regarding this particular problem, which has been a source of endless trouble for years past. If a Bill of this description is necessary to make possible the satisfying of the requirements of all settlers along the banks of a particular river in the South-West, I imagine the same conditions will apply to the Canning River. If the statements made by the Engineer for Metropolitan Water Supply, Mr. Dumas, are correct—and I have no reason to doubt their accuracy—

Hon. G. Fraser: There is no doubt about their accuracy.

The CHIEF SECRETARY:—it must be apparent to every member that, sooner or later, the necessity to exercise some such control will become increasingly obvious. The sooner control is provided for, the better it will be for all concerned. It is neither desirable nor fair to exempt any particular river or stream in connection with which sev-

eral settlers have been suffering proved hardship. That certainly applies to the Canning River.

Hon. H. Tuckey: But the Canning River cannot be proclaimed as coming under the scope of the Act without the recommendation of the Irrigation Commissioners.

The CHIEF SECRETARY: No river can be brought under the Act except on the recommendation of the Irrigation Commissioners. I understand there has been some whispering regarding this legislative proposal and people have been told that if the Bill is passed in its present form, they will have to pay heavy fees and so on.

Hon. G. B. Wood: They will have to pay some fees.

The CHIEF SECRETARY: I do not know that they will.

Hon. G. B. Wood: The Premier admitted that at Kelmescott on Saturday last.

The CHIEF SECRETARY: Whatever fees may be charged, will be very small. Naturally the cost of administration must be covered, but the charge against the orchardists will, according to my information, be a mere bagatelle. Mr. Hamersley complained that certain land owners would be deprived of water rights. My reply to that contention is that they will certainly be deprived of some supplies if they are found to be operating to the detriment of many others who, in the purchase of their holdings have, in good faith, acquired similar water rights. That is the position. If one land holder along the banks of a stream takes water to the detriment of another person lower down or prevents the latter from obtaining the quantity of water necessary for his purposes, the latter has just as much cause for complaint as Mr. Hamersley has on behalf of the man who, he says, will be deprived of some of his rights. The principle of partial sacrifice for the benefit of others is not new, and that is the object of the Bill.

Hon. V. Hamersley: But under the Bill a man will not be allowed to use water for commercial purposes.

The CHIEF SECRETARY: If we reach the stage where the use of water for commercial purposes at one spot means depriving people lower down the stream of water necessary for domestic purposes, surely that provides the strongest argument possible for the exercise of control. The supply of water in our streams is not unlimited, and it varies from year to year. Last year, for

instance, the supply of water was ample for an extended period. On the other hand, in a dry year the quantity available is much less than in a good year, and that appreciably affects the position. Whatever it may be, surely we should have control to the extent of seeing that every settler receives a fair deal in accordance with the volume of water available. Parliament has already agreed to that principle with respect to those streams within, or supplying, a declared irrigation district. Our object now is to exercise the suggested control by proclamation as applying to a small area, without the expense involved in the payment of rates as obtains where the Irrigation Commission has taken control of a large declared irrigation area. By that means I am sure that the control proposed will operate satisfactorily, without the settlers having to go to all the trouble and expense that is entailed in connection with ordinary irrigation districts. As I have indicated, the suggested control by proclamation is in effect the same for a small area, without the expense of paying rates, as is involved in the control by the Commission of the large irrigation areas. That is a point to be borne in mind. If an irrigation area is proclaimed under the Act, rates have to be levied. That is the point in respect of which misunderstanding has arisen on the part of some people who may be affected. In irrigation districts rates are levied, but under the proposal outlined in the Bill no rates will be imposed. The whole situation will be controlled by the recommendations of the Irrigation Commission and any such exercise of control will be for the benefit of all settlers concerned.

I do not wish to take up any further time beyond saying—and I think the House will agree with me—that the Irrigation Commissioners have carried out their task very effectively. I do not think we have any reason to doubt or distrust their bona fides in such matters. The duty is thankless and involves the determination of just what measure of control shall be exercised in matters of this description. Nevertheless, it is far better that such control shall be exercised as outlined in the Bill in preference to a continuance of individual disputes that crop up endlessly in various parts of the State, and in which local feeling so often plays an important part. I am fully convinced from what I have been told, that if the Bill be-

comes law many of the troubles that have developed in the last few years will, to a great extent, be obviated and certainly in every instance will be appreciably minimised. I hope the House will not only agree to the Bill but will accept it without amendment apart from that to which I have already referred. That amendment will be moved by Mr. Nicholson to provide that all artesian wells will be left in the same position under the Bill as they are under the Act at present.

Question put and a division taken with the following result:—

Ayes	17
Noes	5
<hr/>				
Majority for	12
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AYES.

Hon. E. H. Angelo	Hon. W. H. Kitson
Hon. L. B. Bolton	Hon. J. M. Macfarlane
Hon. J. Cornell	Hon. W. J. Mann
Hon. L. Craig	Hon. J. Nicholson
Hon. J. A. Dimmitt	Hon. H. S. W. Parker
Hon. J. M. Drew	Hon. H. Seddon
Hon. G. Fraser	Hon. H. Tuckey
Hon. E. H. H. Hall	Hon. T. Moore
Hon. J. J. Holmes	(Teller.)

NOES.

Hon. C. F. Baxter	Hon. G. B. Wood
Hon. V. Hamersley	Hon. C. H. Wittenoom
Hon. A. Thomson	(Teller.)

Question thus passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 27:

Hon. J. NICHOLSON: I move an amendment—

That after the word "State," in line 5, of Subsection (1) of proposed new Section 27 the following words be added:—"Provided that this subsection shall not be deemed to affect the right of property of any private owner in any artesian well constructed prior to or after the commencement of this section in any other manner or to any greater extent than that in or to which such right of property was affected by this Part of this Act as in force prior to the commencement of this section."

The matter has been fully explained by the Chief Secretary and there is no need to say anything further.

Amendment put and passed.

Hon. G. B. WOOD: I move an amendment—

That after the word "shall," in line 5 of paragraph (b) of Subsection (5) of proposed new Section 27, the words "subject as herein-after in this subsection provided" be added.

I stated on the second reading that I intended to move this amendment, the object of which is to exempt the Canning River from the operation of the measure. There has been a considerable amount of opposition to the Bill from the settlers along that river. I made a number of inquiries and was not able to find anybody, in spite of what Mr. Dumas may say, who had ever been dissatisfied with the conditions that have existed there during the last 50 or 60 years. The Minister said that the time would surely arrive when there would be trouble, but I am prepared to pit the opinion of all the settlers against that advanced by Mr. Dumas who claims that there will be trouble. The people along the Canning River definitely do not want this legislation. I admit there has been trouble in other parts, but why interfere with those people who are happy?

