

a continuance of such conditions? I know of some growers who have not averaged anything like a fair return for their labour for many years past.

Similar legislation to that outlined in the Bill has been passed in the Eastern States, and it is high time we followed suit in Western Australia. The Bill, if agreed to, will result in certain records being provided which the advisory committee can make use of, and a fund will be created from which necessary expenses will be defrayed. I do not intend to reiterate statements made by other members, for the Bill has already been fully discussed. There do not appear to be many points at issue.

I do not agree with some of the remarks made by members, because this is a very important industry. Although at times high prices have been recorded—I have known of instances when over £20 a ton was obtained—I assure members that the average price is indeed low. When conditions are such that the growers cannot afford even to dig the potatoes, the consequent loss is great not only to individual producers but to the State as well. For that reason it is essential for members to agree to the Bill, and to support the Government in its desire to give effect to the measure. I support the second reading.

On motion by the Honorary Minister, debate adjourned.

House adjourned at 8.20 p.m.

Legislative Assembly.

Wednesday, 12th November, 1941.

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

QUESTION—TROLLEY BUSES, SWANBOURNE SERVICE.

Mr. NORTH asked the Minister for Railways: 1, Are any of the "Singapore" trolley buses to be used to augment the existing service during busy periods as far as Swanbourne, or only as far as Lochstreet, Claremont? 2, Is Western Australian industry yet in a position to manufacture replacements for the trolley service, and if so to what extent?

The MINISTER FOR RAILWAYS replied: 1, They will be used on both sections. 2, All the bodies for the trolley buses are built at Midland Junction.

BILLS (2)—FIRST READING.

1. Child Welfare Act Amendment.
Introduced by the Minister for Labour.
2. Main Roads Act (Funds Appropriation) (No. 2).
Introduced by the Minister for Works.

MOTION—GOVERNMENT BUSINESS, PRECEDENCE.

THE PREMIER (Hon. J. C. Willcock—Geraldton) [4.34]: I move—

That on Wednesday, the 19th November, and each alternate Wednesday thereafter, Government business shall take precedence of all motions and orders of the day on Wednesdays as on all other days.

This is the usual motion generally introduced early in November. While there is

comparatively little private members' business on the notice paper, there is a good deal of Government business yet to be transacted before the session can close. Already we have given extensive consideration to business introduced by private members, and once or twice we have disposed of all items they had on the notice paper and have been able to devote attention to Government business. Naturally, the Government appreciates private members bringing forward early in the session matters they wish dealt with because Government business necessarily has to be transacted throughout the whole period and, obviously, some measures have to be introduced at a late stage. There is not much private members' business left for consideration now and no harm can be done if we agree to the motion, the moving of which is usual at this stage of the session.

HON. C. G. LATHAM (York) [4.35]: There is not much Government business on the notice paper.

The Premier: There are 20 items.

Hon. C. G. LATHAM: There are 20 items all told, but not all refer to Government business. I do not know that there is any necessity at this stage to set aside private members' business. I understood there was an arrangement for a meeting tonight and I was hoping that we could have postponed this until next Wednesday.

The Premier: I can discuss that with you privately.

Hon. C. G. LATHAM: I recognise that the motion is the usual one introduced at about this stage of each session and I do not intend to oppose it. However, I ask the Premier to give the House an assurance that private members will have an opportunity to discuss not only their business that appears on the notice paper today but any new matters they may like to bring forward. They have equal rights to those enjoyed by the Government and certainly should be allowed sufficient time in which to have their business transacted. I notice that on the list of business today a Government measure is fourth in order and is at the second reading stage.

The Premier: That will not take any lengthy period.

Hon. C. G. LATHAM: I was getting a bit apprehensive about it as it seemed to be an indication that the Government intended

to take up the time that should be devoted to private members' business.

The Premier: That is not so.

Hon. C. G. LATHAM: We have expedited the work to be transacted, although perhaps the most difficult part of the legislative programme is still to be dealt with. The Companies Bill will take some time to dispose of and I am not sure that it is important it should be finally dealt with this session. Plenty of time should be devoted to it because it is an important measure.

The Minister for Justice: I think we should dispose of it this session.

Hon. C. G. LATHAM: Of course! All Ministers, but more especially new Ministers, become possessed of a sense of importance regarding matters they have to deal with, and consider it necessary that they should be dealt with. We may not all agree with the Ministers' contention. When we pass legislation and then amend it from time to time, the public finds difficulty in understanding what the law really is.

Mr. SPEAKER: Is the hon. member speaking to the motion?

Hon. C. G. LATHAM: Yes. It deals with legislation. I want private members to have ample opportunity to deal with matters they bring forward, or may introduce, before the session ends.

MR. McDONALD (West Perth) [4.37]: The motion is the customary one advanced at this period of the session and, apart from the Companies Bill, the legislative programme would appear to be well advanced. Can the Premier give the House some idea when he anticipates the session will close? At this stage it is usually possible for the Government to form an idea as to when the business will be completed and it would be interesting to members to have the Premier's forecast.

THE PREMIER (Hon. J. C. Willcock—Geraldton—in reply) [4.38]: I do not intend to prophesy on the basis of advance already made with Government business and in the light of anticipated measures yet to be dealt with. I do not expect that any important legislation will be introduced other than that of which notice has already been given. The difficulty is to know how much time will be taken up by the House in discussing various Bills. I thought I would get Supply Bill (No. 2) through the

other night in two or three minutes, as is customary, but its introduction led to a long discussion on the war and other matters, with the result that it was not passed till very late that evening. Then on another occasion I told the Minister for Lands that I would put up his small potato Bill as it would not occupy much time. To my consternation, it led to a very long debate and Government business that I wanted proceeded with that evening could not be dealt with.

Hon. C. G. Latham: That explains the trouble.

The PREMIER: There was no trouble at all about that. It is not possible to prognosticate just how fast we shall get on. I thought we might have made a little more progress than we did last night on the Companies Bill. A whole night had been set aside for that measure, but only two clauses were disposed of. If the future progress of the Bill is at the same rate, its consideration will occupy a couple of years. I have thought that as usual we might close the session in the second week of December, as was the case with the two previous sessions. If that expectation or wish is to be realised, greater progress is required.

I am concerned about the business we desire to transmit to the Legislative Council. Latterly the Council has adjourned over Thursday two or three times, on the ground that there was not sufficient business on the notice paper to justify calling members together to discuss it. If we go on debating the Companies Bill for three or four days, we shall find another place with nothing on its notice paper, except what might originate there. The result would be that one House of Parliament would not be sitting because of lack of business, and that there would be a tremendous rush on the last two or three days—which, of course, all members want to avoid. The Government is anxious to send up to the Legislative Council those Bills which have to be given consideration there. Therefore it is necessary to make reasonable progress.

As regards the other business, I do not think private members have any complaint to make. On one occasion we went through all of the private members' business on the sheet. On another occasion we disposed of private members' business and got on to Government business. I cannot give the Leader of the Opposition a blank cheque to

the effect that we can go on sitting here week after week to discuss business which private members may bring forward in the future and which does not interest members generally.

Question put and passed.

ASSENT TO BILLS.

Message from the Lieut.-Governor received and read notifying assent to the following Bills:—

- 1, City of Perth Scheme for Superannuation (Amendments Authorisation).
- 2, Inspection of Machinery Act Amendment.

BILLS (2)—THIRD READING.

- 1, Financial Emergency Act Amendment.
- 2, Mortgagees' Rights Restriction Act Continuance.

Transmitted to the Council.

BILL—FRANCHISE.

Third Reading—Defeated.

THE MINISTER FOR JUSTICE (Hon. E. Nulsen—Kanowna) [4.44]: I move—
That the Bill be now read a third time.

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

Ayes	..	..	..	..	24
Noes	..	..	..	..	21
Majority for					3

AYES

Mr. Collier	Mr. Nulsen
Mr. Coverley	Mr. Panton
Mr. Cross	Mr. Raphael
Mr. Fox	Mr. Rodoreda
Mr. Hawke	Mr. F. C. L. Smith
Mr. J. Hegney	Mr. Styants
Mr. W. Hegney	Mr. Tonkin
Mr. Johnson	Mr. Triat
Mr. Leahy	Mr. Wilcoch
Mr. Marshall	Mr. Wise
Mr. Millington	Mr. Withers
Mr. Needham	Mr. Wilson

(Teller.)

NOES.

Mr. Abbott	Mr. North
Mr. Berry	Mr. Patrick
Mr. Boyle	Mr. Sampson
Mr. Cardell-Oliver	Mr. Seward
Mr. Hill	Mr. Sheara
Mr. Hughes	Mr. Thorne
Mr. Keenan	Mr. Warner
Mr. Latham	Mr. Watts
Mr. Mann	Mr. Willmott
Mr. McDonald	Mr. Doney
Mr. McLarty	

(Teller.)

PAIRS.

AYES.	NOES.
Mr. Collier	Mr. Stubbs
Mr. Holman	Mr. J. H. Smith

Mr. SPEAKER: As the Bill requires to be passed, under Section 73 of the Constitution Act, 1889, by an absolute majority of the whole number of members of the House, and as the Division discloses that no such majority has voted in favour of the third reading, I declare the Bill defeated.

