

Legislative Council,

Tuesday, 24th November, 1936.

Questions: Sewerage, metropolitan area	...	...	2006
Water supply, Canning dam	...	...	2006
Bills: City of Perth Endowment Lands Act Amend-	...	...	...
ment, 3a., passed	...	...	2006
Metropolitan Milk Act Amendment, 2a.	...	...	2006
Trade Descriptions and False Advertisements,	...	...	...
Com.	...	...	2011
Fair Rents, 2a.	...	...	2017
Dividend Duties Act Amendment, report	...	...	2024
Financial Emergency Tax Assessment Act Amend-	...	...	...
ment, 2a.	...	...	2025

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

QUESTION—SEWERAGE, METROPOLITAN AREA.

Hon. A. THOMSON asked the Chief Secretary: 1, How many men are employed on the metropolitan sewerage works? 2, When does the department expect to complete this work?

The HONORARY MINISTER (for the Chief Secretary) replied: 1, 887. 2, Dependent on Loan moneys available in each year.

QUESTION—WATER SUPPLY, CANNING DAM.

Hon. A. THOMSON asked the Chief Secretary: 1, How many men are employed on the Canning Dam? 2, When does the department expect to complete this work?

The HONORARY MINISTER (for the Chief Secretary) replied: 1, 237. 2, Dependent on Loan moneys available in each year.

BILL—CITY OF PERTH ENDOWMENT LANDS ACT AMENDMENT.

Read a third time and *passed*.

BILL—METROPOLITAN MILK ACT AMENDMENT.

Second Reading.

THE HONORARY MINISTER (Hon. E. H. Gray—West) [4.37] in moving the second reading said: The purpose of this Bill is to continue the operations of the Metropolitan Milk Act, 1932, with certain amendments. To-day, four years after the

enactment of the original measure, we are able to view with a considerable degree of satisfaction the marked improvement in the conditions of the milk industry following upon the initiation of this legislation. For the most part hon. members are familiar with the parlous conditions prevailing in the industry before that time. Returns received by producers showed marked variations and, in general, had fallen to unremunerative levels. It was mentioned in Parliament that some producers received a net return of as little as 5½d. per gallon. At no stage, however, were these low returns reflected in the price paid by consumers and, further, such was the disorganised condition of the industry, that many retailers were themselves in difficulties and milk rounds frequently changed hands. The board constituted by the Act to administer its provisions has had a difficult and unpleasant task. Now that the Act has been in force sufficiently long to have passed the stage of experiment, I think we must generally concede that the board has performed its functions with efficiency and determination. Naturally a certain amount of criticism has been levelled in the past, both at the Act and its administration. Such criticism, however, may be expected when an endeavour is made to provide for the reconciliation of conflicting interests by legislative enactment. Prior to the amendment of the Act during last session, when various alterations were made with a view to removing certain anomalies, and to ensuring generally the fair administration of its provisions, many complaints were made by the various sections interested in the industry. This year there has been a noticeable absence of complaint regarding either the Act or its administration, and it can, therefore, be submitted that the Act, as now constituted, has been accepted by even those averse to control, as something necessary for the welfare of the whole industry. Having regard to the operations of this and similar legislation in other States and countries I would urge that our Act has proved sufficiently satisfactory to warrant continuation. This Bill, however, proposes to amend the principal Act by extending the term of office of the board for a further term of three years. This provision is designed to ensure that the board shall have an opportunity of exercising continuity of policy and of putting into operation certain powers hitherto untested. Largely as the result of the activities of the

board, there has been a very gratifying improvement in the quantity and quality of milk marketed in the metropolitan area. Thus, for the 12 months ended the 30th June last, over 4,500,000 gallons of milk were sold for consumption, compared with 4,350,000 gallons for the previous year, an increase of over 150,000 gallons. Between May and August, 600 samples of milk in the hands of distributors were tested for quality. Of these samples 470 were found to be first-class samples, as against 236 for the previous year, while only 44 of the samples were classed as deficient, as compared with 133 during the preceding period. Most producers today are familiar with the requirements demanded in the production of wholesome milk, although only a few years ago many failed to observe the need for perfect sanitation and scrupulous cleanliness. Many, too, who were totally unfitted to provide a proper article for the consuming public, have gone out of the industry. At present the accounts of the board are awaiting examination by the Auditor General. Last year income exceeded expenditure by £660 9s. 11d., while the accumulated funds were £3,262 11s. 9d., bringing the board's total accumulation in this regard to £3,923 1s. 8d. The board have experienced some difficulty in estimating their requirements in connection with these funds. It will be remembered that the board commenced operations in February, 1933, and regulations were made operating as from June of that year. After the repeal of these and the subsequent gazettal of fresh regulations it became necessary to alter the system of collections, since the second regulations were found, by a decision of the Full Court in 1934, to be ultra vires. Until it was possible to gazette the amended regulations enabling the board to make the necessary collections to maintain the funds, no contributions were accepted in respect of milk sold after that date. Some difficulty has naturally been experienced by the board in fixing a rate of collection which will provide against the contingencies likely to arise. Thus, while to date no claim has been made on either the Dairymen's Compensation Fund or the Milk Vendors' Compensation Fund, it cannot be anticipated to what extent claims may be made in the future and, accordingly, it is considered unwise that there should be any alteration in the levies in respect of compensation, until claims are received under these head-

ings, or until a more substantial sum is vested in the funds. I have had some figures prepared which will give the House some idea of the operations of these funds, the way they are collected, and the amounts collected. Under the regulations made in accordance with Section 29 of the Act, dairymen and milk vendors are required to contribute either to the Dairymen's or the Milk Vendors' Compensation Funds, as the case may be, one-twentieth of a penny per gallon of milk sold by them. Further, from the amount of £1 and 10s. paid by shopkeepers for their licenses under Section 32 of the Act, the board appropriates to the Milk Vendors' Compensation Fund 3s. 6d. and 1s. 6d. respectively. There has been no claim on the funds, which on the 30th June, 1936, had accumulated thus—

	£	s.	d.
Dairymen's Compensation Fund	2,995	12	2
Milk Vendors' Compensation Fund	4,250	5	0

Section 30 of the Act is specific as to how the funds shall operate. If a licensee, upon the expiration of his license, is refused a fresh license of the same kind, and if upon appeal this refusal is confirmed, such person may apply to the board for compensation. Whenever compensation is granted, it shall be paid out of the compensation fund to which such person has contributed.

As to the accumulation fund, representing the accumulation of surplus income, the board have utilised a considerable sum in advertising to encourage a greater consumption of milk. The surplus of income over expenditure for the last financial year amounted to £660 9s. 11d., which, added to the amount of £3,262 11s. 9d. previously accumulated, brought the total to £3,923 1s. 8d. The history of this apparently large surplus accumulation is interesting. The board were first appointed in February, 1933, and persons in the industry commenced paying contributions on milk sold from the 24th March of that year, the day on which the first regulations relating to the payment of contributions were gazetted. When fixing the rates payable by the industry, the board had no accurate statistical information to guide them. It was possible to estimate neither income nor expenditure. At the close of the financial period ended the 30th June, 1933, there was a surplus of £640 9s. 8d., which was transferred to the accumulation account. The regulations gazetted on the 24th March, 1933, were re-

pealed and further regulations were gazetted on the 30th June, 1933. Those regulations, while differing in principle from those they replaced, did not differ vitally in the method of collection. The rates remained the same. Only three months elapsed between the introduction of the original and the second set of regulations relating to finance. On the gazettal of the second lot, the board were still not in a position accurately to gauge either the income or the expenditure. Ultimately the regulations were declared ultra vires by the decision of the Full Court on the 2nd May, 1934. The board did not accept any contributions on milk sold after the date of the decision.

The financial year, which ended on the 30th June, 1934, resulted in a surplus of £796 14s. 6d., which, added to the amount of £646 9s. 8d. carried forward from the previous financial period, made a total amount in the accumulation account of £1,443 4s. 2d. Following the decision of the Full Court, it was necessary for the Act to be amended, and a new basis of finance was brought into being by the 1933 amendment. The new regulations to implement the amended Act were gazetted on the 29th June, 1934, and had effect from the 1st July of that year. The regulations made under the amendment differed materially in both the system and the method of payment. Previously the industry paid contributions on a gallonage basis. Under the new system, contributions were based on each five shillings of the gross proceeds derived from the carrying on of the business under the licenses issued. Every endeavour was made by the board to fix a rate which would result in a gross income not greatly in excess of the anticipated expenditure, but it was not possible accurately to estimate the amount of gross proceeds which licensees would receive. While the gross income of dairymen could be roughly estimated, the gross proceeds derived by retailers from the carrying on of their business could not be calculated, largely because the retail price fluctuated to the extent of almost one penny per pint, and a fair proportion of the average retailer's trade was to shopkeepers, the prices for which fluctuated greatly. There were also other factors which prevented an accurate estimate of the industry's gross income being made. The returns received from persons engaged in the industry did not always show the selling price per gallon, as

vendors were required to state on their returns only the purchase price of their milk, and, furthermore, the majority of licensees did not keep proper books and records.

The financial year ended the 30th June, 1935, resulted in a surplus of £1,819 7s. 7d., which, added to the amount of £1,443 4s. 2d. previously accumulated, made a total of £3,262 11s. 9d. Briefly, the rates payable to the administrative costs of the board by the industry during the financial year ended 30th June, 1935, were:—

Milk vendors— $\frac{1}{2}$ d. on each 5s. of gross proceeds.

Dairymen—1d. on each 5s. of gross proceeds.

Treatment plant proprietors— $\frac{2}{5}$ ths of a penny on each 5s. of gross proceeds.

The regulations made under the 1933 amendment require the board, in or prior to each year of assessment, to estimate their expenditure and income from various sources, such as license fees and other income, and the balance remaining is the sum which the industry is required to contribute by way of levies on each five shillings of the gross proceeds. In June, 1935, it was apparent that the rate of contributions fixed provided income in excess of requirements, and at a meeting on the 11th June, 1935, the board decided that the rates payable by dairymen and milk vendors to the administrative costs should be reduced by one-sixth during the forthcoming financial year. In view of the negligible amount paid by the holders of treatment plant licenses, no reduction was made in the rate fixed for them. The new rates were gazetted on the 26th July, 1935, and applied to milk sold from the 1st July of that year.

Though the reduction of one-sixth in the rate of contributions would not result in a reduction of income equal to the amount of the surplus, the board, when fixing the rates, kept in mind the possibility of having to meet heavy legal costs. The board had been advised that the regulations relating to the limitation of sales would be contested in every possible court, and an appeal to the Privy Council was even mooted. While the board were sanguine of success, they had to keep in reserve a reasonable sum to meet the costs which would have resulted if the case had ultimately been lost. The case went to the High Court, but, as members are aware, the decisions in each court upheld the validity of the regulations. In addition to the reduction of one-sixth, further relief was

given to the industry by the reduction, early this year, of the license fee from 5s. to 2s. 6d., and by the cessation of collection of contributions to the administrative costs on the gross proceeds derived from the treating of milk. The reduction of license fees, while it had no benefit to those in the industry at the time the reduction was made, did result in a reduction of the amount payable by those persons for future license fees. The reduction, though small, is a further indication of the board's desire to relieve costs upon the industry wherever possible.

The surplus from last year's operations—£660 9s. 11d.—resulted partly from increased sales of milk, partly from the greater amount of gross proceeds from the increased price for milk which the board fixed for producers, and partly from the higher price charged to consumers under an arrangement made by the retailers. It may be asked why, in view of the amount of surplus funds which have accumulated, the board have not further reduced the rates payable by the industry. The board have decided to conduct an extensive publicity campaign, and have already appropriated £1,000 during the current financial year for this purpose. The results of the publicity campaign so far are considered by the board to have fully justified the expenditure. It is not anticipated that the whole of the amount set aside for publicity, in addition to ordinary administrative expenditure, will be contributed by the industry during the current financial year, and, to make up the deficiency, the board will be compelled to draw upon reserves. The board do not desire, and, in fact, have not attempted to accumulate a large surplus, but consider that the amount already accumulated is not excessive and provides a reasonable reserve from which to draw for special endeavours such as publicity purposes, or for other activities for the welfare of the industry.

