

Mr. McDONALD: Another aspect is that the trouble arises from that provision of the principal Act which gives the terms salary and wages an artificial meaning, including commissions and directors' fees. A man might receive a commission of £5 on one day, and £2 on the following day, and £3 the next day; so that the employer would not know how much tax to take back from the commission. Perhaps the Premier might talk the matter over with the Commissioner of Taxation and the Crown Law Department, and ascertain whether some member of another place was not anxious to safeguard that point. In my opinion the proper way is to cut out the artificial definitions and provide that all commissions and directors' fees, which the Bill makes salaries and wages, shall be income and shown in the ordinary return of income.

Question put and passed; the Council's amendment not agreed to.

No. 13: Clause 5.—Delete this clause.

The PREMIER: I move—

That the amendment be not agreed to.

This is consequential.

Question put and passed; the Council's amendment not agreed to.

No. 14: New Clause.—Insert a new clause to stand as Clause 6, as follows:—"This Act shall remain in force until the 31st day of October, 1934, and no longer."

The CHAIRMAN: I am afraid I cannot accept the new clause. I rule that it is out of order.

Resolutions reported, and the report adopted.

A Committee consisting of the Premier, the Minister for Railways and Mr. McDonald drew up reasons for not agreeing to the Council's amendments.

Reasons adopted, and a message accordingly transmitted to the Council.

*House adjourned at 9.58 p.m.*

## Legislative Council,

*Wednesday, 27th September, 1933.*

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

### BILL—FINANCIAL EMERGENCY TAX.

#### *Standing Orders Suspension.*

On motion by the Chief Secretary, so much of the Standing Orders were suspended as to permit of the Financial Emergency Tax Bill passing the report stage at one sitting.

### BILL—SUPPLY (No. 2) £1,201,000.

Received from the Assembly and read a first time.

### BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.

#### *Assembly's Message.*

Message from the Assembly received and read notifying that it had disagreed to the amendments made by the Council in the Bill, for the reasons set forth in a schedule annexed.

### BILL—GOLDFIELDS ALLOTMENTS REVESTMENT.

#### *Second Reading.*

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [4.41] in moving the second reading said: The purpose of the Bill is to enable certain freehold townsite lots in various parts of the goldfields such as Kalgoorlie, Boulder, Southern Cross, Brown Hill, Coolgardie and Trafalgar, to be re-vested in the Crown. The owners of these lots are in many cases unable to pay rates

due under the Goldfields Water Supply Act, 1902, and having no further use for the land, are desirous of being freed from the liability for the rates. With this object in view they have forwarded to the Water Supply Department their titles and the surrender of their land to the Crown. Arrears of rates owing at the time of surrender have been written off both by the Water Supply Department and by the local governing bodies. To complete the action, it is necessary that these surrenders should be registered in the Titles Office, and as this would entail considerable expense it is desired to take action towards the revestment of the lots concerned. This would clear the books of the local governing bodies, etc., of charges for rates which they will never be able to collect. Provision is made in the Bill that in the event of revestment in the Crown the lots can thereafter be sold under the provisions of the Land Act. In the event of any of the lots being sold in this way, it would again become rateable. A further provision is made in the Bill whereby it will not become operative until a day to be fixed by proclamation, and such day will not be earlier than three months after the passing of the Act. Provision is also made that if at any time before the Bill becomes law, any one of the holders should desire to pay up the arrears of rates and regain possession of the allotment, the Minister may direct that the title be returned to such person. The allotment will then become exempt from the operations of the Act. In the circumstances, I think members will agree that in the interests of all parties concerned, it is advisable that the land should be revested in the Crown. I move—

That the Bill be now read a second time.

**HON. J. NICHOLSON** (Metropolitan) [4.45]: I have only a few observations to make on the Bill. Usually, when there is an isolated case of surrender, the Crown authorities require that the person surrendering the land shall, in the first place, pay all rates and taxes then due upon it. From the Bill it would appear that these particular people or their land will be discharged from liability to pay any rates and taxes which have accumulated.

The Chief Secretary: They have been written off by all parties.

**HON. J. NICHOLSON**: That discharge is contained in Clause 2, where it states—

And the same are hereby vested in His Majesty freed, released, and discharged of all and from all rates and taxes then charged upon or owing in respect of the said lands.

What causes me to speak on the Bill is that certain road boards will be affected.

