

Hon. J. A. GREIG: Subclause 2 provides for retrospective effect. I am always suspicious of retrospective legislation. What does it mean in this instance?

Hon. J. NICHOLSON: In reply to Mr. Grieg, assuming that a bill of sale or debenture is not registered, failure to register it will be cured by registration within the prescribed time if this measure becomes law. The object is to make it compulsory to register every bill of sale. In order to register a bill of sale it is necessary for a declaration or affidavit to be sworn. It is possible the attesting witness may be dead or absent from the State, and it would be difficult to arrange for the necessary affidavit or declaration. To obviate that difficulty, I move an amendment—

*That the following be added to Sub-clause 2:—"Provided further that if it be proved to the satisfaction of a judge of the Supreme Court that the witness to the execution of any bill of sale or debenture is dead or absent from this State, then such judge may, in the case of any bill of sale or debenture not verified by the attesting witness in manner required by the principal Act or this Act, order that such bill of sale or debenture be registered without the declaration of the attesting witness."*

Hon. H. A. STEPHENSON: I accept the amendment. Its omission was due to an oversight when the Bill was being drafted.

Hon. A. LOVEKIN: Is not there an ordinary course of proving the signature of an attesting witness who is either dead or absent? Is the amendment necessary?

Hon. J. NICHOLSON: Section 8 provides that every bill of sale, and this includes a debenture, shall be attested and registered in a certain manner.

Hon. A. Lovekin: That applies in other cases. What is the general principle then?

Hon. J. NICHOLSON: It is possible to prove the signature of a witness in other cases, but it is a requirement for registration under the Bills of Sale Act that the attesting witness should make an affidavit. My amendment will cover a document that is not registered and in respect of which the attesting witness has omitted to make an affidavit.

Hon. A. Lovekin: Suppose the attesting witness of a will dies, what happens?

Hon. J. NICHOLSON: He is in a totally different position from the attesting witness of a bill of sale. There is no requirement under the Wills Act for a witness to make an affidavit.

Hon. A. Lovekin: Take a case under the Transfer of Land Act.

Hon. J. NICHOLSON: The signature of the witness there could be proved, but there is no necessity for him to make an affidavit as is required for a bill of sale. Under the Bills of Sale Act the attesting

witness has to make an affidavit as to the date when the bill of sale was executed.

Hon. A. Lovekin: Is not a similar declaration made under the Transfer of Land Act?

Hon. J. NICHOLSON: No. Under that Act, if the person who witnesses a document is not a qualified witness for attesting a document, he must appear before a justice of the peace, solicitor, or other qualified person, and make an affirmation as to the truth of his statements.

Hon. H. Seddon: Will there be no other method by which this can be proved than by taking it before a judge?

Hon. J. NICHOLSON: It would be advisable for it to go before a judge. If a bill of sale is not registered within the prescribed time, it is necessary to go before a judge to get an order. That principle should be adhered to.

Hon. H. STEWART: It seems a cumbersome method to have to go before a judge, but if it is necessary the Bill can be re-committed, and the point dealt with.

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

Clauses 9, 10—agreed to.

Title—agreed to.

Bill reported with an amendment.

*House adjourned at 10.6 p.m.*

## Legislative Assembly,

*Tuesday, 25th November, 1924.*

	PAGE
Questions: Cornsacks, Prices ... ..	1947
North West 1, Royal Commission 2, Dr.	
Cook's Report ... ..	1948
Assent to Bills ... ..	1948
Leave of Absence ... ..	1948
Bills: Fire Brigades Act Amendment, 3a. ...	1948
Fair Rents, 2a. ... ..	1948
Norseman-Salmon Gums Railway, 2a. ...	1954
Traffic Act Amendment, 2a. ... ..	1955
Treasury Bills Act Amendment, Council's Amendment ... ..	1970
Motions: Central Markets ... ..	1965
Customs Duty on State Locomotives ...	1970

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

### QUESTION—CORNSACKS, PRICES.

Mr. E. B. JOHNSTON asked the Minister for Agriculture: 1, Are the Government aware that cornsacks which were for sale at ten shillings per dozen a few weeks

ago are now quoted at sixteen shillings per dozen, and that primary producers are now unable to obtain their jute goods at reasonable prices? 2, Will the Government cause inquiries to be made as to the reason for this extra charge on the primary producers with a view to its prevention in the future?

