

Legislative Assembly,

Tuesday, 2nd December, 1924.

NOES.	
Hon. J. R. Brown	Hon. J. W. Hickey
Hon. A. Burvill	Hon. H. Seddon
Hon. J. M. Drew	Hon. T. Moore
	(Teller.)

PAIR.	
AYE.	NO.
Hon. J. J. Holmes	Hon. W. H. Kitson
Amendment thus passed.	
Progress reported.	

BILLS (3)—FIRST READING.

- 1, Supply Bill, No. 2 (£2,150,000).
 - 2, Stamp Act Amendment.
 - 3, Forests Act Amendment.
- Received from the Assembly.

BILL—WAROONA-LAKE CLIFTON RAILWAY.

Received from the Assembly.

The COLONIAL SECRETARY: I move—

That the Bill be now read a first time.

Hon. A. LOVEKIN: I would like a ruling as to whether this is new business and whether, as such, it can be taken after 10 p.m.

The DEPUTY PRESIDENT: Under Standing Order 62, messages from the Legislative Assembly and formal business consequent on the receipt of such messages may be dealt with after 10 p.m.

Question put and passed.

Bill read a first time.

House adjourned at 10.11 p.m.

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

QUESTION—FOREIGN IMMIGRANTS.

Mr. MANN asked the Minister for Lands: Is he aware that a large number of foreign immigrants, including Albanians, Serbians, and Slavs, are regularly arriving in this State, that many of them are stranded in the city, are sleeping in empty houses and are without food or means of obtaining food. Has he read the following paragraph appearing in the "Daily News" of 26th November:—"Jugo-Slavs. Migrants for Australia. London, November 25. A message from Marseilles states that the emigration of Jugo-Slavs is being diverted from America to Australia. The 'Cephee,' an ex-German mail boat, has arrived to undergo alterations for the purpose of emigrant traffic. She will proceed on December 1 to Ragusa, where she will embark 700 Jugo-Slavs. She will take on another 500 at Port Said. All are proceeding to Australia"?

The MINISTER FOR LANDS replied: I am aware that migrants other than British are arriving in this State. From 30th October to 23rd November the number was 529. Thirty-eight Albanians are receiving assistance from the State. I have noticed the Press paragraph referred to, but have no knowledge respecting it. This is a question that concerns the Commonwealth Government, to whom representations will be made.

BILLS (2)—FIRST READING.

1. Transfer of Land Act Amendment.
Introduced by the Minister for Justice.
2. Plant Diseases Act Amendment.
Introduced by the Minister for Agriculture.

BILL—SUPPLY (No. 2), £2,150,000.

Standing Orders Suspension.

The **PREMIER** and **TREASURER** (Hon. P. Collier—Boulder) [4.37]: I move—

That so much of the Standing Orders be suspended as is necessary to enable resolutions from Committees of Supply and Ways and Means to be reported and adopted on the same day on which they shall have passed those Committees, and also the passing of a Supply Bill through all its stages in one day.

Question put and passed.

Message.

Message from the Governor received and read recommending appropriation in connection with the Bill.

Committee of Supply.

The House having resolved into Committee of Supply, Mr. Lutey in the Chair,

The **PREMIER** (Hon. P. Collier—Boulder) [4.40]: I move—

That there be granted to His Majesty on account of the services of the year ending the 30th June, 1925, a sum not exceeding £2,150,000.

It is necessary to obtain Supply and I am asking for sufficient to carry on till the end of December. The whole of the Estimates, with the exception of the amount set apart for loan expenditure, have already been passed, and I hope to have the Loan Estimates down within a very few days. The total Supply asked for the six months is:—From Consolidated Revenue Fund £2,105,000; from the General Loan Fund £1,589,000; from the Sale of Government Property Fund £15,500; and from the Land Improvement Loan Fund £4,000; a total for the half year of £3,713,500; and an additional sum of £300,000 for the Treasurer's advance. The expenditure for the first four months of the year has been as follows:—From Consolidated Revenue Fund £1,474,021; General Loan Fund £1,016,981; Sale of Government Property Fund £10,506; and from the Land Improvement Loan Fund £1,945; or a total from all sources, loan and revenue, of £2,503,453.

Hon. Sir **JAMES MITCHELL** (Norham) [4.42]: I am not going to offer the slightest objection to the passing of the Supply Bill. We have discussed the Estimates in detail and have approved of the expenditure under revenue items. I do not think anyone will disapprove of the loan expenditure.

The Premier: It has not been very high—a million pounds over the first four months.

Hon. Sir **JAMES MITCHELL**: The deficit is £50,000 less than that for the first

five months of last year. Apart from this it must be remembered that so much interest has to be paid month by month, whereas the Government collect their interest quarterly or half-yearly. Thus the public get a very poor idea of the real financial position from the monthly returns. The Premier has paid away a great deal more in interest during the past five months than was paid during the first five months of last year, and this is money that will come back to him. Consequently our position to-day is many thousands better than it was at this time last year.

The Premier: For the year our interest will be about £270,000.

Hon. Sir **JAMES MITCHELL**: We have lent £12,000,000 at least under various headings, and the interest on that money will not be received until the end of the half-year, although the Government pay their interest monthly. The balance is at least £50,000 better than it was at this time last year and I still believe the ledger will be balanced this year. Revenue is coming in freely from many sources. We are producing more and the activity over the State is greater, particularly as regards primary production which, of course, is the source from which the Premier derives his money. Now we are going to get pretty close to balancing the ledger, even if we do not quite accomplish it. I am glad to see the improvement, though it is not quite apparent to the public, by reason of the incompleteness of the returns. The position of the State is now so buoyant that we must get in revenue. I suppose we shall have between ten and eleven million sterling this year from our wheat and our wool. The Premier will have another opportunity of getting some money provided for him by the Federal Government. I am very glad that the Federal Government have appointed a Royal Commission with a view to doing us, if not full justice—I do not expect that—some measure of justice. I anticipate that we shall get some special contribution from the Commonwealth. That some of our own money should be returned to us is only fair. The board which the Premier has appointed will afford us an opportunity of improving the financial position of the State. The board will have a wide scope. They can inquire not only into matters that are on record in the Government Statist's figures, but can collect information and put up recommendations to the Federal Royal Commission. I hope the case they will put up will be useful to the Treasurer and to the State. I am glad that our case is to be a written case, because that will give us a much better chance. Apart from the figures of the statisticians, there are many reasons for special treatment of Western Australia by the Commonwealth. In this State we have had a credit balance only about four times since we federated, 24 years ago. Those who advocated Federation did not think that that would hap-

pen; but everything they said would not happen has happened, with disastrous results to the State and especially to the Treasury. Before Federation we managed without any direct taxation; now we are obliged to have recourse to fairly stiff direct taxation, and still we have great difficulty in carrying on. Our development has had to go on apace; it is going on to-day apace. The cost of that development has been very considerable. Moreover the Premier, when he states his case for special consideration, will have the right to plead the high tariff, which means that we have to buy Australian-made goods at prices fixed for us by the people of Eastern Australia. I do not think it will be difficult to show that the extra prices we have to pay by reason of the tariff amount to something approaching 1½ millions annually. The disadvantage from which the Treasurer suffers very particularly, and from which we all suffer, is that we do not buy where we sell. It is, of course, impossible to export without importing; one cannot sell without buying. But our unfortunate position is that we sell in London and buy in Australia. The Premier would not have the slightest trouble in getting money from London if Western Australia were not federated. The hon. gentleman has done pretty well to get the balance where it is. I hope the Federal Royal Commission will treat the Treasurer generously, and give him some special consideration because of the disabilities involved in Federation. When we federated, we did not know that the tariff would come upon us, and we did not know that 100,000 people would live in the capitals of the Eastern States who ought to be living here and paying taxes to Western Australia. Those 100,000 people are maintained in the Eastern capitals by the people of this State. Further, our taxation is fairly low per head of population, lower than that of any State except Victoria. But I desire to call the Premier's attention to the fact that our income is much smaller than are the incomes of other States, which have made profits out of the development of Western Australia. The result is that income taxation in this State is high in point of rate and low in point of results. If one takes the income tax of Victoria or New South Wales or South Australia and applies it to the incomes of our people, one sees how much less the Premier would get from Eastern States rates than he is getting now. It is not right that this high taxation should be forced on our people in order to keep the development of Western Australia going. It has to be remembered, too, that the fact of our having a high income tax rate is a great disadvantage, preventing people from setting up in business in Western Australia, and retarding the development of secondary industries here. Then, too, the Treasurer has to face the competition of the Federal Savings Bank. The Loan Bill

would not be nearly as big as it is if Government purchases were on the old basis of pre-Federation days, or even on the basis of the first ten years of Federation. The Treasurer has to borrow far more money. He has to find a great deal of money for agricultural development, as he himself says, if that development is to be satisfactory and adequate. Only since Western Australia has financed farmers have we ceased to buy flour from South Australia and produced wheat for export. The Premier knows full well the trouble he will have to finance agricultural development as we would all like to see it financed during the coming year. Mining, too, has suffered because of Federation, and to some extent the Premier's difficulties are due to unpayable goldfields railways. He has to thank the unnecessarily increased mining costs for that portion of his troubles. Again, the Premier will have to face North-Western development sooner or later; and that will mean further expenditure. I am glad the North-West has a member like the member for Roebourne (Mr. Teesdale), who is capable and self-sacrificing and lives for the North. I should like to see the Treasurer receive some special consideration to cover some of the cost involved in this Supply Bill for the advancement of the North. The member for Roebourne may have been criticised by other gentlemen, and I do not say that the North has not been well represented by other members. But it has not always been well represented by all its members during the past. The member for Roebourne will be able to help the Premier as no other member can in connection with the advisory work of the board appointed by the Government. When I made appointments for a somewhat similar purpose, I did not know the member for Roebourne quite so well as I know him now. If I had to make a choice at the present time, undoubtedly that choice would fall upon the member for Roebourne.

Mr. Hughes: Why didn't you appoint him to advise you when you were Premier?

Hon. Sir JAMES MITCHELL: He did advise me.

Mr. Hughes: Why didn't you act on his advice?

Hon. Sir JAMES MITCHELL: I always acted on his advice, but never on that of the hon. member interjecting.

Mr. Hughes: That is why you did nothing in the North.