I believe that further publicity will encourage the consumption of milk in the homes of the workers and also in schools. Years ago I took a prominent part in endeavouring to popularise the supply of milk in State schools. The board will be in an excellent position to pursue this business, because experience has shown that if a supply of milk to school children be maintained, the consumption in the homes of the people increases. During the depth of the depression the Fremantle relief

committee, at my instigation, undertook this work. We were the first committee in the metropolitan area to do so. The arrangement was to allot money for the supply of free milk in schools to the children of sustenance workers. Supplies were also provided for expectant mothers and mothers with infants. One pint was supplied daily to such homes on condition that an equal quantity was purchased by the occupiers. Thus, most workers bought a pint and received a pint free. This meant that a quart of milk went into many homes where previously the consumption had been only half-a-pint. The value of milk for maintaining the health of the children was proved at the Beaconsfield school, which provides the finest example of the system of free distribution. For some two years the head mistress of the infants' school at Beaconsfield worked with a local committee, who provided a full 100 per cent. distribution of milk in that school. Money is raised by holding entertainments and in other ways, and the children of parents who cannot pay for milk have received a half-pint bottle daily. This is the first instance of an organised attempt to check the effect of the distribution of milk on school children. The head mistress had the children weighed and compared their progress with that of other children not receiving milk. The results demonstrated that even half-a-pint of milk daily was sufficient to bring about a marked improvement in the weight and physical condition of the children. Free milk for school children in the metropolitan area represents merely a small beginning. As the years pass, it is generally recognised, the movement must expand. The Milk Board has a reserve fund which can make the movement successful throughout the State. So there should be a vast increase in the consumption of whole milk in the homes of the people. There is another important means by which milk consumption can be popularised. From experience I can say that the sale of milk in shops is not at present altogether satisfactory. There is room for improvement in that respect. New South Wales was the first Australian State to make an alteration in milk bars. In Sydney the retailing of milk at bars is superior to the system obtaining in Perth. Far more whole milk is sold in Sydney milk bars than in those of Perth.

Hon. J. Nicholson: Because New South Wales does not put restrictions on the licensing of those places as is done here.

The HONORARY MINISTER: People are somewhat led astray here by being asked to take prepared drinks instead of whole milk. In prepared milk, dried or malt, sales are being pushed here. Sydney pays less attention to those drinks than to whole milk. Moreover, in Sydney shredded ice is added to the whole milk. In many milk bars here the sale of whole milk is discouraged. The board will have an opportunity to push the sale of whole milk. Members of the board recognise, as I do, that our milk bars have got on the wrong track.

Hon. J. Nicholson: More bars should be allowed here.

The HONORARY MINISTER: I would not say that, because undoubtedly in the metropolitan area there are quite enough milk bars. In Fremantle there are, in fact, too many.

Hon. J. Nicholson: Could you start a milk bar in Parliament House?

The HONORARY MINISTER: There is a milk bar here, and I draw the attention of hon. members to it. I now turn to the accumulated funds of the Metropolitan Milk Board—

METROPOLITAN MILK BOARD.

Accumulated Funds.

Dairymen's Compensation Fund—

—	Contributions.	Interest.	Total.
	£ s. d.	£ s. d.	£ s. d.
Period from 24-3-33 to 30-6-33	201 19 1		
Year ended 30-6-34	910 3 3		
		13 9 2	1,125 16 6
Year ended 30-6-35	841 13 0	29 6 4	870 19 4
Year ended 30-6-36	911 12 1	47 4 3	958 16 4
Total	2,865 12 5	89 19 9	2,955 12 2

Milk Vendors' Compensation Fund—

Period from 24-3-33 to 30-6-33	315 14 5		
Year ended 30-6-34	1,302 15 3		
		19 17 5	1,638 7 1
Year ended 30-6-35	1,198 9 10	43 5 9	1,241 15 7
Year ended 30-6-36	1,302 9 0	67 13 4	1,370 2 4
Total	4,119 8 6	130 16 6	4,250 5 0

General Accumulation Account.

Period from 24-3-1933 to 30-6-1933	£	s. d.
Year ended 30-6-1934	646	9 8
" " 30-6-1935	790	14 8
" " 30-6-1936	1,819	7 7
" " 30-6-1936	660	9 11
Total Accumulation	£3,923	1 3
Grand Total	£11,128	18 16

In submitting the Bill to the favourable consideration of hon. members I urge that although one section of the industry is as desirous of the board being given additional power as another section is to have the board's existing powers curtailed, the board is already vested with such power as is necessary to ensure the satisfactory attainment of the aims of existing legislation. I think it will be generally admitted that the amending legislation brought down last session, besides removing certain irksome anomalies, has also materially assisted the board in its administration, and, further, that the board now has full opportunity to do all that is best in the interests of both the industry and the consumer. The Bill is a small one. I believe it will be conceded that the board has done excellent work, and that under its control the future of the milk industry is highly promising. I feel sure that the result will be an increase in milk consumption; and the more the consumption of whole milk increases in the homes of the people, the greater will be the development of the dairying industry, and this means that the future Australian race will be strong and vigorous. I move—

That the Bill be now read a second time.

HON. L. CRAIG (South-West) [5.12]:

This is purely a continuation Bill. Hon. members will recollect that when the original Act was introduced, it was stressed by several members that it represented experimental legislation. So it did, but in successive sessions the Act has been so amended that to-day the board is considered to have sufficient powers to do what it should do, stabilise the production of milk, and see that milk is produced under clean conditions and that the price to producers is regulated. Previous to the creation of the board, milk producers never knew from one day to another what they would receive for their product. There was undercutting, and selling over one another's heads; contracts were signed and ignored, and so on. The board has stopped all that. Milk sold to the consumer used formerly to vary almost from month to month. The board has stopped that also. The board has endeavoured to increase, and has succeeded in increasing the supply of milk of considerably improved quality. I understand that to-day the quality of milk in the metropolitan area is better than in any other Australian capital. I do not mean that the milk here is purer, but that it has

greater butterfat contents. I saw figures showing the butterfat contents in each Australian capital city, and that in Perth was the highest, though certainly by only a few points. However, it is a good sign that our standard is 3.5 per cent. butterfat and that the milk sold here averages nearly 4 per cent. This indicates very rich milk, since many cows do not produce milk containing 4 per cent. of butterfat. Thus altogether the board's operations have proved successful. The board are now functioning so well that their powers should be enlarged and the term of office extended by three years, until the 30th June, 1939. In that period the members of the board will be able to frame the necessary long-term plans and generally continue to carry on as they have done up to the present.

Hon. T. Moore: Why not make the extension five years?

Hon. L. CRAIG: The Government have seen fit to make it three years. Following annual re-appointments, I think three years is a fair extension. If it is found at the end of three years that they have still further improved the consumption and the quality of the milk, we can then talk about giving the board a term of five years. But the point is that the board have done everything that it was claimed for them when appointed. A lot of figures have been quoted by the Honorary Minister which were terribly hard to follow. We know that certain funds have been built up by the contributions made by dairymen for the payment of compensation to those going out of business. It is proposed by the board that as time goes on the quality of the product will be still further improved and those who will then go out of business will receive compensation. If it should be decided by the board that a particular round is not profitable or satisfactory, there will be the fund from which to pay the compensation. All the figures, however, go to show what a complicated job the board have before them. It is not advisable to make a long speech on a Bill of this sort. We all agree that the board have been successful and that they are entitled to the three years' extension that it is proposed to give. We also can express the hope that the board will continue the good work that has so far been carried on.

On motion by Hon. W. J. Mann, debate adjourned.

BILL—TRADE DESCRIPTIONS AND FALSE ADVERTISEMENTS.

In Committee.

Resumed from the 19th November, Hon. G. Fraser in the Chair, the Honorary Minister in charge of the Bill.

Postponed Clause 5—Trades description compulsory in certain cases:

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

That paragraphs (a) and (b) be struck out for the purpose of inserting the words "any goods."

In conversation with the draftsman, I learnt that the paragraphs were inserted because of Subclause 3, which provides that before making any regulation for the purpose of paragraph (b)—one of the paragraphs I wish to strike out—at least one calendar month's notice shall be given. If the amendment is carried I propose at a later stage to move that the whole of the proviso be struck out because it will not be necessary. The striking out of the proviso will give the Governor power to make regulations straight away. I do not see why we should give a month's notice to a person who supplies a false trade description to his goods.

The HONORARY MINISTER: It is not often that I take up the stand of putting on the brake, but I must do so in this instance. Every effort has been made in the course of conferences with representatives of commercial houses to ensure the success of this measure, and if the amendment proposed is carried, all the negotiations will have been rendered valueless. That is undesirable. The idea of the Government is to make the Bill as workable as possible and I am advised that if the paragraphs are struck out, all that is good will be swept away and the Bill will be made hide-bound.

Hon. L. B. BOLTON: I oppose the amendment. If the paragraphs are struck out it will mean that it will be impossible to sell any goods. We want the Bill to apply to all goods.

Hon. H. S. W. Parker: Look at the definition.

Hon. L. B. BOLTON: The amendment seems to me to be too drastic.

Hon. H. S. W. PARKER: If the hon. member will turn to the definition of

"goods" he will see that it means "any article or thing of the nature, or kind, or species set forth in the schedule, and any other article or thing which is the subject of trade, manufacture or merchandise declared by regulation to be 'goods' within the meaning of the Act." So it means anything that may be declared by regulation. The Honorary Minister has not quite appreciated the point. Undoubtedly he has had a discussion with the business people and the business people say, "For goodness' sake give us a month's notice." I take it that no Minister will be unreasonable, and so the regulations to be framed will depend entirely upon the reasonableness of the Minister. He will not bring in any regulation that will affect the community. It may be that the Minister will have good reason to bring in a regulation quickly and prevent some swindle on the public. I am surprised to hear the Minister say that this will prove a hardship on the trader. I cannot see where the hardship will come in to give him an extra month in which he can swindle the people. If he is an honest trader and the trade description is correct, he has nothing to fear.

Hon. L. B. BOLTON: I misunderstood the position. I am quite in accord with the definition of "goods" and I agree that the schedule should be enlarged.

The CHAIRMAN: The hon. member will have an opportunity to refer to the schedule at a later stage.

The HONORARY MINISTER: To allow traders the opportunity to adjust their business to the new Act, it is desired to make the measure as elastic as possible.

Hon. H. S. W. Parker: I am making it elastic; you are making it hidebound.

The HONORARY MINISTER: The Minister will be guided by the inspectors and we do not know what may happen. The desire is to give the trading community ample opportunity to adjust their selling methods to the new order. This will not affect dishonest traders: it might, however, affect reputable business people who have made representations with regard to the clause. This may seriously affect some of the best men in the community.

Hon. H. S. W. Parker: The saving clause does not affect furniture, bedding, blankets, flannel, or anything else in the Schedule.

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

Ayes	..	..	..	13
Noes	..	..	..	11
Majority for				2

AYES.

Hon. C. F. Baxter	Hon. W. J. Mann
Hon. L. B. Bolton	Hon. J. Nicholson
Hon. J. T. Franklin	Hon. H. S. W. Parker
Hon. E. H. H. Hall	Hon. H. Tuckey
Hon. V. Hamersley	Hon. C. H. Wittenoom
Hon. J. J. Holmes	Hon. H. Seddon
Hon. J. M. Macfarlane	(Teller.)

NOES.

Hon. E. H. Angelo	Hon. T. Moore
Hon. A. M. Clydesdale	Hon. H. V. Piesse
Hon. L. Craig	Hon. A. Thomson
Hon. J. M. Drew	Hon. G. B. Wood
Hon. E. H. Gray	Hon. E. M. Heenan
Hon. G. W. Miles	(Teller.)

Amendment thus passed.

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

That "any goods" be inserted in lieu of the words struck out.

Amendment put and passed.

Hon. H. SEDDON: The Minister said that there have been considerable alterations in commercial practice, particularly in respect of goods proposed to be brought under the Bill. At present it is provided that the Government can, by regulation, or alternatively by proclamation, bring any goods under the Bill. I think that before any article is brought under the Bill the question should be brought before Parliament. These changes spoken of by the Minister may lead to goods being brought under the Bill during the Parliamentary recess.

Hon. J. J. Holmes: What are you going to do about it?