The CHIEF SECRETARY: I assure the hon. member that no action will be taken under this legislation unless a recommendation comes from the commission; and there is not likely to be a recommendation from it unless there is a problem to be solved, or unless there is some trouble. If we exempt this particular stream, I have no doubt that there will be a host of requests for the exemption of other streams. The passing of the Bill will not mean that the Canning River, or any other stream, will be controlled. The power will be there to control it if the commission recommends to the Minister that there should be control. That appears to me to be a desirable position to have. Thus, instead of having to introduce legislation when trouble arises, the legislation will be there to be put into operation in the event of a difficulty arising. I am afraid that the people along the Canning River have no proper understanding of the Bill, otherwise they would not have shown the opposition about which the hon. member spoke.

Hon. L. CRAIG: In the course of the second reading debate, in order to assist the passage of the Bill, I stated that I would agree to the Canning River being deleted from the provisions of the measure. I discussed this question with the heads of the department and I was informed that when the Bill was framed the Canning River was

not considered at all; there was no problem there. The officers added that they would agree to the settlers along that river being exempt from the operations of the Bill. Acting on my arrangement with Mr. Wood, however, I will continue to agree that the Canning River should be exempt.

Hon. J. M. MACFARLANE: I find myself very much in the position of the previous speaker. I realise there has been quite a lot of nervousness in the district in question regarding the manner in which the Bill will affect the people there. I, too, promised Mr. Wood that I would support his amendment. The definite statement, however, has been made by the Chief Secretary that no action will be taken against the settlers along the Canning River unless it be on the recommendation of the commission. But suppose the commission puts into effect something that the settlers now dread, what will the position be? We will then have to accept the situation, in spite of what the Minister has said. Therefore I shall support the amendment.

Hon. W. J. MANN: I support the amendment because I promised Mr. Wood to do so.

Hon. G. FRASER: Another unholy alliance!

Hon. W. J. MANN: No, I realised that there was a good deal of fear regarding the Canning settlers. I disagree with Mr. Wood in his criticism of Mr. Dumas. This State is fortunate in having a man of the calibre of that officer, and there are other States that would be glad to have his services.

Hon. G. FRASER: I hope that the promises given to Mr. Wood will not have a bush-fire effect and spread right around the Chamber. It would be a pity if the measure was spoilt through members having given a promise before learning the full facts.

Hon. L. Craig: No, we wanted the Bill to pass.

Hon. J. J. Holmes: You will not improve matters.

Hon. G. FRASER: I am merely taking the statement of members who, after having heard the Chief Secretary, seem inclined to alter their opinion.

Member: No such thing.

Hon. G. FRASER: Then we can agree to differ. The amendment should not be accepted. One of the first places that should have the protection of this measure is the Canning River. There is conclusive proof

of the likelihood of a problem arising there.

Hon. J. Nicholson: Have you been in conversation with the engineer?

Hon. G. FRASER: No, but my second home has been on the Canning River for 25 years, and I happen to know the part below the Gosnells Bridge that will be affected. In the last year or two the quantity of water has diminished.

Hon. G. B. Wood: Has there been any actual shortage?

Hon. G. FRASER: No, but there has been an increase of orchards and pumping plants, and a shortage is bound to occur. We have not had a very dry season.

Hon. G. B. Wood: Yes, we have, a year ago.

Hon. G. FRASER: For several months of the year the Canning River diminishes to a series of pools, and the greater part of the available supply is water released from the Canning Dam. If any settler dams the water back, how can those on the lower reaches get supplies?

Hon. G. B. Wood: They are not worrying.

Hon. G. FRASER: Because they have not yet been faced with the problem.

Hon. G. B. Wood: Do you profess to know more than they do?

Hon. G. FRASER: I have a good idea of what is likely to happen.

The CHAIRMAN: A member must not refer to another as "you", but must say "the hon. member".

Hon. G. FRASER: I am as much entitled to my opinion as is any other settler along the river.

Hon. C. F. Baxter: Has any settler put a dam across the stream?

Hon. G. FRASER: In one part, the course of the stream was slightly diverted.

Hon. C. F. Baxter: There is power in the Act to prevent that.

Hon. G. FRASER: But to take legal proceedings is a troublesome matter. Under this measure, any dispute could be easily composed. We do not want to have settlers fighting such disputes in the courts.

Hon. H. S. W. Parker: Why not?

Hon. G. FRASER: I can understand the hon. member's desiring legal proceedings.

Hon. H. TUCKEY: I cannot see that the exclusion of the Canning River settlers will make any difference to them. When the problem arises, if it has not already arisen,

the Irrigation Commission will have to take action, and if the Canning River is exempted from the measure, amending legislation will have to be introduced. I represent a large area, including a number of brooks, and some of the settlers might ask why they are not exempted. To include all would be far better. The settlers have two representatives on the Irrigation Commission, and they would not sit idly by without urging their views. I can understand Mr. Wood's attitude. Some of my settlers thought they would fare badly, but when I explained the provisions of the Bill, they were quite satisfied. I oppose the amendment.

Hon. J. A. DIMMITT: I am one of the members for the province represented by Mr. Macfarlane, but I am not uncertain as to my attitude. I shall vote against the amendment. I am in contact with some of the settlers, and each one has expressed the wish that the Bill be passed in its present form. I have not found anyone who desired to be excluded.

Hon. G. B. WOOD: The people Mr. Dimmitt represents are in the salt water area. My amendment relates to quite a different section of the people.

Amendment put and a division taken with the following results:—

Ayes	8
Noes	13
Majority against	5

AYES.

Hon. C. F. Baxter
Hon. L. Craig
Hon. E. H. Hall
Hon. V. Hamersley

Hon. J. M. Macfarlane
Hon. W. J. Mann
Hon. C. H. Wittenoom
Hon. G. B. Wood

(Teller.)

NOES.

Hon. E. H. Angelo
Hon. L. B. Bolton
Hon. J. A. Dimmitt
Hon. J. M. Drew
Hon. G. Fraser
Hon. J. J. Holmes
Hon. W. H. Kitson

Hon. J. Nicholson
Hon. H. S. W. Parker
Hon. H. Seddon
Hon. A. Thomson
Hon. H. Tuckey
Hon. T. Moore

(Teller.)

Amendment thus negatived.

Hon. C. F. BAXTER: I have an amendment on the notice paper.

The CHAIRMAN: The Bill is past the stage where that amendment can be moved. The Bill will have to be recommitted for that purpose.

Clause, as previously amended, agreed to.