Hon. Sir JAMES MITCHELL: The North is progressing. The statement made by the hon. member interjecting is due to want of knowledge on his part. I am surprised at his ignorance, especially as he sits cheek by jowl with our youthful friend who represents Kimberley. The North is progressing, and the South too is progressing; but I am endeavouring to show that our difficulties have arisen from financial troubles due to Federation. Another disadvantage of the State Treasurer is that he has to find money day by day because the ex-

change is against us. He has to borrow money in Australia at 6½ per cent., instead of borrowing in London at 5 per cent. That is by reason of our being federated. If it were not so, we could borrow money in London. Moreover, if our Premier went on the Australian money market in competition with the larger States, he would not get money at all. I know the disadvantages of Federation, and the financial difficulties we have experienced because of it. And there are many other disadvantages. Some of them cannot be expressed in pounds, shillings, and pence; but they can be expressed in round figures, and they total an enormous sum. I repeat that our case should not be founded on the figures of the statisticians. The wealth of Australia is in the East, and the highest contributions by way of income tax are naturally found where the people are richest. The disadvantage is with the people who are poor. When imposing taxation we always say we will make those people pay who can bear the burden. But under Federation the people least able to bear the burden have to pay just as much as the people who are well able to bear it. I hope that we shall see the last of Australian borrowing. When the Loan Estimates come before us, I shall say something on that subject. The board appointed by the Premier are not likely to be able to build up the whole of the case for Western Australia. That case is extremely wide, and touches very many points indeed, and affects private persons as well as the State. No board, no matter how capable its members, is likely to be able to do justice to the whole situation. However, the appointment of the Federal Royal Commission represents our chance. We have been waiting for it for years, and now that it has come let us do our utmost to put up the best possible case. I have mentioned several matters, but there are many others; and I suggest to the Premier that it would be a good thing—I am sure the board would agree that it would be a good thing—to offer a substantial prize for the best case for Western Australia. A prize of 100 guineas or so might be offered. There are many capable men in the State and even in the Public Service, two or three of whom could get together and put up a case for consideration. Then I would take single suggestions supported by reasons. Such questions as the development of the North, its cost and the disadvantages faced by the Government under existing conditions, might be taken up by individuals, or the exchange difficulty, and many other similar points. People dealing with these questions could produce their arguments and the board could be given power to decide upon the allocation of the prizes for single suggestions. I know the trouble that is involved in this question. We appointed a Royal Commission to deal with it. I have attended conferences on the question, but we have got nowhere. The fight is on now, and

we must keep it going if we are to get anywhere at all. We should not leave any stone unturned. The Federal Government are willing to consider the question now, but they may not always be of that frame of mind. It would be easy for them to ask their officers to deal with the statistics to ascertain what our position is and it is difficult to say what might be done. It is possible, however, for figures to be quoted that would be in our favour. The Customs revenue collected here is one thing, but we have to remember that a greater proportion is collected in the Eastern States and debited against us when the goods are shipped to us. Then we have the question of income tax paid here to the Federal Government. Much of the money on which tax is paid is earned in this State, but is paid through Melbourne and Sydney merchants. Such particulars cannot be secured from the statistician's records. Great difficulty will have to be faced in giving attention to these features. I make these suggestions to the Premier for what they are worth. We should get at least £1,000,000 because of our disadvantages. Further development is necessary if we are to be given a chance to produce the wealth that will enable us to pay our way. The other States are more fully developed and better equipped for the production of wealth. We are not producing sufficient wealth to enable us to pay our Federal taxation, and that is our trouble. That has been our trouble, too, since the day we federated. At the outset that fact was recognised and we were allowed to collect taxes on the goods imported from the Eastern States for the first five years, and we were also given a special grant that partially continues to-day. The Government have a chance, and if we are to benefit at all we must increase our trade. There is one matter I am sorry to mention. There is only one redeeming feature about the trouble, and that is that Mr. Walsh is anxious to get Labour out of politics. On that ground I have something in common with Mr. Walsh.

The Premier: But your methods are different.

Mr. A. Wansbrough: Have you joined Walsh?

Hon. Sir JAMES MITCHELL: To that extent we are travelling the same road. When I read Mr. Walsh's statement to-day, I thought that, with his aid, it would be less than a week before there was a change effected respecting the Treasury bench. Walsh seems to be a dictator. Whether he travels, trouble follows in his trail. The position is very difficult, for no Government can prevent strikes. We have our Arbitration Court here, and both the waterside workers and the seamen happen to be under Federal awards.

Mr. Hughes: And some Governments are responsible for interfering with the Arbitration Court, too.

Hon. Sir JAMES MITCHELL: I do not know that any Government has ever interfered with the Arbitration Court. I hope it is not suggested that that is the position in this instance. The present trouble will work to the disadvantage of the workers, the merchant, and the whole community. The value of our products depends upon the rapidity with which we can sell them. Notwithstanding that we have so much wool, that will not mean anything to us unless we can ship it away and secure money in return. Unless that money is received, employment will not follow. The same thing applies to our wheat. Unless we can ship it quickly and sell it in the markets before the next crops available in other countries come on the market, we will not get the advantage of the present high prices. It is not right that any body of men should declare that we must not ship the wheat until they are ready. Present day high prices may not be maintained and the loss that may result if we have to sell at a lower price will be felt by the community as a whole. But the worker will suffer most of all. To-day there is a boat outside the harbour waiting to come in. She cannot do so and that will mean more delay. I do not suppose the strike will last for long.

Mr. Panton: The first six months will be the worst.

Hon. Sir JAMES MITCHELL: I do not want to see fruit rotting in the harbour. I do not wish to see wheat waiting in trucks for shipment. I want the goods in the ships' holds to be put ashore. Business is essential for us, and not stagnation such as these hold-ups must produce. If our public utilities are to be subject to control by unions, Western Australia cannot progress. If Walsh comes here and orders that the men on the wharf shall down tools, or that men elsewhere shall cease work, then God knows what we can expect in the future. I wish to tell the workers of Western Australia that they will suffer more than anyone else as a result of these things. I do not propose to magnify the trouble. I have spoken to the Premier, and I know he is doing his best to deal with it. I protest against this sort of thing. The wharf lumpers in Western Australia are said to be the best in the Commonwealth, and among them there are many reasonable men. I advise them to take this matter into their own hands and to determine that, so long as they are paid award rates, work shall continue. If traffic is to be hung up, then we know what to expect. The men must take the responsibility of the trouble that will affect the rest of the workers throughout the State, as well as the rest of the community. In the ordinary course the adjournment of the House would be moved, but I am satisfied that the Government are doing their best at the moment. There has not been so much time within which to deal with the question because one thing has

followed upon another with such rapidity. For people know what it is all about. We know, but the general public are asking why there should be this hold-up. The Premier, I am sure, is doing what he can to bring about a settlement, and I hope that wiser counsels will prevail. I cannot understand why the waterside workers should work for the lowest rate that obtains, when they can secure the higher rates applying from 5 p.m. to midnight, and the still higher rates that apply from midnight to 8 a.m. The Fremantle harbour was built to accommodate shipping and to deal with the shipping trade. The Arbitration Courts were established to determine the rates of pay and the conditions under which men should work. The only justification for a strike is when an Arbitration Court award has been set aside by the employer, or some other trouble has been precipitated by the employers. I do not know why we should be controlled by troubles occurring at other ports in Australia. We should be able to manage our own business. Cargoes should be put ashore so that we may live in that comfort to which we are entitled, and our goods should be shipped so that our workers may get the work that should be available. One serious incident occurred to which I would draw the attention of the Premier. We must preserve law and order. If a doctor is told he must not board a boat to grant pratique, it is going too far. If a pilot is not allowed to go aboard a ship to bring her alongside, it is going too far.

Mr. Sleeman: The lumpers were not allowed to go on the wharf at one stage.

Hon. Sir JAMES MITCHELL: When the lumpers refuse to tie up boats at the wharf, it is unreasonable. The mere berthing of a ship has nothing to do with the actual working of that vessel. If the lumpers decided that they would not handle the cargo, it would simply mean that the vessel remained alongside the wharf. I do not see the necessity for creating more inconvenience than is necessary.

Mr. Sleeman: We remember when you used the police against the workers there.

Hon. Sir JAMES MITCHELL: If people will not obey the law they must take the consequences, for the upholding of law and order is necessary to every section of the community. I have had some of these troubles, and I sympathise with the Premier now. The police are there to do their duty.

Mr. Hughes: A lot of warrants are unexecuted up there.

Hon. Sir JAMES MITCHELL: I remember that the hon. member got into trouble, but then he was treated gently and kindly. Left alone, the police will do their duty well.

Mr. Hughes: But they do not want to be used as strike-breakers.

Hon. Sir JAMES MITCHELL: They must be used against law breakers.

Mr. Hughes: I know that some sprang up in evidence against me.

Hon. Sir JAMES MITCHELL: Oh, sprang up be damned! If an officer be prevented from going on board his ship, or if men are prevented from making fast a ship's lines, something is happening that ought not to happen. However, we can leave it to the Government to get this trouble over as soon as possible. I am sure they will do their best. The situation is very grave, and is doing us considerable injury.

Question put and passed.

Resolution reported and the report adopted.

Supply Bill introduced, etc.

Resolution in Committee of Ways and Means having been passed, a Supply Bill was brought in providing for the expenditure of £1,300,000 out of the Consolidated Revenue Fund; £844,000 from moneys to credit of the General Loan Fund; £5,000 from moneys to credit of the Government Property Sales Fund, and £1,000 from moneys to credit of the Land Improvement Loan Fund.

Bill passed through its remaining stages and transmitted to the Council.

**BILL—INSPECTION OF
SCAFFOLDING.**

Council's Amendments.

Returned from the Council with amendments.

BILL—ALBANY LOAN VALIDATION.

Returned from the Council without amendment.

**BILL—TRAFFIC ACT AMEND-
MENT.**

Report of Select Committee.

On motion by Minister for Works, report of the Select Committee appointed to inquire into this Bill, read and adopted.

In Committee.

Mr. Lutey in the Chair; the Minister for Works in charge of the Bill.

Clause 1—Short title and commencement:

Mr. TAYLOR: The Minister for Works should have redrafted this Bill.

The Minister for Works: The amendments made by the select committee are contained in a schedule that is before members.

Mr. THOMSON: We should have an opportunity of comparing the recommendations of the select committee with the Bill, and in order to give us time in which to do this the Minister should report progress.

Clause put and passed.

The MINISTER FOR WORKS: I intended to give members time in which to examine the recommendations of the select committee, but was anxious first to reach the Committee stage.

Progress reported.

BILLS (3)—THIRD READING.

1, Stamp Act Amendment.

2, Wuroona-Lake Clifton Railway.

3, Forests Act Amendment.

Transmitted to the Council.

**BILL—MINING DEVELOPMENT ACT
AMENDMENT.**

Second Reading.

Debate resumed from the 27th November.

Mr. TAYLOR (Mt. Margaret) [5.42]: I support the second reading of this Bill. Practically all its provisions are contained in Clause 2, which gives power to appoint boards, a central board, and advisory boards in various parts of the State. We are told that the central board would be in Perth, and presumably one advisory board would be in the Cue district and two on the eastern goldfields. It is difficult to criticise the Bill with success, either in opposition or in support, for it is purely of an experimental nature. I congratulate the Minister and the Government, however, on their attempt to do something to assist the mining industry. Care will have to be taken in selecting the members of these boards. It will be difficult for members of these boards to act as members of boards do under other conditions. These boards will have to decide how the goldfields shall be prospected, by whom, and by what method. The problem will be a difficult one, and the results problematical. If a board exercises care in the selection of prospectors, and in respect of the expenditure incurred, its caution and care may militate against the intentions and value of the Bill. If, on the other hand, laxity is displayed the same results may be achieved. After the Bill has been in operation for a few months and the results have been seen, I hope the House will not feel disappointed if things have not panned out as we desired. Although a considerable amount of money has been spent on the goldfields within the last four or five years in development work, the results obtained have been meagre. It is, therefore, difficult to forecast what will be the result of this Bill. I was rather surprised to hear the Minister say that out of £90,000 passed for expenditure last year from loan funds, £50,000 had gone to pay the Water Supply Department for certain concessions made to mining companies on the Golden Mile.

The Minister for Mines: I should have said a concession to all mining companies served by the goldfields water scheme, from Yilgarn to Kalgoorlie. You are correct in saying that I did not state the facts.