Bill defeated.

MOTION—HOUSING ACCOMMODATION.

To Inquire by Select Committee.

MR. HUGHES (East Perth) [4.48]: I regret that I have to address the House in such a hostile atmosphere. I move—

That a select committee be appointed to inquire into—(a) whether there is a shortage of housing accommodation in the State of Western Australia; (b) whether, and if so to what extent, housing accommodation is being supplied by buildings known as “flats”; (c) whether the rents charged for housing accommodation either as flats or otherwise are excessive; (d) whether the extension of flat living is in the best interests of the community; (e) whether the facilities for acquiring the ownership of a home are within the reach of the citizens of the State upon reasonable terms and conditions; and to report thereon, and also to recommend ways and means, and any legislation necessary, to remedy any shortage of living accommodation, excess rentals, deficiencies of flat living, and inadequacy of facilities for acquiring home ownership.

The motion is one for inquiry into a matter that is of vital importance to a large section of the community, and especially to that section which resides in the electorate I represent.

Mr. Withers: It would not be where soldiers' wives are living!

Mr. SPEAKER: Order!

Mr. HUGHES: Plenty of soldiers' wives live in East Perth; and they are fully alive, without any prompting from me, to the hypocritical attitude of the member for Bunbury (Mr. Withers), who wanted to take their husbands' votes.

Mr. Withers: I ask for a withdrawal.

Mr. SPEAKER: I think the member for East Perth had better withdraw.

Mr. HUGHES: Yes, Sir. I would say this, “If you come in with your head down and you then get hurt, you ought not to squeal.”

Mr. Marshall: I ask for an unreserved withdrawal of that remark.

Mr. SPEAKER: To what words is the hon. member objecting?

Mr. Marshall: To these words, “If you come in with your head down and you get hurt, you ought not to squeal.” There is an imputation in those words.

Mr. SPEAKER: The member for East Perth may proceed.

Mr. HUGHES: Out of deference to the tender feelings of the hon. member, I withdraw the remark. The subject-matter of this motion vitally concerns particularly my own electorate where most of the people are on the lower income strata, and where the finding of homes and places in which to live represents something of great importance. Periodically, ever since I have been taking part in public life, notwithstanding that there are bursts of building activity from time to time, there has always seemed to be cropping up a shortage of living accommodation for the people in the metropolitan area. When that shortage occurs inevitably there is an increase in rents. People find it difficult to secure accommodation at reasonable rents, with the result that they are forced into—I think this is very bad for the community—dividing houses whereby two or three families are compelled to share the same dwelling. That destroys family life, and does not give the people adequate home facilities.

Recently my attention was called to the fact that there must be a very acute shortage of houses particularly in the metropolitan area. At present it is almost impossible for a man who has a wife and children, whether he be a soldier or a civilian, to find the requisite accommodation. Even flats, with all their disabilities, are hard to get. I suppose half-a-dozen times during the past six months complaints have been made to me by my electors, and other people in the metropolitan area, that when they go to rent a house or a flat the first question the land agent asks them is, “Are there any children?” When a prospective tenant is obliged to confess that there are one, two, or three children—particularly if those children are between the ages of 4 and 10—the agent will not let them have a house under any consideration. I know of one woman with two children who tramped from one land agent in Perth to another. Inevitably she was met with the question, “Have you any children?” The moment she disclosed

that she had two children under 10 years of age, the land agent said, "We are sorry, but the owner will not allow the premises to be leased." A great penalty is imposed upon people through their inability to find accommodation for their families. I suppose the fact that a war is on, and that a number of soldiers' dependants have migrated to the city seeking accommodation while the men are away fighting at the war, has aggravated the position to which I draw attention. The problem is a very acute one.

Because of the restrictions that have been placed on mortgage moneys by the Federal regulations people who were building small cottages for letting purposes have abandoned the projects. I know one large firm the proprietor of which said, "We cannot go on building cottages because the method of finance is such that we have to create first mortgages, and with all the trouble we have in getting consent to the mortgage and having to apply in each instance for such consent, the business becomes prohibitive and we shall have to abandon our building operations." The acute shortage of houses has manifested itself in another way. This Parliament passed legislation that so long as the rent that was being paid before the operation of the Act was continued the landlord could not get possession of the premises, except in certain cases where he required them for his own use. Efforts are being made amongst land agents to refuse the rent, and to resort to the expedient of not calling for the rent. Whereas previously they have called regularly for it they have ceased to do so and allowed the rent to get into arrears. In some cases they have taken the extreme step of refusing the rent in the hope that the tenant, being in arrears, could be bluffed out of the tenancy, and in some instances they have succeeded.

When demands have been made for the premises on the ground that the tenant was in arrears—the tenant was probably not aware of his or her strict legal rights—the premises have been given up and the landlord has been able to regain possession of them and re-let them at a higher rental. It seems to me from the information I have obtained there is at present an acute shortage of houses. When such a shortage occurs it is apparent that with the stoppage of buildings of that type there is also a cessation in the training of persons to work

in the building industry. One of the saddest things that will occur as a result of the war, and it arose out of the last war, is that boys between the ages of 16 and 21 who would today normally be apprenticed and would be learning a trade or calling, by which they would be fitted to take their places in the industrial and commercial life of the community, are not now getting that training.

Because of the stoppage in the building of houses boys who would be serving apprenticeship are now being trained as soldiers. If the war lasts for a long time, when they return they will have passed the most receptive years of their life, and it will be difficult to train them back into the industries in which in normal circumstances they would have been trained. I suggest that inquiry into that aspect would have a beneficial effect, not only as to the immediate future, but for the reason that it must be one of the avenues that will have to be explored if we are going to arrive at the new post-war order to which we are all looking forward, although most of us have a different view from that of our neighbours as to what that new order is going to be. If there is going to be any actual progress in post-war economy it should, in one direction, at any rate, take the form of improved living conditions for those belonging to the lower income groups. I remember in my short political life that we very rightly concentrated at one stage upon lifting the wages and shortening the hours of working men. That in itself proved very effective.

Today we have to endeavour to lift the living standard of the working man, not so much by raising his wages as by giving him better value for the money he receives, by placing within his grasp opportunities to obtain a better standard of living with the money he derives from his wages. It is now fairly commonly recognised, even amongst those who like myself have always believed it was a good thing to raise wages, that we have reached the stage when the basic wage is only raised when statistical evidence exists that the standard of living will not be increased. It is merely a case of the dog chasing his tail now. When it can be shown that the basic wage is providing more in goods and services, it is raised. The provision of housing accommodation is, I suppose, the major expense of the

working man. It would be quite safe to say that 25 to 33 per cent. of a working man's total wages are absorbed in providing house accommodation. If we can devise ways and means of giving him better housing for the same proportion of his income, we will have made a material advance in raising his standard of living.

I had the privilege of being a member of a Royal Commission, appointed by the present Government, to inquire into certain aspects of the administration of the City Council, and one of the matters into which we inquired was the building of flats. Everywhere about us we saw flats going up. I can well remember that one of the questions on which the Commission took a lot of evidence and had much discussion was that dealing with the amount of land that had to be utilised when building flats. I cannot recall the exact amount that we were told would have to surround each flat, but I do recollect that, according to the City Council people and according to the Town Planning Commissioner, a flat had to be surrounded by what appeared to me to be a substantial piece of land. My observations, day by day, show that a flat, apparently, has not to be surrounded by any land at all. It seems that the by-laws providing for the space surrounding a flat refer only to that space between the roof of the flat and the skylight. Within the last few days a building containing at least four flats has been erected on a piece of land with a frontage of 33 ft. to Stirling-street.

Mr. Marshall: It has to be 3 ft. from the boundary.

Mr. HUGHES: I could not find even 3 ft. in this particular case. I understood from the inquiries made by that commission that flats required to have more than 3 ft. on each side of the building. If that is so, it is an appalling state of affairs.

The Minister for Lands: The only space they have is atmospheric space.

Mr. HUGHES: I might have misunderstood the information, but I believed that the City Council by-laws laid down that, if a building of two, three or four storeys were erected, a certain amount of ground space had to be provided, equivalent to so much for each storey. If four storeys of flats, therefore, were built, a certain amount of ground space had to exist free from all buildings. The reason given was that this was to stop the huddling of build-

ings, but if members walk down the Terrace and look at some of the flats which were built at the time the commission sat, they will find that they are built wall to wall. The building line goes right out to the street and not 40 square feet of space could be found at the back, including space for the laundry and other conveniences. This is very bad. Inevitably these flats will deteriorate into slums. As they become ten years old and fresh flats go up with further modern conveniences, we will find that these flats will develop into slums.

Even the 3 ft. space the ordinary owner is obliged to provide is not adhered to with flats as far as I can see. There seems to be no control. The City Council does not appear to be exercising any control over the building of flats. If a person owns a piece of land three or four storeys can be put up.

The Minister for Works: You had better be careful what you say about the builders. You must not say anything against them; they are very thin-skinned!