Clause 3, Title—agreed to.

Bill read with an amendment.

BILL—INCREASE OF RENT (WAR RESTRICTIONS).

Second Reading.

Debate resumed from the 12th October.

HON. V. HAMERSLEY (East) [8.33]:

The Bill is far-reaching, but I presume that owing to the war many people feel that those joining the military forces and having family responsibilities should at least be relieved of anxiety as to those left behind being harassed in the maintenance of their homes. Anomalies are sure to crop up in connection with some tenancies, and we can only hope that no fault will be found with the administration or policing of the measure, and that no new hardships will be caused to landowners. The field of possible difficulties is fairly wide. Instances occur of people occupying premises rent free. I wonder what will be the position of owners of such properties should the war continue for any lengthy period. Other tenants pay no rent whatever. They take on tenancies, but they make every possible endeavour to dodge their responsibilities, and the difficulty of obtaining rents from them is extreme. Such people are in for a good time under this Bill. Other tenants show little respect for the home except in the matter of destruction, and there will be great difficulty in getting such tenants out of premises. Some of the people I refer to have a strong tendency towards the wrecking of furniture and fences. In order to have such tenants removed, the owners would have to approach the court. Many landlords can already tell a tale of woe, and the Bill will create a longer period of distress for them. Were it not for the war and the general feeling that something in this direction is necessary, I do not know that I should be inclined to accept the measure. However, I support the second reading. I do not like the Bill, but in existing circumstances one feels that one must support the measure, even though with a very considerable lack of enthusiasm.

HON. J. J. HOLMES (North) [8.36]: I hope the previous speaker will not find himself committed to a Bill which does not control the one point he has raised, the question of houses for the families of soldiers who go away to protect Australia and the Empire. The Federal measure dealing with this subject relates to dwelling-houses and shops. All that appears to be left for

the State to control is licensed premises, seaside premises, grazing areas, farms, orchards, market gardens and dairy farms.

The Chief Secretary: That is quite a lot.

Hon. J. J. HOLMES: Only those I have mentioned will be brought under the provisions of the Bill. The more I see of the measure, the less I like it.

The Chief Secretary: The Bill does provide for the properties you have mentioned.

Hon. J. J. HOLMES: Yes, after an appeal to a court the Bill provides for them. Before sitting down I hope to show there is no necessity for the measure. Let the landlord and the tenant agree as they have done in the past. Candidly, I fail to see, in view of the fact that the Federal Government has taken control of housing of the people at home and abroad, and control of shops throughout the Commonwealth, that there is any need whatever for the Bill. We know that for many years past attempts have been made in this State to get control of rents. Too much has been made of war conditions, which in any case are controlled by the Federal authorities in the matter of putting on the statute-book whatever legislation may be required.

But where is the need to control rents? Surely hon. members must know that if anything is to go down during the period we are facing, rents will go down. I know of St. George's Terrace premises whose rents have already been reduced by 25 per cent. Landlords are not fools. They will try to keep their tenants, especially in a city like Perth which undoubtedly is overbuilt in respect of office accommodation and shops. There is a scramble to keep tenants by reduction of rents, without any appointment of a commissioner to intervene between landlord and tenant in a matter that concerns only those two. I speak with some authority, being a director of a large business having to do with the letting of premises. There are more empty shops, offices and houses in Perth now than there have been for years; and that is quite irrespective of the war. In view of the possibility of a fall in rents rather than an increase, this should be purely a matter between landlord and tenant. If I read the Bill correctly, its basis is the rent on a specific date, the 31st August last. The Federal measure fixes no date, and can deal with any lease. Our Bill, if I read it aright,

has for its basis the rent as at the 31st August last, and that rent is not to be increased except by consent of the commissioner. I know there is bargaining going on now between landlords and tenants, without any commissioner's intervention.

What would the State Government control under the Bill? Would it control licensed premises? While not liking the trade at all, I consider that the landlord and tenant of licensed premises should be left to make their own bargain.

Hon. T. Moore: Are boarding houses to be controlled?

Hon. J. J. HOLMES: They come under the Federal measure. Take wheat farms let at a nominal rent, as any number of them have been prior to the 31st August. With the increases in the prices of wool and wheat, surely the owners are entitled to some increase in the rent. Under the Bill, however, nothing can be altered as from rents on the 31st August, even if the tenant is paying only a caretaker's rent, except with the commissioner's consent. The tenant of a farm might easily agree with its owner on some equitable arrangement for carrying on; and the same remark applies to dairy farms. The owners of such properties are not profiteering on the soldiers or taking the roofs from over the heads of soldiers' families. Why should not a dairy farm or an orchard be exempted? The question of the price of fruit might be adduced; but otherwise why should not these people mutually agree without an award of the commissioner? The Federal authorities did give some consideration to their Bill. The Western Australian Government, when introducing its Bill, never considered seaside residences. Those were thought of by private members when the Bill was in Committee of another place. The same applies to wheat farmers, dairy farmers and orchardists. No provision was made in the Bill for them and so it had to be amended by another place to give the board power to increase the rent when the necessity arose. I mention that to show what little thought was given to this measure by the Government. It appears to me that the Bill is a glorious opportunity to give effect to one of the planks of the Labour platform, namely, to control rents and the Government tried to take full advantage of it; but when it saw the difficulties ahead it was prepared to make some amendments.

We come to the provision of six per cent. interest on the amount expended on additions and improvements. Anybody who knows anything at all about buildings knows that six per cent. is not an adequate consideration. The Government has set out on a campaign to establish secondary industries. Now, additional expenditure will doubtless be required for such industries. It may be desired to erect a jam factory, as has been suggested, and a landlord may be requested to put up the additions on the basis of receiving six per cent. on the amount of his outlay. An investor in this town at the present time can get six per cent. upon two-thirds of the value of a property, thus allowing one-third of the value for depreciation. Will a man invest money in additions and improvements—a diminishing asset—when he can lend money at six per cent. upon two-thirds of the value of a building? The Bill will hamper industry; it will put men out of work; it will stop building. One would think the State Government were conducting the war; but the Prime Minister has said to the Premiers of the Australian States, "I want business as usual." That is all I want. I do not want people to be endeavouring to do their best under difficulties. I want business as usual. I want the business of the leasing of farms, orchards, gardens, seaside residences, etc., to be left in the hands of the owners, the landlords and the tenants.