Mr. TAYLOR: Of course I did not charge the Minister with misrepresenting the position. I knew that was not his intention. His idea was to put the facts as he knew them before the House because he realised the need for doing something. Boards have been talked of for many years. No one knows better than the Minister the difficulty he will have in appointing the local boards. There will be no trouble about selecting a central board in Perth. Officers holding high positions in the Mines Department, I presume, will be given those positions because they will be able to tender necessary advice. Local boards will not advise the Minister direct; their advice will filter through the central board and therefore it will be well for the Minister to have on that central board men possessing technical knowledge as well as mining experience. In that way, then, they will be able to analyse the recommendations of the local board whose principal qualification will be local knowledge. We have spent a lot of money with very little result, but when we remember the value the goldfields have been to the State it is our duty as a State, irrespective of whether we represent goldfields or any other electorate, to do everything that is possible to give the industry the fillip that it so badly needs. While it has nothing to do with the subject-matter of the Bill, I would like to express my pleasure at having read from time to time the reports of the boring operations that have been carried out at Wiluna. I am hoping that what is being done there will prove successful. Of course, I have not access to information that perhaps the Minister possesses, but so far as I can gather from what has been published in the Press, the results of boring are encouraging. Wiluna is a very big proposition, and should operations there turn out successfully they will materially help in the development of our goldfields. They will, at any rate, give permanency to one locality. I may be permitted to refer to the possibilities of the old Lancefield mine now known as Beria. If possible, the Minister ought to spend a considerable sum of money in carrying out boring operations there. The bore should be started at the mine's lowest level, a thousand feet, and the country tested below that. We know that there has been opened up in that mine at least two years' supply of payable ore, and that that was the position when it was decided to close down. Therefore it would pay the Government to operate in the direction I suggested, and if the result were satisfactory there would then be something to offer a company that might desire to begin operations. I have

heard that the Lancefield is one of the best mines outside Kalgoorlie. Of course, what I suggest would mean a big expenditure, but I know that the board it is proposed to appoint under the Bill would have no jurisdiction over such a matter. The expenditure in boring might run into, say, £50,000. It would be speculative expenditure, but the results might warrant it and a company with a capital of a quarter of a million or £300,000 would be formed to open up the mine and the Government would be recouped for what it had spent in boring. There are other similar mines in the State on which it might prove an advantage to spend money in testing. I consider it is better to spend money in this direction rather than go skirmishing all over the country. I have figures here I would like to read showing what has been spent in recent years in boring. In 1915 the amount was £223; in 1920, £3,550; in 1921, £5,648; in 1922, £554; and in 1923 £759. In providing equipment and transport for prospectors we spent in those same years £700, £3,000, £7,000, £6,000, and £8,000. It will be seen that we have spent a considerable sum of money in development work, in providing water supply, in giving subsidies to batteries and in crushing for the public. All this expenditure comes out of loan. There is no question about the optimism of prospectors. If it were not for "the hope that springs eternal in the human breast" prospectors would not follow this avocation as they do year after year. They always have that feeling that they will strike a bonanza some day. And so it goes on. Some are successful and many are unsuccessful. The Minister will have to bear in mind that the recommendations made by the local boards will be coloured by local prejudice. The Minister has made provision in the Bill to pay the travelling expenses of the board. I presume that those expenses will be on a scale similar to the travelling allowance granted to civil servants, and that the fees of the board will be set down at a guinea a sitting. Has the Minister any idea what amount of travelling is likely to be done by the central board? Like myself, the Minister has had experience of the difficulties that are encountered when one is endeavouring to secure assistance for a prospector. I have approached the Minister for Mines buoyed up with hope raised within me by what I have been told of the existence of ore bodies in certain localities. That is the kind of thing that one must expect. It is as well, perhaps, bearing this in mind, that the boards are given power merely to make a recommendation and it is as well, also, that power has been given to the Minister to veto any suggestion that may be made. Care will have to be used, and I am also fearful that too much care may be exercised. We can only say that the Bill is

an attempt to do something that will give an opportunity to those on the goldfields who are anxious to prospect, and who are not in the position financially to do so, to secure assistance from the State. All I hope is that we shall be able to get the right class of men. We know that the department has been imposed upon in the past, though not so much as one might expect, remembering the conditions. I support the Minister in his congratulations to the central board for the work they have done and for the assistance they have given him. I have had something to do with that body and I can speak as one possessing knowledge. I am glad that the Bill has been introduced, and I hope that before we discuss the Estimates next year the Minister will be in a position to tell us that the result of the operation of this measure has been satisfactory. I support the second reading.

Mr. GRIFFITHS (Avon) [6.0]: Recently I saw an announcement in a newspaper which bore out the impression that I have always entertained of the gentleman who now occupies the position of Minister for Mines. I am sure we shall be able to look to him for the accomplishment of something useful in connection with mining development. We can expect this because we know of his long association with the industry and because of his sympathy towards it. Within the last fortnight I have been in the Westonia centre, and have had a lot of interviews with prospectors and ex-mine managers. Three of the mines are flooded, and it has been impossible for any one company to unwater them in such a way as to make the recovery of the gold worth while. It is known that in those mines there is metal of a value of a quarter of a million. I understand the Minister is inclined to support a proposal to resume operations at Westonia. The companies are prepared to find £30,000 if they can get a guarantee of £10,000 from the Government. If the expenditure of that sum will bring the mines into working again, it will be money well spent. At Westonia there are some great believers in the mines of the district. Miners and prospectors are invariably optimists, but those who know the field are satisfied that the gold is there waiting to be recovered. One man is making a plucky attempt to work the alluvial deposit above water level. He has had a hard row to hoe. He is a metallurgist of high standing and has assured me that, but for the difficulty of getting money—as he expressively put it, it is impossible to float a cork to-day—that show would be unwatered and would be working. Members with mining knowledge will be in the best position to discuss the composition of the proposed mining boards, but if the measure results in bringing to the fore the little group of mines at Westonia, it will have accomplished much good.

Mr. PANTON (Menzies) [6.3]: I welcome the proposal to establish mining boards, but I would have preferred a provision in the Bill, or a statement from the Minister, as to whence he proposes to draw the boards. I trust he is not going to follow the practice of constituting boards by appointing Government officials. A board to deal in an advisory capacity with mining problems should be composed of practical miners, men prepared to devote their time to the business, men optimistic enough to believe that the auriferous areas of this State have only been scratched. The Bill simply states that the Minister may appoint five members, and I am afraid there will be considerable disappointment if the central board, which is to control the district boards, is to be domineered by public servants. While a central board may be necessary, the greatest amount of work will be done by, and the best advice will be received from the local boards. I assume that the Minister intends to appoint as local boards men acquainted with the district. Unless the central board is composed of practical men, the advice received from local boards will not result in the greatest benefit being obtained, because the central board will not be au fait with the district conditions. I trust the board will be constituted as soon as possible. A great number of mines throughout our fields have been tried to depths of only 200, 300, or 400 feet. In the early days, as soon as a lode was lost, the mine was closed down and the machinery shifted elsewhere. It has been proved that different formations cut off reefs, and that money and prospecting alone are necessary to discover the reefs again. I agree with the member for Mt. Margaret (Mr. Taylor) that boring is most important. Whether the local boards will favour it remains to be seen. I hope the Minister will secure the best practical men obtainable to constitute the central board.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—FAIR RENTS.

Second Reading.

Debate resumed from the 25th November.

Mr. DAVY (West Perth) [6.11]: I oppose the Bill. I would regret opposing any Bill that purported to come to the assistance of the less wealthy members of the community, and I would do so only for one of two reasons. One would be that I thought the avowed intention of the Bill could not be attained by the measure brought forward, and the other would be

that the disadvantages accruing from the passage of such a Bill would be very serious for the community. To this Bill both those reasons apply. This measure will not only fail to alleviate what it is intended to alleviate, but will aggravate it; and there will be some very serious disadvantages caused by it. For the purposes of argument one might admit that in many instances excessive rents have been charged.

Mr. Marshall: And are being charged.

Mr. DAVY: The Minister admits that in a majority of instances landlords do not attempt to charge more than a fair rent.

The Minister for Justice: Just about the bare majority.

Mr. DAVY: It is not necessary to my argument to admit more than that some landlords charge excessive rents. Excessive rents can only be charged if there is a shortage of the supply of premises to rent. Landlords charge, and always will charge, as much rent as they can get, while keeping their houses occupied. There may be instances of landlords having a particular affection for particular tenants, in which case they may accept less, but in the majority of cases it is only natural that a landlord will get as much as he can for the renting of a property. Landlords are not peculiar in that respect. Every person who has anything to sell sells it for the highest price he can get.

Mr. Marshall: Take the legal profession, for instance.

Mr. DAVY: They are allowed to charge only a certain amount. The difference between what the lawyer has to sell and what the landlord has to sell is that there can never be any shortage of what the lawyer has to sell. The member for Murchison would say that was hot air.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. DAVY: There is nothing peculiar about landlords in their desire to obtain the highest rents they can. I know of no instance of a farmer voluntarily accepting less than the full market price for his wheat. Nor do I know of any instance in which a labourer has accepted less than the full market price of his labour. Everyone who has anything to sell, naturally wants to get the most he can for it. I am perfectly sure that if the member for Menzies (Mr. Panton) had a horse and desired to sell it, he would sell it for the highest price he could get. I am equally sure that the hon. member would not represent the value of that horse above that which it actually was. I feel sure he would give a full explanation of the animal's merits, and get the most that he could for it by such means.

Mr. Panton: Why pick me?

Mr. DAVY: All these are merely instances of the operation of the well-known law of supply and demand. I am, of

course, well aware that many members on the opposite side of the House are very angry about the law of supply and demand. If they could, they would severely punish the man who invented that law. But, whether they like it or not, and in spite of their indignation, it will continue, as it always has continued. I know of no means whereby it can be abrogated. I have said that for the sake of this argument I am prepared to admit that in some instances rents are too high. But I submit also that the high level of those rents is merely a symptom of a disease, that disease being shortage of houses, or shortage of premises, seeing that this Bill deals not only with dwelling-houses but with all premises in certain areas of the State. No man would be so foolish, if he were suffering from a disease, as to attempt to cure merely the symptoms of the disease, without attempting to cure the disease itself. If a man developed the spots of, shall we say, measles on his face, he would be indeed a foolish person if he tried to cure those spots of measles by rubbing them off with a bath brick. Of course he would go to a doctor, and he would get the disease of measles cured; and when the disease was cured, the spots would disappear of themselves. In the same way, if we want to cure the high rents, we have to cure the disease of which high rents are merely a symptom; and that disease is the shortage of houses. I submit that the proper cure for the disease is the encouragement of the citizens of this community to build more houses, and the avoidance of anything which is likely to discourage our citizens from building more houses. After all, fair rents measures are nothing but an attempt to scrub off the disease spots with a bath brick. That is what they amount to. The Minister has quoted the measures adopted by numerous other countries. In deciding whether or not we shall adopt proposed new legislation, we ought not to be guided by what has been done in other parts of the world. It is true that we may well be guided, in coming to a decision, by the experience of other parts of the world as to the results of the legislation which has been introduced there. But that is altogether a different thing from arguing that because Queensland or New South Wales or England has introduced a particular measure, we should do so. Undoubtedly it will be of the greatest advantage to us, in deciding whether we shall or shall not pass this measure, to consider the experience of other parts of the world which have adopted such measures as this. If we find that the experience of other countries which have adopted fair rents measures has been that such legislation has cured the disease of house shortage, as evidenced by the symptom of high rents, then admittedly it might be wise for us to adopt similar legislation. But, if not, then the House ought

to pause and think a long time before it puts this proposed legislation on the Statute Book. Numerous cases have been quoted by the Minister of other countries with fair rents measures. I am prepared to accept, as being the only three worthy of consideration here, England and New South Wales and Queensland. I am not, I admit, concerned in the slightest degree with what is being done in Gibraltar or Palestine or even Zanzibar.