Hon. J. NICHOLSON: I move an amendment—

That in line 6 "conspicuously" be struck out.

This word is not required, is indeed redundant, for whatever marking is on the goods must be in accordance with what is prescribed. That goes far enough, without the word "conspicuously." The position is covered by the word "prescribed."

The HONORARY MINISTER: I oppose the amendment. The word "prescribed" does not mean what Mr. Nicholson thinks it means, but relates to the method of the description set out in the definition clause; that is to say, (a), (b), (c), (d), etc. The authorities will have to say under what description the respective goods shall come,

and so the word "conspicuously" is required. That trade description must be displayed conspicuously.

Hon. C. F. BAXTER: I think the word "conspicuously," placed as it is in the clause, is of the utmost importance. How could the Minister so describe the goods that every article sold would have a label on it? If we take out the word "conspicuously" there will be no way of describing every article sold to the public. The word should remain in the clause.

Hon. L. B. BOLTON: I am in accord with the Minister's contention, and I think it would be most unwise to eliminate the word "conspicuously." The Minister's reasoning on the point seems to me perfectly sound.

Hon. H. S. W. PARKER: What would the Minister say was the meaning of the words "in such manner"? The Minister prescribes in what manner an article shall be marked, and where. The Minister is seeking to make us believe that somebody utterly unreasonable is bound to come along. It would be ludicrous to walk into somebody's dining room and find his sideboard stamped with a trade description. It would be quite sufficient if furniture were branded at the back, instead of right across the front, as might be requisite if the word "conspicuously" were allowed to remain in the clause. We might also find that everything appertaining to a bed, the blankets, sheets, etc., would have to be branded conspicuously. Imagine a person's sheets being branded in that way. I support Mr. Nicholson's amendment.

Hon. J. NICHOLSON: The debate has been interesting. The fears of the Honorary Minister are quite unjustified, because the words "in such manner as may be prescribed" appear in the clause twice in three or four lines, and furnish a sufficient safeguard to meet the situation. If the word "conspicuously" is left in the clause, it may mean that goods will have to be marked all over with trade marks and trade advertisements.

Hon. A. THOMSON: Manufacturers usually mark their own goods.

Hon. J. NICHOLSON: But not necessarily in a conspicuous manner. I may have bought goods that have been marked conspicuously, and may have those marks removed. When I come to sell those goods again, I shall have to restore the marks that were formerly there.

Hon. G. W. MILES: My legal friends know very little about trading. The Bill does not say that the goods themselves must be marked. A lot of time has been taken up on this question. Only the other day the Press asked why we did not get down to voting instead of spending so much time in idle talk. It will certainly not be necessary to mark the sheets of a bed, but only the wrapper that was originally around the parcel of sheets. The sooner we vote on this question the better.

Hon. E. M. HEENAN: I see no objection to the inclusion of the word in question. It only means marking the goods so that the marks can readily be seen. It would be sufficient, for instance, to have a suit of clothes marked as they are marked to-day.

Amendment put and negatived.

Hon. J. NICHOLSON: I move an amendment—

That the words "and the complete address," in lines 7 and 8, be struck out.

We are not concerned about the address of the manufacturer of the goods that have to be marked.

The HONORARY MINISTER: I oppose the amendment. This provision will be pressed only where necessary. If it is impracticable, it will not be required. I am informed that the amendment will weaken the effectiveness of the clause.

Amendment put and negatived.

Hon. H. S. W. PARKER: I propose to move that the whole of the proviso be struck out. If the Minister has power to make regulations, I assume he will make them reasonably and after due inquiry. I cannot see the necessity, for instance, of giving a month's notice as provided in subparagraph (iii).

The HONORARY MINISTER: We have discussed this matter before, and I do not propose to waste any time on it. If the Committee agree to this, there will have to be consequential amendments. I hope the Committee will retain the proviso.

Hon. A. THOMSON: In view of the explanation furnished by the Honorary Minister, I think the proviso should not be struck out. Mr. Parker is right in assuming that the Minister will make reasonable regulations. It is provided that manufacturers, traders and others shall have a month's notice to enable them to be heard in opposi-

tion to the regulation that may be proposed. Then again subparagraph (iv) sets out that no person will be required to disclose a trade secret. That subparagraph most decidedly should remain in the Bill.

Hon. J. J. HOLMES: It will be necessary to strike out "proclamation" and insert "regulation" in lieu, except in those parts where it is essential to provide for proclamations being issued.

Hon. H. S. W. PARKER: I have discussed this matter with the Parliamentary Draftsman. We have already rejected paragraphs (a) and (b), and in the circumstances it is rather difficult for subparagraph (i) of the proviso to stand. I move an amendment:—

That subparagraph (i) of the proviso be struck out.

Amendment put and negatived.

Hon. H. S. W. PARKER: The Committee have decided to retain subparagraph (i) which refers to goods specified in the preceding paragraphs (a) and (b), which we have struck out.

The CHAIRMAN: The Committee will have an opportunity to rectify that later on.

Hon. L. B. BOLTON: We can easily overcome that difficulty by striking out the reference in the proviso to the preceding paragraphs (a) and (b), to which Mr. Parker alluded. I move an amendment—

That in lines 2 and 3 of subparagraph (i) of the proviso the words "in the preceding paragraphs (a) and (b)" be struck out.

The HONORARY MINISTER: The more effective way will be to recommit the clause and re-insert paragraphs (a) and (b).

Amendment put and negatived.

Hon. G. W. MILES: I move an amendment—

That in lines 4 and 5 of subparagraph (i) of the proviso "proclamation" be struck out, and the word "regulation" inserted in lieu.

Amendment put and passed.

Hon. G. W. MILES: I move an amendment—

That in subparagraphs (ii), (iii), (iv), and (v) "proclamation," wherever it appears, be struck out and the word "regulation" inserted in lieu.

Amendment put and passed.

Hon. H. SEDDON: There is one point about subparagraph (iii). Mining shares, bonds and matters of that description will be covered by this legislation, and that is quite right. Provision is made for one month's notice to be given, and I can ima-

gine some of those slim gentlemen who have been taking down the people during the last few years, seizing upon the advantage of that month's notice. At Kalgoorlie some time ago we had a benevolent gentleman who promised that if people would take shares in his company he would build houses for them. His story was that he had money elsewhere for investment in Kalgoorlie, and if they took out shares and paid in a few shillings, he would go on with the erection of their houses. A number of people took shares and paid their contributions. They brought in their plans and made arrangements for their houses. Then when matters began to get uncomfortable and inquiries were instituted, the noble gentleman cleared out. The last word we had of him was that he was in New Zealand. Under the provision of notice that gentleman would have had another month within which he could have continued his operations. When inquiries were made, we were informed that it was the responsibility of the victims to bring the man back from New Zealand. That would have meant throwing good money after bad in order to bring the criminal back to Western Australia to stand his trial. Would it not be better to give the Minister power to grant a month's notice in some instances, and also provide that he could take action at once in other instances?

The HONORARY MINISTER: I move an amendment—

That a subclause, to stand as Subclause 2, be inserted as follows:—

(2.) It shall not be necessary to affix the prescribed particulars relating to the manufacturer and to the goods on the goods themselves, but it shall be sufficient compliance with this section if such particulars are attached to any covering, label, reel, placard, or thing used in connection with the goods, provided that the same are at all times in sufficient proximity to the goods and conspicuously displayed so as to be clearly and easily referable thereto by any person proposing to purchase the goods.

The subclause really explains itself.

Sitting suspended from 6.15 to 7.30 p.m.

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

Postponed Clause 8: False advertisements;

Hon. W. J. MANN: I move an amendment—

That after "offence" in the last line of subclause (1) the words "not exceeding" be inserted.

In a previous Committee the words "one hundred" were deleted and "fifty" inserted. The question whether the words "not exceeding" should be inserted was debated and I agreed to let the matter go. Later on, in an amendment by Mr. Piesse to Clause 14, the words were inserted and I think they should be put in here for the sake of uniformity.

Amendment put and passed.

Hon. W. J. MANN: I move an amendment—

That in line five of subparagraph (i) of paragraph (b) of Subclause 4 after the word "section" the following words be inserted:—"such warning to be in writing signed by the Minister and delivered at the place of business of the printer."

Hon. L. CRAIG: It seems to me that the inspector having verbally warned the printer, it should be the inspector's job to sign and not the Minister's.

Hon. W. J. Mann: I want the Minister to take the responsibility.

Hon. L. CRAIG: It would be too big a job for the Minister.

The HONORARY MINISTER: It is placing too much detailed work on the Minister and, particularly in country places, the object in view might not be achieved, because there would be much lapse of time between the signing of the order and its delivery.

Hon. W. J. MANN: I cannot follow the logic of the Minister. All the Minister is to do is sign a definite warning and it can be posted to the country printer in the same way as any other notice which comes from the Minister.

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

Ayes	..	..	..	12
Noes	..	..	..	7

Majority for 5

AYES.

Hon. E. H. Angelo
Hon. L. B. Bolton
Hon. E. H. Hall
Hon. J. J. Holmes
Hon. W. J. Mann
Hon. J. Nicholson

Hon. H. S. W. Parker
Hon. H. Seddon
Hon. H. Tuckey
Hon. C. H. Wittenoom
Hon. G. B. Wood
Hon. L. Craig
(Teller.)

NOES.

Hon. A. M. Clydesdale
Hon. J. M. Drew
Hon. E. H. Gray
Hon. W. H. Kitson

Hon. T. Moore
Hon. A. Thomson
Hon. E. M. Heenan
(Teller.)

PAIR.

Ave.
Hon. H. V. Piesse

No.
Hon. C. B. Williams

Amendment thus passed.

Hon. G. B. WOOD: I move an amendment—

That the following be added to subparagraph (ii) of paragraph (b) of Subclause 4:—"or in the case of any catalogue, book, or publication in which such advertisements are purely incidental such printer has amended the false advertisement to the satisfaction of an inspector so that the advertisement no longer offends against this Act."

The amendment speaks for itself. In the case of a newspaper it is easy to withdraw any matter, but it would be ridiculous to have to withdraw a catalogue costing something like from £500 to £1,000 to set up.

The HONORARY MINISTER: I have no objection to the amendment.

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

Schedule:

Hon. J. J. HOLMES: I move an amendment—

That before "furniture" the words "Clothing and materials for clothing made wholly or partially of wool" be inserted.

Amendment put and passed.

Hon. H. S. W. PARKER: What does the term "bedding" include?

The Honorary Minister: Pillows and mattresses.

Hon. H. S. W. PARKER: Why not say so? The term might include counterpanes, eiderdowns, etc.

Hon. L. Craig: Bedding is used for horses.

Hon. J. Nicholson: Make it mattresses and pillows.

The Honorary Minister: I prefer to stick to the Bill.

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

That the word "bedding" be struck out. To include the bare term would be confusing.

Hon. A. Thomson: It could be prescribed by regulation.

The HONORARY MINISTER: "Bedding" would include mattresses and pillows.

Hon. H. S. W. PARKER: I have no objection if you stipulate what it includes.

Hon. J. Nicholson: That is the proper thing to do.

The HONORARY MINISTER: There might be good reason for using the term "bedding."

Hon. H. S. W. PARKER: If we do not know what the term means, how will the public know?

The CHIEF SECRETARY: The amendment will not be helpful. In the trade, "bedding" has a well-understood meaning.

Hon. L. Craig: Is it a trade term?

The CHIEF SECRETARY: Yes.

Hon. W. J. Mann: Would blankets be included?

The CHIEF SECRETARY: Ordinarily, yes, but not in the trade. The term has been inserted to include everything constituted by that trade description.

Hon. H. S. W. Parker: The question is, what does it constitute in the English language?

The CHIEF SECRETARY: I hope the schedule will not be altered.

Hon. H. S. W. PARKER: By some people, the bed might be considered to be bedding. In the schedule, blankets are distinguished from bedding, but many people would include them as bedding. If it be necessary to specify various articles, we should do so in order to make the intention clear. Would valises constitute bedding, and what about camp equipment? The measure will mulct people in severe penalties, and it is our duty to make the intention clear.

Hon. L. CRAIG: The Bill deals with people who trade in bedding and to them the term has a definite meaning.

Hon. H. S. W. Parker: Do people in the country know what bedding is?