The Bill provides that the rent to be charged shall be the rent as at the 31st August last—I presume during the period of the war. I could quote instances of owners who have been induced to build shops, with residences attached, in the suburbs. These premises may have been leased for two or three years, or even six years, at an increasing rental; for instance, at £2 a week for the first two years, £3 for the next two years and £4 for the succeeding two years. In some cases the owner has had to borrow money to finance the erection of the building. He would not have done so unless he had first secured a tenant and arranged a lease. If the State Government is in control of this legislation, the rental of such premises would be fixed at the lowest amount for the whole period of the war. I do not desire to detain the House longer, but I feel bound to say that I must vote against the second reading, because in my opinion it will retard building operations, create un-

employment, and impose unreasonable conditions on persons who ought not to be made to suffer.

HON. G. B. WOOD (East) [8.52]: When a Fair Rents Bill was brought before this House previously, I opposed it. I definitely dislike this type of legislation, but I think that special circumstances deserve special consideration, so in this case I intend to support the second reading, although I must say I do not like the Bill as a whole. Unlike other fair rents measures, the Bill before the House fixes a standard rent. In that respect it differs from the other Bills. Previously, a provision was made for the court to fix a rent based on the Commonwealth Bank rate of interest, plus one per cent. or two per cent. This measure provides that the rent shall be the rent as at the 31st August. That, in my opinion, is fair. I do not regard favourably the other provisions respecting new leases and new rents, because I think those matters will find their own level if left to the decision of the landlord and the tenant. I am very keen on the Bill up to the end of Clause 4, which maintains the status quo at the 31st August. The provision regarding holiday resorts should be struck out altogether. Some criticism has been levelled at the provision for payment of six per cent. on the amount of additions and alterations. After all, that is not such a poor return, because the landlord may be receiving 12 per cent. or 15 per cent. on the old building. In my opinion, an owner ought to receive a return of 12 per cent. from house property. He will, under the measure, receive six per cent. on the cost of additions only.

Member: There will not be any additions.

Hon. G. B. WOOD: Perhaps not, unless the six per cent. is raised to 10 per cent. There is nothing to fear in that connection, however. If an amendment is moved to alter the rate from six per cent. to 10 per cent. I will support it. Some people contend that legislation of this kind may not be necessary. Perhaps it may not; but just as there may be profiteering in other directions, so there may be profiteering in connection with rents and it is just as well to place the measure on the statute-book. It is no use making provision against profiteering in food-stuffs and permitting profiteering in rents. Take the case of a person who sets up a draper's business in, say, a country town. He is at great pains to

establish a business the value of which is not the value of the land and the bricks and mortar but the business itself. A landlord may say, "This tenant will not want to leave, so I will put up his rent." Such a tenant should be protected.

Member: This Bill will not protect him.

Hon. G. B. WOOD: I can instance another case that happened at Merredin, not in connection with rents, but rates. The road board desired to increase the rates on a stationer's shop, and said to the proprietor, "Mr. Brown, around the corner, is paying £2 a week rent, but you are paying only 30s.: nevertheless, we wish to rate you on a rental of £2 a week." But the premises around the corner were used for a starting-price betting shop. I will quote another case. A person may establish a boarding house business, as many ladies have done in West Perth and other suburbs. They lease a house and let rooms and over a course of years build up a profitable business. Again the landlord might say, "They will find it hard to get another house, so I will put up the rent." That is what I call profiteering. I think this legislation is desirable and so will support the Bill in the earnest hope that it will not be necessary for it to remain on the statute-book very long.

HON. H. S. W. PARKER (Metropolitan-Suburban) [S.56]: I intend to oppose the Bill for the reason that the Federal Government has already dealt with dwelling houses, which, by the regulations made under the National Security Act, do not include hotels, premises ordinarily leased for holiday purposes, or premises of any grazing area, farm, orchard, market garden or dairy farm. These are excluded, so that all we are dealing with are hotel premises, premises leased for holiday purposes, and premises of grazing area, farm, orchard, market garden and dairy farm. The standard rent set out is the rent of premises let on the 31st August; or, if they were not let on that date, the rent at which they were let before that date. The Bill before us, I feel sure, does not meet the desires of the Government as expressed by the Chief Secretary. Leaving that aside for the moment, it seems unfair and unnecessary to fix the rent. Take the first example, an hotel. We are asked to carry on business as usual. Hotels are usually let on a long lease, which provides for increases in the rental during the term.

Hon. J. Cornell: You cannot say that of the glasses; their size has not been increased.

Hon. H. S. W. PARKER: A man taking on a lease of an hotel for seven years is building up his business. He is building up a goodwill. Very often he leases an hotel that has been mismanaged and has lost favour. Therefore, it is unfair to charge him the full value of the premises until he has restored the business. I cannot perceive how there can be any profiteering in that connection. It is a question of business; of buying and selling. No one is bound to buy and no one is bound to sell. The net result of this Bill, as some people understand it, will be to reduce rents to an absolute minimum. We know that a great number of soldiers will go into camp at Northam and we are aware that where there are many men the business of the nearest hotel increases tremendously. Consequently, it is only natural to assume that the hotel nearest to the camp at Northam will be a small gold mine. Why should we say that no more rent should be charged for that hotel than was obtained on the 31st August?

Hon. J. Cornell: The hon. member thinks that rent should be based on the takings and not on the cost of the premises?

Hon. H. S. W. PARKER: No, I do not. I think that the rent charged for a hotel, in which I include the ingoing, should be a business proposition. The hotel should bring what can be obtained in the open market. That is the principle adopted by the Government in the granting of new hotel licences. The ingoing is valued and an amount is fixed immediately by the licensing court as a premium.

Hon. G. B. Wood interjected.

Hon. H. S. W. PARKER: The hon. member would be perfectly correct if there were no lease, but I would point out that the effect of the Bill would be that no owner would let his premises. He would put a manager in charge. Hotels would not be leased but would be run by managers.

Hon. J. Cornell: That is one of the curses of the trade to-day.

Hon. H. S. W. PARKER: Precisely, but that is what would happen to hotels. None but dud hotels would be leased. The Chief Secretary has had some experience as the landlord of a hotel. I do not know under

what conditions the Rottneest hotel has been leased, but I feel sure that hotel will bring an increasing rent over a period of years. That is a natural business proposition. The gentleman who takes the lease need not do so unless he likes. The particular portion of the Bill to which I am referring does not apply to the Rottneest hotel because I do not think that was leased before the 31st August. It may have been. I am not sure. But if it had been so leased, why should we say that an increased rent should not be charged?

Hon. T. Moore: Better accommodation would be provided.

Hon. H. S. W. PARKER: Perhaps.

Hon. T. Moore: It would. Does the Bill affect the Yanchep Hotel?

Hon. H. S. W. PARKER: That hotel is not let, is it?

Hon. T. Moore: I do not know.