Mr. Panton: Or South Africa or New Zealand.

Mr. DAVY: It seems to me that our circumstances here in Western Australia are so different from those of Gibraltar and Palestine and Zanzibar that we need not expect to find in those countries any guidance whatever for the action which we are likely to take with regard to this Bill. In England there was introduced during 1915 a Rent and Interest on Mortgage Restriction Act, purely as a piece of war-time emergency legislation. It was similar to our own moratorium regulation, which was introduced under the War Precautions Act. I have no figures available—I do not know whether they are available in Western Australia—as to the results which the enactment of the English measure had; but I do know that since the introduction of that measure its scope—by which I mean the kind of house and kind of building to which it applies—has been enormously reduced; and I know that the whole of that legislation will automatically disappear by the 24th June of next year. I also know that that legislation never applied to anything but dwelling houses, and dwelling houses which had an annual rental value of £105 in the metropolitan area of the United Kingdom, of £90 in Scotland, and of £78 in other places. So that one can see that the scope of the British measure was much less ambitious than that of the Bill before us; and one can generally conclude that the British people, in spite of the fact that during the past year a Labour Government has held the reins of power there, are not at all impressed with the efficacy of the attempt to control rents.

Hon. W. D. Johnson: How do you arrive at that conclusion when the measure is still in operation?

Mr. DAVY: Because in spite of the fact that a Labour Government has been in power during the last 12 months at Home, no attempt has been made to alter the legislation under which this system of regulation of rents will inevitably disappear by the 24th June of next year. With regard to the New South Wales experiment, the operation of rent restriction there was, as in Britain, very seriously restricted. In the first place it only applied to dwelling houses, and moreover it only applied to dwelling houses of which the annual rental was not less than £156; and, furthermore, it only applied to the rentals of such dwelling houses up to a lease of three years. If a person took a lease for more than three

years, he was outside the scope of the Act. In addition, there was a special exemption in the case of residences usually let as summer residences. Now fortunately—I say fortunately, although I am afraid that I cannot expect a majority of the members of this House to take the slightest notice of facts or figures, having made up their minds which way they are going to vote on this Bill—fortunately we have available some figures as to what has happened in New South Wales since the introduction of the fair rents measure. Those figures show that whereas in 1920, before the introduction of the measure, the rent index number was 1415, in 1923, three years later, that number had gone up to 1535. I do not pretend to say that from these figures I may draw the inference that rents have gone up because of the fair rents measure, although I believe it is so. Logically, however, one cannot draw that inference. But the inference one can draw is that whereas the fair rents measure was designed to keep the level of rents from rising, it has not done so. Therefore the further inference may fairly be drawn that a fair rents measure in New South Wales has failed of its object, that object being to keep rents from rising.

The Minister for Justice: There was a fair rents measure in New South Wales four years before 1920.

Mr. DAVY: I do not know what the provisions of the Queensland measure are, but—

The Minister for Justice: A fair rents measure was introduced in New South Wales in 1916.

Mr. DAVY: I do not know whether it was 1916, or when it was; but I do know that since 1920 rents have risen in that proportion of 1415 to 1535. Those are merely index numbers, but they indicate that in New South Wales rents have gone up in spite of, let us say, the fair rents measure. I myself believe that they have gone up because of the fair rents measure, have gone up more than they would otherwise have done; but I do not claim that one is entitled, as a matter of logic, to say that the rise has been in consequence of that measure. Turning now to Queensland, I do not know the provisions of the fair rents measure passed there in 1920; but I have a strong suspicion that our own measure is more or less a replica of it. Apparently many members on the opposite side of the House have their spiritual home in Queensland; and so I regard it as a fair assumption that this Bill of ours has been more or less copied from the Queensland Act. Regarding Queensland we have, again I say fortunately, figures available showing what has happened since the introduction of the fair rents measure in that State. We find that in 1920 the rent index number there was 1061, and that in 1922 it had gone up to 1206. I must confess that those figures occasion me no surprise whatever.

Hon. W. D. Johnson: Why not give the figures subsequent to 1922?

Mr. DAVY: I have not got them. I have no doubt that if the member for Guildford (Hon. W. D. Johnson) wishes to do so he can get the figures for 1923 and, when they are published, those for 1924. The fact remains that for the first two years after the introduction of the measure the rent index number went up, whereas the purpose of the Bill was to keep rents from rising. That is exactly what one would expect if one allowed one's gray matter to operate. If we increase the disease—house shortage is the disease we are suffering from now—how can we expect the symptoms to be reduced? As soon as we proceed to discourage or frighten people who have money to invest from so investing it in buildings, then we aggravate the disease of house shortage. The Minister has told us that freehold property is a first class investment.

Mr. Thomson: I am afraid he has not got much of it.

Mr. DAVY: The Minister proceeded to say that eight per cent is a fine return for money invested in house property. The fact is that nowhere is freehold property regarded as a first class investment. In fact the law forbids the investment of trust moneys in freehold property. Of course what is a first class security is the investment of money by way of mortgage secured by city freehold property. But even then the investment is only up to 60 per cent. of the value of that property. That is an entirely different proposition when we consider what is a first-class security. Freehold property is not a first-class security.

The Minister for Justice: It is the only one on which you can raise money.

Mr. DAVY: Of course it is. One can raise money up to 60 per cent. of the value of freehold property held in the metropolitan area. I do not know whether it is a fair deduction to say that because one can raise money on freehold property and pay $7\frac{1}{2}$ per cent. interest for doing so, freehold property is a first-class security. Everyone knows that it is not so.

The Minister for Justice: Most people like to invest in it, anyhow.

Mr. DAVY: Having dealt with my own views regarding the general principles of fair rents Bills, I would like to deal with one or two aspects of the particular Bill before us because, without desiring to be disrespectful to the Minister, I submit that the measure is a particularly bad one. Under the Bill, the duty of ascertaining what is a fair rent is imposed upon the local court. As a preliminary to ascertaining what is a fair rent, the local court is desired to determine the capital value of the land in question. Two sets of circumstances are to be considered and different methods are proposed for determining the capital value in respect of those two sets of circum-

stances. The first one is where a man has purchased a piece of land and has erected a building on it himself. In that case the capital value is considered to be the actual cost of the land and the buildings erected on it. To that actual cost the Bill permits to be added 20 per cent. on the actual capital cost of the building, when it was erected before 1915. This so-called fair rent is calculated, after making certain deductions for the cost of repairs and so on, at 8 per cent. Without any desire to be disrespectful to the Minister I claim that that provision is nothing short of confiscation. I hope to show to the Minister that that is what it amounts to. Let me give the House one or two instances to show what I mean. Let us assume that "A" bought land 20 years ago in West Perth where land values have increased materially during the interim. Let us assume that he paid £100 for the block and then erected a building on the land at the cost of £1,000, making a total cost to him of £1,100. At the same time his friend "B" bought the adjoining block which was of the same size and paid the same price for it and erected a building there, the total cost of land and building being also £1,100. To-morrow, when the Bill becomes law, if it should become law, "A" will still hold that land and house. "B," just prior to the measure coming into operation, sold his house and land for £3,000. Members should not imagine that that would be an extraordinarily enhanced value for a property in West Perth. I can quote instances in that suburb where land and buildings that cost the owner £1,000 20 years ago can be sold to-day for £3,000. In the circumstances I have indicated we would have this spectacle should the Bill become law. "A," who has held the land for 20 years, can rent his house for not more than £69 per year, whereas "C," who bought the land and building from "B" for £3,000, can charge a rental of £240 a year. The Minister has stressed the necessity for the Bill because he claimed discontent was rampant among the people who were charged so much to-day. Can members imagine anything that would cause more discontent than to place one man in the position of paying £96 a year for rent, while another man for precisely the same type of building, has to pay £240? That is the kind of thing that will create discontent, and if we are to have that sort of thing let us have the evil of to-day, rather than the evil that is to come to us.

The Minister for Justice: And which will not be nearly as bad as you suggest.

Mr. DAVY: Again, if "A" who bought his land and erected his building 20 years ago chooses to give his house to his wife, son or married daughter free out of natural love and affection, the individual receiving the house cannot charge a penny

for it by way of rent, although the building and land are now worth £3,000. That is the position under the Bill. It staggers imagination!

Mr. Panton: You must think you are talking to the Full Court.

The Premier: What would be the position if he gave it to someone who was not his mother or married daughter?

Mr. DAVY: The position would be exactly the same. The rent depends upon what the owner has paid for the property. If he has paid nothing he cannot charge any rent at all. Exactly the same position arises if a person has been fortunate enough to inherit such a property. He has not purchased it and therefore he will not be able to charge any rent should he desire to let it. Hon. members can imagine the hurry with which anyone would rent a house under such circumstances!

The Minister for Justice: He would have plenty of clients.

Mr. DAVY: He would probably be killed in the rush. Here is another example based upon facts. I will not mention the names of "A" and "B," but should the Minister desire, I will give him the names of those who are concerned. I know of two instances in the city where two companies entered into new business premises. One company had a very shrewd board of directors who were fortunate enough to snap up an extremely fine building in the heart of the city. The other company, engaged in similar business, decided to build. The figures I give are imaginary but they approximate those of the actual instances I refer to. "A" company paid £30,000 for their buildings; while "B" company paid £40,000 for the land and the cost of erecting their building. Despite the difference in the purchase price, "A" company's building has twice as much office accommodation and equally as good as that of "B" company's building, and "A" company's building is in a far better position, being splendidly situated in the middle of the business portion of the city. If the Bill becomes law, the tenants of "A" company's building, which is the better position, will pay half the rent that the tenants of "B" company's building will be called upon to pay. If the Bill is designed to aggravate the discontent that the Minister says exists among city tenants to-day instead of alleviating that discontent, it will achieve that object. It does not require much stretch of imagination to picture the discontent of the unfortunate tenants of "B" company's building when they realise the position of the tenants of "A" company's building. Let me give one more instance. I know of another case, and can vouch for the accuracy of the details, where a man paid £3,000 for a block in Murray-street

and proceeded to spend £7,000 in erecting a building, making a total outlay of £10,000. He still owns the land and building. Two or three weeks ago that same land and building were valued at £30,000 on behalf of certain trustees who desired to advance trust moneys on the security of the building. The rentals received from the land and building return approximately eight per cent. on that £30,000. If the Bill becomes law, the rentals will be reduced and instead of returning eight per cent. on £30,000, the rentals will represent eight per cent. on £10,000. In those circumstances what about the trust funds that were advanced on the security of the property on the basis of the present-day value of £30,000? The reason for the advance in the value of the land and building is the advance of the community. I can readily understand the point of view of the man who says that the unearned increment from the value of the land, not the building, due to the advance of the community, should belong to the community. That is a point of view for which much may be said from the logical standpoint. I readily admit that there is room for argument on the proposition that if I buy land and do nothing with it for 20 years, whereas the work of the community has resulted in enhancing the value of that property, that enhanced value should belong to the community, but I cannot understand the point of view of the man who says that any unearned increment already accrued to the citizen, shall be taken from him without reference whatever to the persons who have drawn it. If this person I have referred to, who owns the block and building now worth £30,000, but which 20 years ago was worth only £10,000, were to choose to sell that property to-morrow for £30,000, then, if the Bill becomes law, that £30,000, which would then be in the bank, would be untouched; and, what is more, the property of the person who bought it and paid £30,000 for it would be untouched too, because the rentals would be based on the price paid for the property. Surely any Act that purports to take from one person two-thirds of the value of his property and leave him with the whole of his property intact is in the worst possible degree unjust. There are other anomalies in the Bill that I should like to mention, points that I hope the Minister will consider. In the first place, in order to arrive at the 8 per cent., which is to be the fair rental, certain deductions are permissible under the Bill. It is permitted to deduct the cost of repairs, rates and taxes, and one or two other things, but there is no deduction for the cost of collection of rent. I shall be answered, I suppose, that the owner can collect it himself. But the work of collecting rents is work, definitely, and work for which land agents charge 5 per cent. I can see no reason why that

should be treated as income in the earning of which certain labour has to be expended, whether expended by the person who reaps the benefit of the income or by a land agent who makes it one of his professional duties to collect rent.