Mr. HUGHES: If any city councillor would like to challenge what I say about flats, I could show him in the course of a half hour's walk—without using any precious petrol—around the town, a number of buildings which have been erected since the Royal Commission sat, with practically no land space not occupied by buildings. That surprises me in view of what we were told. I wonder whether this system we have adopted of crowding people into flats where the rooms are hardly worthy of the name, is right. Many of the rooms are 8 ft. by 10 ft., and the furniture is fitted into the walls so that a minimum of space is used. In some flats it is necessary to go outside to turn round if there are two people in a room. Surely in a country like this, with open spaces and sunshine, we should try to get away from the crowding which exists in the Old World and the Eastern States. It is a retrograde step to huddle our people together in flats. There is no such thing as family life in flats. It is pitiable to see children cooped up in them and denied any opportunity to live their lives properly, and expand and develop in the manner of normal children.

The flat is definitely striking a blow at our national life. It is wiping out family life and denying children the right to play and develop their muscles and organs as they should, by not having space in which they

can run around. This House should take note of it before the matter goes further. I can remember when the flat epidemic started at Kings Cross in Sydney. Flats were built and landlords were receiving three and four guineas a week for a small amount of floor space. Within 10 years these so-called up-to-date modern flats became rabbit warrens, and are some of the worst known slums in Sydney today. I do not want to see that occur in this State. It might be said that by means of the extension of flats accommodation is being provided for the people at a much cheaper rental than is charged for houses in the ordinary course of events. That is not so! If the average floor space provided in an unfurnished city flat is compared with the amount of floor space provided in the ordinary suburban cottage, it will be found that the flat contains only about one-third of the floor space. In other words, the rent charged for flat accommodation is about three times that usually charged for ordinary houses.

Mr. North: And they have no garden space.

Mr. HUGHES: That is so. It is the boast of the people who build flats for owners of land that they can make 16 to 20 per cent. clear profit on their investment. That is absurd. It is not right that on the best security known in the world—that of real estate—by virtue of building these flats on small spaces, cutting down the size of living rooms, reducing the height of walls and letting the dwellings at exorbitant rents, the owners can make 16 per cent. to 20 per cent. clear. They are making that definitely at the expense of the nation. They are getting a few extra pounds and getting it quickly and easily, but they are doing it at the expense of the public health, and they are retarding the progress and health of the nation. We should go into the question of flats and the excessive rentals charged. An inquiry following on similar lines to the previous one would disclose that many flats are such that no persons should be allowed to live in them. We are continually passing legislation in an endeavour to save people from themselves. This is one activity we would be justified in questioning. In the interests of the people at large, and in the interests of the continuance of our nation as a healthy one, we should inquire exhaustively into the question of flats, the lack of space surrounding them, and the rentals charged.

This House should set up a committee to inquire into that serious aspect. We should go into the question of whether the people are getting value for the rents they are paying today. There are buildings in my electorate 50 years old which, 30 years ago, were rented at 8s. a week. They are bringing as much as £1 a week today without having been renovated or modernised. Many of them have had no money spent on them in the way of repairs. They have simply been allowed to remain occupied because the tenants are not in a position to purchase the houses.

I come now to the final part in my motion: The prospects of acquiring a home. The best system that we could have for housing the people would be that every family unit has the means of providing itself with a home which, in due course, would become the property of the head of the household. A sound foundation upon which to build our family life would be to assure each young couple that so soon as they were married, they would be in a position to start acquiring a home of their own and know it would ultimately be theirs. They could develop it and keep it in order. This Parliament, and the people of Western Australia, have seriously to consider whether, in view of the post-war economy, we will be allowed to continue holding this vast country with a mere handful of people; whether in the post-war settlement it will not be stressed, very forcibly, that we cannot hold a big slice of the world with no one in it, and keep others out. Therefore it is advisable that we should seek a good base for the development of the family life in this State.

It is often said that there are any amount of facilities available to people by which they can acquire homes of their own. Well, Mr. Speaker, there are not! For a start, the home building industry is based, not on supplying the requirements of the people, but on the making of money by the lending of money. The whole organisation of cottage and small home building does not start with the basic principle of providing a utility for the public. It is based on the fact that it is an adequate and safe means of lending surplus money. Today we see advertised by building societies and by various people the fact that one may borrow so much on first mortgage and pay it off at so much a week including interest, but on the average the

loans made available by investment and building societies involve repayment of double the amount borrowed. A person who borrows money from those institutions at their rate of interest, with repayments spread over a period, pays back approximately £1,600 for an £800 loan.

Mr. Fox: More than that!

Mr. HUGHES: Yes, if the term is a long one, but taking the ordinary term of 16 years, a person who borrows £800 and pays it back on the extended plan of principal and interest repayments ultimately pays £1,600. If the term extends to 35 years or more, the interest becomes two or three times the amount of the principal. In order that a working man may get a home under our present financial system, therefore, he is required to pay twice the value of the home.

Before the depression a large number of people who had struggled to get together sufficient money to buy a block of land, or who had the equivalent of the cost of a block of land, entered into contracts whereby they had homes built for themselves on extended terms. When the depression came they could not maintain their payments, with the result that their equities were wiped out overnight. After having paid £200 or £300 off the price of their homes, they had to walk out and leave them to the mortgagees. Members, when shedding tears over the mortgagee, probably forget the unfortunate purchaser who, after struggling for years, and after paying 20 or 25 per cent. off the cost of his house, had to walk out and leave the mortgagee with his security intact. If the mortgagee has suffered some hardship through not being able to realise his security, he at least has had his security maintained. These are not isolated cases. They occurred by the thousand in the metropolitan area during the depression; thousands of people had to walk out and leave their equities.

I do not propose to weary the House by giving a lot of figures, but I want to refer roughly to the basis of home building in our metropolitan area and, I understand, in all the countries of the world. If a person has a block of land worth £100, by virtue of making this a deposit, he can have built on the land a house worth £900, making his security in all equal to £1,000. The principle adopted is that the builder who contracts to

erect the place normally allows 10 per cent. builder's cost. He works on the basis of 10 per cent. Therefore, in a £900 house, there is approximately £100 profit, which is quite normal and does not give the builder excess profit. Normally it allows him to take a fair margin for the service he performs. In the £900, however, there is only £800 of workmanship, including the builder's profit, because the house is loaded to the extent of £100 in order that the second mortgage may be discounted.

The second mortgage is dealt with in this way: If it is a job of £1,000 for house and land, the builder can borrow up to two-thirds of the value, approximately £600, on first mortgage. The extent to which the building of cottages takes place depends upon the extent to which first mortgage money is available. If the builder gets £600 at 5 per cent. or 6 per cent., he has the money with which to build, but there is a £300 equity between the cost of the building and the first mortgage. The builder, as a rule, cannot afford to hold the £300 second mortgage, so, in order to carry on, he discounts the second mortgage. The second mortgage generally carries interest at the rate of 6 per cent. or 7 per cent. For a second mortgage of £300, a buyer would give only £200, because he will not accept 6 per cent. or 7 per cent. interest on second mortgage security. He pays £200 for the £300 equity, and that raises his rate of interest. Consequently, there is £100 of dead money that has been loaded on to the price, so that when the buyer of the second mortgage purchases at £200, instead of getting 6 per cent. on £200, he gets 6 per cent. on £300, thus obtaining 9 per cent. or 10 per cent. on the money actually provided. Nearly every home built in Perth is loaded with £100 of dead money. This is a dead weight on the purchaser in order to make extra interest provision for the second mortgagee.

If we start with a £1,000 proposition, of which the land is worth £100, the purchaser gets £800 of value for which he is debited £900. He has had to pay at the outset £100 for which he receives no value at all. This is a secure way of charging 9 per cent. interest on money lent, while ostensibly showing in the contract a rate of only 6 per cent. If the purchaser pays 6 per cent. interest on the £600, that means £36 a year, and £18 on the remaining £200 would bring

his liability to £54 a year. Therefore, before he starts to pay a penny off the cost of the house, he has to find £54 a year to cover interest charges. Rates and taxes would amount to another £15 a year, and so the purchaser has to pay about 30s. a week before he begins to make any impression on the principal sum. Consequently those people who pay £50 deposit and undertake to pay 27s. 6d. a week to cover first and second mortgages, pay, plus their rates and taxes, about 32s. 6d. or 35s. a week without reducing the principal by any appreciable amount. They may go on paying for 35 or 40 years before they get the principal down.

From these figures members will realise how difficult the position is. These are people in a position to start off by putting up £50 or £100 deposit or the equivalent in a block of land. What they want is cheap money. I suggest that Parliament might well inquire into this aspect. I have a theory, and perhaps I may be pardoned for saying that the bane of a member's life is the man with an idea. I would cheerfully have provision inserted in the Criminal Code to permit of the shooting of such a man on sight.

Mr. Sampson: He could commit suicide.

Mr. HUGHES: Yes. The hon. member reminds me of the Greek philosopher who did not care whether he lived or died, and so he went on living. Unfortunately, the member for Swan seems to be a great philosopher.

Mr. Sampson: I am trying to show you the light.