Hon. H. S. W. PARKER: No, it is not. I see no reason for our interfering with hotels.

Hon. J. J. Holmes: What about farms?

Hon. H. S. W. PARKER: I will deal with them later. I will give an instance of what has occurred in connection with a wine saloon in Perth. Recently extensive alterations have been made to certain premises that have a wine license. A very large sum of money has been spent on the building, including £1,200 on the wine saloon alone. The saloon is portion of a big building. While the premises were being altered, the rent of the wine saloon was reduced. The £1,200 was spent before the 31st August, but the rent will not be increased until the whole building is completed. Under the Bill the landlord will not be permitted to charge any more for the wine saloon than he charged while extensive alterations were being made. I know that the reply will be made, "He can approach the court." I shall deal with that aspect directly.

The Bill will have application to premises ordinarily let for holiday purposes. Surely if I had a house or cottage at some seaside resort, which I let for a portion of the summer months, I should be able to accept the rent anyone likes to pay me. If I want to charge an excessive rent, why should I not be able to do so? I may wish to fix an amount that will prevent the place being let to any but an exclusive type of tenant. What on earth has the war got to do with that? Nothing at all. The Bill applies also to "a lease of any farm, grazing

area, orchard, market garden or dairy farm which prior to the 31st day of August, 1939, was leased at a nominal or caretaking rent." As members are aware, during the past few years, many grazing properties have been leased at a nominal rental.

Hon. J. Cornell: You have not been to Manjimup or you would not say that.

Hon. J. J. Holmes: Manjimup is not the whole State.

Hon. H. S. W. PARKER: Is that a grazing area?

Hon. J. Cornell: A tobacco area.

Hon. H. S. W. PARKER: But is it a grazing area?

The PRESIDENT: Order! I cannot allow conversation to proceed in this manner.

Hon. H. S. W. PARKER: I am dealing with grazing areas as such. When I speak of farms, I mean mixed farms; when I speak of orchards, I mean fruit-growing areas; when I refer to market gardens, I mean areas devoted to the growing of vegetables; and when I mention dairy farms, I mean dairy farms.

Member: What about wheat farms?

Hon. H. S. W. PARKER: Wheat farms would come under the heading of mixed farming. During the past few years properties affected by the Bill have suffered from bad seasons, and have not been let at a fair and reasonable rental.

Member: They have been let for any amount that could be obtained.

Hon. H. S. W. PARKER: That is so. Now that prices for primary products are likely to be reasonable—I will not say they will be high—is it not only right that the owners should be permitted to let their farms at reasonable rentals and not for the amount that they have received up to date? I feel sure that many members have farms they would be only too pleased to lease at reasonable rentals and themselves take a little holiday.

Hon. T. Moore: At the expense of the tenants!

Hon. H. S. W. PARKER: A tenant need not take up a property unless he likes. If the hon. member is prepared to ask so much rent of a tenant that it will not pay the tenant to let the property, then he is not the type of gentleman we expect to find in this House.

Hon. T. Moore: That is what you say.

Hon. H. S. W. PARKER: I trust the hon. member will agree with me. Why should not a farmer receive the reasonable

rent that someone wants to pay? No one is bound to take the property unless he desires to do so. Why should the owner not let it at the best rent he can obtain? The same thing applies to a market gardener or a dairy farmer. How many of the people who work grazing arcas, farms, orchards, market gardens and dairy farms are renting them, except from the Government? So there is no occasion for the Bill to apply to those people. People who might be affected by high rents are told, "You may go to the court." So if I want to take a house, say, for a week at the seaside, I must go to the court and have the rent fixed. A certain amount of expense would be involved, one way and another, and probably by the time the hearing took place, I would have had the house for the required time. The Bill provides that the people who may apply to the court are the intending lessor and the intending lessee. If I desired to be objectionable, I could go to the court and demand that it fix a rent for the Palace Hotel. I could say that I was an intending lessee, and I would be at £1 a week, and the court would have to fix the rent. The reason I am saying this is to indicate the manner in which the Bill is framed. I do not think it is drawn up in the way desired by the Government. I am trying to point out that the Bill should be entirely recast in order to give effect to the wishes of the Government. Hon. members should refrain from criticism of other members' speeches unless they have carefully read the Bill and are sure that it clearly expresses the intentions of the framers. As I have said, two people are able to apply to the court for the fixation of a rent, namely, an intending lessor and an intending lessee. But before a man can become a lessor he must have a lease. The owner cannot go to the court, which can be approached only by a lessor, and a lessor, under the Bill, includes a sublessor or a landlord. A landlord is a person who has let his premises; otherwise he is the owner. The Bill as it is drawn up is entirely impracticable and unworkable. Undoubtedly it was framed in great haste to meet what was thought to be a sudden emergency. Fortunately its passage through this House has been delayed, and I trust that the Government will withdraw the measure and recast it, especially in view of the amendments that have been embodied in the Bill in another place. The Bill goes on to say that after a lease is granted one

may go to the court and have the rent fixed. The only people who can go to the court are the intending lessor and the intending lessee. The Bill is full of anomalies. I cannot vote for it as it stands, and it cannot be amended satisfactorily in Committee. I should like to see a more complete and concrete Bill brought down, and cannot support this one.

HON. C. F. BAXTER (East) [9.16]:

This is not the first time that we have been asked to deal with a Bill of this kind. The previous measure had the wrong title given to it. It should have been called "The Landlords Benefit Bill." The measure before us comes in a different category, for it deals with rents on a different basis. The Profitsteering Prevention Bill was recently before us. Whilst I agree with Mr. Parker to a large extent as to the necessity for this Bill being re-drafted in many respects, I cannot agree to its rejection. The information I have is different from that received by Mr. Parker. I understand from reliable sources that whilst the question of profitsteering has been dealt with by the Federal Government, the fixing of rentals and other matters of that kind have been left for State Governments to deal with. Possibly, owing to the late arrival of this Bill, the matter has already been covered by Federal legislation, but, if this Bill becomes law, the regulations promulgated by the Federal Government will not apply to rents. The intention of the Federal Government was that it should not encroach upon matters of that kind.

Hon. H. S. W. Parker: The regulations are already in existence.

Hon. C. F. BAXTER: The information I have is that the Federal Government does not intend to apply them to anything in the nature of rents in any State the Government of which has already made provision to deal with them. The Federal regulations were certainly applied to Tasmania, but that was due to the fact that attempts made to get legislation through the Parliament of that State were unsuccessful. In all the circumstances the Tasmanian Government was satisfied to have the Federal regulations applied to that State, and carried out by the Federal sub-commissioner there.