The Minister for Justice: That provision would create another anomaly, for the owner of the house who collected his own rent would be entitled to charge 5 per cent. less than the man who employed an agent.

Mr. DAVY: There is no need for such an anomaly. If a man chooses to do the work himself instead of employing an agent, by all means he should be permitted to make that deduction in arriving at what is a proper amount to charge. As a matter of fact, many citizens would find it quite impossible to collect their own rents; for collecting rents is not merely the arrival once a week at the tenant's house for the purpose of getting the money. All sorts of other work is involved as, for instance, the rectifying of the hundred and one details of complaint, all of which things at present are carried out by land agents.

Mr. E. B. Johnston: Then again, the owner might be living 100 miles away from the property.

Mr. DAVY: Yes, that is so. And the owner might be, in very many instances is, an elderly woman. It is an extraordinary thing, one that can be explained only by a sex psychologist, that in a large number of instances it is elderly ladies who invest their money in house property. To expect that an elderly lady should go round collecting her own rents, or, alternatively, that she should not be permitted to make that 5 per cent. deduction, is absurd. Another anomaly: There is allowed to be added to the capital value of the land 20 per cent. if the building was built before 1915. Everybody knows that the cost of building has gone up since 1915, not by 20 per cent. but by 75 per cent. How can one logically excuse the addition of that 20 per cent. and not support the addition of that 75 per cent.? If the Minister stands for the principle that a man shall not charge rent except on the basis of what the building and the land actually cost him, then there should be nothing allowed for the increase in value. The owner has not brought about the increase in the cost of building, any more than in the vast majority of cases he has brought about the increase in the value of the land. Yet the Minister recognises the increase in the cost of building by allowing an addition of 20 per cent., which is not one-third of the actual increase. That, I submit, is an illogical concession. Either let the Minister be brave enough to say that a man shall not get any rent from what has cost him nothing or shall not get rent on more than what it cost him; or, going to the other extreme, say a man shall get rent based on the actual present day market value of his property. Let us have our Bill logical, if possible. The

Premier has said the taxation measures cannot be logical, because there is nothing logical in taxation. I do not know whether the Minister in charge of the Bill is prepared to go so far as to say there can be nothing logical in measures intended to restrict rents. If he does, I will agree with him.

The Minister for Justice: There is nothing logical in continuing to allow people to rob others.

Mr. DAVY: That is begging the question. I do not know whether the Minister, if he were lucky enough to own a farm and harvest his crop and get 1,000 bags of grain worth 5s. in the market, but whose value before they reached the market went up to 9s.—I do not know whether the Minister would hand back the 4s. difference, because to accept it would be robbing. The rent of a house is just as surely fixed economically as is the price of wheat.

The Minister for Justice: Nothing of the sort.

Mr. DAVY: The economic rent will depend on the desire of citizens to occupy houses and business premises; and if there be a shortage of houses it will surely cause the rent to rise, while if there be a surplusage of houses it will cause the rent to drop. There is another anomaly in the Bill in that no depreciation is allowed as a deduction. The owner has his capital value reduced by a deduction, which is the very reverse of what obtains in respect of every other kind of business investment. If a man rents a factory for the manufacture of jam he is allowed, in estimating his income, to deduct depreciation every year from the value of his plant, is allowed to claim that as a deduction against his income. In this particular instance, not only is the landowner not allowed a deduction for the depreciation of his property, but he is even charged for the deduction. He invests his money, say £10,000, in house property and, instead of his being allowed a percentage on that £10,000, the £10,000 is reduced from year to year by a deduction. It is putting the cart before the horse with a vengeance. It is the most astonishing proposal from a business point of view, I have ever heard.

The Minister for Justice: But he is allowed the cost of keeping his premises in proper order and condition.

Mr. DAVY: Nevertheless, he has to charge up against himself the depreciation.

The Minister for Justice: There can be no depreciation if he keeps his property up to standard.

Mr. DAVY: Decidedly there is. Inquire from the Commissioner of Railways whether any amount of repairs will avoid depreciation in the value of a railway engine. Repair it as you will, it will depreciate, and after a number of years will be worth nothing. Exactly the same obtains in respect of a house. Another point: there is in the Bill nothing to prevent a lessee from selling

his lease. There is a prohibition against any owner of land accepting anything in the nature of a premium from a lessee, but there is no prohibition against one lessee selling his lease to another lessee for any sum of money that the second lessee chooses to pay. That may or may not seem just to the Minister for Justice in charge of the Bill; but why a landlord should be called upon to make a present to his lessee of a sum of money his lessee is likely to be able to obtain from a second lessee I can not imagine. Even if the Minister, having had that difficulty pointed out to him, decided to amend the Bill so as to make it an offence for one lessee to sell out his lease to another lessee, how could such a thing be prevented? Imagine Tim Jones, running a grocer's shop in the vicinity of the Town Hall, and not making much of a do of it. Jim Smith, who sees the premises and realises the possibility of running in them a first-class soda fountain, reckons he can make a fine profit on it by paying twice as much rent as does Tim Jones. But Jones has a lease of four or five years to run. Jim Smith goes to him and says, "I will give you £1,000 for the balance of your lease." Jones says, "The Act does not allow that." Says Smith, "All right; here is a wad of bank notes." Nothing further said, no witnesses nor anything else. That is what will happen in respect of city business property. We cannot by any conceivable law stop one man from transferring to another for a profit something the buyer wants more than does the man who has it. That, again, is another anomaly that will work an injustice and cause further discontent. Finally—I do not say it is the final defect in the Bill—

Mr. Marshall: I was against the Bill when you started to speak, but now I am entirely in favour of it.

Mr. DAVY: I cannot see the hon. member with courage enough to vote against a Government measure. I should be pleasantly surprised if a Minister brought down a Bill that the hon. member could not support. One other point—I hope the Minister will not think I am raising these points in a spirit of carping criticism. I believe that each point I have alluded to is a good point needing attention, just as I am equally convinced that the Bill is bad in principle, apart altogether from particular provisions in it. The revenue derived by municipalities is at present based on the annual value of the property within their boundaries. If this Bill becomes law, the maximum revenue derived from that method of rating will have already been reached. No matter what happens to Perth, there can never be an increase in the rental values of the property in Perth, or any other municipality, to which the Bill is made to apply. It is proposed by the Bill, in effect, that rents shall forever stay in Perth where they are to-day.

Mr. Marshall: We might bring in an amending Bill next year to reduce the rents still further.

Mr. DAVY: The hon. member might try anything. If the object of the Minister is attained, and rents in Perth remain for ever where they are, even if the little spot which is the centre of Perth has a population of two millions around it, the revenue of the city must remain where it is. I should like to know how the development of the city is to go on if its revenue cannot be increased. It may be that the Minister intends to amend the Municipalities Act in such a way as to base the city's revenue on some entirely different principle. If so, I suggest that such an amendment should synchronise with this Bill. If this Bill is to become law, and is as effective as the Minister desires it to be, the city of Perth will be seriously embarrassed for revenue in the near future. Other portions of the Bill are equally objectionable.

Hon. S. W. Munsie: If 1,000 new houses were built in Perth within 12 months, would not the revenue of the city be increased?

Mr. DAVY: It might to a certain extent, but the houses would not be built.

Hon. S. W. Munsie: The point you made is smashed. You have not read the Bill or you would not say that.

Mr. DAVY: I have studied the Bill more closely than has the Honorary Minister.

Hon. S. W. Munsie: Then you have not understood it. You said it would affect the revenue of the city.

Mr. DAVY: It will do so. It is doubtful whether there is room to build another 1,000 houses within the confines of the city.

Hon. S. W. Munsie: There is an opportunity of pulling down 700 of the slum houses and building 700 decent houses in their place. That would increase the revenue.

Mr. DAVY: That would probably drive elsewhere those people who are inhabiting the slums. In re-housing expeditions that are made in the Old Country it almost invariably happens that the people who are turned out have to seek similar dwellings elsewhere. Even if 1,000 new houses were built in the city, we should rapidly come to the time when no more could be built.

Mr. Panton: What do you mean by the city of Perth?

Mr. DAVY: If the hon. member will look up one of the schedules of the Municipalities Act, 1906, he will find what the boundaries are.

Mr. Millington: Of course there is room for 1,000 new houses, and many more.

Mr. DAVY: There is room for only a certain number of new houses, and when that number has been reached, the revenue of the city will come to an end. Every expanding city must have a growing revenue.

Mr. Millington: There is plenty of room in the bush.

Hon. Sir James Mitchell: Oh, yes!

Mr. DAVY: I find several other objectionable clauses in the Bill, but possibly they would not be objectionable to members supporting the Government. The Bill will cause a serious inconvenience to existing contracts. Innumerable leases have been entered into at a fixed rental. This Bill will cancel the contractual rights of the parties, which is an abhorrent thing but may not be to the Government and their supporters. There is a suggestion in the Bill that the landlord shall have equal power with the lessee to go to the court and have his rent raised. I am opposed to that.

Mr. Panton: I am with you there.

Mr. DAVY: It is put into the Bill solely to give it some semblance of equity. There is another proviso which sets forth that if the landlord has by any chance rented his building for any period within three years preceding the application of the court, the maximum rent shall not be in excess of the maximum rent accepted by that lessor. One can imagine how valuable a privilege it will be to the lessor to be able to go to the court and ask to have his rent raised.

The Minister for Justice: This is not a rent-raising Bill.

Mr. DAVY: It is made to appear that the Bill is as fair to the landlord as to the lessee. That is not the case. Under the Bill the only way the landlord could get his rent re-fixed, would be that he should have either left his premises vacant for three years, or lived in them himself for three years.

Mr. Marshall: It would do some of the landlords good to have to go to the court.

Mr. DAVY: I am discussing the question as to whether or not this is a sound piece of legislation. There is no hope of the Bill being defeated, or amended, although I should hope the Minister would see the wisdom of arriving at the capital value in a fairer way—but I do urge members to consider the Bill carefully before they put it on the statute-book.

Mr. ANGELO (Gascoyne) [8.24]: I oppose the second reading of the Bill. I see written across it in indelible letters, injustice, unwisdom, and disaster. It is an injustice to all owners of property; it is unwise as regards the future development of the State; and it is disastrous as regards the certain and immediate intensification of the shortage of dwellings. The Minister has failed entirely to appreciate the fact that, by limiting the income earned by all property owners to 8 per cent., he is branding them as undesirable citizens, and specially selected for a vicious principle in taxation by the Labour Government. In effect he says that the owners of property must not take more than 8 per cent. on their investment, whilst all other investors, including merchants, farm-

ers, pastoralists, bankers, and others are entitled to make out of their investments all that ordinary competition and the law of supply and demand will permit. Even money-lenders, by a special Act of Parliament, are allowed to make 12½ per cent. on their investments, whilst under the Bill a most desirable class of people, those who will spend their money in putting up buildings for the advancement of the State, are to be cut down to 8 per cent.