**HON. H. SEDDON**: And municipalities.

**HON. J. NICHOLSON**: Yes. There may be certain accumulated arrears. These lands will all vest in the Crown, freed and discharged from all these liabilities. At present the road board authorities have certain statutory rights. A liability for rates on the part of the owner becomes a charge on the land, but if we pass the Bill in its present form we will cause these local authorities to suffer loss of the statutory remedies and rights they now have. I wonder whether that is altogether fair. Probably the Leader of the House will be able to tell us that the Bill has come forward with the full sanction and assent of the local authorities. If that is not so, I suggest it would be only fair that their assent should be obtained to the Bill. They are going to suffer the loss of the rights they would otherwise have. I merely call attention to the position of the local bodies, and the loss they will suffer by the passage of a measure of this nature.

**HON. J. CORNELL** (South) [4.50]: The Bill is not only necessary, but is long overdue. It is extraordinary that Mr. Nicholson should take a brief for the Boulder municipality when he represents Greater Perth.

**HON. J. NICHOLSON**: I spoke only on behalf of local authorities in general. There are over 400 names on the schedule.

**HON. J. CORNELL**: Outside of about 15 allotments all this land is comprised in Kalgoorlie and Boulder. During the one-time downward trend of the Kalgoorlie and Boulder districts, many people left the locality. Either the houses were removed or were burned down, and the people no longer desired to use the allotments. These are practically all mining leases running for 99 years. Unless some arrangement had been made, the owners would have become continually liable for the annual rentals, as well as for the water rates. An arrangement was accordingly made, and has been running for many years, by which the holder of one of these blocks could tender £1 for water rates, and that was taken to be a surrender, and to free him from further obligations to pay

rent for land he was not using, as well as from any obligation for the payment of accumulated water rates on the vacant allotment. The meter was removed, and the owner was free. In the case of the Kalgoorlie and Boulder Municipal Councils, these vacant allotments stood for years on the municipal lists at the minimum value of £4. One or two cases came under my notice recently where people in the Boulder Municipality wanted certain blocks, and the municipality desired to sell them to the highest bidders. I think the Act provides that the rates come first after certain charges are paid, but it was found that the arrears of land tax followed the land, and that all new purchasers were liable for any arrears that were due.

Hon. J. Nicholson: That is a charge upon the land.

Hon. J. CORNELL: There was the case of a widow who bought one block and of another person who bought another at Boulder. The negotiations went on for a long time. The town clerk asked me to intercede with the Taxation Department, seeing that the land was sold in good faith, but did not realise enough to pay the rates. The purchaser could not get the title unless a caveat upon the land was lifted. The department agreed to lift the caveat, and allowed the title to be granted. There is no objection to the Bill on the part of the Kalgoorlie municipality, and certainly none from Boulder. People require these blocks in order to build houses there, and I understand the Bill will clear the way so that the land may be re-occupied. From inquiries I have made, it seems that the blocks in the Boulder municipality were given up years ago, and have reverted to the Crown. The method suggested in the Bill is the only way to free this land. If the measure is hung up whilst the opinion of the municipalities is sought, considerable delay will ensue. The Bill has been long enough on the stocks to suggest that any objection to it would have been forthcoming. It affects chiefly Kalgoorlie, Boulder and Southern Cross. In the one-time premier town of the goldfields, Coolgardie, there is only one block, and in the case of Trafalgar only one block, which comes within the Kalgoorlie Road Board. There are also two blocks at Brownbill.

Hon. G. W. Miles: People still seem to have confidence in Coolgardie.

Hon. J. CORNELL: Yes. I have pleasure in supporting the Bill.

**HON. R. G. MOORE** (North-East) [4.55]: I support the Bill. The local governing bodies are not likely to suffer in any way. In my opinion it will lead to their getting rates on blocks which now do not yield any revenue. The Chief Secretary referred to the question of rates due on these blocks.

Hon. H. Seddon: Only suspended.

Hon. R. G. MOORE: The rates on the land I held were not suspended. I certainly received a bill for the land tax due upon it. I surrendered a block several years ago, after paying the rates upon it, and was freed from liability for water rates. The man who got the land paid the Water Supply Department a certain amount, but a few weeks afterwards I received a bill for land tax extending back for several years. I brought the case under the notice of the Taxation Department, and the officials are now busy looking for the man who bought the block and re-sold it.

Hon. J. Cornell: The tax follows the land.

Hon. R. G. MOORE: Yes, and it followed me.

Hon. J. Nicholson: There is a statutory charge for rates and taxes.

Hon. R. G. MOORE: The local authorities are anxious that these blocks should be sold. There is a demand for land now, particularly if it is close to the towns. If the land is sold, houses will be erected upon it, and it will then bring in revenue to the council or road board concerned. The original owners have three months in which to reclaim the land if they want it, and that gives them an opportunity to pay the water supply charges that may be outstanding. I support the Bill.