Hon. L. CRAIG: Yes. The Minister's explanation was sound, and I support his view.

Hon. J. NICHOLSON: The Minister's explanation does not go far enough. What constitutes bedding would not be known to a magistrate. Experts would have to be called to prove what "bedding" meant, and there might be a difference of opinion. We should state specifically what we propose should be included.

The HONORARY MINISTER: "Bedding" will be prescribed by regulation.

Hon. J. Nicholson: It cannot be prescribed.

The HONORARY MINISTER: In the definition clause provision is made for labels on goods included in the schedule, and "trade description" is defined. The amendment is quite unnecessary.

Hon. H. S. W. PARKER: Annandale's dictionary describes "bedding" as a bed and its furniture; materials of a bed. A court would decide on the English language, not on a trade description. There is nothing in

the measure to provide that a trade description shall be accepted.

Hon. J. J. Holmes: Make it read "bedding according to trade description."

Hon. H. SEDDON: I suggest that the word "bedding" be deleted from the schedule, and then the Government could proclaim it as they thought fit. The Government would have the desired power exercisable by regulation.

The CHIEF SECRETARY: The hon. member is apparently seeking to make confusion worse confounded. The phrase "trade description" is found on almost every page of the Bill.

Hon. H. S. W. Parker: "Trade description" means the manufacturer's name.

The CHIEF SECRETARY: It may mean quite a lot of things. The definition of the word "bedding," as quoted by Mr. Parker from the dictionary, is in itself enough to show that something more is needed in the Bill. The hon. member seems desirous of making a farce of the whole measure.

Hon. J. Nicholson: That is not fair.

The CHIEF SECRETARY: The amendment should not be carried. If it is carried, the Government will have to promulgate a regulation including bedding. In the trade, "bedding" has a distinct meaning.

Hon. A. THOMSON: We are splitting straws. Anyone possessed of commonsense knows what bedding is. Let me ask, why was not the word "furniture" struck out and every article of furniture specified and described? Surely commonsense will be applied.

Hon. H. S. W. Parker: Unfortunately it is not, in courts.

Hon. A. THOMSON: Let the lawyers deal with what is clearly intended. We have more important matters to discuss than the dictionary interpretation of bedding.

Hon. H. S. W. PARKER: Obviously various members, including the Chief Secretary, have not the faintest notion of how Acts of Parliament are interpreted by the courts. Courts do not care what members of Parliament intended; they look merely at the wording of the Act. "Bedding as understood in the trade" might be inserted. Chambers's dictionary defines "bedding" as "A collective name for the mattress, bed-clothes, etc.; also litter for cattle." Let us not pass out to the public a word having many meanings which we do not in the least intend that it shall carry.

Amendment put and negatived.

Hon. A. THOMSON: I move an amendment—

That in the Schedule, after the word "flannel" there be inserted "Motor bodies, including cabs, trays, platforms, and coaches of every description as used on motor vehicles for private, passenger or any commercial purpose."

Federal members have supplied the following figures for motor bodies imported into the Eastern States: 1925-26 £86,076, 1934-35 £266,204, 1935-36 £415,310. It is becoming the practice to import commercial bodies and sell them as being of local manufacture. This business involves the employment of hundreds of men. Anyone with patriotic feeling will give preference to a motor body definitely and distinctly marked as of Western Australian manufacture.

Amendment put and passed.

Hon. A. THOMSON: I move an amendment—

That the words "and flour" be inserted in the Schedule at the end of the preceding amendment.

Recently about 50 tons of flour were imported from the Eastern States bearing no brand whatever. Foodstuffs should be marked with the place of origin.

Amendment put and passed.

Hon. E. H. ANGELO: Will the word "blankets" include rugs? Large numbers of rugs are used in the North, and some of them are by no means in accordance with the names given to them. I shall not move an amendment, but I ask the Honorary Minister to bear the matter in mind.

The HONORARY MINISTER: If the hon. member will move an amendment to that effect, I shall accept it.

Hon. E. H. ANGELO: I move an amendment—

That the word "rugs" be inserted in the Schedule.

The CHAIRMAN: We are now getting the Schedule rather mixed.

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

Title—agreed to.

Bill reported with amendments.

BILL—FAIR RENTS.

Second Reading.

HON. E. M. HEENAN (North-East) [8.15]: The Bill has been introduced for the purpose of giving a measure of relief to a big section of the community who are not

fortunate enough to own homes, but who are obliged to pay rents for the houses in which they live. It is not my intention to traverse the arguments used by the Honorary Minister who introduced the Bill, but I will confine my remarks to the position on the Eastern Goldfields. Members are well aware of the great revival in mining which commenced about five years ago, and which has been responsible for re-establishing Kalgoorlie and Boulder in particular as two of the most flourishing towns in the State. Some idea of the revival can be gained by the fact that since 1930 the combined population of those two towns has increased from approximately 15,000 to 25,000. The difficulty in providing housing accommodation for this great increase has brought about a most serious problem. The demand far exceeds the supply, and as usual in such cases rents have risen to such a degree that the Government in their wisdom, and at the earnest request of thousands of people concerned, have brought forward this measure. I stress that aspect because I am conversant with the feeling on the goldfields, and I know that it is at the urgent request of the goldfields members that the Government have brought forward the Bill.

Hon. H. Seddon: Do you think that the Bill will make for increased building on the goldfields?

Hon. E. M. HEENAN: I do not think it will have any bearing on increased building. The greater number of people realise the futility of paying high rents.

Hon. H. Seddon: Do you think people will be encouraged to build as a result of this Bill?

Hon. E. M. HEENAN: I do not agree with the proposal to discourage building.

The PRESIDENT: Order! Such questions can be reserved for the Committee stage.

Hon. E. M. HEENAN: The argument has been used that this is a sphere which should be left alone, and it has been further argued that in time the problem will solve itself. I do not agree with either of these beliefs. The great majority of people living on the goldfields, as hon. members are aware, are working people; they are engaged in an industry which has been the salvation of Western Australia in recent years, and all will agree that in the interests of the State generally the welfare of those people should be safeguarded.

Hon. L. Craig: At whose expense?

Hon. J. J. Holmes: At the expense of the landlord, of course.

Hon. E. M. HEENAN: At the expense of the unscrupulous landlord. The question of wages is dealt with by the Arbitration Court, and in spite of arguments to the contrary few will disagree that this measure is preferable to the old system. It is right that wages should be fixed by such a tribunal, and that the court should fix the basic wage. The position as it exists, however, is that in spite of the hard-won increases in wages, the average miner who perforce has to rent a house is worse off than he was five years ago, as rents have increased to such an extent, that on an average a miner or a worker on the goldfields has to pay—I am referring to the man who is earning what is regarded as a comparatively good wage—approximately one-third of his wages in rent. I am aware that some of the houses are barely fit for habitation. This is a reflection on the community in general. Climatic conditions are much more severe on the goldfields than elsewhere, yet we allow housing conditions to exist which would not be tolerated in more congenially situated parts of the State. It has been estimated that during the past five years about 600 new buildings have been erected in the two towns, and I am pleased to say that this building activity is continuing. I might also add, while on that subject, that the cost of living on the goldfields is very high, and that many, realising the futility of paying high rents, at the same time have no prospects of buying a home, this being beyond the resources of that large section. In spite of the building activity, rents have been increased, and for homes with a capital value of £500 the rental ranges from £1 15s. to £2 and £2 5s. per week. The figures regarding the rents charged, and the various types of houses on the goldfields, were fully tabulated in a reliable article published in the "West Australian" on the 20th October last. This article has already been referred to by the Honorary Minister, but all the same I commend it to the attention of members, and I hope they will read it. I think I can state with some confidence that that article was written by the direct representative of the "West Australian" on the goldfields. I admit the argument that the person who invests his money in household property should receive a fair return, but I go further and say that in places like the goldfields, the

future of which is so uncertain, the returns should be higher than elsewhere.

Hon. H. Seddon: In what period would the builder expect to be reimbursed for his outlay?

Hon. E. M. HEENAN: I would not like to answer a question like that off-hand, because there are many facts to be taken into consideration.

Hon. H. Seddon: It has a material bearing on the question.

Hon. E. M. HEENAN: A question such as that would probably occupy a whole day of discussion in a court. That is why the Bill proposes to delegate the responsibility to a magistrate who would have all the facts placed before him. I submit it is the duty of the Government to ensure, per medium of legislation, that people are not victimised by unscrupulous landlords who are seizing the present unhappy position of the people to extract far and away above what is a fair return. I have gone very carefully through the Bill, and I cannot agree with the remarks of Mr. Craig that it is a rotten Bill. On the contrary, I consider the Bill is most fair and equitable. As hon. members know, it proposes to delegate to local courts jurisdiction to determine rents. Of course the jurisdiction is confined to dwellings regarding which, it is considered, a fair annual rental does not exceed £156 per annum, or £3 per week. The basis of determination is calculated on the capital value, and the capital value is assessed on the price which the premises would be expected to realise at a bona fide sale. I think that answers the interjection made by Mr. Seddon. At present the capital value would be regarded as being higher than it was three or four years ago.

Hon. H. Seddon: Prices vary very quickly on the goldfields.

Hon. E. M. HEENAN: The Act provides that any judgment or any ruling of the court shall last for 12 months. In places like Kalgoorlie and Boulder a vital change might perhaps occur in a period of 12 months. If the hon. member had such an objection to the Bill it could be overcome by amendment. After allowing for outgoings and depreciation the rent allowed is such as will give a rate of interest on the capital value of not less than 1½ per cent. above the rate at present allowed on overdrafts by the Commonwealth Bank.

The Bill does not say "not more," but "not less." Another clause in the Bill which seems quite fair and honourable is that clause which states that any fixation of rent by the court shall remain in force for 12 months. The intention is to deal with a situation referred to by interjection where conditions may make radical changes. I consider that a period of 12 months is high enough.

Hon. H. S. W. Parker: Is there anything in the Bill to cover the time during which a house is not let?

Hon. E. M. HEENAN: I do not think the hon. member would expect such a provision.

Hon. H. S. W. Parker: But a landlord would.

Hon. E. M. HEENAN: I hope that members will give this measure sympathetic consideration. The question of rents is a very serious one on the goldfields, and I can assure members that what has been said and written on the subject is true of the position as it exists to-day and as it has existed in recent years. I regret that the jurisdiction of the Bill has not been confined to the goldfields, because from what I have heard and read I have come to the conclusion that there is no great need for it either in the city or in the agricultural areas. I hope therefore that members will not vote against the second reading on that score, because amendments can be made in Committee, and so far as I can, I will support such an amendment. If members think that the argument that the problem will be solved in time is a sound one, I point out that many injustices will have to be tolerated until such a happy time arrives. Also I submit that there is good reason for giving relief until that time does arrive. I am confident that the remarks I have made represent the sentiments of the majority of the people in Kalgoorlie; and I would go further and say that those sentiments are their sentiments, irrespective of their political views. Possibly a better system might be devised to grapple with this problem but, as I said in my opening remarks, it is a very real problem and I could quote numerous instances of families who have no alternative to living in houses which the people in Perth would refuse to occupy. One can see whole families living in small two-roomed shacks and paying rents that are utterly out of all reason.

Hon. L. Craig: And how will the Bill alter that?

Hon. E. M. HEENAN: The Bill eventually will cause a vast number of new houses to spring up, and so it will help those people who, owing to the shortage of houses at present, have to occupy mean places and are charged rentals out of all proportion to the value of the premises they occupy. My proposition is that there is a housing shortage. Perhaps it is because the Government have not the money with which to build houses, or because investors have not sufficient confidence in the future of the goldfields, or because of the fact that a great number of the rank and file on the goldfields are wages men and never can save enough to put down a deposit of £50 or £100. However, there is a shortage of houses. That is definite, and people have to live in such places as exist. That phase, I agree, probably will not be remedied by this Bill, but what will be remedied is the injustice that is being done to those people who have to occupy those habitations. They have to live somewhere, and owing to the abnormal economic conditions they have to pay rents which, I can assure members, are utterly out of all proportion with what the average person would consider a fair thing. I hope these few remarks of mine will do something towards pointing out the urgency of the problem. As I said before, I regret that the jurisdiction of the Bill is not confined to the goldfields. A number of members are not quite aware of the position prevailing on the goldfields, simply because they have enough to do in looking after their own constituents. Probably they think the Bill is quite unjustified in this and other parts of the country. Had the Bill been confined to the goldfields they might have supported it.