The Minister for Justice: It is quite a different class of security.

Mr. ANGELO: Quite so, but the Minister is restricting the owners of property, both of dwellings and business premises, to 8 per cent., when he is not limiting other investors to any extent. That principle alone makes the Bill a very vicious one. As the member for West Perth (Mr. Davy) has pointed out, since 1915 the wages of all classes connected with the building trades have increased, he said by 75 per cent. I am told by many architects and builders that the increase is 50 per cent. Even the wages of the allied trades, such as those of brickyard employees, sand and limestone quarrymen and timber workers, etc., have increased by 50 per cent. since 1915.

Mr. Marshall: That is all rot.

Mr. ANGELO: The cost of building houses, whether of four rooms, or 40 rooms, has therefore increased by 50 per cent. Any architect or builder will confirm that statement.

The Minister for Justice: The owner would be allowed the actual cost of the building.

Mr. ANGELO: He is allowed only 8 per cent. on the cost of a house built in 1915. Under the Bill the Minister proposes to take from owners of property erected prior to 1915 any income that they enjoyed that was directly due to this increase in value. He is therefore depriving that section of the community of the reward of their forethought and wisdom by making use of their land instead of hanging it up for 20 years.

The Minister for Justice: We will give them a bonus of 20 per cent.

Mr. ANGELO: By depriving owners who built prior to 1915 of the income they have enjoyed, the Minister will be doing something that amounts to confiscation. This Bill, therefore, has the element of confiscation in it.

Mr. Marshall: That harpy has been thrashed to death.

Mr. ANGELO: Suppose a person built a house in Harvest-terrace prior to 1915, instead of hanging on to his land for 20 years, as his neighbour did. The neighbour now builds a house of exactly the same type and design, and containing the same conveniences. Owing to the cost of building consequent upon the increase in wages and the price of materials, the cost of the house was 50 per cent. more than that which was

built prior to 1915, but the second owner is allowed to charge 50 per cent. more rent than the man who built so many years before him.

The Minister for Justice: He will be allowed to get the same returns from his house.

Mr. ANGELO: In this way the second builder will get an advantage over the man who made use of his land 20 years ago.

The Minister for Justice: He gets the same return.

Mr. ANGELO: I have already pointed out that the measure limits this particular section of the community to a return of 8 per cent., whereas other sections are allowed to make as much out of their investments as they possibly can. From my way of looking at the Bill I consider it is inequitable and unjust, and will prove impracticable in practice. As has been stated, similar measures to this have been adopted in other parts of the world. We know that in New South Wales such a measure was passed a few years ago. What has been the result? Merely to enormously intensify the scarcity of dwelling houses.

Mr. Mann: It has driven people to live in flats.

Mr. ANGELO: I have been in Sydney several times in recent years and the result of my investigations there proved to me that home life was rapidly disappearing.

Mr. Marshall: There is no need to go outside of Perth for that.

Mr. ANGELO: The Bill, if it is passed, will intensify that position. In Sydney, home life has gone almost entirely. I suppose 50 per cent. of the inhabitants of Sydney are now domiciled in flats. Hon. members will agree that that is the kind of life that is entirely unsuitable for the rearing of families. The healthy home life has disappeared and it is that home life that we require to continue to make Australians the robust, healthy, and independent people that we are so proud to call ourselves. So far as investment is concerned, we have noticed in the newspapers that a great country like France is desirous of raising £20,000,000, and that that nation is offering 7 per cent. interest, free of taxation. Even our own Commonwealth is offering 6½ per cent.

The Minister for Justice: What about the loan that has just been floated in England—over-subscribed at 4½ per cent.?

Mr. Taylor: It will cost about 7½ per cent. by the time we get it here.

Mr. ANGELO: France is a very rich country and is offering 7 per cent. free of all taxes. Even our own Commonwealth is offering 6½ free of taxation. How can we expect our capitalists to go on building houses if they are to be allowed only 8 per cent. on the money invested, which again in the higher income is reduced by income taxation to about 6 per cent. The Bill to my mind savours somewhat of class legislation, a sort of window dressing. I do

not for one moment believe that the Minister expects to get it through. It seems to have been brought forward to curry favour with the rent payers.

The Minister for Justice: Do you not think it is a fair thing?

Mr. ANGELO: I do not. If I did I would not be opposing it. Has the Minister given sufficient thought to its far-reaching effects? I prophesy that at a very early date we shall have the same rent-payers, who are now clamouring for a reduction of rents, approaching the Government with a request to build houses.

Hon. W. D. Johnson: There is nothing wrong about that, is there?

Mr. ANGELO: The Government are already sufficiently embarrassed financially, without being requested to find money with which to build houses for people to live in.

Hon. W. D. Johnson: Building is development. Why limit all expenditure to one class of development.

Mr. ANGELO: Nearly the whole of our expenditure is limited to the development of our primary industries which are increasing the wealth of the State. There are capitalists here who are ready to erect houses. Why not allow them to get a decent return for their outlay? Is it not a fact that the law of supply and demand acts with vital force in the question of building homes and business premises? As soon as rentals in any city or town become high enough to show an attractive return, capital rushes in to supply the demand. What is the result? The workers employed in the various building trades reap a good harvest. It is equally true that when the supply is greater than the demand, rentals will fall. That fact is well known and there is no need to argue it. The Minister has talked about the shortage of houses, and the heavy rents that are being demanded by property owners. I would not mind showing the Minister shops in Hay-street that are advertised to let at £2 a week. Surely that is not much. I was shown only yesterday a six-roomed house in a good locality, and with every convenience, offered at 27s. 6d. a week.

The Minister for Justice: Not long ago I had to pay £2 a week for a house of three rooms and a kitchen.

Mr. ANGELO: The Minister pointed out that the rents for premises in picked positions occupied by the Government are being increased. Surely again, the law of supply and demand can control the position there better than any legislation passed by Parliament? The Minister may rest assured that if any owner demands a rent that is prohibitive, the tenant will refuse to pay it. I do not intend to labour the subject further. I condemn the Bill for three reasons; firstly because it is grossly unjust, as it selects a special section of the community for its application, penalising that section in a direct way by limiting their earnings to 8 per cent.,

whilst other sections are permitted to enjoy their full earnings without any restrictions being imposed. No good reason has been adduced by the Minister to justify this victimisation of the thrifty, substantial, progressive and decidedly desirable type of citizen. Amongst this number rank many thousands of the more thrifty members of Labour unions, who, if this Bill is passed, will be branded as grasping landlords and undesirable citizens. Secondly I condemn the Bill for its unwisdom. It will lead to the immediate diverting of money at present used in building operations in the State, money that is providing employment for a large section of the community. Thirdly I condemn it because of the disastrous results it must have in the near future in intensifying the shortage of residential accommodation in our suburbs. The Bill will preclude the possibility of an investor getting a fair return for the money that he puts into real estate.

The Minister for Justice: Is not 8 per cent. a fair return?

Mr. ANGELO: I do not think so. As the member for West Perth (Mr. Davy) has pointed out, property depreciates quickly, notwithstanding that an owner may do everything to keep it in repair. I oppose the Bill.

Mr. NORTH (Claremont) [8.40]: I wish to stress the point that we are overlooking the fact that houses are not like mortgages or any other investment because they are often unoccupied. I know of dozens of instances where houses, after having been built for about six months, have become untenanted through one reason or another. This is an important matter that must not be overlooked, and to follow the possibilities to their conclusion, it will readily be seen how difficult it will be to make the Bill a success if private investors, to use a taxation expression, are to evacuate the field of house building and leave it to the Government to handle. This would have the effect of the Government being compelled to borrow at 7 per cent. to enable them to build houses which would bring them in a return of 8 per cent. Nothing at all would be allowed for depreciation or for the possibility of the premises not always being occupied.

The Minister for Justice: Do you think that money is always going to be 7 per cent.?

Mr. NORTH: For the past 20 years we have hoped that money would become cheaper, instead of which it has become more costly. I remind members of the old maxim that land appreciates whereas money depreciates. Private investors will leave the field, and the Government will be faced with the problem of build-

ing with money costing seven per cent. for a return of eight per cent. without any margin at all to cover the periods when houses may be empty. That alone is sufficient to kill the measure. Many similar restrictions have been attempted in years gone by. Usury Acts have been passed to limit the rate of interest charged on loans, and have always been a failure. Anyone who engages in that line of business may charge up to 12½ per cent. without being branded a money lender, but if he exceeds the rate of 12½ per cent., he is so branded. Such efforts to impose restrictions are whittled away, because those who wish to lend on risky securities may charge up to 12½ per cent. I would like to see the position of small tenants made more satisfactory. This Bill is the fulfilment of an election promise, and the Government have done the right thing in bringing it forward, but those gentlemen whom the Government wish to catch, who have made excessive profits, and with whom I am as much disgusted as is any supporter of the Government, will not be caught by this measure. It will simply hurt the average man who puts up an average sized house. I have several clients who have found themselves in a most difficult position, not through any carelessness on their part, but solely on account of changes in current business. No average arrangement is suggested under the Bill. At Cottesloe a great deal of speculation is being carried on in the shape of building houses for the summer. Does the Minister intend that the average rent charged for the summer period shall cover the whole 12 months? If he does not, such builders, who undoubtedly are catering for the needs of the public, will find the position impossible. If a man can secure a return of six or seven per cent. by lending his money to the Government or putting it out on mortgage, he will not build houses that may return him only three or four per cent. on the annual period. The Minister should carefully consider his proposal of an eight per cent. return. If the measure means that people who invest in real property will be covered by the Government to the extent of eight per cent. when their houses are empty, I can understand the proposal; but if it means that there is to be no allowance for the ebb and flow of business during the various seasons of the year, the eight per cent. is too arbitrary, and the attempt to restrict enterprise unduly must result in failure. If the Government only seek to control those people who indulge in gross overcharging of rents for business premises, thus necessitating higher prices being passed on to the public, the measure is doomed to failure. There is a possibility of reaching by means of taxation investors who thus offend, but discrimination would have to be made between the different kinds of investments.

Mr. THOMSON (Katanning) [8.52]: I regret that members supporting the Bill have not advanced more reasons than those given by the Minister in moving the second reading.

Hon. Sir James Mitchell: He cannot support it.

Mr. Panton: Why should it be necessary to support it when the Bill speaks for itself?

Mr. THOMSON: I am afraid the effect of the measure will be the very opposite of what it's sponsors hope. Unless the Government are prepared to follow the example of South Australia by providing for the erection of 1,000 homes, the position of the worker in the metropolitan area will be worse than ever. I have had many years experience of the building trade, and I say eight per cent. is not a reasonable return. No provision is made for the period during which houses may be vacant. The Bill will restrict the activities of those people desirous of investing their money in house property. There is no provision for those who do not receive eight per cent. As the Minister has remarked in regard to another matter, "That will be their own funeral." In the early days of the goldfields, people built houses that cost a considerable sum of money. In the "Sunday Times" week after week such residences are advertised for sale for very small amounts.

Mr. Panton: They have to sell or the places will fall down.

Mr. THOMSON: From a rental point of view they are of no value at all, because there is no one desirous of living in them. Had a measure like this been in operation when those places were built, the owners would have been permitted to obtain a return of only eight per cent.