**HON. H. SEDDON** (North-East) [4.58]: There is rather an interesting history concerning this business. The allotments are those which were handed back to the Water Supply Department in accordance with an arrangement made by the Minister. There will be a lot of trouble with other goldfields allotments. Many of them were abandoned by the owners, and no steps were taken to hand them over to the Water Supply Department or deal with them in any other way. Some years ago in Kalgoorlie one of the conditions frequently attaching to the sale of a house was that the purchaser should transfer the land back to the Crown. A number of people found that they were

liable for rates from year to year and desired to relieve themselves of the obligation. They were informed that the proper procedure was to return the land to the Crown. A number of blocks were so transferred. In many cases the payment of rates was suspended, and the people were led to understand that they had finished with the matter. I am not able to understand under what statutory authority such a step was taken, but I know that it was taken and that what I have related was the state of affairs that existed. The blocks referred to in the Bill are those in respect of which validating action is required by the department. During recent years, quite a number of owners had inquiries for the blocks and went to the department to see what could be done. In some cases, the blocks were redeemed by the payment of suspended rates, first to the Water Supply Department and then to the local authorities. The owners were then able to sell the land, and, in some instances, made considerable profit from the sales.

Hon. J. Cornell: Some of the blocks were abandoned for 15 years.

Hon. H. SEDDON: Yes. It is difficult now to trace the owners of some of the blocks, and in my opinion this is only the first of a number of legislative measures that will have to be taken to deal with the land, bearing in mind the prosperity that exists in some of the towns, and the prosperity that awaits others in the future.

Hon. J. Nicholson: Did the local authorities consent to all this?

Hon. H. SEDDON: Apparently there was an understanding with them, because I know of one or two instances in which the blocks were revived, where all that happened was that an arrangement was made with the local authorities to receive the rates that were in arrear. Under the Bill the whole matter will be put into proper order. The land will revert to the Crown and the blocks will be sold free from any obligation to whoever might want the land. It is a desirable measure and puts in order what was out of order, and so it benefits many people. I shall support the second reading.

HON. J. J. HOLMES (North) [5.4]: I hope I shall not be taken to task, as Mr. Nicholson was, and asked why a matter affecting Kalgoolie and Boulder should interest me. I take a broad view of these questions, recognising that it is the duty of members to deal with any matter affect-

ing any part of the State. Looking through the list of owners' names, I notice several that are traceable and who should pay the rates that are due. Those people bought land for speculative purposes and I do not consider it is the duty of the Crown to go to their rescue by relieving them of rates and taxes and taking over the land. If that course is to be adopted, why confine it to the goldfields? I know of thousands of acres of land the owners of which would be only too glad to hand it back if only the Crown would take it. A friend of mine recently was fortunate enough to make a present of 5,000 acres to His Majesty the King. I wish I could follow suit, but I have not the power of the goldfields behind me to relieve me of the responsibility. Why confine this to the goldfields, where the towns are flourishing because of the high price of gold? We are now asked to relieve some people who can be traced, and others who cannot be traced, of the responsibility that they themselves created by taking up the land for speculative purposes. If we relieve one section, let us relieve every section. I do not see why this kind of thing should be confined to the goldfields. Those who acquired the land knew that it would carry certain liabilities, but the scheme they had in view did not come off, and some of them, having found themselves high and dry, want to be relieved of their responsibilities.

**THE CHIEF SECRETARY** (Hon. J. M. Drew—Central—in reply) [5.6]: Only one point has been raised that calls for serious reply, and that is the suggestion made by Mr. Nicholson that the local governing bodies on the goldfields might be victimised if the Bill becomes law. Whenever I have to handle a Bill of this character, I make a thorough investigation from every standpoint, not only to satisfy members, but to satisfy myself, and in response to my inquiries with regard to the point raised by Mr. Nicholson, I received a note setting out that arrears of rates had been written off by the Water Supply Department and the local governing bodies. There can be no injustice done to the local bodies by passing the Bill. Mr. Holmes mentioned that some of the owners were traceable, and the money owing should be recovered. The local bodies have been trying for years to trace the owners.

Hon. W. J. Mann: They have not looked very far.

The CHIEF SECRETARY: They are only too anxious to be relieved of the burden of ownership, and in some cases the local bodies have had to employ additional labour to make up the entries and charge up the rates that they knew would have to be written-off. The blocks may be taken up again, and if they are, rates will again be imposed, and the purchasers will be in a better position to meet their liabilities than those who went before.