The MINISTER FOR AGRICULTURE replied: 1, Yes; the Government are aware that the price of cornsacks early in the year was quoted at 10s. per dozen, but has been advancing until the quotation is now from 16s. to 17s. per dozen. 2, Since the abolition of the Price Fixing Board in 1921 the Government have had no power to regulate prices. Inquiries could only be made from interested parties, and could not be regarded as satisfactory.

## QUESTIONS (2)—NORTH-WEST.

*As to any Royal Commission.*

Mr. TEESDALE asked the Premier: In the event of any Commission being appointed to consider the development of the North and North-West, will the Government see that only men are appointed who have resided in those districts and know something more than hearsay about the subject to be investigated?

The PREMIER replied: An endeavour will be made to make the best selection possible in the event of the Commission being appointed.

### *Dr. Cook's Report.*

Mr. TEESDALE asked the Honorary Minister (Hon. S. W. Munsie): Will he reconsider his refusal to place on the Table of the House the report of Dr. C. Cook's recent medical inspection of the North and North-West?

Hon. S. W. MUNSIE replied: There is much in Dr. Cook's report that is of a confidential nature, the publication of which would be contrary to the provisions of the Health Act. For this and other reasons, it is desirable that the report should not receive more publicity than has already been given to it, and consequently it is not proposed to lay the report on the Table of the House.

## ASSENT TO BILLS.

Message from the Governor received and read notifying assent to the undermentioned Bills—

- 1, Fremantle Municipal Tramways.
- 2, Standard Survey Marks.

## LEAVE OF ABSENCE.

On motion by Mr. Wilson leave of absence for two weeks granted to the member for Forrest (Mr. Holman) on the ground of urgent public business.

## BILL—FIRE BRIGADES ACT AMENDMENT.

Read a third time and transmitted to the Council.

## BILL—FAIR RENTS.

*Second Reading.*

The MINISTER FOR JUSTICE (Hon. J. C. Willcock—Geraldton) [4.40] in moving the second reading said: As with a number of other Acts on the statute-book this Bill is not for the purpose of dealing with the majority of people who happen to own house properties. It is introduced to limit rents to an extent that will provide a fair and reasonable return on capital invested in house property. It will be seen that the Bill provides for the determination of fair rents for houses, shops, and other buildings, and it is thought that, owing to the discontent that has existed, particularly in the metropolitan area, respecting the rents charged for private dwellings, shops, and other buildings, the time has arrived when some restrictive legislation should be introduced to deal with a considerable number of people who endeavour at all times to extort as much as they possibly can from those who happen to be the unfortunate tenants. While in some quarters the Bill may be regarded as unnecessary, it appears to me that the publicity and attention given to this specific question during the recent elections, more particularly in the metropolitan area, and in some other towns throughout the State, show that many people are interested in a measure of this description and consider that while a majority of property owners are prepared to accept a fair return on their capital invested, there are individuals who at all times, irrespective of whether the tenant is good or bad, will endeavour to extort the last penny they possibly can by way of rent. Instances can be cited in the metropolitan area and other centres where individuals owning property have increased rentals without warrant and have thus contributed to the existing discontent. A few weeks ago a deputation of business people residing on the northern side of the William-street bridge waited upon me with reference to pedestrian traffic matters. They informed me that since the intention of the Government to construct a tramline down William-street and across the Horseshoe Bridge had become known, an attempt had been made by some landlords to increase the rents charged because of the fact that a public utility was to be constructed along William-street in front of their properties. They held that the provision of that public utility would secure to the shopkeepers greater scope for advertisement and business, and notwithstanding that the tramline was to be constructed at the public expense the landlords concerned thought it

was fair game on that account to immediately give notice in some instances that rents would be increased. That was done without any additional capital expenditure or improvements, or anything whatever to warrant such an action being taken by them, apart from the fact that a public utility was to be provided in that thoroughfare. Those rents were to be raised and the tenants had no redress whatever against the landlords who merely assessed their properties at an enhanced value because of the prospects of the public utility.