Hon. J. J. Holmes: There is an amendment on the notice paper to make this

legislation subservient to the Federal regulations.

Hon. C. F. BAXTER: I do not think the Federal Government desires to handle such questions as rents, but to leave such matters in the hands of the various States. I do not intend to vote against this Bill, and have its place taken by regulations that will be of a much harsher nature than this legislation would be. The Federal regulations with regard to rent are extremely harsh, far more so than this Bill would be.

Hon. J. Cornell: There is no need to provide that the Federal law shall override the State law; that is already laid down in the Constitution.

Hon. C. F. BAXTER: No doubt the State Government had a recommendation on that subject from the Crown Law Department. Mr. Parker has dealt with the Bill as it will apply to hotels. My reading of it is that the hotels will be fully protected, as members may see from subclause (2) of Clause 4, and paragraph (b) of Clause 5. Hotel-keepers and brewers are not concerned about this legislation, though they were concerned before amendments were made in another place. They are quite satisfied they can continue their business, and will not be forced to resort to the appointment of managers. The last thing any owner of a license wishes to do is to install a manager, and I do not blame him. I think those people are fully protected under the Bill. With other references by Mr. Parker I am in accord. It is very necessary that the Bill should be amended in Committee. It would, however, be better to pass the second reading and put the measure on the statute-book than to have everything thrown into the melting pot and for the community to be subservient to the Federal regulations. Owing to the late arrival of this Bill, the Federal Government may, by regulation, already have encroached on this field; nevertheless, it would be wise to pass the Bill and deal with it in Committee.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West—in reply) [9.21]: Although I gather the House will pass the second reading of the Bill, I must reply to some of the statements made this evening. After listening to Mr. Holmes and Mr. Parker I was almost convinced there was something wrong with the measure. If one examines the Bill more closely than those members have done,

one finds that their fears are groundless. Both Mr. Holmes and Mr. Parker suggested that, if the Bill were passed, no increase in rental that might be hard and fast according to a lease agreement would be allowed, whereas exactly the opposite will be the case. No lease or agreement entered into before the 31st August, providing for an increase in rental at a subsequent date, will be affected by the Bill.

Hon. J. J. Holmes: I read it differently.

The **CHIEF SECRETARY**: How does the hon. member read paragraph (c) of Clause 4?—"This sub-section (2) shall not apply to any payment under a lease or agreement entered into before the date aforesaid" ? Two meanings cannot be given to those words.

Hon. J. J. Holmes: Some other part of the Bill deals with the matter.

The **CHIEF SECRETARY**: Sub-clause (2) paragraph (a) reads—

Save as hereinafter provided a lessor shall not, in consideration of the grant, renewal, or continuance of a tenancy of any land to which this Act applies, require and receive any bonus, fine, premium, or other like sum in addition to the payment of standard rent: Provided that, where the moneys payable as rent do not amount to the standard rent, the lessor shall be entitled to require and receive any such payment as aforesaid, so long as the amount thereof would not have the effect of increasing the standard rent.

The very position the hon. member desires to protect is protected by the Bill. Mr. Holmes referred also to the Federal legislation. He pointed out that under the Federal regulations the only premises that were affected were houses and shops. That is true.

Hon. J. J. Holmes: Boarding-houses.

The **CHIEF SECRETARY**: Houses and shops are clearly defined. That being so, it is necessary to have some provision in our Bill whereby, if necessary, we can protect the interests of tenants of properties other than dwelling-houses and shops. Reference has been made to farming property. We specially provide in the Bill for the protection of farm tenants, if desired, and for those cases where lands have been rented at a nominal figure. Whether on account of the low price of primary commodities or for any other reason, we specially provide a method whereby a fair rental shall be fixed. When the hon. member suggested there was no need for this legisla-

tion, he must have been entirely out of step with the opinion of most people, including members of the Federal Government. One of the first acts of the Federal Government was to announce that legislation dealing with fair rents would be introduced. It went further, as Mr. Baxter pointed out, and left the States to introduce whatever legislation they thought fit. Since that legislation was introduced, the Federal Government has passed certain regulations, chiefly at the behest of the Tasmanian Government. That Government had the same experience the Government in Western Australia has had with regard to the Legislative Council. It found it could very seldom get legislation through the Legislative Council dealing with such things as fair rents.

Hon. H. S. W. Parker: The same thing happened in South Australia and New South Wales.

The CHIEF SECRETARY: The Tasmanian Government made a special appeal to the Commonwealth Government to gazette the regulations that are in force to-day.

Hon. H. Tuckey: What is the position with regard to the sale of a lease under this Bill?

The CHIEF SECRETARY: A man will be able to sell a lease if he wishes to do so.

Hon. H. S. W. Parker: He could not get a premium, could he?

The CHIEF SECRETARY: He could not get a premium other than that which was included in the rent previously paid, unless such premium was fixed by the court. Applications for that purpose could be made to the court. One would imagine from what has been said that the Federal regulations are operating now. They are not operating at present, and will not operate unless State Governments act under them.

Hon. C. F. Baxter: That is true.

The CHIEF SECRETARY: Clause 4 of the Federal regulations provides that the Governor-in-Council of the State may by proclamation published in the "Government Gazette" of that State declare that the rent payable by the lessee of any dwelling house or shop in that State shall not, during the period commencing on the date of the commencement of the regulations, and ending on the 31st day of December, 1939, exceed the rent payable in respect of that dwelling house or shop as at the 31st day of August,

1939. The regulations fix the rental on the 31st August, 1939, as the standard rent, the very thing we are doing in this Bill. Yet Mr. Holmes would have this House believe that no date was fixed under the Federal regulations. Until the Government acts under those regulations they do not operate.

Hon. J. J. Holmes: I said the Federal Government might fix a date before the 31st August.

The CHIEF SECRETARY: I understood the hon. member to say that we had fixed the 31st August in the Bill as the date in respect of what rents would be assessed, whereas the Commonwealth had not prescribed any date.

Hon. J. J. Holmes: The Commonwealth could fix any date it chose.

The CHIEF SECRETARY: And I have pointed out that that is not so. The date has been fixed by the Commonwealth at the 31st August, just as the State Government has done in its Bill, and I further emphasise the fact that until the State Government has issued its proclamation the Commonwealth regulations are not operative. Further, the Commonwealth provisions apply only to shops and dwelling houses, whereas the State Government believes that legislation is necessary to cover all manner of buildings and land rented throughout the State. I quite agree with the suggestion advanced by some members that the application of the measure will be cumbersome with regard to seaside and holiday resorts, and I also appreciate the fact that winter rentals are not those that should apply in the summer. I do not anticipate any great difficulty in dealing with that phase. Surely commonsense will be exercised, and I have no doubt that if the Bill is passed, we shall get over that difficulty, perhaps by way of regulations.