Hon. C. F. Baxter: Many of these blocks were surrendered years ago.

The CHIEF SECRETARY: From time to time I have been approached by individuals who have taken up land in remote townships and who desire to be relieved of ownership. It has been found difficult to remedy the position. There are 200 or 300 blocks and they could be dealt with in the mass. Probably the Lands Department would have a few hundred more of a similar nature. If members consider that the question should be further investigated, I can make additional inquiries.

Hon. J. J. Holmes: Are you going to confine this arrangement to the goldfields, or do you intend to make it general?

The CHIEF SECRETARY: It will not be general under the Bill, but I think the Lands Department should have power to accept the surrender of many lands.

Question put and passed.

Bill read a second time.

#### *In Committee.*

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

Clause 1—agreed to.

Clause 2—Allotments of land revested in His Majesty:

Hon. J. NICHOLSON: Would it appeal to the Leader of the House to safeguard the rights of the various local authorities in any way by the addition of a proviso to the clause? The rights of the local authorities will disappear and there will be no safeguarding proviso.

The Chief Secretary: From what I can understand, all their rights are gone.

Hon. J. NICHOLSON: It would have been of great advantage to have had a letter from each of the local authorities concerned to say that they had assented to the proposed

Bill. That would have got over the difficulties.

The CHIEF SECRETARY: There would be a certain amount of danger in including a proviso as suggested by Mr. Nicholson. It could happen that the local governing bodies could transfer the items from the debit of profit and loss account to the debit of the Government.

Hon. J. Nicholson: If the local bodies consented to the Bill, our responsibility would disappear.

The CHIEF SECRETARY: The Government would not undertake such a liability.

Hon. G. FRASER: Mr. Nicholson evidently does not believe that silence gives consent. The local authorities concerned have a full knowledge of the contents of the Bill, and if there had been any objection, it would have been made known. Not one word of protest has been offered, and we are justified in passing the clause.

Clause put and passed.

Clauses 3 to 5, Schedule, Preamble, Title—agreed to.

Bill reported without amendment and the report adopted.

#### **BILLS (2)—FIRST READING.**

1, Metropolitan Whole Milk Act Amendment.

2, Wiluna Water Board Loan Guarantee.

Received from the Assembly and read a first time.

#### **BILL—TENANTS, PURCHASERS, AND MORTGAGORS' RELIEF ACT AMENDMENT.**

##### *Second Reading.*

**THE HONORARY MINISTER** (Hon. W. H. Kitson—West) [5.22] in moving the second reading said: This is a Bill to extend another of the emergency Acts that were agreed to in 1930. It is also desired to amend the Act in one particular. The object of the Act was to give protection to people who were renting or purchasing houses and who found themselves, as a result of unemployment, unable to meet their commitments. Three years have elapsed since the Act was passed and I do not think there is any material alteration in the conditions now as compared with

then. Section 24 of the Act provided that persons renting houses after the proclamation of the Act should be at liberty to contract themselves outside the scope of the Act. What I might describe as undue advantage has been taken of that section and a lot of deserving people, who have been compelled to sign agreements contracting themselves outside the Act before they could obtain possession of the premises they are occupying, now find that, through unemployment, they cannot meet their obligations, and there is no protection for them. In a large number of instances evictions have taken place and very deserving people have suffered. The Bill provides that protection may be granted to a tenant by making application to a commissioner, who shall be a magistrate and who shall have power, after due inquiry into all the circumstances of both parties, to make an order covering a period of three months. Further protection may be granted on a further application for an additional period not exceeding three months. It can be said that no injustice is likely to be inflicted by the amendment, because the commissioner will satisfy himself that it is desirable to grant the protection sought. Large numbers of deserving people have suffered hardship.

Hon. A. Thomson: Can you give specific instances?

The HONORARY MINISTER: At the moment I cannot quote the names of tenants and landlords, but if the hon. member desires the information, I can produce scores of cases that I have handled personally during the last two years. The hon. member can accept my assurance that many people have found themselves in that unfortunate position. It is almost impossible for a person to secure a house unless he signs a document, in accordance with Section 24 undertaking not to avail himself of the provisions of the Act. Such a person has no remedy whatever. He may have acted in a perfectly genuine way. He has been in employment and it has become necessary to change his place of abode. His employment may have necessitated his removal from one district to another, and before it has been possible to secure a house suitable to his needs, he has had to sign a form contracting himself out of the Act, which otherwise would have protected him in the event of unemployment. The Act will expire on the 31st December,

but provision is made that any order issued in the last month may operate until the end of March, 1934. If the extension sought by this Bill is agreed to, the Act will operate until the 31st December, 1934, and any orders issued at the end of next year may operate until the end of March, 1935. I think members will agree that it is desirable to afford protection to people in the circumstances I have described, and I hope the House will agree to the amendment included in this continuance Bill. I move—

That the Bill be now read a second time.