Hon. Sir James Mitchell: That is, if they live through it. They may be killed there.

The MINISTER FOR JUSTICE: We will take the risk of that happening. In any case, I do not think the landlords will be the first to be killed. This is only one instance that has occurred during the last two or three weeks, but it demonstrates the necessity for restrictive legislation such as that proposed. This pernicious system has been adopted by corporations as well as by private landlords. It has even extended to Government departments. The Federal Government would be unable to plead not guilty to charging extortionate rents because not long ago, after having acquired properties for which tenants were paying £2 12s. 6d. per week, they immediately raised the rents to £6 10s. a week. In another instance rent of £3 14s. 6d. was raised to £13 a week.

Mr. E. B. Johnston: Can you bring the Federal Government under this measure?

The MINISTER FOR JUSTICE: The Federal Government have brought us under some of their Acts, notably in respect of duty imposts to which they are not entitled, and we may have as much chance of bringing them under this measure.

Hon. Sir James Mitchell: Your charges for the markets are pretty high.

The Minister for Agriculture: They are the rents you charged.

The MINISTER FOR JUSTICE: This measure will not permit of the Government any more than a private individual acting the Shylock. The iniquity of high rents is not confined to Western Australia; it exists all over the world where restrictive legislation has not been passed. The landlords are their own judge and jury and parliament, and act dictatorially. They demand an increase in rent and the tenant, regardless of extenuating circumstances, has no option to paying it.

Hon. Sir James Mitchell: It will be a crime to erect a building.

The MINISTER FOR JUSTICE: We provide that a man who erects a building shall get a fair return on the capital invested, and he will have no cause to complain. Another pernicious system with which the Bill deals is the key auction. Owing to the scarcity of houses many people have to buy a key at auction. The rent charged is more than this measure would

permit, but the tenant cannot obtain possession even at an unwarrantably high rental. Competition is created amongst prospective tenants by the key being put up to auction, and £5, £6, and as much as £7 has been charged for the privilege—

Mr. Taylor: The ingoing.

The MINISTER FOR JUSTICE: For the privilege of paying the extortionate rent.

Mr. Taylor: That does not happen here.

The MINISTER FOR JUSTICE: Not here, but there have been such auctions in Sydney and Melbourne. Here, however, people do have to pay a premium to obtain possession of a house.

Hon. S. W. Munsie: As much as £5 has been given to obtain possession of a key.

Hon. Sir James Mitchell: And £20 has had to be paid to clean up a house after a tenant has left it.

The MINISTER FOR JUSTICE: Any expenditure necessary to keep property in order will be allowed. What applies to dwelling houses is equally true of business premises. Property changes hands and rents are raised with a view to getting, not a fair return on the capital invested, but the return of the whole of the capital expenditure within a period of five or six years. The member for Cue (Mr. Chesson) and I know of a woman who paid £4 5s. or £4 10s. a week for business premises. She was carrying on a legitimate business, and dealt quite fairly with her employees, but the landlord raised the rent to £8 per week in one hit. The woman was making no more than a living, and it was impossible for her to carry on under the heavier impost; she had to get out.

Hon. Sir James Mitchell: That is not right.

The MINISTER FOR JUSTICE: A dago then took over the establishment and, by working nearly all the hours that God made, from about seven in the morning till 11 or 11.30 p.m., and not paying the standard wages, he was able to meet the extortionate rent. People often wonder why the dagoes have a monopoly of the eating-house business in Perth and other places. This is one of the reasons why Britishers are shut out of this line of business—the extortionate rents charged.

Mr. Sampson: That was not the cause of the trouble with the A.B.C. cafes.

The MINISTER FOR JUSTICE: That has nothing to do with this Bill. The Minister for Lands, when introducing a similar measure last year, spoke of landlords imposing upon ingoing tenants the obligation of expending £600 or £700 to improve the premises, and then charging them increased rent. Snigg's mercery business has been carried on at the corner of Murray and Barrack streets for years.

Mr. Sampson: For about 25 years to my knowledge.