The Minister for Justice: We would not have proclaimed it in places like that.

Mr. THOMSON: Various country towns have flourished for a period and property has given a net return of perhaps 10 per cent., but bad times have come and some places have been vacant for months. A gentleman in a town on the Great Southern built premises under a lease and apparently had an assured return for 15 years. The man went insolvent, the shops were vacant for about three years, and nothing like eight per cent. is being received for them to-day. The Minister, of course, will retort that that is his funeral.

The Minister for Justice: We are not going to prevent him from getting 8 per cent.

Mr. THOMSON: If this measure becomes law, the workers' position will be worse than it is to-day.

Mr. Panton: We will take a sporting risk.

Mr. THOMSON: The hon. member is prepared to do that when he has a good roof over his head.

Mr. Panton: I meant the workers.

Mr. THOMSON: It is not in the interests of the State or of the workers that such a Bill should be passed. People will not invest their money in house property to let if such a measure becomes law. The Government have found it very difficult to provide homes for workers and have undertaken the construction of cheap places costing about £240. But they are merely shells; they are not lined; they are simply a protection from the elements.

Mr. Sampson: Still, it is a good principle.

Mr. THOMSON: I am not saying anything against that. I am merely indicating the difficulty the Government experience in regard to the Workers' Homes Act. The worker who is in a position to get one of those homes can improve it gradually, but not every worker feels able to undertake the responsibility of purchasing one. Therefore, he is entirely dependent upon the houses to let. The measure will have the effect of compelling people to live in flats, which in turn does away with home life. Undoubtedly there have been instances of extortionate charges, particularly in respect of shop properties. But that can be got over, as suggested by the member for Claremont (Mr. North), through taxation. If we are going to restrict the return from investment in property to 8 per cent., then we should provide compensation to the owner while his property is vacant. In country towns houses stand vacant for considerable periods. On that aspect I can speak with some personal feeling. I shall vote against the second reading because I do not consider that the Bill, as introduced, will have the desired effect. The few cases of extortion applying to shop property can be dealt with in another way. The plain English of what the Minister says by this Bill is, "If you have money to invest, and invest it in house property, we will restrict you to a return of 8 per cent." On the other hand, if I invest my money in a printing establishment, or in a farm, or in any other form of investment, which may yield me 15 or 20 per cent., that is all right.

The Minister for Railways: You don't suggest that farmers get 20 per cent.?

Mr. THOMSON: I am speaking of the limit. Some sheep properties are now returning about 20 per cent.; and that is very beneficial to the State, and especially to the Treasurer from the income tax point of view. This measure is not in the interests of the State, and will not achieve its object.

On motion by Mr. Mann, debate adjourned.

BILL—MAIN ROADS

Second Reading.

Debate resumed from the previous sitting.

Mr. GRIFFITHS (Avon) [9.6]: Recent developments and improvements in transport have been so rapid that the production

of a Bill of this kind is a natural consequence. I am rather glad that the debate on the measure was adjourned from Thursday to this evening, because the necessary attention has not, in my opinion, been paid to a proposal so far-reaching, a measure with which are interwoven Federal legislation and our Traffic Act Amendment Bill. In Victoria the original main roads legislation was passed in 1912. In 1915 a consolidating measure was passed, and since then there have been no less than 11 amending measures, showing that what was no doubt in the first instance regarded as experimental legislation has needed improvement with the progress of time. Therefore, while we may act on the experience of Victoria, we would do well to hasten slowly. This Bill is largely experimental, though we have some past experience to go on. One of the first things that struck me in the Bill was the proposal for a main roads advisory board. The Victorian Act, on which our Bill is largely framed, provides for a board to be called "The Country Roads Board" consisting of three members, to be appointed by the Governor-in-Council. Our Bill proposes five members, including the Engineer-in-Chief, ex officio, and two officers of the Public Service, and two members to be nominated by the districts. Under the Victorian Act the Governor-in-Council appoints one of the members to be chairman of the board, and the term of office is five years, as against three years under this Bill. The members of the Victorian board must not engage in other occupations, and their remuneration is fixed by the Act. Presumably salaries are to be provided for the members of the board under this Bill, and perhaps the Minister intends to fix them by regulation. In my opinion, three members would be a sufficient board, two being engineers and one an expert administrator. What the Bill proposes is three official members as against two members representing the country. Evidently under the Bill the Minister is to be the king pin and controlling force right through. Perhaps it is a little early for us to constitute an independent board on the Victorian model, but still I think the Victorian basis better than that which the Bill proposes, since the two members of the Public Service would naturally fall in with the views of their departmental chiefs. The Bill does not provide that the members of the board shall engage in this occupation only. New South Wales pays its chairman no less than £1,700 a year. The Bill should be considered in connection with the Traffic Act Amendment Bill, and the contemplated Federal legislation. I certainly object to the constitution of the board. It should be an independent board, like the corresponding bodies in the Eastern States. Possibly the Minister thinks it well to keep control of the board, since we are proceeding experimentally.

Mr. Pantou: What would you suggest the members of the board should be paid?

Mr. GRIFFITHS: I will state what is paid in Victoria. A member on the back benches says, "Oh, hang America!" That sort of thing annoys me. If we do not take advantage of the experience of other countries, we are very foolish. While the Minister for Works was introducing his Bill, a remark was made to the effect that the Traffic Act Amendment Bill was finance. Assuredly, it is to provide the sinews of war for the construction of new roads. The Minister said, "That's nothing." However, I have heard the Premier himself say that finance is government and government finance.

The Premier: Not I!

Mr. GRIFFITHS: I consider the Traffic Act Amendment Bill of great importance in this connection, for to a large extent it provides the finances. If the Minister were present, I would ask him whether the Government intend to proclaim any district a main road district if it has a main road running through it. Take the case of the road from the Dowerin line to Kellerberrin. Will the whole of the tract of country traversed by the road be a main road district, or only the strip covered by the main road? I ask, because proclamation would mean the handing over of all the traffic fees and also the petrol tax to the Main Roads Board. The Minister for Works rather amused me by his reference to the Old Country. He said that in this country we were rather prone to run down our own country. Not so long ago I read a remark by a visiting journalist to the effect that he found at Albany a tendency for the wind to blow, that by the time you got to Adelaide the breeze was blowing a little bit stronger, that in Melbourne it was almost a hurricane, and that in Sydney the lights were blown out altogether. The Minister for Lands said that the roads of the Old Country are worse than the roads here. I lived in the Old Country for many years, and travelled there extensively on foot and per bicycle during my holidays. I could take Cornwall, the Minister's own country, and give him a list of roads, almost up to his own back door, comprising some of the finest highways in the world. Similarly, in North Wales and in the Lake District and in the Hebrides there are magnificent roads. Indeed, I am told that to-day they are better than ever, thanks to the great development of motor traffic.

The Premier: Those are the old Roman roads.

Mr. GRIFFITHS: We have a great deal to learn from the Romans concerning road making. Regarding Western Australian roads he said we had some as good as anywhere else but we also had bad roads. The Minister went on to decry the work

that the road boards are doing. He was absolutely unfair.

Mr. Taylor: He knows more about road boards than anyone else.

Mr. GRIFFITHS: Be bothered to him! He may know something about local governing matters, but I guarantee I have travelled over more of the country roads than he has done.

Mr. Panton: He has carried his swag over more roads than you have seen.

Mr. GRIFFITHS: I have carried my swag and travelled over more roads than most hon. members. The hon. member said that the road boards in the country districts were ploughing up the roads and destroying them. Around Merredin and Kellerberrin there are roads as good as anyone could wish to see, considering the money at the disposal of the local authorities. If they had more funds they could probably make even better roads. Recently a deputation from the local governing authorities waited upon the Minister, and they explained that in some districts they were making roads up to a width of from 30 to 44 feet, whereas the Federal authorities were suggesting roads of less width. It is unfair to say that the road boards are not making the roads properly. They are not macadamising roads as is done in the Old Country, but that simply arises from the fact that they have not the necessary funds. Hence the reason for the Main Roads Bill and for the effort being made by the Federal Government to secure the construction of good roads. The Bill provides for licenses for the sale of petrol. I have gone to some trouble to get figures from the Customs Department showing the consumption of petrol in the State. For the 12 months ended 30th June, 1922, the petrol imported into Western Australia totalled 1,805,001 gallons; for the financial year ended 30th June, 1923, 2,112,076 gallons; and for the financial year ended the 30th June, 1924, 3,314,195 gallons.

The Premier: If we get prohibition it will increase still further.

Mr. GRIFFITHS: The increase in imports is estimated at something like 40 per cent., but taking it at a conservative basis of 30 per cent., we will be on the safe side. The increase as between 1922 and 1923 was calculated by the Customs Department at 20 per cent., but they were only going on the figures available. The increases in the years 1923 and 1924 worked out at 53.22 per cent., thus averaging over the full period about 36.5 per cent. For the present year the importations during July totalled 574,588 gallons, during August 404,724 gallons, and during September 392,144 gallons, making a total importation during the three months of 1,371,456 gallons. Taking the importations for the year ended 30th June, 1924, the proposed tax of 2s. per case would run out at £41,427. If we take 30 per cent. as the increase for the

following year, when the tax will become operative, it will mean a return to the State of £53,000. Another point to be taken into consideration is that the suggested tax of 2s. per case will be devoted, presumably, to the construction and improvement of main roads. What about the aeroplanes? They consume about six times as much petrol per mile as motor vehicles.

Mr. Marshall: You cannot expect us to provide roads for the aeroplanes without charging them for the work.

Mr. GRIFFITHS: What about the fishermen? They use petrol for their fishing boats. If the tax is to be charged against the consumption of that petrol, the people will have to pay for it in increased prices for fish. Then, again, many engines use petrol although those engines are never put on the roads at all. These matters should be dealt with during the Committee stage, for it is hardly right to impose the tax on the consumption of petrol irrespective of what the machines using the petrol are engaged upon.

Mr. Marshall: Airways Ltd. will be asking us to fill up the pockets in the air soon.

Mr. GRIFFITHS: The petrol absorption capacity of the State is estimated at 37,000 cases per month. If the Minister intends to impose this tax on petrol, I suggest to him that he does not give too much warning, because if he does so there will be a bulldog rush to secure supplies and the Minister will be left lamenting. As to the main road board proposed to be set up under the Bill, I would point out that no provision has been made for the payment of salaries of members. I think the appointment of five members on the board is wrong. We should follow the Victorian example and have two engineers and a skilled administrator. They would not be the puppets of the Minister but would operate in the best interests of the country. They should devote the whole of their time to the work of the boards. Nothing succeeds like success and Victoria has proved successful. New South Wales and Queensland have copied the legislation in that State, and we are doing so to some extent. The member for Toodyay (Mr. Lindsay) quoted some illuminating figures regarding what will be obtained by way of taxation. Instead of the £78,000 suggested, it has been practically proved that the Government will receive £175,000. Regarding the Kellerberrin Road Board, I have some particulars. In that district there are a number of four-wheeled vehicles in respect of which £74 is received annually by way of taxation. Under the proposed tax they will have to pay £1,878 16s. Two lorries now return £2, but under the proposed tax they will have to pay £9 4s. Fifteen buggies have to pay £15 to-day, but if the Bill be passed they will have to pay £41 4s. The seven sulkeys in that district now contribute £35 annually, but if the Bill be agreed to they will have to pay £52 10s. There are 50

carts under 2 tons in weight in the district and for those vehicles £25 is paid now, whereas under the Bill £51 11s. will have to be paid. For the 28 carts exceeding 2 tons in weight £14 is now paid, whereas under the Bill £159 9s. will have to be paid.