I have given notice of an amendment that has been rendered necessary because the Commonwealth Government has issued regulations under the National Security Act. The object of the amendment is not so much to make sure that State legislation will not override the Federal provisions, as to ensure that those portions of the State measure, not in conflict with the Federal legislation, shall still be operative. I have been informed that unless some such provision is included in the Bill, people will assume that the Com-

monwealth regulations will override the State legislation, notwithstanding that our measure covers a much wider field.

Hon. J. Cornell: The State legislation will not be overridden by the Commonwealth regulations and legislation, except where they are inconsistent.

The CHIEF SECRETARY: Yes. My amendment will make sure that those portions of the State measure that are not in conflict with the Federal law, shall still have legal force.

Hon. C. F. Baxter: Has the Federal Government proclaimed the regulations as affecting this State?

The CHIEF SECRETARY: Yes. The regulations are proclaimed, but do not come into force here until the State has issued its proclamation. As Mr. Baxter pointed out, the regulations are far more severe than are the provisions of the State Bill. Personally I would have no objection whatever to introducing those regulations insofar as they apply to dwelling houses and shops.

Hon. H. Tuckey: Will it be an offence for a tenant to pay an increased rent of his own volition?

Hon. H. S. W. Parker: Yes.

The CHIEF SECRETARY: An individual cannot contract out of an Act. The Bill contains a provision whereby a landlord, should he desire to charge a higher rental, must apply to the court and furnish reasons in support of his request. If he cannot do so, his application must fail.

Hon. J. J. Holmes: There can be no increase without the consent of the court.

The CHIEF SECRETARY: That is so. Our procedure will be similar to that under the Commonwealth regulations except that the latter provide that a magistrate shall be the chairman of the board. There is no need for me to say much more. I believe the legislation is necessary. Unfortunately, during war time some landlords seize the opportunity to squeeze tenants who are forced to occupy particular premises. The Bill will afford such people necessary protection, and, notwithstanding the fears expressed by Mr. Hamersley, the legislation will continue for the period of the war and six months afterwards, so that there will be no difficulty in terminating it at that stage.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Definitions:

Hon. J. NICHOLSON: I intend to move an amendment to add to the definition of "land" words that will indicate that it shall not include farms or orchards. It is not necessary to cover such properties. At present many farms are occupied on a caretaking basis, but in law the small returns received may be regarded as actual rent. A restriction imposed in that respect would be inadvisable. The trouble to-day is to keep men on the land.

The Chief Secretary: What about grazing areas and dairy farms? Do you desire to exclude them?

Hon. J. NICHOLSON: Yes.

The CHAIRMAN: Order! The hon. member has not placed his amendment in the hands of the Chair, and, as I understand the Minister does not propose to proceed very far with the Bill, I suggest Mr. Nicholson place his amendment on the notice paper, and he can deal with it on recommitment.

Hon. J. NICHOLSON: Very well. I will adopt that course.

Hon. H. S. W. PARKER: I move an amendment—

That in the definition of "lessor," after the word "any" the word "owner" be inserted.

At present a lessor will include only a sublessor or a landlord. The owner will be excluded.

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

Clause 3—agreed to.

Clause 4—Restriction on raising rent:

Hon. J. NICHOLSON: I move an amendment—

That in lines 10 to 13 of paragraph (i) of the proviso to Subclause (1) the words "not exceeding 6 per centum per annum on the amount so expended shall not be deemed to be an increase for the purposes of this Act" be struck out, and the following words inserted in lieu:—"which will give a net return to the landlord of a sum equal to six pounds per centum per annum calculated on the amount so expended after providing for a sum of not less than three pounds per centum per annum as a fund to cover depreciation and after deduction of all rates, taxes and outgoings paid or payable by the landlord."

Nearly every member has acknowledged that provision for a return of only six per cent. is altogether inadequate. If the opinion of any decent land agent were secured, he would advise that the passing of such a stipulation would inevitably stop all building enterprise. If we are going to stop building enterprise we will bring about increased unemployment. That is what we want to avoid. We would be foolish to pass a measure with a provision such as is contained in the clause under discussion. I am trying to avert that danger. My amendment will give a net six per cent. return after providing for certain things. Some members may ask why make such a provision. We all know that a building depreciates. In the insurance world for example, when calculating a loss that may result from a policy allowance is made on a basis of three per cent. depreciation. When a building is erected there is certain depreciation going on all the time, but the owner must be safeguarded in some way and my amendment seeks to do that. Often it is the responsibility of the landlord to pay rates and taxes. That being so, if provision is not made for an allowance in respect of rates and taxes then the six per cent. will be gradually whittled down. The amendment will assist to avert the danger of causing people to break away altogether from investing money in this direction. We should encourage and not destroy the incentive to build.

The CHIEF SECRETARY: On examining the amendment we find that the hon. member proposes to provide a net return to the landlord of a sum equal to six per cent. per annum calculated on the amount expended after providing for a sum not less than £3 per cent. per annum as a fund to cover depreciation, and after deduction of all rates, taxes and outgoings paid or payable by the landlord. The six per cent. is only on any addition to an existing building and consequently rates and taxes have to a great extent been paid. If rates and taxes are increased by the authorities on account of the increased value of the premises after additions have been finished, the Bill provides that the owner shall be entitled to increase the rent to that extent. So that if we carry the amendment we shall be at cross purposes. If the hon. member refers to rates and taxes on the additions to the premises, it will be rather hard to assess what the rates and taxes are unless the local authori-

ties increase them on account of additions. Then what does the hon. member mean by "outgoings"? Without any explanation at all, outgoings can cover a multitude of things.

Hon. J. Nicholson: You must provide for all these matters as anyone who has had anything to do with property well knows.

The CHIEF SECRETARY: At the present time we are only dealing with additions to premises; but I would like to know what the hon. member means by "outgoings." What would come within the category of outgoings as far as additions to existing premises are concerned? It appears to me that there is really not very much sense in the amendment because rates and taxes are already provided for in another part of the Bill. If the hon. member is not satisfied with six per cent. it would be far preferable to increase that rate. Mr. Wittenoom has an amendment on the notice paper to that effect. In any case the hour is getting late and to give Mr. Nicholson an opportunity to re-consider his amendment, I shall ask the Committee to report progress.

Progress reported.

BILL—ROAD DISTRICTS ACT AMENDMENT (No. 2).

Second Reading.