Mr. HUGHES: There is no doubt that the basis of our currency and the basis of our financial stability is money loaned on the security of real estate. If we want to borrow money from a bank, the first thing the bank manager asks is, "Have you any real estate?" Bankers know from centuries of experience that when real estate values fail the nation ceases to exist, and that in those parts of the world where towns have ceased to exist real estate values have also ceased to exist. There are fluctuations from time to time. Notwithstanding all the fuss and talk about inflation in Germany, the value of land in Germany today is as great as it was before the 1914-18 war, and there is not one acre less of land in Germany than there was before that war.

Mr. Raphael: I do not think you are right there.

Mr. HUGHES: The land is still there. Although land values may have fluctuated, those people who had security over the land or who owned the land found that it made no difference to them. Ultimately the land came back to its true value, as it must do, because land is the one thing we cannot do without. So it is recognised that the best of all security is that based on land. Those who lend money ask, "Have you any real estate?" If we want to find out a man's financial stability, the first thing we do is to go to the Titles Office and ascertain what real estate he owns. It is recognised that this is a security which never fails.

After the war we shall have to find a new currency basis. Enormous borrowing is going on all over the world. Great Britain started the war with a debt of nearly £9,000,000,000, and goodness knows what it will be when the war is over. With our own small community owing about £1,300,000,000 before the present war, we shall probably finish up with an indebtedness of £3,000,000,000. Unless we find a new currency basis, the people at large will be so ground down that their standard of living will disappear; they will have to cut their standard to pay the interest due to lenders. So it will be necessary to alter the basis. We are supposed to have a gold standard, but we know that only 15 per cent. of the note issue is represented by gold. The Commonwealth Bank is using notes against debentures. I do not know what debentures they are, but in the note issue statement the bank shows that all except 15 per cent. of the note issue is backed by debentures.

I suggest that a sensible way of solving a good many of our economic problems in Australia—and this would apply also to other parts of the world—would be to shift the basis of our currency, not to go away from gold insofar as we have a gold basis—let that remain—but shift the basis of the balance from gold to real estate. We could do a tremendous service to the people of Australia if we could arrange a planned currency based on real estate. This is how I suggest it could be done: If a person wants a £1,000 home, the £600 of first mortgage could be advanced by the Commonwealth Bank with the note issue behind it, even if the note issue had to be expanded. The £600 should be advanced at once

per cent., which would cover handling charges and build up an extensive reserve, much greater than would be needed to cover the first mortgages. Even in the depth of the depression, we did not reach the stage when real estate fell to less than first mortgage values. Even when real estate dropped 30 per cent., in very few cases did it reach first mortgage values. Consequently there would not be the remotest chance of any losses occurring.

If the first £600 required by a working man for a home could be made available at one per cent on a planned currency and frozen for, say, five or six years, that would take from the market the lending of money on first mortgage. It would also mean that the second mortgage security would become more valuable; money on second mortgage would be readily available at 5 per cent. or 6 per cent., without any loading. In this way we could give every working man an opportunity to secure his own home to the value of £1,000. He would be charged only £8 per annum for the £600, instead of £36, thereby giving him a clear rise of 15s. per week in his standard of living. The second mortgage could be paid off in five or six years, because if he paid what he pays to-day, and had only to deduct £8 for the first mortgage, his payments would easily wipe out the principal and interest on the second mortgage in five or six years. After that period he could be called upon to reduce the amount of the first mortgage. It would, therefore, be possible for the average working man, by paying 30s. a week—as many of them do today—to acquire complete ownership of a home within 15 years, because he would be relieved of the payment of £30 per year for 15 years, in all, £450. And there would be no inflation of currency! After all, there can be no inflation of currency when the expansion of currency is backed by assets.

Currency can be expanded indefinitely provided there are assets to back it. It is only when there is nothing to back the currency that it becomes inflation. On a planned currency, the volume of currency could be expanded and contracted to meet the demands of the people from time to time. Of course, the scheme would take away from those who live by lending money the best lending asset in the State. Every financial institution would rightfully say, "You are

going to take from us as a medium of lending the best security we have. You are going to take from us the stable loan market." But I think the time has arrived when we should take this stable loan market in order to plan our currency. I have discussed the matter with many people, including a bank manager, who said, "The scheme is all right, but it will ruin the bank's business." By virtue of a planned currency which can be expanded—not at the whim of some individual and only when there is an equivalent in bricks and mortar, the best security in the world—and which can be contracted as the persons paid back, we can establish a scientific basis and raise the standard of living of the people, particularly those with lower incomes, whose standard of living would be raised by at least 15 per cent. to 20 per cent.

I submit this proposal as an extremely important post-war avenue through which we can establish a new order. If we can say that the new order will be based on the principle that every family unit will be given an opportunity to secure a home, purchasable within a reasonable time, we shall lay the foundation of a material improvement in living conditions. We will not have what we see today, thousands of people who, after having worked all their lives and reared families and having reached the stage when they are to get the old-age pension, have no roof to cover their heads; and this notwithstanding that during their lifetime they have paid for a home two or three times over. I move this motion with a view to finding out whether we can gather data and make recommendations which, if they do not solve the existing problem, will at least help to do so. We shall then have achieved something which will be of material benefit to our people in the future.

The objective is to establish a home for each family, to abolish rents and landlords and abolish the present system of lending money on first mortgage. Let the money that is at present lent on first mortgage today merely as an interest-making proposition go into industry. Let the people who want 5 per cent. and 6 per cent. on first mortgage put their money into something more speculative. Let them put it into industrial development. Today, if money is required for industrial development, the interest charged is 12½ per cent. up to 15

per cent., because there is such a good market for money on first mortgage at 5 per cent. and 6 per cent., with absolutely no risk. There are people today who want 10 per cent., 12 per cent. and 15 per cent. for their money if there is the slightest element of risk. On motor cars and wireless sets the excessive rate of 30 per cent. is charged; it is called a 6 per cent. or a 10 per cent. flat rate, but in reality it works out at 25 per cent., 30 per cent. and sometimes 40 per cent. The reason is, as I have said, because there is such an excellent market for first mortgages. We ought to be prepared to divert that money to a planned currency such as I have suggested, and thus give people an opportunity to own their own homes.

MR. RAPHAEL (Victoria Park) [5.38]:

I am prepared to support the motion provided the mover will agree to the addition, after the word "flats," in line 3 of paragraph (b), of the words "or maisonnettes."

Mr. Hughes: I have never heard of them, but I will agree to the addition.

Mr. RAPHAEL: Maisonnettes are a pernicious system. Their construction has been permitted because of a regulation by the City Council precluding the building of two dwellings joined together.

The Minister for Works: Semi-detached cottages.

Mr. RAPHAEL: Yes. Maisonnettes were formerly called semi-detached cottages. The name has been changed in consequence of the regulation to which I have referred. I do not know whether members are aware of this or not, but the Minister for Works was attacked in no uncertain way by members of the City Council on account of some remarks he made. In passing, I desire to pay a tribute to the Minister for Works for his action in the case of the soldier's wife whose circumstances I brought under the notice of the House. Thanks to his kindly effort, that woman was provided with a home within a week. It is only just that the public should know of this. I have also to thank the Premier for having made the money available. I would like to pay that tribute on the floor of the House.

To my mind, the member for East Perth (Mr. Hughes) is to be commended for moving this motion. The financial part I shall leave to his tender care, but he is worthy of

the highest regard of this House for proposing that an inquiry should be made into housing accommodation, and particularly flats. The present position with regard to the erection of flats should be exposed to the light of day; and I hope that the Minister for Works, when replying to the motion, will make mention of the way in which the City Council is permitting the building of flats at present. The Minister objects to flats at Wembley and I object to maisonnettes and flats at Victoria Park. The maisonnettes are built by men who desire to save the outlay of a few paltry pounds for land and divisional walls. Blocks of land in Victoria Park can be purchased for £25 or £30; yet in the street next to mine a pair of semi-detached cottages has been built; under the by-law of the City Council they are called maisonnettes. Flats have been erected in King George-street, where I live. There are thousands of blocks of land available in Victoria Park for homes, yet we find the City Council granting permits for the erection of semi-detached cottages or maisonnettes on blocks with a frontage of only 50 feet.

The member for East Perth touched on a phase of this subject in almost the same words as I used at a meeting of the City Council on Monday. If flats continue to be built as in the past, what is going to happen to our young people? Recently I brought under the notice of members a case where a landlord refused to let a house to some prospective tenants because they had children. As to the people living in flats, we need not worry, because 90 per cent. of flat-dwellers have no children. The atmosphere of flats may have something to do with the absence of children. Flats are also being built in the suburbs and, if this practice is permitted to continue, there will be no room for children to play except in the street. And this in a State where there is ample land available for homes! I hope the proposed select committee will be appointed, because it could inquire into one phase I mentioned, the refusal of landlords to let houses to people with children. There is no need for me to elaborate on this motion, which I think should commend itself to the House. Municipal councils and road boards should have brought to their notice the great danger of permitting the further construction of flats and maisonnettes, and this House should take steps to prevent it.