HON. J. J. HOLMES (North) [5.29]: I think this is a Bill that might well be considered straight away and dealt with as quickly as possible. We talk against retrospective legislation and we urge people to effect improvements and to assist building and development—we even have a special committee to encourage those objects—and now it is proposed to amend an Act which, if my interpretation of the proposal is correct, would bring everything to a standstill. No one will build, no one will let, no one will lend money if the Bill is carried.

Hon. E. H. Gray: That is an extravagant statement.

The Honorary Minister: And an unjustifiable one.

Hon. J. J. HOLMES: We have been told what the Commissioner can do and what he may do. Before a Bill of this kind is put up to the House, a report should be obtained from the Commissioner. If the Bill gets into Committee, we should have such a report before us before the measure passes that stage. If I interpret the position correctly, this legislation does not represent part of the Premiers' Plan.

Hon. J. Nicholson: This was prior to the Premiers' Plan.

Hon. J. J. HOLMES: Not part of it at all?

Hon. J. Nicholson: No.

Hon. J. J. HOLMES: This was put up when things began to be gloomy. The whole Bill is really an amendment of Section 24 of the principal Act, which sets out that the parties to any contract made or entered into after the date of the commencement of the Act may exclude the operation thereof as between themselves, but that the Act shall operate and have effect notwithstanding the terms of any contract made or entered into before such Act. We were faced with a

serious position, and we said, quite justly, that we would see that people who had entered into engagements prior to the Act should be protected. "As regards you people who are building houses," we said, "and you people who are leasing and you people who are borrowing, there shall be no protection for you after that date." That was quite a fair thing.

The Honorary Minister: You go a little further than the Act.

Hon. J. J. HOLMES: In what way? However, the Honorary Minister can answer me later. The parent Act says that it shall not apply to anything done after a certain date.

The Honorary Minister: That is not so.

Hon. J. J. HOLMES: I will read it again—

But this Act shall be operative and have effect, notwithstanding the terms of any contract made or entered into before that date.

We protected people who had commitments at that time. We rightly protected both parties in respect of any contract made later. The amending clause of the Bill reads—

From and after the commencement of this section the provisions of this Act shall apply and have effect in all cases, notwithstanding any contract to the contrary heretofore or hereafter entered into.

Will anybody advance money to a man to build a house, or will anybody sell land on time payment, or will anybody erect a house to let if he knows that he is going to be made subject to conditions from which he was exempt at the time of entering into the contract? It almost seems as if this Bill asks the House to say, "If you are foolish enough to advance money or build a house, a further amendment of the Act will bring you also within its scope." It seems to me foolish in the extreme to embark upon this procedure while we are urging people to build houses and find work. Houses cannot be built or work found unless somebody with money is prepared to advance it. Will a bank or a company or an individual advance money, or continue to advance money, with such a retrospective provision hanging over their heads? I do not think anything more pernicious has ever been put up to this Chamber, especially at such a stage as the

present. I know there are hundred- of thousands of pounds in Perth to-day earning 2½ per cent. in the banks. I think that ultimately through the banks that money will drift indirectly into Commonwealth or State finance.

Hon. H. Seddon: There is a lot of money in property not earning 2½ per cent.

Hon. J. J. HOLMES: I say that money is being left in the banks because the owners are afraid that sooner or later some legislation will confiscate the money if once it gets out of the banks. In other words, the owners trust the banks and will not trust anybody else. Notwithstanding that fact, we are now asked to pass legislation bringing in a section specially exempted three years ago, legislation which will bring in anybody and everybody else foolish enough to make advances. I do not wish to labour the question, but this is as hot a piece of retrospective legislation as I have ever been faced with, and I shall certainly vote against the second reading.