HON. J. CORNELL (South), [9.58] in moving the second reading said: In submitting the Bill to amend the Road Districts Act I intend to give the House some information about an actual experience. The position under the Road Districts Act today in connection with the qualification of members is that every adult person, being a natural-born or naturalised subject of the King and the owner or occupier of rateable land in the district and eligible to be registered as an elector, not being disqualified by any of the provisions set out, shall be qualified to be elected and to act as a member of the board. In October last an individual nominated at a by-election for a seat on a country road board. Obtaining legal advice he was informed that he was eligible to be enrolled as an elector in the ward for which he nominated, by virtue of his being an occupier of rateable land and a dwelling. Then he filed his nomination paper and went to the poll, but was defeated. The road board instructed its soli-

citor to issue a summons under Section 70 (c) which sets out—

Every person who shall knowingly sign any nomination paper nominating any person as a candidate at and for any election of members not being himself qualified to vote at such election

and provision is made for a penalty not exceeding £20 for every such offence. A summons was issued against the candidate in spite of the fact that he was legally advised that he possessed the necessary qualification as an elector, and as such was eligible to nominate. According to the Act the returning officer could not reject the nomination. The man went to the poll and was defeated and the summons was issued. Eminent King's Counsel was consulted and expressed the opinion that the man was eligible to nominate, could have taken his seat had he been elected, could not have been ousted, but still was liable to be fined for signing his own nomination paper because he was not qualified to vote in that he was not enrolled as an elector. The man pleaded guilty and was fined 1s. and ordered to pay costs.

Members may think this sounds like a fairy tale, but what I have related is actual fact. Members who are familiar with the Act know that there is only one period of the year when an occupier may be enrolled as an elector, namely on the 31st January in each year, and when he applies to be enrolled as an occupier, he must appear before a court of revision, which decides whether he is entitled to be enrolled as an occupier. The person in question had applied a few days too late, though he had possessed the qualifications shortly before, and consequently the application could not be considered again until the following January. He then applied and was enrolled in the ward under two qualifications.

My Bill makes the position clear. I have no axe to grind, but I do not wish to see anyone else fall into the same error. My proposal is to delete the words "eligible to be registered as an elector" and insert in lieu the words "whose name appears on an electoral list for a ward or district as the case may be." That will make the position definite. No person will be able to nominate for an election unless his name appears on the electoral list for the ward or district. If his name does not appear, the returning officer will have authority to re-

ject the nomination. Now he is bound to accept it and a poll must be taken. If a person does possess the qualification and is elected, he may sit and cannot be ousted, but he is up against the ludicrous situation of being the only person to sign his nomination and for signing it renders himself liable to a fine of £20. I understand there is a general desire on the part of road boards to have this matter cleared up because the case I have quoted is not the only one. I hope the Minister will submit the Bill to his adviser, who knows the facts of the case I have mentioned. I move—

That the Bill be now read a second time.

HON. H. TUCKEY (South-West) [10.5]: This is a rather important Bill affecting road boards. Mr. Cornell was right in saying that this was not the first case that had cropped up; I know of two or three similar cases. I referred to this matter during my speech on the Address-in-reply, and I am sorry that the Bill does not include other amendments that ought to be made to the Act. I quite expected that the Government would introduce a measure this year embracing this and other amendments. However, we must deal with this Bill on its merits.

Section 23 of the Road Districts Act provides that every adult person being the owner or occupier of rateable land in a district and eligible to be registered as an elector shall be qualified to become an elector and to act as a member of the board of such district. One must bear in mind the words "and eligible to be registered as an elector." I refer to the position where certain premises, of which the owner is regarded as an elector of the road district, is occupied by a different person who is not so registered as an elector. Section 33 of the Act provides that the owner or occupier of any land liable to be rated within the district shall be qualified as an elector to be registered on an electoral roll. The section contains a proviso to the effect that the owner and occupier shall not be registered as electors in respect of the same rateable land. The Act then goes on to provide also that the occupier, if he is not an owner, shall not be entitled to be registered as an elector unless and until he applies to the board to have his name inserted in the electoral list.

Hon. J. Cornell: Then he has to go to a court of revision.

Hon. H. TUCKEY: I am satisfied that where there has been no application by the occupier of the premises to be so registered as an elector and until he does make such application, he is not eligible to be registered as an elector, and therefore does not come within the provisions of Section 23 of the Act entitling him to be elected to act as a member of a road board. It would also be necessary for his application to be made prior to the holding of the revision court on the 31st January in any year. The measure, if carried, will have the effect of defining clearly the necessary qualifications of a person to act as a member of a road board, because other formalities would be dealt with when an owner or occupier made application to be enrolled as an elector. It would also prevent a great deal of trouble and confusion at certain road board elections. We should not overlook the fact that Section 33 refers to the qualification of electors, and I consider that that section should be amended, as well as Section 23 which the Bill proposes to amend.

Hon. C. F. Baxter: This Bill is restricted to an amendment of Section 23.

Hon. H. TUCKEY: That is so, but Section 33 deals with the same matter and, if this amendment is agreed to, it is unnecessary that the words should appear in the later section. I support the second reading and hope the House will agree to the amendment, which will improve the Act insofar as it deals with road board elections.

On motion by the Chief Secretary, debate adjourned.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [10.10]: I move—

That the House at its rising adjourn till Tuesday next.

Question put and passed.

House adjourned at 10.11 p.m.

Legislative Assembly,

Wednesday, 18th October, 1939.

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

QUESTION—NATIVE ADMINISTRATION ACT.

As to Quadroon, etc.

Hon. C. G. LATHAM asked the Minister for the North-West: 1, Is it a fact that a letter was written to Mr. H. Bright of Roleystone on the 12th August, 1938, and is on file 4466/35, stating that Jack Quinn was a quarter-caste? 2, If that statement is correct, under what authority does the Minister claim that the Commissioner of Native Affairs is the legal guardian of Jack Quinn? 3, Will the Minister state why the Government is not prepared to hand over the control of natives to the respective missions as was agreed to at the Canberra conference held on the 21st to the 23rd April, 1937?

The MINISTER FOR THE NORTH-WEST replied: 1, Yes, and the letter also stated that it was the Commissioner's desire to encourage Quinn to white standards, so that in due course he would become accustomised as an adult to conduct himself as a white person. 2, On the authority of the Solicitor General, Mr. J. L. Walker, K.C. 3, If the hon. member will specifically indicate the resolution he has in mind a reply will be given to his question, as presumably his inquiry does not refer to either of two questions of the Canberra Conference, viz.—

Resolved—That no subsidy be granted to any mission unless the mission body agrees to comply with any instructions of the author-