Mr. North: Why not carry the motion now?

Mr. RAPHAEL: I am doing my best. I have already drawn the attention of members to the hostile attitude adopted by the City Council towards the Minister for Works because of his remarks about the action of the building committee during the last few months. Permits for the construction of of flats have not been granted to any specific person by the Perth City Council. Applications for the construction of such flats have been made by a syndicate without a single name being mentioned, and those applications have been passed by the Perth City Council. The applications were made in the name of the syndicate. That applied until the last application was made and, some trouble being expected, the names were revealed.

There were three people concerned. One was Mr. Levy. Another was Mr. Krantz, who by some strange chance appears to get the job of constructing most of the jerry-built flats in this city. The Government has had to take him to task on several occasions and the City Council has done the same. Quite a number of his applications have been refused. The member for North-East Fremantle (Mr. Tonkin) has discussed the limited wash-house accommodation and kitchen space provided in flats designed by this gentleman. Mr. Krantz was the most energetic architect in connection with the construction of flats, but from having designed flats for other people he has now become a member of a syndicate with a view to constructing flats for himself and the other members of the syndicate.

As I have already mentioned, a number of applications have been submitted to the Perth City Council without a name being mentioned, and that should not be allowed to continue. I commend the Minister for what he said the other day. I tried to secure an amendment to the Perth City Council's protest and its suggestion that the Minister should be castigated for his attitude. Although he has stood loyally by the council in the past, that was more than the council was prepared to do for him.

Mr. Doney: He has stood loyally against it, you mean.

Mr. RAPHAEL: He has been loyal to it. He has loyally backed up the council in the past.

Mr. Doney: I am not complaining about his attitude.

Mr. RAPHAEL: The council did not do so either. I do not think it could find a single instance in which he has opposed it. If the motion is agreed to it will result in a revelation of the number of flats being erected and the rents charged, and the danger to the race will be brought prominently to the fore. We shall see the decadent position that is arising through people living in these flats and refusing to have children.

The Minister for Works: I intend to expose the star chamber methods of the building committee of the Perth City Council.

Mr. RAPHAEL: If the Minister does that he will be doing the right thing.

The Minister for Works: Are you on the committee?

Mr. RAPHAEL: No, I am not allowed to be on the committee. The Perth City Council has a very special committee. Only people with—

The Minister for Mines: Brains!

Mr. RAPHAEL: No! I am sure the Minister would be on the committee if he were a member of the council, and he has not any brains, except for interjecting. The committee of the Perth City Council is composed of men of outstanding ability. There are two master builders, one architect and two laymen on the committee. I believe, though I am not sure, that there was another master builder.

The Minister for Works: Why do they call them laymen?

Mr. RAPHAEL: One gentleman has retired and the other is the proprietor of a shop. They are on the committee as guides. It was claimed at the council meeting that the Lord Mayor was ex officio a member of all committees.

Mr. SPEAKER: I do not think we are discussing Perth City Council meetings.

Mr. RAPHAEL: The Perth City Council is the body that is granting permits for the building of maisonettes against the regulations, and is handling permits for flats. The council is not paying due regard to the permits that are being granted. I have referred to a syndicate that has been submitting applications for permits, and without wishing to oppose your ruling, Sir, I think that the subjects are linked with each other.

Mr. SPEAKER: The motion has nothing to do with the meetings of the Perth City Council.

Mr. RAPHAEL: I support the motion, and I hope the Government will do so.

The Minister for Works: I think you might have moved along those lines at the Perth City Council meetings.

Mr. RAPHAEL: I moved an amendment. One member seconded it and 22 opposed it.

Mr. Hughes: Move to add "maisonettes" to the motion.

Mr. RAPHAEL: I will do that before I sit down. I moved an amendment at the Perth City Council. One member seconded the amendment, but in the course of his remarks put the boots into me and the Minister for Works. At the end it was a case of 23 to one, so I withdrew the amendment. I desire now to have "maisonettes" added to the motion moved by the member for East Perth. I move an amendment—

That in line 3 of paragraph (b) of the motion, after the word "flats" the words "and maisonettes" be added.

Amendment put and passed.

On motion by the Minister for Works, debate adjourned

BILL—WAR FUNDS REGULATION ACT AMENDMENT.

Second Reading.

MR. WATTS (Katanning) [5.55] in moving the second reading said: The Bill is a local product in the sense that it was produced at the request of certain people in the electorate I represent. It is introduced not with any desire to criticise the department or the council concerned but to have as frank a discussion as possible as to whether the proposal contained in the Bill should be incorporated in the principal Act. At a conference held at Tambellup at the end of last August, attended by representatives of many public organisations of different kinds throughout the Great Southern district south of Woodanilling, the following resolution was carried:—

That the War Funds Council be requested to encourage all patriotic committees to reserve a substantial portion of their collections to be set aside for use by the committees on the return of men from overseas.

The Bill makes certain provisions for putting that resolution into effect but, before I demonstrate what the proposals are, I

would give some instances of the circumstances that can arise under the present methods of the war funds council.

There may be room for differences of opinion as to the advisability of conserving funds for repatriation purposes, that is to say, by local committees of the nature contemplated in this legislation. But I believe, and the conference apparently also believed, that the better opinion is that funds of this nature should be conserved now because it is much easier to collect them locally at present than it is likely to be at the termination of hostilities or thereafter. In the discussion that took place at Tambellup it was contended, and I think rightly, that a great deal of consideration will have to be given to the methods of repatriation of returned members of the Forces along lines different from those that were practised at the conclusion of the last war. It seems to me that any association that gives consideration to these matters now with a view to assisting to the best of its ability after the termination of hostilities, is going to render more service than one that leaves the question either of local or general effort until after the termination of hostilities at a time when, as I have said, it may be more difficult to raise funds that would be desirable for that purpose. I will quote as a specific example certain correspondence which has taken place between the Katanning District Soldiers' Welfare Association and the War Funds Council in regard to this matter.

It may be advisable for me to explain, first of all, the constitution of this association. It was originally formed nearly two years ago and approved by the War Funds Council as an association "for the entertainment and provision of comforts for members of the Australian Military, Naval and Air Forces who have enlisted for active service and for making donations to any patriotic fund that the committee considers desirable." Rules were drawn up containing those objects and were approved by the War Funds Council and subsequently a public meeting was called at which a committee was elected. It is claimed that every member of the public was entitled to be regarded as a member of the association and a committee was elected for the purpose of administering the funds, subject to the calling of an annual public meeting for re-election or replacement of the committee by others. Later

on the committee recommended at the next public meeting that these words be added—

And also to render financial assistance to persons dependent on such members of the forces who are in need of assistance and to establish a fund to assist in the repatriation of such members of the forces on their return.

Consequent upon that resolution being passed, at a meeting held approximately a year ago I discussed the matter with one of the officers of the War Funds Council. I was asked what proportion of the amount raised it was proposed to reserve for the purpose mentioned. I told him that as far as I could gather from the committee it was proposed to reserve 25 per cent. Subsequently on the 30th December, 1940, I received the following letter from the secretary of the War Funds Council:—

Referring to your communication of the 8th inst., I have pleasure in advising you that the proposed amendment to the statement of objects of the Katanning District Soldiers' Welfare Association has been noted and approved by the War Funds Council.

I notice also from your communication that it is intended to place in the fund, which is authorised under the terms of the amendment, 25 per cent. of your total collections and while this percentage may seem quite reasonable, I think it well to advise you that the council may find it expedient at some later date to lay down some definite limits to the percentage of funds raised by any patriotic association which may be allocated for the purpose of repatriation. At the moment, however, the general body of data in possession of the council is not considered sufficient to constitute a sure guide to the relative needs of the moment as against the needs of the future.

The organisations I referred to at the beginning of my remarks contended that in circumstances such as I have indicated, the right body to determine this matter is the Legislature. In consequence I was requested to introduce a Bill specifying what proportion of the funds could be allocated for this particular phase of repatriation work. Members will recollect that the War Funds Council, in the letter I have read, said it would possibly lay down a definite limit. We contend that Parliament gave birth to the War Funds Council, and that in a matter of this nature the Legislature should be entitled to consider the question and to arrive at a definite decision as to what is the right course to pursue. I therefore want the Minister, who will undertake the responsibility of replying to my remarks on this Bill, to understand that I do

not introduce the legislation in any partisan spirit, nor yet from the standpoint of carping criticism, but merely, I believe, from the standpoint that this is the institution that should decide what should be done in a matter that I believe is increasingly becoming one to be considered important by a number of communities, particularly in the country districts.

I agree, and will say, that there has been considerable correspondence in regard to this matter, some of which I will admit took place as the result of a misunderstanding between the War Funds Council and the Katanning Soldiers' Welfare Committee to which I have just referred. Therefore, because I believe some of it was based on a misunderstanding, I do not propose to read portions of the letters to which by reason of that misunderstanding some considerable exception was taken by the committee, but I do propose to read the last two or three paragraphs of a letter received from the Chief Secretary on the 24th September, 1941. That letter was addressed to me and, after referring to the raising of funds and so forth, it continued—

Thus the council endeavours to guide the greater proportion of funds raised into co-ordinated channels without depriving local funds of the means of catering for purely local needs, either in respect to the present or the post-war period.