Hon. H. Seddon: There is considerable need for it in the metropolitan area.

Hon. E. M. HEENAN: I am not expressing my view on that, but am only pointing out that from what I have heard I think those are sentiments that some members hold. I am hoping that those members, if they are thinking of opposing the second reading on that ground, will alter their views.

HON. G. B. WOOD (East) [8.39]: I have considered the Bill very thoroughly and I can see absolutely nothing in it to recommend it. It savours of unsoundness, and it would almost appear to be aimed at one section of the people, that section who have in the eve of their lives invested their savings

in a few houses. It has been said that the Bill is desirable only on the goldfields. I do not agree with that, but I am going to make the statement that if it passes the second reading I intend in Committee to move an amendment to confine it to the goldfields. For I say, let the goldfields people stew in their own juice if they want this measure. We definitely do not want such a measure in the agricultural areas, nor in the metropolitan area. I do not think there is any call for it.

Hon. H. Seddon: It is desirable in the metropolitan area.

Hon. G. B. WOOD: It is said that rents have been too high on the goldfields. I will admit that they are high in some cases, but on the other hand there are many remedies against these high rents. A goldfields member in another place said he had found that working men on the goldfields had invested their savings in a house or houses, probably when material for house building was cheap, and that these houses were now virtually the only source of income to their owners. That gentleman in another place went on to say that a civil servant up there was paying £2 a week for a four-roomed house. We know that civil servants, when living on the goldfields, have a special allowance. Why should not those miners, who have been working all their lives, invest their savings in a house? I say they are entitled to get any rent they can from the tenant. This civil servant, obviously, could afford that rent, else he would not be paying it. I am not going to be a party to taking away the rights of the working men who have invested their savings in small houses. I think that anybody, apart from civil servants, who agrees to pay high rents must have more money than he knows what to do with. In Kalgoorlie or in Boulder one can lease a block of land for 10s. per annum on a 99-years lease.

Hon. H. Seddon: That is quite correct.

Hon. G. B. WOOD: Mr. Heenan quoted from an article in the "West Australian" but he did not finish the quotation. Let me finish it for him. The article continues—

Throughout the local districts it is noticeable that wages men are building small houses. Usually two or three rooms are built and provision is made for extensions as they can be financed. Some buildings are very modest; others are more elaborate. In any case a house is provided, and the payment of rent avoided. Therefore I say that if these wages men can avoid rent, so, too, can anybody else avoid

rent. They do not have to pay these extortionate rents, for they can build their own houses. The article concludes—

The materials can be obtained on time payment, and the future owner usually builds the house himself in his spare time

There is no need for legislation of this kind, for a person can build his own home and so avoid the payment of high rents.

Hon. L. Craig: They are not willing to take the risk on the goldfields.

Hon. G. B. WOOD: Then they deserve to pay their 30s. or £2 per week rent.

Hon. E. M. Heenan: A man working on the mines cannot afford to build a house.

Hon. G. B. WOOD: Of course he can, and he would find it cheaper than paying rent. What did the pioneers do? They put up their own tents and hessian houses and lived in them.

Hon. E. M. Heenan: They did not have their wives and children with them then.

Hon. G. B. WOOD: House property is always risky. Anyone who accepts that risk is entitled to make what he can out of it. We know what has happened on the goldfields in the past. Houses have been empty there for many years, and the same thing may happen again, though we hope not. The man who had patience to hang on to houses he owned on the goldfields is entitled to at least 10 or 12 per cent. on his money. Houses were worth very little in Kalgoorlie and Boulder a dozen years ago, and many of them were removed. The same thing may occur again. In the circumstances, how can a magistrate fix a fair rent for a house? No provision is made for times when houses may be unlet. A house may be let for six months only in the year.

Hon. J. J. Holmes: And no provision is made if the rent is not paid.

Hon. G. B. WOOD: I will come to that. The Bill provides that the court shall require to know the capital value of the property at the time of the application. The rent shall be the Commonwealth Bank rate of interest, plus $1\frac{1}{2}$ or more per cent., plus maintenance, insurance, etc., but less depreciation. No provision is made for houses being unlet. Nothing will alter my view that the man who has hung on to his houses during the years of depression is entitled to a fair rent for them. Provision is made for any determination of the court to last 12 months. That period is too long. Things change rapidly on the goldfields. What

would happen to-morrow if the price of gold fell to normal? House property would depreciate everywhere. People on the goldfields like to have a riot now and then. In certain parts around Boulder, certain sections of the community have had to migrate to more peaceful parts of the State. What effect would such a happening have on house property? Possibly a hundred houses might be destroyed at Boulder. That might, of course, affect the rent of the others. On the other hand, if some hundreds of people have to migrate, many of the houses would not fetch so much rent. All these things might happen within 12 months. There are many factors which would determine the rent that a person could pay or would pay for his house. If there is any part of the State where this Bill is undesirable, it is on the goldfields where times change and fluctuate periodically, as we have seen in the past. No magistrate could fix a fair rent in such circumstances. Nothing is provided in the Bill for dealing with different localities. No instruction is given to the magistrate to consider the conditions in the city, the agricultural areas, or on the goldfields. Here is a direction in which the Bill will have a far-reaching effect, and will defeat its own objects. It is an aspect which has not occurred to the sponsors of the measure. What investor would put his money into house properties if he were subservient to a measure like this? It is possible to invest money in a mortgage at 6 or 8 per cent., and have no risk. In house property there is no margin of security. It is necessary to have an agent advertising and making provision for absconding tenants. People are apt to hang on for six months, then disappear in the middle of the night. What investor would go in for house property in such circumstances?

Hon. J. Nicholson: No allowance is made for agents' charges or for losses due to non-payment of rent.

Hon. G. B. WOOD: That is so. If this Bill becomes law, nobody will erect houses for letting purposes. Generally speaking, the man who builds houses for letting wants 10 or 12 per cent. interest on his money to cover all risks. This Bill provides for 6½ or 7 per cent. No one will build in such circumstances.

Hon. E. M. Heenan: At present landlords are getting 20 or 30 per cent.

Hon. G. B. WOOD: People are not obliged to pay that rent. This Bill will not overcome the difficulty nor alter the position. I asked a land agent the other day what he thought of it. He was a man well versed in the letting of houses, the collection of rents, etc. He said it was not a fair proposition to put to a magistrate for determination, and that no magistrate could come to a fair decision. He said that he himself would not like to take it on. Recently, when we were considering another Bill, some members said that 90 per cent. of it was bad. One member said he would support the second reading because he wanted one clause out of 60 to be passed. I consider that every clause in this Bill is undesirable, and will do no good.

Hon. E. H. Angelo: Even the Title is not good.

Hon. G. B. WOOD: No third party can fix a fair rent for houses. That is a matter between the owner and the tenant. There is always the law of supply and demand to enter into the negotiations. That is an invisible arbitrator, but a very efficient one. I hope the Bill will receive the scant consideration to which it is entitled. If it goes into Committee, I will oppose nearly every clause.

HON. A. THOMSON (South-East) [8.55]: If I thought this Bill would improve conditions for people on the goldfields or elsewhere, I would support it. I am convinced, however that instead of improving the housing position, it will make things worse on the goldfields, if not elsewhere. If so much money can be made out of the building and letting of houses, I cannot understand why it takes the utmost pressure on the part of members of this House and another place to induce the Government to extend the operations of the Workers' Homes Act to the goldfields.

Hon. H. Seddon: Because they could not get the money to put into houses there.

Hon. A. THOMSON: There is said to be an acute shortage of houses on the goldfields. If the Government are sincere in their desire to assist workers in that part of the State, then the responsibility is theirs, and not that of private individuals. The Bill lays down that the rent charged shall not be less than 1½ per cent above the Commonwealth Bank overdraft rate. Let any member representing the goldfields go

to the bank tomorrow and ask for a loan of £400 to build a £400 house on the goldfields. I doubt if he would even get £200. The bank may advance up to 50 per cent. of the value, but I doubt if they would touch the business, any more than a private bank would do. If a private investor is fortunate enough to have the cash, he is expected to be satisfied with interest at $6\frac{1}{2}$ per cent. No provision is made for the house being empty, or for other expenses connected with it. People in the metropolitan area can obtain houses on very easy terms. If a man owns a house that has cost him £1,400, he is generally prepared to let it go for a deposit of £100 and the balance in small sums equivalent to rental. If a man has had to borrow money for the erection of a house, he is allowed $1\frac{1}{2}$ per cent. above a Commonwealth Bank overdraft. The Bank are now inviting subscriptions to a loan that will return 4 per cent., State tax free. Investors in that loan will have to pay no municipal rates nor take any risk. They will get a clear 4 per cent. less Commonwealth tax. This Bill is not likely to induce people to invest money in homes. I can say from practical experience of the building trade that I would not embark upon such an investment, for there is nothing in it. The sponsors of the Bill cannot have given much consideration to all the circumstances. If they wish to assist the workers concerned, they could adopt Mr. Wood's suggestion—give them a lease of a piece of land, and advance them money for the purchase of materials with which to put a roof over their heads. There is not the permanency about the goldfields that there is about the metropolitan area. Although one might hesitate to invest money in brick or wooden houses in the metropolitan area, there is a reasonable chance of getting a return from the investment, but not so on the goldfields. We cannot pass a Bill that would apply to house-owners on the goldfields only, for it would make the position there worse than it is. I have no intention of supporting the second reading, because the Bill will defeat the object which is alleged to be behind its introduction.

HON. H. S. W. PARKER (Metropolitan-Suburban) [9.0]: I cannot help feeling that the Government are not sincere in bringing down this Bill. I have endeavoured to obtain information from agents concerning it. I also have my own experience

to help me. Landlords of small properties in the metropolitan area are not getting anything like the amounts this Bill, if passed, will give them. If the Bill goes into Committee, I will ask the Government if they are prepared to amend it so that tenants shall pay a fair rent as fixed under this Bill. If they agree to that, rents all round will be certain to go up. This is excellent bait, this nice-sounding phrase—"fair rents"! Has this occurred to the Government: The house that will be let under this Bill will be the jerry-built place, not the well-built structure. In other words, it will force people to erect jerry-built houses. If a man spends £1,000 on constructing a jerry-built house, he can afford to provide more accommodation than if he spends a similar amount on erecting a well-built house. Obviously, more can be put into the former. The result will be that people will rush the building with the greater accommodation and there will be plenty of tenants to rent the inferior type of dwelling. On the other hand, the well-built houses will be left vacant. As soon as the jerry-built house shows signs of decay, out will go the tenant, who will take on the next jerry-built house he can secure, and the first premises will be left on the landlord's hands. It will be useless to build well-constructed homes because people will rush the jerry-built premises. Even if the Bill be agreed to in its present form, there is a very simple way of overcoming its provisions. The measure is supposed to deal with the unscrupulous landlord. There are unscrupulous landlords, as there are unscrupulous people in other sections of the community.

Hon. J. J. Holmes: Including lawyers?

Hon. H. S. W. PARKER: And pastoralists, bakers, and others as well. We all know that is true. But will the Bill affect the unscrupulous landlord? If so, all he has to do is to sell his property to the tenant, take a mortgage for the amount of the purchase price, and charge him a high rate of interest. If that is done, where is the legislation? The landlord has his mortgage, and if the interest is not paid he can foreclose. I believe the Government are not serious in regard to this Bill. If they are, it is an extraordinary measure. The object is to assist the man on the basic wage. In order to secure a fair rent, he has to go to all the expense that is indicated.

I assert that the man this Bill aims at assisting will not be sufficiently versed to look after these matters himself, so that he will have to approach some agent, who will not do the work without some recompense.

Hon. J. J. Holmes: Will he not go to a lawyer?