Mr. Taylor: Yet they say that the Labour Party cannot finance!

Mr. GRIFFITHS: It means that these 239 vehicles, for which £165 is now paid, will have to pay taxation amounting to £1,392 14s. I have details regarding some of the other road board districts and their figures, I take it, are much along the same lines. I support the second reading of the Bill, which will have a more far-reaching effect than is generally thought.

Mr. TWOMSON (Katanning) [9.28]: The Bill requires a great deal of consideration, for the effects of the measure, if it becomes law, will be far-reaching. I hope the Minister in charge of the Bill will accept my suggestion as worthy of consideration. I suggest that it be referred to a select committee or an honorary Royal Commission, with power to take evidence and report during the next session of Parliament. With the limited time at our disposal now, it is very difficult to realise what the effect of the Bill will be in the various districts. Dealing with the Traffic Act, we had astounding figures detailed by the member for Toodyay (Mr. Lindsay) showing conclusively that the department responsible for the introduction of the Bill did not realise the position, or at least unintentionally misled the Minister and this House regarding the returns to be obtained under that measure.

Mr. Panton: The department did not have the exact figures.

Mr. THOMSON: How can the House be expected to give a deliberative vote on a Bill respecting which the department could not supply correct figures? A main roads Bill is essential.

Mr. Latham: There is nothing essential in this Bill.

Mr. THOMSON: I agree with that. I do not hold with the advisory board, nor with the proclaiming of main roads. If we are going to hand over to the central authority the whole of the fees collected under the Traffic Act, and give the Government power to impose a ½d. unimproved land tax, we require to accord the matter more serious consideration than is possible this session. I am not opposed to the petrol tax, but that too requires consideration. We should safeguard those consumers of petrol who are not using the roads. The Bill is a total departure from the Victorian Act. Under that Act the Government provide loan funds, but under the Bill the Government are increasing taxation on many who will never use the roads. It is the users of the roads who

should pay. I am surprised at those sitting behind the Government, who are ready to support the unimproved land tax, for it will mean that those in the metropolitan area who have a block of land worth £100 will have to pay 3s. 4d. per annum in order that others may ride in comfort on the main roads. In the country the farmer will have to pay a considerable amount in land tax, for the valuations have greatly increased. In my district, on an average they have risen from 10s. 6d. to 15s. 9d. per acre. Possibly that is only reasonable, but we have no guarantee that it will not be further increased. No hardship will be imposed on anyone if the Bill be sent to a select committee for investigation and report. The information that would be supplied to that committee would be of great value to the House.

The Premier: Do you suggest going over to Victoria during recess and taking evidence there?

Mr. THOMSON: No. I am not suggesting that, but even if the committee did go to Victoria and it were to cost a little money—

The Premier: We have the money we saved from Pickering's Royal Commission.

Mr. THOMSON: Yes, Mr. Pickering went over to the Eastern States and, in my opinion, a grave injustice was done to that gentleman, who collected in the other States valuable information that was practically the basis of his report.

Mr. Mann: Oh, no!

Mr. THOMSON: Oh, yes, yes!

The Premier: The whole of the Commission's report was based on that evidence taken in Queensland.

Mr. E. B. Johnston: Mr. Pickering did valuable work for the State at his own expense.

Mr. THOMSON: I think he did. However, suppose the committee of three went over to Victoria and saw the actual working—

The Premier: Better still if they did a bit of their own work over there.

Mr. THOMSON: I believe the result of such an inquiry would be of great value to the House, for we should be able to profit by the mistakes made in Victoria. I have received from road boards in my electorate a request that I should strongly oppose the handing over of the traffic fees to a central board. If the Bill were so amended as to include a schedule of main roads, the opposition of the local authorities might be modified. All that we have in the Bill is the provision that a main road may be proclaimed. There is no definition of "main road." I should like to see a schedule of the proclaimed main roads. It is possible that practically the whole of the money raised and pooled would be expended on main roads between

here and Northam. That possibility is disturbing the minds of country road boards. I will not oppose the second reading, but I intend to move that the Bill be referred to a select committee to report next session. If the Premier gets his Traffic Bill through, the Main Roads Bill could stand over till next session.

Mr. Lutey: It is long overdue now.

Mr. THOMSON: That is so, but there is no time to fully consider it this session, if we are to finish by Christmas.

Mr. E. B. JOHNSTON (Williams-Narrogin) [9.43]: I am opposed to the Bill in its present form, and I will support the Leader of the Country Party when he moves that it be referred to a select committee. Measure after measure brought down this session has imposed extra taxation on the man on the land.

The Premier: Name them.

Mr. E. B. JOHNSTON: We have had the repeal of exemptions that farmers have enjoyed under the land and income tax measures, and we have yet to learn what rate of land tax the Government intend to impose, for the taxing Bill has not yet been brought down. I should be relieved if, before this measure were dealt with, the Treasurer could give us an assurance that it is not proposed to increase the existing rate of land tax after the Government have secured the extra 1½d. in the pound.

The Premier: Why meet trouble half-way?

Mr. E. B. JOHNSTON: It is necessary that the House should know whether the Government intend to increase the rate of the existing land tax before we approve of a new tax of 1½d. in the pound on all unimproved land values put upon our producers to support main roads remote from their holdings. To-day we have not only a land tax, but road board rates as well. The policy of the Public Works Department is to cause the boards to increase their rates. If they do not strike a rate of at least 2d. in the pound they are threatened with a withdrawal of the small subsidy paid to them. Under this measure the subsidy is to be taken away from the local governing authorities and given entirely to the central main road board. In addition we are to have this new tax of 1½d. in the pound imposed on all land owners. I am entirely opposed to that suggestion. There should be one land tax struck by the Government, and they should not strike an ordinary land tax and then 1½d. in the pound tax for main roads in addition. It is also proposed to take the licensing fees for vehicles away from the local governing authorities, even where many of those vehicles only go from the farm to the siding and never touch a main road. I am entirely opposed to revenue being taken away from the local governing bodies in this way. They will be left with their offices and administrative

costs, and this source of revenue from the licensing of vehicles will be taken from them and applied to a central authority.

Mr. Withers: Are not main roads harder to maintain than feeder roads?

Mr. E. B. JOHNSTON: Yes, and there is no objection to the fees derived from motor buses being applied to them. I object to fees being taken for vehicles that do not touch the main roads, and being given to a central board which it is proposed to establish to deal with main roads. The idea of a petrol tax on motor vehicles using our main roads has little to commend it. We have to remember that already petrol is dearer in Australia than in any other part of the world.

The Premier: It is much cheaper than it used to be.

Mr. E. B. JOHNSTON: In the country districts there are large numbers of wheat farmers who are far removed from the railways. I know that the sympathetic desire of the Government is to give these settlers transport facilities by rail as quickly as possible, but I also know that the finances of the country do not permit of railways being constructed to the new wheat centres. There are many wheat farmers resident from 15 to 25 miles from a railway. Wheat cannot be grown cheaply or profitably at such a great distance from railways. We have decided, on the authority of agricultural experts, that wheat cannot be profitably grown more than 12½ miles from a railway. In some districts a motor transport is being arranged for the cartage of wheat up to 25 miles to the railway. Kalbarin is a rich district, but is 25 miles from a railway. The settlers have formed a local company to enable them to cart their wheat from Kalbarin to the railway by motor transport.

Mr. Marshall: What do they pay per gallon for petrol there?

Mr. E. B. JOHNSTON: They get it from Perth through the co-operative companies, and it is the same price as is charged in Fremantle plus railage and a small margin of profit. It must be remembered that our wheat farmers have to compete with those in America and Russia where the cost of petrol is less than it is here. I know that the Government cannot give all the railway facilities that are necessary, and the only method by which the wheat of many of our farmers can be carted to the railway is by motor wagon. I object to the proposed imposition of a charge of 3d. a gallon upon petrol that is used by such motor vehicles, especially when the farmers cannot handle their wheat in any other way than by this means of transport. Our producers have to suffer under the exacting burdens of the Federal tariff. The Government of the State cannot relieve them. I protest against the producers being asked to bear this extra charge of 3d. a gallon on petrol. The ten-

dency of legislation this session seems to be to impose fresh charges upon the producer who, unfortunately, has to sell his produce in the open markets of the world. We have to ship our wheat 15,000 miles and sell it in competition with the wheat producers of America and Russia, where petrol is so much cheaper than it is here. The tendency on most farms is to replace horses by motor vehicles that are driven either by petrol, kerosene or some other spirit. The Minister has power to declare anything to be petrol for the purposes of the Act. It will be possible for him to include power kerosene as petrol, though I feel sure that is not the present intention of the Government. Kerosene and other spirit is largely used in country districts for lighting purposes. Many of the houses have small lighting plants that depend entirely on benzine. Whilst a tax in this respect would not be heavy, it will be placed exclusively on country residents, because in the towns there is electric light and other forms of light, which will not suffer from this special class of taxation. Taking all these facts into consideration, I hope the Government will approve of the Bill being referred to a select committee. There is no hurry about it. The Government can pass the Traffic Bill increasing the license fees on motor buses if they so desire. I hope the Government will hold their hands as tax gatherers for another year and that the select committee will be appointed to-night to investigate the matter thoroughly. They can bring in their report next year. I hope such report will contain recommendations relieving producers from the burdens proposed to be placed upon them under the Bill, burdens that are not borne by their competitors in other parts of the world. Although I oppose the measure. I have paired with the member for Fremantle (Mr. Sleeman) to-night to permit of his taking part in an important conference at Fremantle regarding the present water-side trouble.

Mr. LATHAM: I move—

That the debate be adjourned.

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

Ayes	14
Noes	21

Majority against .. 7

AYES.

Mr. Angelo	Mr. Mann
Mr. Barnard	Sir James Mitchell
Mr. Brown	Mr. North
Mr. Davy	Mr. Sampson
Mr. Denton	Mr. J. H. Smith
Mr. Latham	Mr. C. P. Wanebrough
Mr. Lioday	Mr. Richardson

(Teller.)

NOES.

Mr. Chesson	Mr. Marshall
Mr. Collier	Mr. Millington
Mr. Corboy	Mr. Munslie
Mr. Coverley	Mr. Panton
Mr. Cunningham	Mr. Thomson
Mr. Griffiths	Mr. Troy
Mr. Heron	Mr. A. Wanebrough
Mr. W. D. Johnson	Mr. Willcock
Mr. Kennedy	Mr. Withers
Mr. Lamond	Mr. Wilson
Mr. Lutey	

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Maley	Mr. Angwin
Mr. E. B. Johnston	Mr. Sleeman
Mr. Teesdale	Mr. Lambert

Motion thus negatived.

Question put and passed.

Bill read a second time.

House adjourned at 10.1 p.m.

Legislative Council,

Wednesday, 3rd December, 1924.

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The PRESIDENT took the Chair at 3 p.m., and read prayers.

BILL—CLOSER SETTLEMENT.

Report stage postponed.

The COLONIAL SECRETARY: 1
move—

That this Order of the Day be postponed until the next sitting of the House.

My reason is that members have not had an opportunity to study the Bill as amended in Committee. It may be found that some further amendment is necessary.

Hon. A. LOVEKIN: I do not wish to take the business out of the hands of the Minister, but I have amendments ready to move to Clauses 3 and 6 on recomittal, and so I think it might facilitate the business if we were to go into Committee, deal with my amendments, and then report progress.