This is what has been behind the correspondence which has already taken place with regard to the limitation of the proportion of funds raised which may properly be reserved for post-war application.

There is another strong reason why the council should interest itself in unexpended balances or funds reserved, apart altogether from its effect upon those organisations which are charged with the duty of general distribution, and that is the likelihood of over-riding Commonwealth legislation taking over all balances appertaining to patriotic funds after the cessation of hostilities. It would thus be very disappointing to any particular fund which had accumulated large reserves to find that such reserves were being taken over for universal application.

There are two points I would like to deal with regarding the last paragraph of that communication. One is that there is no reason to assume that the Commonwealth proposes to do anything of the kind suggested. What we have before us is the fact that there is a War Funds Council which exercises control, of which I have no desire nor intention to deprive it. These funds are

being administered under the control of that council. There is no suggestion yet that the Commonwealth intends to take any action regarding any balance of the funds that remains. After the conclusion of the 1914-18 war there were some balances remaining in such funds, and it was this Parliament of Western Australia that took action in the matter. That action arose as a result of a report of a Royal Commission of which the member for Collie (Mr. Wilson) was a member. In consequence of that report, legislation followed in due course. In the report of that Royal Commission there is evidence that the Katanning local repatriation committee was regarded as having carried out its duties and performed its obligations in regard to the fund in a very satisfactory manner. That was not the only local repatriation committee that carried out its duties and obligations in that way.

Mr. Seward: The Pingelly committee was another.

Mr. WATTS: I merely refer to the Katanning committee as the one I know best. I do not depreciate the good work done by similar organisations in other districts. The second point is: Suppose the Commonwealth does take over these funds, it would be better if there were some such funds to take over than if there were none. Therefore I contend, although I believe it to be unlikely, that in the unlikely event of the Commonwealth taking such funds over, that should be an argument in favour of the Bill because there would be funds to take over. The object of the Bill, therefore, is to decide the proportion of the funds raised by any such committee that may be allocated for the purpose I have referred to, and the Bill provides that—

Where trustees of a war fund, who are duly authorised to collect moneys, conduct an appeal for moneys, the purpose of which appeal is stated to be the raising of funds to provide for the granting of assistance and benefits to any of the members of His Majesty's Naval or Military or Air Forces upon their discharge from service or the dependants of any such members, or where such trustees receive from any person any gift of moneys for the above-mentioned purpose, the moneys collected by such trustees as a result of such appeal or received by such trustees by way of gift shall be utilised by such trustees in their discretion for the purpose in this section mentioned.

The next portion of the Bill provides that where moneys are collected by trustees of a

war fund they shall be at liberty to reserve a proportion not exceeding 33 1/3rd per cent. of the money raised not by way of any specific appeal for the purpose of or by way of a donation to that particular object, but in respect of all funds raised by any general effort. It means that the trustees will be entitled to reserve as a maximum one-third of any such sum. The remaining amendment in the Bill provides that the funds so allocated or donated shall be paid into a separate bank account to be known as the "Repatriation Reserve Account."

There is nothing revolutionary in the proposals embodied in the Bill. The committee with which I am closely associated has already, subject to the qualifications I have mentioned, the right to retain 25 per cent. of its total income for this particular purpose. In doing that, there is a stratum of opinion throughout the district I have referred to that such a proportion is not quite adequate. The president of the Katanning sub-branch of the Returned Soldiers' League discussed this matter with me a few weeks ago. He told me that he knew of instances—he thought he might include himself in that category—where had it not been for the local repatriation committees, many men who wanted to do small things when they came back from the war—that does not apply to land settlement and so forth—would have been unable to do them had it not been for the assistance received at that time from such local committees. He contended that it was necessary to have such local committees in order that cases that do not properly come under the heading of repatriation, so far as the State itself is concerned, could be dealt with along these lines. I move—

That the Bill be now read a second time.

On motion by the Minister for Mines, debate adjourned.

BILL—MONEY LENDERS ACT AMENDMENT.

Council's Amendments.

Schedule of three amendments made by the Council now considered.

In Committee.

Mr. Marshall in the Chair; Mr. Cross in charge of the Bill.

No. 1. Clause 4: Delete all the words from

and including the word "during" in line 18, down to and including the word "prescribed" before the word "maximum" in line 21, and substitute the word "the."

Mr. CROSS: When the Bill was before another place, it was debated at considerable length. The position was quite contrary to what is suggested in statements in a number of letters I have received. I believe the Bill received very lengthy and close consideration. I wish to read extracts from a letter I received recently in which my correspondent said that the Bill had received "summary treatment and scant consideration." He said in his letter when referring to the Bill—

It deals with a big scope and has many relevant side issues of importance to a large section of the community. For instance, has it ever occurred to you how many small businesses in your electorate were bought with borrowed money or how many borrowers you have?

In another letter I received the writer claimed to have some thousands of borrowers in my electorate alone. I dare say there would be just as many in the electorates of other members.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. CROSS: I listened to the debate in another place, and as a result am firmly convinced that the amendments made there were made after most serious consideration, and that even if this amendment were disagreed to here another place would insist on it. I have had numerous letters and interviews from the section of people engaged in money lending, who, when legislation is proposed, invariably come along showing great solicitude for the poorer people, who, they say, under the amendment will not be able to borrow at all. However, the Empire is engaged in a life and death struggle, and undoubtedly over-spending is against any effort for victory. Borrowers from money lenders at rates of interest ranging up to 60 per cent. are borrowing their future spending power, and that is entirely wrong. There should be a restriction on rates of interest. Another place has reduced the maximum rate of 20 per cent., fixed here, to 15 per cent. The Bill as introduced provided that when the war ended the maximum rate of interest

could be changed. Another place fixed the maximum rate permanently. I move—

That the amendment be agreed to.

Mr. McDONALD: I supported the hon. member's Bill, which involved a maximum rate of 20 per cent. Since then I, like other members, have received letters from those engaged in the money lending business saying they will lose if not the whole at all events a large part of their business if the Bill passes. Although I supported the measure without qualification, I feel that there is something in the protest of those engaged in money lending, and that we might afford them a more reasonable opportunity to put forward their views. A few years ago Mr. H. D. Moseley was appointed a Royal Commissioner to inquire into money lending. He made a report on which the Government brought down a Bill which passed into law. That Act represented a great advance in respect of money lending and those who deal with money lenders. The Royal Commissioner was not prepared to fix a maximum rate of interest. Perhaps the time has come when a fixed maximum rate of interest might be tried; but the rate of 20 per cent. fixed in this Bill, which now has been reduced by another place to 15 per cent., is probably such as would prevent money lending in small amounts from being carried on in future. There is this much in the money lenders' protest—that they may well claim their case has not been put forward. I would like the Minister for Justice, as the Minister in charge of this aspect of legislation, to consider whether or not some additional time should be given to enable the question to be further weighed. Perhaps a small, informal committee of this Chamber, not necessarily a select committee, might be brought together by the Minister to consider the question rapidly, hear what these people have to say, and report to the House. Consideration might be given to the question how far, under proper regulation, small loans do represent a service to a section of the community.

Mr. ABBOTT: I am in accord with the views of the member for West Perth. Perhaps the Chamber has been a little hasty in its consideration of a measure which is of more than minor importance. The Bill is piecemeal legislation. Although dealing with money lending, it touches only a very small portion of that activity. There are

such things as pawnbroking, cash orders, and—

Mr. Cross: They are dealt with under other legislation.

Mr. ABBOTT: Admittedly so, but they are all part of general money lending.

The CHAIRMAN: We are not dealing with any subject outside the maximum rate of interest, which applies only to money lenders.

Mr. ABBOTT: Lending by pawnbrokers, I understand, can be done at any rate of interest.

Mr. Cross: Read the statute relating to pawnbroking!

Mr. ABBOTT: The maximum is 50 per cent., perhaps 60 per cent, in that business. Cash orders, which are utilised far more than the borrowing of money in small amounts, represent a much more vicious practice, inasmuch as they encourage extravagance. Money lenders, however, will assist people who are in urgent need of money and without other means to obtain pecuniary assistance.

The CHAIRMAN: I want the hon. member to understand that we are dealing not with the Bill but with an amendment made by the Legislative Council. The hon. member cannot make a second-reading speech at this stage.

Mr. ABBOTT: A maximum of 15 per cent. would make it impossible for small borrowers to get assistance without security.

Mr. Cross: Money lenders do not lend money without security.

Mr. ABBOTT: No?

Mr. Cross: You try it, then!

Mr. ABBOTT: I have tried it, and have found that they do. The Royal Commission of 1937, sponsored by the Government—

Mr. Raphael: Not sponsored by the Government. I moved for it.

Mr. ABBOTT: That Royal Commission made a careful survey of rates of interest to be charged and of calculations to be adopted. In 1937 the Government brought down and passed a Bill based on the Royal Commission's recommendations. A measure like the present one, making rates of interest in haphazard fashion for any kind of transaction, is ill-conceived. I do not agree with the amendment. No borrower of small sums could hope to get any assistance on payment of such a low rate of interest. Such a person should not be deprived of the oppor-

tunity to raise money without proper inquiry being made into the whole question.