HON. C. F. BAXTER (East) [5.40]: It is the essence of the parent Act that this Bill seeks to amend. The past Government and Parliament were sympathetic towards the view of protecting people who had entered into contracts under ordinary conditions believing that things would continue as they were at the time the contracts were made. When the crisis came upon the State, it became necessary to give those people relief. That relief was given in the Act which this Bill seeks to amend, and it was given to persons who had already committed themselves. That was justice, and everybody agreed to it. But there are two sides to this question. One side is represented by the people who had entered into contracts, and the other side by people who had entered into obligations to protect their livelihood. As regards homes, the matter is just as important to such people as is the continuance of their food supply and other requirements. Such people the Act placed in a position where they could obtain extended credit. However, many persons have suffered untold hardships simply because under the Act tenants claimed and obtained protection, and the owners then had not enough return to live upon. Many sufferers are people who in the past years invested their savings in buildings to be let, so that they might have some small amount coming in

to live on in their old age. This legislation, I repeat, has inflicted untold hardships upon many such people. We are now in this position, that everyone before entering into a contract knows what is likely to occur during the term of the contract. The Bill, however, proposes to enable such people to evade their contractual obligations. There may be and will be cases of hardship under the Act as it stands, but we must not shut our eyes to the fact that there are also cases of hardship on the other side, the side of the landlord. To-day the landlord is in rather a bad way.

Hon. J. J. Holmes: I should imagine so, if the Bill passes.

Hon. C. F. BAXTER: Landlords have purchased land and erected buildings in the days when prices were high. In some cases land was 50 per cent. higher than it is to-day, and the cost of building was 25 per cent. or 30 per cent. higher than it is now. The landlords are now in some cases getting no returns from their property. Mr. Holmes said some landlords were getting  $2\frac{1}{2}$  per cent. A fair number, however, are not getting anything like  $2\frac{1}{2}$  per cent.

Hon. J. J. Holmes: I say people are getting  $2\frac{1}{2}$  per cent. on their money in the banks, because they will not invest the money.

Hon. C. F. BAXTER: I fully agree with Mr. Holmes that this Bill will put a stop to development and investment. People will not invest in house property if they know that there is an Act which over-rides contracts. Above all, they want security for their money. Private enterprise is taking numerous people off the unemployed list and off Government sustenance. That process would continue under ordinary circumstances, but there is no likelihood of its continuing if the Bill passes in its present form. It is a measure that will rebound. It will benefit a few unfortunates on the one side, but in relieving them it will inflict hardships on persons on the other side. The parent Act is drastic. I so described it when introducing the Bill here. The measure gave me no end of concern when it was placed before me for introduction into this Chamber.

Hon. J. Cornell: A select committee touched it up, too.

Hon. C. F. BAXTER: Now this Chamber is asked to amend Section 24 of the Act, which has been read by Mr. Holmes,

so as to assist people who have entered into arrangements knowing what the position is. That is going too far altogether. The other sections of the Act are merely machinery sections. The effect of passing the Bill as printed would be to cause more suffering and hardship than can result from letting matters remain as they are. I support the second reading, but in Committee I shall strongly oppose the suggested amendment of Section 24.

HON. R. G. MOORE (North-East) [5.45]: I regard the principal amendment embodied in the Bill as most dangerous, because it will violate the sanctity of contracts. For that reason we should be very careful in dealing with it. When the original Act was introduced, conditions had arisen that made it imperative for some measure of relief to be provided for persons who had entered into contracts in normal times and, through circumstances over which they had no control, were unable to fulfil their obligations. The Act was a one-sided measure because it protected one party only. Nevertheless it did give people an opportunity to enter into contracts, knowing the conditions as they were. We provided that power in the Act, and now, under the Bill, we are asked to say that, notwithstanding the fact that we allowed those contracts to be made, they shall now be null and void. While the Act gave protection to people who required it, the measure was one-sided. There was no moral obligation on the person who owned the home to make it available to a tenant who could not pay the rent required. The Government did not say to grocers, to butchers and other trades people that they must continue to supply their customers with their requirements for another three months, although the latter could not afford to pay for the goods. On the other hand, they said to the landlords that they must carry the burden when their tenants could not pay rent owing to the economic conditions that prevailed. If such a burden were to be placed on the shoulders of landlords, it should have had general application. It should not be on the shoulders of landlords whose tenants were out of work and could not pay rent, while other landlords, whose tenants were in a more fortunate position, were not asked to accept a portion of the responsibility. While I admit that in the past it was necessary to provide relief, the conditions



now are just the same as when the Act was introduced.

Hon. J. J. Holmes: Some people say we are round the corner.

Hon. R. G. MOORE: If people entered into contracts under the Act, they knew the conditions that prevailed, but the Bill will enable the contracts to be voided. I shall oppose such a provision being included in the Bill.