Hon. H. S. W. PARKER: If he does, the lawyer most certainly will not do the work without recompense. I am leaving lawyers out of it and am considering the agent who will pretend to be the tenant's friend and yet charge him for what he has to do. Apart from that, the tenant will have to pay 2s. to the Government to file his application, 10s. to the Government to get it heard, and 2s. for certifying that he has had it heard, which represents a minimum charge of 14s. If he has to call witnesses, he will have to pay 1s. for each witness. He will have to pay the bailiff 2s. for serving the notice and 1s. for serving the affidavit of notice, and the same for other services. In addition, he has to take the matter to court and secure his position. He has to secure the agent to give evidence. He has to find out what the cost of the building is and obtain a valuation in order to assist in determining what is the fair rent of the building. A sworn valuator charges several guineas for his work and the court will not accept evidence from other than sworn valuers. He will have to secure someone from the local governing body to prove the annual rates, and the local governing authority will not allow their employees to give evidence without a witness fee. They will also possibly insist upon a subpoena, which will cost probably another 3s. Then he will have to prove the amount estimated to be required annually for repairs, including painting, renovating, and renewals. He will have to provide evidence regarding the insurance on the buildings and the cost of that insurance. He will have to ascertain the amount of the estimated annual depreciation in connection with the dwelling-house. How on earth can a man who is in receipt of the basic wage, a sustenance worker or someone in his position do all that? He cannot do it. Yet the Government solemnly bring in this Bill and tell us they want to assist the small tenant. I feel quite sure the Bill has not been placed before us as seriously as some other measures.

Hon. E. M. Heenan: Do not you think that in practice there will merely be one or two test cases?

Hon. H. S. W. PARKER: Every house costs something different. The cost of a

house cannot be ascertained by merely looking at it; it has to be thoroughly inspected. The unscrupulous landlord, especially, will inflate values tremendously. He may even resort to that old subterfuge to get his wife on the Legislative Council roll by selling the house to her. Actually there is no need for the Bill because there is the law of supply and demand. Recently, during the depression, rents fell hand-over-fist and we were told there were many people requiring houses. There are very few unscrupulous landlords and even they would be confined practically to the man who has one house to let. There are very few big men who have houses to let to people in receipt of the basic wage.

HON. E. H. H. HALL (Central) [9.8]: I listened to-night to a very unsympathetic speech delivered by a Country Party member. I felt rather—perhaps I had better leave it unsaid! It was very evident to me that he was talking about something he knew very little about. I listened with interest to Mr. Heenan's speech; he spoke as though he were personally aware of what he was talking about. Those who have lived on the goldfields, as I have, and visited that part of the State recently, as I did, must be fully aware that Mr. Heenan, in the course of his speech, gave us the truth, the whole truth and nothing but the truth. There are people on the goldfields who are compelled to live in shacks, of which we ought to be ashamed. They are paying rentals that are altogether too high. The people who own such houses are those against whom the Bill is aimed. We are just as much concerned on the Murchison goldfields with this matter as are the Kalgoorlie people, but if the Government had wished the Bill to be defeated, I do not think they could have gone about it in a more thorough manner than by sending such a measure to the Legislative Council. I am amazed to think that the gentleman who introduced the legislation, a man of some experience and ability, should have been responsible for it. I am amazed that he agreed that the draftsman could put up such a Bill. Before I deal with one particular clause, which in itself is sufficient to damn the Bill, I want to ask what is to me a pertinent question. Why are we experiencing to-day, as we have for some years past, ever since the filip was given to the mining industry, the spectacle of the Labour Government departing from a plank of

their platform that I always understood they rigidly adhered to. I refer to their support of the leasehold, as against the freehold, system of land tenure. In each old mining town that has been resuscitated, and in the more recently opened up centres, land sales are advertised regularly, and the highest bidder for blocks is the purchaser. That is playing right into the hands of the section of the community that the Labour Party regard as the hated capitalists. There are many men who have been forced to go to the goldfields in order to provide a living for their wives and families. They have not a dog's chance of securing any of those blocks in competition with others who can come along and bid for the blocks as investments.

Hon. E. M. Heenan: That is quite true.

Hon. E. H. H. HALL: I drew attention to this matter a couple of years ago. I am not so presumptuous as to think that the mere fact that I raised the point caused an alteration in the policy, but I am pleased to note that action has been taken to compel people, who have purchased blocks under the conditions I have described, to build upon their holdings within six months or so. I give the Government credit for their action. If the Government are sincere in their endeavour to conserve the interests of the workers, I acknowledge their good intentions. Notwithstanding what was said by Mr. Wood, it must be appreciated that men who have gone to the goldfields have been fortunate enough to secure permanent positions, and they have been able to send for their wives and children, in order to join them. I do not think Mr. Wood did his case the slightest good in adopting the attitude he did.

Hon. G. B. Wood: Here is the "West Australian"!

Hon. E. H. H. HALL: Never mind the "West Australian." When Mr. Thomson was speaking, the hon. member almost jumped out of his seat to assert that what he said was not the position. If a man went to the Commonwealth Bank to borrow money, it would be a case of fifty-fifty.

Hon. G. B. Wood interjected.

Hon. E. H. H. HALL: Never mind about the hon. member. I do not wish to be offensive or to hurt his feelings, but the fact remains that Mr. Wood talked about matters of which he knew nothing. He left himself open to it, and he or any other member in that position will get it from me. I do not

say that he told us untruths, but I would like to see the hessian house he lived in for so many years. We can be fair and yet unfair in different degrees. I want to be fair to everyone, and for the Government to ask Parliament to pass a Bill that contains a provision such as that embodied in Subclause 2 of Clause 8 is unreasonable. Subclause 2 reads:—

The court shall determine the fair rent at a rate of not less than $1\frac{1}{2}$ per centum above the rate of interest which is for the time being charged upon overdrafts by the Commonwealth Bank of Australia on the capital value of the dwelling house determined as aforesaid, plus the following:—

I shall vote for the second reading of the Bill because I am compelled to do so, in view of what I have seen and because of what I know. I am not like Mr. Wood who gets his information from some anonymous writer in the "West Australian."

Hon. G. B. Wood: Mr. Heenan—

Hon. E. H. H. HALL: Never mind about Mr. Heenan; I am talking of something I know something about. It is this unsympathetic attitude that is at times displayed in this Chamber that causes such hostile comment throughout the State.

Hon. E. M. Heenan: It has caused a lot of unrest on the goldfields.

Hon. E. H. H. HALL: This matter has led to trouble in the State. We should see that the interests of the people concerned are conserved. The Government in asking Parliament to pass a Bill with a clause like this are asking for trouble. They are not being fair to men who place their money into speculative propositions on the goldfields. We all know the life of the goldfields is uncertain. Let the Government provide a fair rate of interest. The Government are blameworthy since they have been selling land all over the place for the highest price they could get irrespective of the position of men who have to go there and earn a living in order to keep their dependants. I support the second reading with a view to submitting amendments I think are necessary.

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

BILL—DIVIDEND DUTIES ACT AMENDMENT.

Report of Committee adopted.

BILL—FINANCIAL EMERGENCY TAX ASSESSMENT ACT AMENDMENT.

Second Reading.

Debate resumed from the 18th November.

•HON. H. SEDDON (North-East) [9.18]: I assume that the course adopted in the debate on this Bill will be the same as that followed on previous occasions: we will discuss both Bills having to do with the financial emergency measures. I will do so, because it will save me making similar remarks when the other Bill is under consideration. We have to recognise that while financial proposals are the province of the party in power in the Assembly, the discussion is definitely limited in that House. The Bills have to be supported by the Government Party. They are vital to the existence of the Party, and the discussion is more or less limited to perhaps a Minister or two and the Leader of the Opposition. This is a House where the discussions can be more free and certainly less trammelled, and although the powers of this House are restricted we have the very valuable privilege of criticising the proposals brought down by the Government. We also have other powers reserved under the Constitution. We have the right if we disapprove of financial Bills of throwing them out. If we do so, however, we are going to create a state of affairs which I, for one, would be very loth to precipitate. We have to recognise that finance is the responsibility of the Government. Personally I wish to help the Government even against themselves. When the Government bring down a Bill of this description it is difficult for me to reconcile it with their avowed purpose of conducting finance on a sound basis. I hope the Minister will take it that my remarks are intended to be made for the good of the Government, particularly having regard to their responsibilities in balancing the Budget. I presume the Government do intend to balance the Budget. I suppose they do intend to finance on sound lines and do something to meet their obligations. I should like to ask the Minister now whether it is the intention of the Government deliberately to incur a deficit for the present financial year?

The Chief Secretary: The hon. member can have his reply now.

The PRESIDENT: It is better not to reply by means of interjection.

Hon. H. SEDDON: My reason for asking the question is that this legislation does not indicate that the Government desire to achieve a balanced Budget this year. I notice that the Minister said that they expected to receive from this tax an amount similar to that received last year. The Budget shows that the estimated collections are £840,000 as against £827,000 last year. I would like the Minister to indicate how this figure has been arrived at. I should like him to indicate what the Government intend to collect from each of the classes of taxpayers enumerated and furnish a comparison with the amounts received from those classes last year. When the alterations were made for the year ended June, 1934, from the fixed flat rate of 4½d. in the pound to the graduated rate of from 4d. to 9d. in the pound, the Government took as a basis the average rate of 6d. in the pound. They also took as the means of computation the returns received under the hospital tax. That was a very good means of computation and, working from that basis, the tax was graduated accordingly. I would like to look at the results obtained. In the year ended June, 1934, it was estimated that £400,000 would be received. Although the Bill was only operative for nine months as far as wages and salaries were concerned the Government received £411,000. In 1935 the amount estimated was £550,000, while £684,000 was received. Members can verify those figures by referring to the Budget returns placed before them every year. For the year ended 1936 the estimated receipts were £650,000, and the actual receipts totalled £827,000. Now we have a new Government and a new Premier. Certain classes are being reduced and exemptions are increased. The Government are raising the rates on the higher ranges as compensation, and estimate they will receive £840,000. I repeat that I am waiting with great interest the answer of the Minister in the way of explaining how that figure is arrived at. I would like to make reference to the report of the Commissioner for Taxation for 1936 which shows the classifications of salary earning taxpayers. This is the only indicator I can find that shows how the number of taxpayers are distributed with regard to their incomes—that is to say, the taxpayers submitting returns in the first completed

year. I have had to take that as a basis, for as members know, the Commissioner's report varies from year to year and it takes them two years before the figures are complete. I am taking the number of taxpayers in 1934 as the basis of calculation. Numerically these taxpayers are split up as follows:—Taxpayers in the class from £100 to £200 a year constitute 34 per cent. of the persons who have sent in returns. The class from £200 to £300 constitutes 40 per cent. These figures are important because the taxpayers receiving under £300 a year comprise 74 per cent. of the taxpayers who send in returns. In other words, 26 per cent. are comprised in the class above £300. Let us go further. In the class from £300 to £500 a year we get 18 per cent.; between £500 and £700 4 per cent.; between £700 and £1,000, 2 per cent.; £1,000 to £1,500, 1 per cent.; £1,500 to £5,000, .7 per cent.; and over £5,000, .03 per cent. The total comes to 99.73 per cent. The basic wage is fixed at 73s. 9d. per week. That is the last finding of the Arbitration Court. That is to say the basic wage in the city is £193 per annum. The basic wage on the goldfields is £226 per annum. If we accept the Commissioner's table as a guide—and I think we are justified in accepting that table in the absence of other evidence—it is proposed to exempt altogether from the provisions of this Bill the 34 per cent. of those who pay income tax in the £100 to £200 per annum class.

Hon. G. Fraser: Is that income tax or returns from the financial emergency tax?

Hon. H. SEDDON: Income tax. I am pointing out that the basic wage is £193 per annum in the metropolitan area and £226 on the goldfields, so that in fixing exemptions for the basic wage men quite a large percentage in the class between £100 and £200 are to be exempted.

Hon. G. Fraser: That is a different thing from emergency tax; that is income tax.

Hon. H. SEDDON: The emergency tax conditions favour your Government. There are exemptions under the income tax not provided under the emergency tax. The figures I have quoted are of persons who send in returns and not of those who have to pay tax. If the hon. member will look at the Commissioner's returns he will find that of those people a large number are exempt.

Hon. G. Fraser: They would not pay the financial emergency tax.