Mr. RAPHAEL: I support the amendment. We have always been told that legislation passed in this Chamber is passed hastily, and that another place is the House of review. I respect that House in that capacity. I cannot understand why some members opposite should disagree with the view taken by the Legislation Council. Perhaps their views have been affected through the correspondence with which they have been inundated. Members of the money-lending profession have worried Ministers as well as members, all of whom have been deluged with shaving paper. The member for North Perth said that money lenders did not necessarily ask for security. The persons who get into trouble in dealing with members of that profession are those who have been foolish enough to back the bills of the people who get the money. Of what use are money lenders to the community?

Mr. Abbott: There are always unofficial money lenders.

Mr. RAPHAEL: They are liable to prosecution if their activities are discovered.

Mr. Thorn: Would I be liable to prosecution if I lent you £100?

Mr. RAPHAEL: No, the member would be silly! Another place is to be commended for the amendment it has sent to us. What about the interest that is charged on wireless sets that are being purchased on time payment?

The CHAIRMAN: The hon. member had better remain loyal to the subject-matter of the amendment, which does not deal with wireless sets.

Mr. RAPHAEL: The interest charged on mortgages has been reduced, and money-lenders should also be made to sacrifice something in these times. Many such people are lending not only their own money but funds that have been placed at their disposal. Not long ago I was approached to lend a sum of money for that purpose. It would be a shame to throw this legislation aside at this stage. It will certainly have the effect of forcing into employment numbers of people who have for many years been fattening on others.

Mr. SHEARN: I take a different view of this matter from that advanced by the member for Victoria Park, and I have not as much confidence in another place as that hon. member apparently has. The Bill

seeks to improve for borrowers the conditions under which they obtain funds from money lenders. There is, however, another aspect of the matter. I have received numerous letters, but they do not carry much weight with me. Money lenders are well able to look after themselves. I am not affected by the suggestion that this measure will throw them out of business. If that is the effect it has, those people can find other employment. During the last week or two several people have got into touch with me. In my view, the borrowers should be protected against themselves. It would be better that they should not be enabled to raise money in this way and waste it on things that are undesirable. To-day a man asked me to lend him £70 without security. He said he would get a friend to back his promissory note.

Hon. C. G. LATHAM: What rate of interest could he afford to pay?

Mr. SHEARN: The Leader of the Opposition will have an opportunity to make his own speech later. It appeared that this man had a son who was obliged to make restitution of a certain amount within 24 hours. Eventually this person was able to raise the money through a money lender after he had his promissory note backed. What does the member for Canning propose to do for the assistance of men who find themselves in that position? No doubt many people are genuinely in want of money at different times. No one objects to the principle of this measure, but we do want to know that we are not injuring deserving people and preventing them from obtaining timely financial assistance.

Hon. C. G. LATHAM: I wish to refer to the statement made by the member for Maylands. He comes here with a story about somebody wanting to borrow £70 from him. He thinks that person was justified. When I ask him a civil question, whether the rate of interest that might be charged was justified, he feels injured and appeals to you, Mr. Chairman, to prevent interjections. We have a responsibility. I object to letters being written to me on this subject.

Mr. Hughes: Surely any person has a right to place his views before his member?

Hon. C. G. LATHAM: Yes, and a lot of them do, but I object to anonymous letters.

Mr. Hughes: I did not get any.

Hon. C. G. LATHAM: I did! I got three or four, and offensive ones at that.

Mr. Warner: You should not read them.

Hon. C. G. LATHAM: I object to this rate of interest being fixed by law. The last time the hon. member fixed it at 60 per cent. Evidently he had plenty of time to think the matter over and he reduced it to 20 per cent. Now he is willing to accept 15 per cent. I do not see how a rate of interest can be fixed by law; it depends on the security. A good security does not require as high a rate of interest as a poor security. People do not lend money on the off-chance of losing it; they lend it to make a profit.

Mr. Sampson: The rate mentioned is the maximum rate.

Hon. C. G. LATHAM: Yes. I have preached the gospel of a low rate of interest in this House, but this measure applies only to money lenders and not to banks. It is a bad principle to fix any rate of interest. If the member wants to get at the people charging an unfair rate of interest he could deal with the matter more easily by way of an amendment dealing with an unconscionable rate. I cannot see how it is possible for a man who borrows money at 15 per cent. to repay it. If he were likely to be able to repay it within two or three months he should not have to pay such a high rate.

Mr. Sampson: This is for a year.

Hon. C. G. LATHAM: I know that, but would the hon. member like to borrow money at 15 per cent.?

Mr. Sampson: I might if I were hard pushed.

Hon. C. G. LATHAM: Well, I would not. When I reach the stage of having to pay 15 per cent. for money I would do better to start afresh.

The Minister for Justice: If a person borrows £5 for a month he pays only 1s. 3d.

Mr. Berry: You pay 15 per cent. on super if you buy on terms.

Hon. C. G. LATHAM: No, 7 per cent.

Mr. Berry: No, it is 33 per cent.

Mr. Hughes: It is 10 per cent. on car instalments.

The CHAIRMAN: Order! This amendment has nothing to do with the purchase of motor cars or anything outside. The debate must return to the relevant matter.

Hon. C. G. LATHAM: When we buy under a hire-purchase agreement we do not pay such a high rate. It was fixed by

statute at 8 per cent, for overdue payments. I hope the hon. member even at this late stage will see that he has made a mistake. It is not long since we appointed probably the best man in this State to investigate the business of money lending.

Mr. Raphael: That was four years ago.

Hon. C. G. LATHAM: The Minister then brought down legislation to correct the ills. The hon. member now seems to be animated by a desire to bring the matter continually before the House. We have had it for the last three or four sessions. Next year if the hon. member is in a position to do it, we shall probably have another amendment brought forward to reduce the rate to 7 or 8 per cent. I object to a rate being fixed; it generally becomes the maximum and the minimum. It is not the wealthy people who borrow money; it is those who are hard up.

Mr. Raphael: Don't worry about that!

Hon. C. G. LATHAM: They must be poor because they have not any security to offer. I do not know that it is the intention of the Government to be a money lender, but in some countries the Government does carry out that function. In France the State loans the money.

Mr. Raphael: That is no good to us; we could not borrow it.

Hon. C. G. LATHAM: The Government does it in Singapore.

The CHAIRMAN: I had to prevent the member for Victoria Park dealing with that aspect.

Hon. C. G. LATHAM: The rate of interest might be lower in that case; whether the people would get the money or not I do not know.

Mr. CROSS: We have heard a lot about the Royal Commission which sat in 1937. Conditions have changed since then and the world tendency has been to fix maximum rates of interest. Interest rates were fixed in 1936 in Queensland at not much higher than 15 per cent. The maximum rate was 20 per cent., and there were no groans about it. Some money lenders went out of business. Many people in Queensland are better off because of that. A letter from a money lender stated that unrestricted money lending warrants some control, and then puts up a plea for the small borrower and says it is necessary for some of the poorer people in the community in the case of emergency expenditure such as medical or dental fees

to borrow these small amounts. That is a lot of rot!

Hon. C. G. Latham: They do not pay them!

Mr. CROSS: I have yet to hear of any doctor or dentist pressing people to go to a money lender and pay exorbitant rates of interest in order to meet their bills. The member for North Perth said that higher rates of interest were charged under the cash order system and some other system. That does not mean that we should allow money lenders to charge a high rate. This measure applies only to money lenders. I agree to the amendment. Governments are starting to obtain lower rates of interest and that is the general trend. If money lenders carry out their threat and go underground to avoid the provisions of the Act, we will take steps to stop them.

Question put and passed; the Council's amendment agreed to.

No. 2. Clause 4:—Delete the word "twenty" in line 23 and substitute the word "fifteen."

Mr. CROSS: This amendment changes the maximum rate of interest from 20 to 15 per cent. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 3. Clause 4—Delete proposed new Section 11C.

Mr. CROSS: This is the provision that made it possible after the war to pass regulations in order to change the maximum rate of interest, but another place considered that for all time there should be a maximum rate until Parliament decided otherwise. I agree to this amendment. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

Resolutions reported, the report adopted, and a message accordingly returned to the Council.

BILL—CRIMINAL CODE AMENDMENT.

Second Reading.

MR. McDONALD (West Perth) [8.12] in moving the second reading said: This Bill seeks to amend Section 211 of the

Criminal Code which deals with what are called betting houses. Under that section any person who opens, keeps or uses a common betting house is guilty of a misdemeanour and liable to imprisonment with hard labour for three years; or he may be summarily convicted before two justices, in which case he is liable to imprisonment with hard labour for six months, or to a fine of £100. Any person who, being the owner or occupier of any house, room or place, knowingly and wilfully permits it to be kept or used as a common betting house by another person, or has the use or management or assists in conducting the business of a common betting house, is liable on summary conviction to imprisonment with hard labour for six months, or to a fine of £100. Betting houses come before the courts these days almost entirely in connection with what is called "starting-price" betting.