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

### **BILL—SOUTHERN CROSS SOUTH- WARDS RAILWAY.**

#### *Second Reading.*

**THE CHIEF SECRETARY** (Hon. J. M. Drew—Central) [5.49] in moving the second reading said: The purpose of the Bill is to authorise the construction of a railway southwards from Southern Cross for a distance of 28 miles. An inspection of the country between Karlgarin and Southern Cross and at Lakes Carmody and King was made by the Railway Advisory Board in June and July, 1930, for the purpose of considering the best way to ensure provision of railway facilities for the settlers in those areas. After due consideration, it was decided that the country between Karlgarin and Southern Cross, including the miners' settlement south of the latter town, could best be served by extending the Lake Grace-Karlgarin line in a north-easterly direction for about 30 miles and by the construction of a spur line to run in a southerly direction from Southern Cross for a distance of about 32 miles. This would then leave a gap of about 30 miles between each railway terminus. The Advisory Board recommended this course, and the first proposal was completed by the construction of the Lake Grace Karlgarin extension. This Bill now provides for the part completion of the recommendation by the construction of the Southern Cross southwards section. This section of line will specially serve a particular area of country south of Southern Cross and what is known as the "miners' settlement." The inspection made by the Railway Advisory Board discloses the fact that the two sections of railway mentioned will serve 365,000 acres of first class and second class land and 774,000 acres of third class land, but the report, which I will lay

upon the Table of the House, does not disclose the proportions for each section.

Hon. G. W. Miles: Can you not say how much is first-class and second-class land respectively?

The CHIEF SECRETARY: No, the details I have group the first-class and second-class land together. I may be able to secure the dissection of those figures, to show the estimated area of first-class and second-class land respectively.

Hon. G. W. Miles: Is the land to be served better than the Yuna-Dartmoor country?

The CHIEF SECRETARY: It is very good country, and justifies the construction of a railway. The first-class land is a good rich soil, and, with fallow and ordinary rainfall conditions, excellent crops should be secured. In one year the district obtained the highest average for the State with a yield of 18 bushels per acre. In order to assist farmers in this area, the Government established an experimental farm at Ghooli, about 6 miles east of Southern Cross. This farm is situate on what may be termed the eastern fringe of the present defined wheat-growing area, and the result of the experiments carried out over a period of four years, proves that the rainfall and conditions are suitable for wheat and oat growing. The average yield of wheat over that period has been 12 bushels 46 lbs., and oats have averaged 17 bushels 10 lbs. per acre. The average rainfall over a period of four years has been 10.24 inches, and of this, 6.24 inches have fallen during the growing period—May to October. The original intention was to construct the railway for a distance of 32 miles south of Southern Cross but, on further surveys being made, it was found, from a railway standpoint, that it would be more satisfactory to establish the terminal point at the "28-mile post." The Advisory Board, some years ago, estimated the cost of construction at £4,000 per mile, but now that the survey has been made, it is estimated that the cost, including the provision of a water supply at a place known as Frog Rock, will not exceed £3,500 per mile. The proposed line will serve 150 farms, and, allowing for an average wheat yield of 120 tons per farm, should provide freightage amounting to 18,000 tons per annum. Superphosphate requirements, which will not be conveyed by motor lorries but by rail, would amount to about 10

tons per farm, or 1,500 tons in all. Sheep will probably average about 250 per farm, and, with a wool production of 1,400 lbs. per farm, will total 94 tons per annum. In addition to this, the ordinary carriage of stores, machinery and live stock must be taken into account. Members will notice that the report of the Railway Advisory Board estimates an annual loss on this line of £4,080. It must be remembered, however, that this loss is based on the calculation of 32 miles of construction at £4,000 per mile—equalling a capital cost of £128,000. These figures, which were arrived at some years ago, now require revision as the latest estimate is £3,500 per mile, and, the length of line proposed to be constructed is 28 miles, with a consequent reduction in capital cost to £98,000. Furthermore, the rate of interest payable is taken at 6 per cent., which was the rate obtaining in 1930 when the estimates were prepared by the Railway Advisory Board. At the present time it should not exceed  $4\frac{1}{2}$  per cent. Working expenses have also decreased in the period subsequent to the report being prepared, and a material reduction in costs must be allowed for. If we take the board's estimate of earnings and working expenses as being approximately correct, the present position would be:—

	£	£
Earnings .. ..	18,000	
Working Expenses ..		14,400
Interest on £98,000 at $4\frac{1}{2}$ per cent. .. ..		4,410
	<u>£18,000</u>	<u>£18,810</u>

Thus, a loss of £810 per annum is disclosed. Another point to be noted is that no allowance was made in the estimate for inward earnings. It is only reasonable to expect that these would amount to a fairly considerable sum in the course of a year, as settlers would be bound to utilise the service for the carriage of machinery, live stock and stores. This district is one in which the carting subsidy has had to be granted to settlers to assist them to market their produce, and therefore the building of the railway will mean a saving in this direction. It must be remembered that this is not a case of providing facilities in advance of settlement; it is merely providing for settlement that has already taken place. In addition to that, it will mean the provision of a

safe avenue for the expenditure of loan money that has been provided for relief work. It will furnish reproductive work, and will help to absorb the unemployed.