Hon. H. SEDDON: Because their limits are different. The greater percentage of

those in the £100 to £200 class are exempt and a considerable number in the £200 to £300 class which comprise 40 per cent. Coming to the higher grades those in the £300 to £500 class which comprises 18 per cent., are reduced by one penny. Those receiving £500 and upwards (who comprise 8 per cent.) have their contribution increased by graduations from 9d. to a shilling in the pound. Taxpayers receiving over £14 a week comprise only 3.7 per cent. of the whole of the taxpayers and the total amount the Government will receive by increasing the rates on the higher grades will be comparatively small. Although the total amount will be comparatively small as compared with what the Government will lose, when we consider the proposed tax on the higher incomes, we find that the incidence of the tax is to be increased by 30 per cent. My contention is that the Government's financial outlook is quite obscure in more directions than that indicated by their attitude disclosed by this Bill. The Government submitted their Budget for a surplus of about £6,000. That was before the Commonwealth grant was reduced. Members will recollect that the Commonwealth grant was reduced by £300,000 a year. That reduction immediately disposed of the Government's surplus and as they have indicated no intention of altering their Estimates they are left with a deficit of £294,000 by the elimination of the £300,000 expected from the Federal Government. Then there is the incidence of the basic wage as it affects Government salaries and wages. Members will have noticed a paragraph in this morning's "West Australian" directing attention to the fact that the Government will have to meet considerably increased expenditure as a result of the advances in the basic wage. The increases are not confined to the basic wage itself because there are so many occupations where the rate is fixed at a given amount over the basic wage. When the basic wage is increased, those margins are increased and the Government will find themselves confronted with a considerable amount of additional expenditure along those lines.

The Chief Secretary: Your statement that when the basic wage is increased, the margins are increased, is not right.

Hon. W. J. Mann: The basic wage is increased, but the margins remain the same.

Hon. H. SEDDON: But the margins will be increased by the increase in the basic wage.

Hon. W. J. Mann: No, the total only will be increased by the increase in the basic wage.

The Chief Secretary: The margins will not be increased.

Hon. H. SEDDON: No, but the total amount paid to such employees will be increased by the increase in the basic wage. May I read the paragraph for the benefit of members as follows:—

It was officially estimated yesterday that, as a result of the State Arbitration Court's declaration of an increase in the basic wage from £3 12s. to £3 13s. 9d. a week for males in the metropolitan area, and from £3 13s. to £3 14s. 8d. in the agricultural areas, the extra amount which would have to be paid to civil servants up to 30th June next would be about £5,000. Over 12 months the increase would cost £7,700.

Including wages employees, the higher basic wage is estimated to cost the Government £107,700 for the remaining 7½ months of the financial year from the date of the Court's declaration, or £144,400 for 12 months.

I am pointing out these important facts because I wish to indicate that they will materially affect the Government's financial position and yet, in spite of that, it is proposed to grant additional exemptions to taxpayers and extend the scope of exemptions by exempting clergymen. I shall deal with that point later on. The Government propose to exempt a special class of taxpayers apart from those under the basic wage. There is another fact which I think will increase expenditure considerably, and I should like to know how the Government propose to meet it. The Loan Estimates are based on receiving an additional amount of £1,000,000 from the Commonwealth. It was pointed out to the Loan Council that this State had to face a very serious position owing to the drought and a request was made for an additional grant of £1,000,000 which, we are told by the responsible Minister, will be available to the State provided the money can be raised. The loan is now being floated by the Commonwealth, and the proceeds will be divided between the States. The loan is for an amount of £7,500,000 and inducements are being offered to investors to subscribe to the loan. I should like to point out to members that if the loan fails—and recent loans have not been too successful—necessarily the amount to be distributed to the States will have to be reduced. The effect of that upon the State Government's finance will be very serious. During one year in which the Mitchell Government were

in office, a large item of expenditure from Consolidated Revenue funds was the amount for providing sustenance for men who unfortunately were unemployed. The sum was very high, reaching in one year £600,000. The present Government have been more fortunately placed in that loan funds have been made available to them in a measure not available to the previous Administration. The present Government have been able to provide employment for men on loan works and take them off the revenue fund, paying them out of loan money. If there is a reduction in the amount of money raised by means of the loan, if the loan is not successful, then the Government will have to draw in their horns in the matter of loan expenditure, and the result will be that an increased charge will be cast upon them for sustenance workers and the Government's estimates will be seriously affected. That being so the public are entitled to be informed exactly what the Government propose to do. If the Government propose deliberately to budget for a deficit and repeat the evil practices of previous years, the public have a right to know. That would be a very dangerous thing to do. Governments in the past have escaped the most serious consequences of deliberately budgeting for deficits because money has been found to enable them to finance those deficits. But it might happen in future that the money will not be found. I should like members to contemplate the position of a Government placed in the position of gambling on getting money to carry them through and finding the money not available. One State Government was placed in that position some time ago and the consequences were very serious, not only in that State, but serious to the Commonwealth and certainly very serious in the effect on the general credit and relationships overseas. Incidentally, let me direct the attention of the Minister to the decision of the Premiers' conference when the depression started. At that time the heads of all Governments in Australia were seriously impressed with the position in which they found themselves. They met in conference and passed several resolutions. The following was part of one of them:—

The several Governments represented at this conference (held on the 22nd August, 1930) declare their fixed determination to balance their respective Budgets for the financial year 1930-31 and to maintain similarly balanced Budgets in future years.

I should like members to consider the records of Governments since that year and see how far they have adhered to that resolution. The latter portion of the resolution is significant—

If during any financial year there are indications of a failure of revenue to meet expenditure, immediate steps will be taken during the year to ensure that the Budget shall balance.

Hon. J. J. Holmes: Were not the combined deficits in that year £31,000,000?

Hon. H. SEDDON: Yes. I am asking whether the present Government intend to adhere to that principle and whether they intend to take immediate steps to balance the Budget in the event of the failure of revenue to meet expenditure during the current financial year.

Hon. E. H. H. Hall: That was during the depression period.

Hon. H. SEDDON: Yes, and what will they do in a drought year?

Hon. E. H. H. Hall: Do you think we are still in the depression period?

Hon. H. SEDDON: I consider that we are approaching a very serious period of depression. Before passing this tax Bill, the House would be justified in asking from the Government a plain statement of what they intend to do this year in the way of balancing the Budget. Last year the Budget was balanced, thanks to the very generous Commonwealth grant.

Hon. J. J. Holmes: On paper it was balanced, but it would not bear analysis.

Hon. H. SEDDON: I give them credit for the results achieved, which were made known all over the Commonwealth and for which they were congratulated even by

various members of this House. I give them credit for having balanced their Budget last year thanks to the very generous assistance received from the Commonwealth. But I add that it is important for the Government to continue to balance the Budget. I have indicated the serious position confronting the Government in the event of the source of loan funds drying up and of their having to face portion of the current financial year without funds with which to carry on. I have abstracted figures to show the revenue and expenditure of the State over a number of years with a view to demonstrating the progress—if we can call it progress—that has taken place in the finances of the State. The figures are serious indeed and demand study by every person interested in the finances of the State. To my mind they indicate a very dangerous trend that has developed in a far greater degree during the last few years than in previous years. I have taken out certain revenue items for the years 1916, 1926 and 1936 to form a basis of comparison. The amounts received from income tax were as follows:—

	£
1916	95,600
1926	566,300
1936	275,000

In 1936 however, the Government had the benefit of the financial emergency tax which gave them £827,000. That may be described as income tax, and if we combine the two, the Government in that year received roughly £1,100,000 by way of income tax. For purposes of comparison I submit the following tables.

REVENUE ITEMS.

	Income.	Financial Emergency.	Dividend Duty.	Stamp.	Total Taxation.	Commonwealth Receipts.	Total Revenue.
	£000	£000	£000	£000	£000	£000	£000
1916 ...	91.6	...	103	64	408	618	5,356
1926 ...	566.3	...	266	236	1,418	588	8,808
1936 ...	275	827	361	261	2,185	1,306	10,033

EXPENDITURE ITEMS.

	Losses on Loan Works.	Annual Deficit.	Account Deficit.	Total Expenditure.
	£000	£000	£000	£000
1916 ...	331	348	1,361	5,705
1921 ...	715	686	4,773	7,476
1926 ...	143	99	6,297	8,907
1931 ...	1,063	1,420	1,938	10,107
1936 ...	1,941	84.88	5,228	10,153

NEW TAXATION DURING PERIOD.

	£000
1930—Hospital Tax introduced. Produced in 1936	206
1931—Entertainment Tax introduced. Produced in 1936	84
1933—Financial Emergency Tax introduced. Produced in 1936	827
During Period Land Tax doubled.	
„ „ Income Tax increased by .007d. in £.	

COST OF SOCIAL SERVICES.

	1916.	1921.	1926.	1931.	1936.
	£000	£000	£000	£000	£000
Education	312	490	595	673	665
Police	126	174	209	238	228
Justice	74	87	82	86	78
Health	119	197	205	143	99
State Children and Child Welfare	87	88	109	570	118
Unemployed Relief and Labour Bureau ... ..	...	...	...	3	68
Lunacy	59	97	99	100	101
Gaols	22	28	23	31	26
Miscellaneous	48	78	86	469	605
Total	847	1,239	1,408	2,313	1,958

Cost per head—	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per annum (approximately)	2 2 0	3 14 0	3 14 0	5 6 8	4 6 9
Per week (approximately)	0 0 9½	0 1 5	0 1 5	0 2 0½	0 1 10½

The dividend duties tax, which I regard as an excellent indication of the progress of the commercial community, in 1916 returned £103,000, in 1926 £266,000, and in 1936 £361,000. Stamp duty, also a valuable indication of commercial activities, in 1916 produced £64,000, in 1926 £236,000, and in 1936 £261,000. If we could grasp those figures and show the way in which the various items have progressed, it would be significant as indicating the tremendous way in which taxation has increased and the comparatively slow way in which commerce has increased. And let us not forget that it is on commercial activities a great deal of our revenue depends. Total taxation in 1916 amounted to £408,000, in 1926 to £1,418,000, and in 1936 to £2,185,000. Commonwealth receipts in 1916 were £616,000, in 1926 £588,000, and in 1936 £1,306,000. Those figures represent Commonwealth receipts altogether. Now I wish to go to some items on loan expenditure; but before doing that I may point out that during the 20-year period, besides the increase in returns from taxation, we have had other taxes introduced. In 1930 the hospital tax was introduced. I notice that the Treasury does not feel disposed to call this a tax, but the fact remains that for the man in the street it is a tax. Last year it produced £206,000. In 1931 the entertainments tax was introduced, and last year it produced £84,000. In 1933 financial

emergency taxation was introduced; last year it produced £827,000. These are all additional sources of taxation which are available to the Government and which have been imposed during the last ten years. They show the trend Governments have had to follow in order to meet the enormous increases in expenditure with which they have been confronted from time to time. During the same period land tax was doubled, and the income tax rate was raised from .006d. in the pound to .007d. in the pound. Although the increase seems a very small fraction, it represents quite a considerable amount in the course of the year.

Hon. E. H. H. Hall: But people do not seem to be very much worse off after having had all this money extracted from them.

Hon. H. SEDDON: Thanks. I am glad the hon. member made that interjection.

Hon. E. H. H. Hall: I am glad to have been of some assistance to you.

Hon. H. SEDDON: As we all know. Governments have had the benefit year after year of considerable amounts of loan money. As long as that source has been available, apparently more or less inexhaustible, so long has the community been able to carry on. But I would like to draw the hon. member's attention to the fact that in the years 1930 and 1931, that source was seriously interfered with. Governments of that day were able to obtain some million and a half of loan funds, as against a loan ex-

penditure which during the previous ten years had averaged between £3,000,000 and £3,500,000. What was the result? The hon. member knows as well as I do. Thousands of men were thrown on the labour market, and were unemployed because money was not available to employ them.

Hon. E. H. H. Hall: That has been remedied since.

Hon. H. SEDDON: Remedied because money has been borrowed and because the direct charge on the Consolidated Revenue Fund has been relieved by the expenditure of this money, though not in any degree proportionate to the money we borrowed. Then the State has benefited by the reduction in interest by conversions, overseas and internal. Internally we have simply told the investor that instead of getting the rates of interest ruling before the depression, he would have to take less. There was no question as to whether he was prepared to take less. He had to take less. We face the position that from now onwards our interest charges will increase directly as the amount of money that we borrow. We cannot expect any further reduction in rates of interest. Therefore, from now we can expect to see that item of interest rising at a much steeper curve than during the last few years of the depression.