This measure does not seek to affect the principle by which the law deals with starting-price betting, or betting houses; it does not attempt to make any change in principle, but merely deals with the existing law, and endeavours to make it more workable. The basis of this Bill is to be found in the statements contained in the current report of the Commissioner of Police; and in his reports for some years back. In his latest report, which has just been tabled in this House, the Commissioner makes this statement under the heading "Gambling"—

I cannot too strongly draw attention, not only to my remarks, but also to those of my predecessors extending over a number of years, regarding the s.p. betting evil, which is increasing despite the attention by the department and the fines inflicted. If Parliament is unable to see its way to legislate, then no more can be done than is now being done to keep this rampant evil in check.

Mr. F. C. L. Smith: Do you believe that?

Mr. McDONALD: I will come to that in a moment. There is an appeal by the Commissioner of Police that Parliament should legislate in order to enable him more effectively to deal with the betting evil. There are at present three ways in which starting price betting may be dealt with. One is by fining the keeper of the betting house; the second is by prosecuting the owner, and the third is by prosecuting the punter. I think there has not been any prosecution of punters for many years, and, so far as my knowledge goes, there has been only one prosecution of an owner and that

was on the goldfields—at Kalgoorlie, I think. At all events the prosecutions for starting price betting have almost invariably been against the keeper or the person using or said to be using premises as a starting price betting shop.

I suppose we are agreed that starting price betting, as it exists in this State and in other States, is a social evil. In the report of the South Australian Royal Commission on betting, which reported, I believe, in 1937, it was stated that the South Australian bookmakers, who are registered, admitted that in the preceding financial year their gross profit from the public from starting price betting had been £540,000. That, of course, was not the net profit; out of it had to be paid rent, wages of employees and incidental expenses, before the S.P. bookmakers received their profit. It was also said that, although the bookmakers had admitted a gross profit of £540,000 in the preceding year, the Commission was of opinion that the actual gross profit had been considerably larger.

Assuming that the profit was something like £540,000 in one year, and bearing in mind the relative populations of South Australia and Western Australia, it would seem that the gross profit here must be somewhere in the vicinity of £400,000 a year. That is a considerable sum for the people to spend in maintaining starting price betting shops. I do not need to ask members to make a calculation of how many houses for workers might be built with £400,000 a year or on what other permanent benefits £400,000 might be profitably spent each year. Those figures indicate the expenditure on starting price betting and show the dimensions that starting price betting has attained. The Commissioner of Police says that the evil is increasing and that the police are unable to check it without further legislative aid.

This Bill seeks to do two things. The first is to facilitate the remedy against the owner or occupier of the place where the betting is carried on. Section 211 of the Criminal Code enables a prosecution to be brought against any person who can be proved to be the owner or occupier of a betting place and who knowingly and wilfully permits that place to be used as a common betting house. I understand the Commissioner of Police has suggested that a difficulty in proceeding against the

owner is to prove that he knowingly and wilfully permitted the premises to be used as a betting place. The intention of the Bill is to delete from the Criminal Code the words "knowingly and wilfully" so that the section in the Code will then enable a prosecution to be successful if it is proved that the owner or occupier permitted the place in question to be used as a common betting house.

It will still be necessary, in justice to the owner or occupier, that the court should be satisfied that he permitted the place to be used as a common betting house. In my opinion this would mean that some knowledge of what was going on in the premises would have to be proved before the prosecution could be successful, but if the Bill is passed it will not be necessary to prove that the owner or occupier wilfully permitted the premises to be used as a common betting house. To prove that premises were wilfully permitted to be so used is not easy.

The second thing which the Bill seeks to do concerns the tribunal before which these cases may be heard. At present prosecutions may be instituted summarily before two justices. The Bill proposes to delete the words "two justices" and substitute the words "a police or resident magistrate." If we are to reduce starting price betting, we must ensure that the remedies provided by law can be availed of by the proper authorities. It seems anomalous that owners should be almost entirely exempt from prosecution when, according to information supplied to me—I cannot speak of my own knowledge—they receive exceptionally high rents for premises used as starting price betting shops as a result of those premises being adjacent to a hotel or on a corner favourable to their occupation and therefore commanding a high rent from those who desire to conduct starting price betting operations. If that is so—but, in any case, whether it is so or not—it is desirable that the law which at present involves the owner and occupier should be effectively enforced by the police—or, if it is not enforced, then the duty of this House is to abolish it and to put in its place some law which can be enforced.

Starting-price betting is something which has been so often debated in this Chamber that I do not propose to deal with the subject at any great length, especially as it is

a matter on which members have a certain amount of knowledge; but I would say that whatever may be the extent of the evil involved in starting-price betting, there has now arisen what is a still greater menace to the community, and that is the fact that the law to suppress starting-price betting is flagrantly evaded by a section of the community. I am not going to apportion any particular blame to the keepers of starting-price betting shops. They have been partially tolerated, and they now look upon their business as something in the nature of a legitimate business, in respect of which they pay at intervals license fees in the form of fines.

Hon. W. D. Johnson: The business has a goodwill.

Mr. McDONALD: Probably it has; but the position remains that the people know that starting-price betting is illegal. They know that these men are prosecuted and substantially fined at intervals; and yet the people are able to walk up and down the street in any town, big or little, and see these shops carrying on their business without any secrecy, under the eyes of the police and under the eyes of the whole public.

Mr. Marshall: Cannot bookmakers do that on a racecourse on a day of racing?

Mr. McDONALD: I do not want to enter upon that phase. Personally I would abolish betting on the racecourse as well as in starting-price betting shops. That is my own personal view. It is a social evil. Betting is anti-social. However, I do not wish to enter upon those aspects, because I think there is some legislation passed here in the nineties which renders possible the view that betting on the racecourse is legal.

Mr. Marshall: Yes; under the old Act.

Mr. McDONALD: That is so. I explained that as my opinion when this question came before the Chamber some three or four years ago. Therefore, as far as blame is concerned, or what blame attaches to it, in my opinion the bookmaker on the racecourse stands in an entirely different position from the starting-price bookmaker who operates outside the racecourse.

Mr. Marshall: He did not when the magistrate fined him!

Mr. McDONALD: Whether that decision was good law or not, to my mind it is absolutely clear, beyond any shadow of doubt, that this Parliament definitely meant to al-

low betting on racecourses to be legal and inside the law. My personal feeling, as I have said, was stated on those occasions to be that the starting-price betting evil had become submerged in an even greater evil, in an even greater menace to the community; and that is the spectacle of an illegal business being flagrantly carried on under the eyes of the police every day throughout the week, without any adequate action for suppressing it. The Commissioner of Police has appealed for legislative help to make more effective his effort to put down the evil at the present day. He has drawn attention, as regards the owner of premises in which starting-price betting is carried on, to the particular difficulty involved by the words "knowingly and wilfully"; and therefore the Bill seeks to eliminate those words and to give the Commissioner more effective powers to enforce the existing law than he has, or thinks he has, under the existing wording of the relevant Act of Parliament.

I come now to the question of a magistrate being entrusted with the responsibility of dealing with these cases. There are, of course, on our statute-book various Acts of Parliament in which the magistrate is alone to adjudicate on a certain class of case. In the Illicit Sale of Liquor Act, 1913, it is provided that charges for illicit sale of liquor shall be heard before a magistrate; and in the Police Amendment Act, 1902, dealing with illicit possession of gold it is provided that proceedings shall be taken before a magistrate. Thus there is plenty of precedent for putting different classes of proceedings under the control of resident or stipendiary magistrates.

It is considered that by taking this particular class of offence from the jurisdiction of justices of the peace and entrusting it to a resident or stipendiary magistrate we shall secure more uniform administration of the law, particularly in the case of fines, and also more effective administration of the law, because this class of case, such as betting, which is not looked upon as a flagrant offence but more like smuggling or drinking out of hours, is one in which justices on the bench are sometimes placed in a rather difficult position. It may be that they have neighbours or friends—whom they otherwise respect—who may be involved in matters of this kind; and if they are on the bench they may be placed in a position of some difficulty. It would therefore be

a relief to the justices and make for more effective administration of the law if, in line with liquor cases, we provided, as this Bill proposes, that cases for keeping a betting house under this section of the Criminal Code should be within the province of the magistrate himself.

That, I think, sufficiently describes the Bill. As I say, the measure accepts the existing law, which Parliament has allowed to remain on the statute-book, and it merely seeks to make the administration of that law more effective. It responds to the report of the Commissioner of Police when he asks for more effective legislation to enable him to administer the law, and I think it will render a service to the community in enabling those who are entrusted with the enforcement of the law to carry out their duties in the way the community expects them to do. I therefore move—

That the Bill be now read a second time.

On motion by Hon. C. G. Latham, debate adjourned.

House adjourned at 8.34 p.m.

Legislative Council,

Thursday, 13th November, 1911.

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

QUESTION—CASH ORDER COMPANIES.

Hon. Sir HAL COLEBATCH asked the Chief Secretary: 1, Are the cash order companies which are operating in Perth and