Hon. J. Cornell: Seventy-five per cent. of the land to be served by the line is completely cleared.

The CHIEF SECRETARY: Suggestions have been made, both in this Chamber and another place, that land alongside existing railways should be utilised before any further railways are built. Amongst members are many practical farmers, and I am sure they recognise that the bulk of the good land alongside existing railways is now being utilised, due no doubt to the moral effect of the existence of the Closer Settlement Act, coupled with the high prices of wheat and wool up to four years ago. The high prices of wheat and wool led many landholders to clear and develop their holdings, while others fear the operations of the Closer Settlement Act. The time has not yet come when we can force people to utilise the poorer lands, except for grazing purposes; such a policy would not be an economic success, for the land would not be capable of growing profitable crops. Settlers on such areas would expect assistance from the State, and such assistance would eventually become a loss. If we recognise this fact, then is it not better to construct railways that will open up land from which settlers have a reasonable chance of obtaining profitable returns—even though those railways may show a slight loss on working operations—than to induce settlers to take up land from which they will never be able to make anything beyond a bare living, and that only with help from the State?

Constant grazing and natural expansion of farming activities along the existing routes of railway, with increases in prices of primary products, will eventually bring the land that is not being utilised at present into profitable use. In the district to be served by this railway we have an established settlement, one in which the State is vitally interested, for the Agricultural Bank has invested £115,000 in assisting the miners to establish themselves in healthful open air industry. There are already 90 settlers in this scheme, representing a population of 381 persons. Those people are out to make a success of their undertaking and, within the last three years, they have produced 268,000 bags of wheat. Owing to the ab-

sence of railway facilities, the Government have had to help them by granting a carting subsidy, which amounted to £5,000 last year—more than sufficient to cover any loss on the railway. In the event of this line being authorised, plans are sufficiently forward to enable a start to be made on its construction, and rails and fastenings can be made available out of stocks released from the manganese railway. Station sites have already been allotted, and it is estimated that haulage of wheat could be started six months after the construction is commenced. I move—

That the Bill be now read a second time.

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

*House adjourned at 6.8 p.m.*

## Legislative Assembly,

*Wednesday, 27th September, 1933.*

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

### QUESTION—SEWERAGE SYSTEM, CLAREMONT EXTENSION.

Mr. NORTH asked the Minister for Works: 1, Is it a fact that an additional outfall for sewage is contemplated in the vicinity of Swanbourne? 2, Is it intended to utilise the sewers for the removal of

storm water drainage in the proposed Claremont extension of the sewerage system?

The MINISTER FOR WORKS replied: 1, No. 2, No.

### QUESTION—SWANBOURNE FIRE STATION.

Mr. LAMBERT asked the Minister for Works: 1. What was the capital cost of the Swanbourne fire station? 2, What was the total cost of equipment? 3, What is the annual cost of upkeep, including wages and depreciation on plant and buildings? 4, How many fires, exclusive of grass or bush fires, occurred in the Claremont, Swanbourne and Cottesloe districts during the past 12 months? 5. What was the value of property destroyed by fire in those areas during the past 12 months?

The MINISTER FOR WORKS replied: 1, £2,782. 2, £1,290. 3, Annual cost of upkeep year ended 30th September, 1932: Maintenance upkeep, wages £1,005, other £377—£1,382; loan repayments (building and equipment) and interest thereon, £236; total annual cost to the fire district, £1,618. 4, Fires, other than grass or bush, for past 12 months: Total destruction, 1: severe, 7; slight, 21; total 29. 5, No record is kept of the value of property destroyed by fire.

### QUESTION—RAILWAYS, WOOL AND TIMBER FREIGHTS.

Mr. TONKIN asked the Minister for Railways: What reductions, if any, in the railway rates charged for the transport of wool and timber respectively have been made by the Railway Department during the last five years?

The MINISTER FOR RAILWAYS replied: Wool: Approximately 30 per cent.; timber: 16 2/3rd per cent., on timber exported overseas, 12½ per cent. on timber exported to Eastern States.

### ORDER OF BUSINESS.

Mr. MARSHALL: Before the Orders of the Day are called on, I should like to ask you, Mr. Speaker, whether it was not clearly understood on Wednesday last that the member for Fremantle (Mr. Sleeman) should have pre-audience to-day? If that