Hon. E. H. H. Hall: From whom are you going to borrow? Who are the people—

The PRESIDENT: Order! I may remind the hon. member that Mr. Seddon is addressing the Chair.

Hon. E. H. H. Hall: I was asking the hon. member a question.

The PRESIDENT: The time for asking questions is not during debate.

Hon. H. SEDDON: I was pointing out that our prosperity is due to the fact that we have been able to borrow money. Our State will crash, and crash seriously, on the day when loan money is unobtainable. We have already had serious warnings from financial authorities that this source of money is steadily diminishing. Certainly the action of the present Government, in this Bill, is not in the direction of encouraging financial authorities to find money for loans in the future, as I shall point out before I sit down.

Hon. E. H. H. Hall: We have been told it would be a good thing when our borrowing stopped.

Hon. H. SEDDON: From one standpoint, I think, it will bring us down to concrete facts; but a good many unfortunate people will find themselves in a serious position. When the public choose a culprit, they often choose the wrong person. Persons who deliberately borrowed when they were well aware of what such a policy would bring on the people are the persons who should be punished, but they are not punished as they should be, by an indignant people. The persons who stand aside and try to direct Governments along sound lines are the persons who are made victims. They become unpopular because they try to indicate to Governments the trouble that must ensue from their financial policy. Now I wish to deal with certain items of expenditure. In this case I have taken five-year periods in order to show the way in which these items have varied. The first point is that the losses on loan works, which in 1916 were comparatively small, are relatively enormous to-day. In 1916 these losses, during a year when this country was at war and when its financial and economic position was seriously affected, amounted to £331,000. In 1921 they amounted to £715,000. In 1926, for some reason or other, the losses dropped to £143,000. These are all annual amounts. In 1931, however, according to tables placed before hon. members year by year, the losses on loan works amounted to £1,063,000. In 1936 we did our best to bring those losses down, but they amounted to £1,941,000. The annual deficits have varied considerably over the period. The accumulated deficit in 1916 was £1,361,000. That was the year immediately following the celebrated "gone a million Jack." The Government were seriously concerned. In fact, the Scaddan Government were practically passed out because of that serious accumulated deficit of £1,361,000. In 1921, however, a different public opinion existed. In that year the accumulated deficit was £4,753,000. At that time people were seriously concerned. The then Government, however, remained in power for quite a while after that, claiming that the deficit was largely the result of the war and of the dislocation occurring after the war. In 1926 the amount of the accumulated deficit had risen to £6,297,000. Then came the adjustments under the Financial Agreement. The deficits were funded. Funding means, as hon. members are aware, that the next two generations of people living in Western Australia will have to meet interest and sinking

fund on the over-expenditure that their fathers and grandfathers indulged in during those years. Those were the years in which it was popular not to balance the Budget. We are paying our share of that proportion because in those years Governments did not balance their Budgets but simply went on spending and transferred the loss to loan funds. In 1931 we made quite considerable progress; we ran up a deficit of £1,938,000—not a bad achievement for three years. In 1936 again we had got into our usual stride, and our accumulated deficit was £5,228,000. In fact, if we had stuck to the terms of the Financial Agreement, we should be paying 4 per cent. on that £5,228,000; but owing to certain legal interpretations Governments are escaping that responsibility and are paying not anything like 4 per cent., whatever may be the deficit accumulated. I have indicated the direction in which the finances of Western Australia have been proceeding, and I ask myself, and a great many other people are asking themselves, how can we carry on? Just how long will it be before the financial institutions awaken to the fact that they are hacking unsound finance, and that in the interests of investors something should be done in the way of bringing pressure to bear on Governments to finance on sound lines? If a man in his personal business and finance from year to year deliberately incurs debts, how is that man to carry on? Sooner or later he comes to an end; and the sooner the better for himself.

Hon. C. F. Baxter: Don't you think the last loan was a warning?

Hon. H. SEDDON: The last loan and the previous loan were serious warnings. Those warnings were repeated at the last meeting of the Loan Council. But as far as the States were concerned, the warnings might have been water thrown on a duck's back. To the serious damage of the credit of Australia, one Premier deliberately suggested the resumption of the old practice of borrowing money overseas, of getting ourselves still further into trouble by continuing on the old lines. The financial emergency legislation when first introduced was, in my opinion, a step in the direction of sound finance, and for this reason, that under the original Act exemptions were so fixed that any person receiving anything like an income at all was paying something, even though the amount might be small, towards the expenses of running this country, and to that

extent was bearing some portion of the civic responsibility of residence in Western Australia. I have taken out a table showing the cost of social services during the various years. It will probably bore members to hear the figures read in detail and so I will content myself by saying that taking the cost of social services, which include education, police, justice, health, State children or child welfare, unemployed relief, Labour Bureau, lunacy, gaols and miscellaneous items, for the various years, they have given these totals: In 1916, £847,000; in 1921, £1,239,000; in 1926, £1,408,000; in 1931, £2,313,000; and in 1936, £1,958,000.

Hon. C. F. Baxter: And the Government have had the benefit of the hospital tax and the lotteries.

Hon. H. SEDDON: I have indicated that. But the greatest relief under those headings has been the fact that the Government have taken a lot of people who formerly were cared for by way of relief and sustenance and placed them on loan works. I desire to make a few comparisons in the costs per head per week of our social services. In 1916 the social services cost the State 9½d. per head per week. In 1921 the cost per head per week was 1s. 5d. In 1926 the figure was the same, but in 1931 it increased to 2s. 0½d., and in 1936 it went back to 1s. 10½d. My figures are larger than the figures quoted in the Budget statement last year because I have included the item "miscellaneous expenditure," which covers many things. If we take the Government's figures for 1936, they work out at 1s. 5d. per head per week. In those circumstances it is a reasonable thing to ask that the person who is getting the basic wage should pay something, if only a small amount, towards the social services he is enjoying. Education last year cost the State £655,000. Education is valuable to every child in the State, and further, we have a system of education of which we may justly be proud, since any boy or girl who shows more than ordinary intelligence can secure a scholarship to enable him to receive a University education at practically no cost to himself. That is a social service which is available to the whole community, and while a large section of the public are escaping taxation, they are not paying for this valuable privilege which is being extended to them. Our State Children and Child Welfare Department last year spent £118,000. That money was

made available to assist poor women with large families. Surely that class of society which comprises the basic wage earner should be willing to pay some small amount towards this social service. We are told that they are not able to pay.

Hon. E. H. H. Hall: They are not, either.

Hon. H. SEDDON: All I can say is that the person who is responsible for making up the basic wage should include in his computations contributions towards Government taxation in maintaining the standard of reasonable comfort which is the basis on which the Arbitration Court fixes the amount. Expenditure is increasing rapidly year by year, and the first step in the way of waking up the people to a sense of their responsibility is to make any person in receipt of a regular wage in this State pay something, if only a small amount—6d. or even 9d. per week—towards the expenses of running the country, and for the privileges he enjoys. I made reference to the fact that the Government have this year included in the Bill before us a tax upon insurance companies. Those companies are contributing a considerable amount towards our loans, loans which are raised, as members know, for development work in the various States. The money that is being invested by the insurance companies is money which they are setting aside to meet their policies when they mature. The companies invest the money which they take from us by way of premiums, and Government loans are one of the biggest avenues for investment by these companies. It is recognised, of course, that this is money on which they can quickly realise. So we ask the insurance companies for loan funds, and then we propose to tax them for finding the money. If we interfere with their investments by taxation, we will interfere seriously with their calculations, and the insurance companies will be compelled to revise their investment programme. The companies will say, "The Government are taking from us interest that we have calculated on to meet our policies; we cannot afford to lend Governments money at the same rate of interest as in the past." So the Government, by their short-sighted policy of taxation, are simply increasing the burden on their own people. We are rapidly advancing towards the position where we shall not be able to meet our growing commitments. We have already given investors a serious warning in the action taken by all Govern-

ments during the depression when we cut their interest and we are rapidly approaching the same position again. The policy of the party in power seems to be to exempt a large section of the people, and the Bill is designed for the purposes of exempting in the future every person who receives less than the basic wage. It goes even further. It is a policy which demoralises nearly all sections of the public. The self reliance of the Australian community is rapidly dying away, and we find every section coming along and saying, "What are the Government going to do?" This sort of thing is being encouraged by a pseudo sympathy which leads the Government to exempt men from meeting their responsibilities. I find too that it is proposed to exempt the clergy up to a certain amount. Apparently the work of demoralisation is to extend to corrupting the clergy. As it was first introduced in the Assembly an exemption was offered for the clergymen, no matter what salary they received, and the Assembly decreased the exemption of clergymen to £400 a year. Why should clergymen be exempt from the payment of this tax any more than anyone else?

Hon. L. B. Bolton: They have a lot of calls to meet.

Hon. H. SEDDON: Everyone who is charitably-minded, whether they be clergymen, clerks, or labourers, have calls for assistance from other sections of the community. It is my intention to oppose very strenuously the exemption to clergymen. Further, I am convinced that clergymen as a whole do not desire the exemptions. I am told that very few have asked for it. I have been informed that a deputation went to the Government and asked for the concession, but as I have stated, the majority do not wish to be placed on a basis different from any other section of the community.

The Chief Secretary: I think it was a representative deputation.

Hon. H. SEDDON: I am pleased to hear that, but at the same time I should like the Minister to tell the House when he replies who the clergymen were that made the representations to the Government, and the denominations to which they belonged. There seems to be a considerable amount of obscurity as to the nature of the deputation, and therefore the House will be interested to know the composition of it. I understand it came from some of the Protestant churches, and I for one would like to hear

who was associated with it. It is proposed by the Bill to increase the rate of tax to one shilling on those who are earning £800 a year or more. This idea of making the wealthy pay has two sides. A business that it might be proposed to exploit might be a business which would be making a satisfactory profit. But on the other hand there are risks in business, and the enterprises which are introduced to people as being attractive often have another side to them involving risk. Governments have a way of assessing and taxing enterprises, even though those enterprises might be the means of providing considerable employment.

The PRESIDENT: I think the hon. member might well address the Chair.

Hon. H. SEDDON: I will quote the remarks of a prominent financier in London to whom were submitted attractive proposals for investment. He said he had his wealth, which satisfied him. He had his responsibilities, but when he was able to provide employment, because of his organising ability—and do not forget that the financial rewards of this world are given to those men that have that rarest of all capacities, the ability to organise profitable employment—he was heavily taxed and so, instead of entering upon those new enterprises and venturing his capital, he proposed to live on his income, for that income would keep him in comfort for his remaining years. So we find that a valuable source of employment has been undeveloped. Again, I repeat that this policy of making the wealthy pay has two sides to it, and they very frequently react against the providing of employment. Let me conclude by pointing out that the progress that has been made during the last century has been progress achieved by individual effort. The individual who has organising skill, and who has organised a big enterprise, is the man that has contributed to the world's progress by providing employment for thousands. Unless we are prepared to encourage that individual and assist him with his development, unless we are prepared to encourage in our people the spirit of self-reliance and the spirit of self-respect, we shall never make real progress. To destroy these valuable qualities in men who do so much to develop the country is, of course, to hamper the country's advancement. I have asked certain questions concerning the financial proposals of this Government, questions the answers to which should have a great effect in influencing the

House with regard to this legislation, and I hope the Minister, when replying to the debate, will give the answers to those questions.

On motion by Hon. L. B. Bolton, debate adjourned.

House adjourned at 10.20 p.m.

Legislative Assembly,

Tuesday, 24th November, 1936.

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

BILL—LOAN, £3,212,000.

Message.

Message from the Governor received and read recommending appropriation for the purpose of the Bill.

Second Reading.

THE PREMIER AND TREASURER (Hon. J. C. Willecock—Geraldton) [4.33] in moving the second reading said: The purpose of the Bill is to authorise the raising of money to carry out our loan programme for the current year, as detailed in the Loan Estimates now before the House, and to provide for further advances to the Revenue Fund towards meeting the accumulated deficit. The amount asked for is £3,212,000, of which £2,412,000 is for Loan works, and £800,000 for deficit pur-