The MINISTER FOR JUSTICE: The landlord subdivided the shops, thus involv-

ing additional capital expenditure, and the rent was increased as much as 100 per cent. A good deal of the capital expenditure has been recovered from the tenants in the course of 12 months or two years, and after that the whole of the increase goes to the landlord without any further capital outlay on his part.

Mr. Sampson: It is a very bright shop now.

The MINISTER FOR JUSTICE: The hon. member has some idea of the cost of renovations and improvements, and I do not think he will say the improvements made there cost £1,000.

Mr. Sampson: I would not say that.

Mr. Mann: The cost would be nearer £3,000.

Mr. Sampson: It is now a very modern shop.

The MINISTER FOR JUSTICE: The whole caboose could be built for £3,000.

Mr. Hughes: He got £700 from one tenant for one shop.

The MINISTER FOR JUSTICE: There has been a gradual but sure increase in the rentals charged for dwellings during the last 10 or 15 years, even where the capital expenditure has not increased. I have figures of the number of houses built over a period showing that rents are increasing to a great extent. This is responsible for the serious discontent that exists. We believe in the principle of arbitration based on the just requirements of a man to maintain himself and his family. Yet we find rents soaring higher and higher, and what is allowed to the worker by the Arbitration Court as a fair amount for rent is exceeded by the rental charges of grasping landlords. Years ago it was an axiom of domestic economy that a week's rent should not exceed one day's pay.

Mr. Mann: You could well apply this measure to the public houses in Geraldton.

The MINISTER FOR JUSTICE: I do not think Geraldton is worse than any other place in that respect. I suppose the owners are anxious to get as much as they can for their premises, but this Bill will curb them.

Mr. Sampson: We expect to find the best in Geraldton.

Mr. Mann: The highest hotel rents in the State are being paid in Geraldton.

Mr. Hughes: You are not aware of the rents being paid in Perth.

Mr. Mann: That was the evidence given before the Royal Commission on licensing.

Mr. Hughes: There was some evidence the Commission did not get.

The MINISTER FOR JUSTICE: One day's pay for a week's rent was considered a fair proportion.

Mr. Mann: Then you would have to build houses in keeping with that.

The MINISTER FOR JUSTICE: If this measure results in owners getting a fair re-

turn on their capital and no more, we may revert to that standard.

Mr. Mann: You could not now build a house that could be let for 14s. a week.

The MINISTER FOR JUSTICE: It could be done.

Mr. Mann: It would be a very poor house.

Mr. Hughes: A lot of the houses in Royal-street could be let for 8s.

Mr. Mann: They are not worth the name of houses, but that is where you want the firemen to live.

The MINISTER FOR JUSTICE: Members cannot deny that rents have increased considerably. Some landlords have been content with the old rate of rent, preferring to keep a good tenant.

Mr. Sampson: I hope plenty of money will be found for workers' homes.

The MINISTER FOR JUSTICE: The hon. member, when a Minister, had plenty of opportunity to find money for workers' homes.

Mr. Sampson: That is so, and hundreds were built.

The MINISTER FOR JUSTICE: Just as many and more will be built now.

Mr. Sampson: I am glad to hear it.

Hon. Sir James Mitchell: You are always trying to blame the past Government.

The MINISTER FOR JUSTICE: The figures of the statisticians, both State and Federal, show that rentals have been increasing year after year. We hear a lot of complaints in the Arbitration Court about the methods adopted by Knibbs in compiling his figures, and the most serious objections relate to the computing of the average house rent. Knibbs states the average rent at a certain figure, but it is almost impossible to obtain a house at that figure.

Mr. Thomson: Do you think that under this Bill people who build houses will get 8 per cent. on their money?

The MINISTER FOR JUSTICE: Yes, and all necessary outgoings incidental to the ownership of the property.

Mr. Thomson: You have not made any provision for that.

The MINISTER FOR JUSTICE: Yes, it is all in the Bill. Knibbs says that a four-roomed house can be obtained in Perth for an average rental of 15s. 2d. per week. Of course, some are dearer and some are cheaper. I should, however, like to know where a four-roomed house can be rented for that figure. It is more likely that the rental is £1 per week.

Mr. Taylor: You have to pay 15s. a week for two rooms.

The MINISTER FOR JUSTICE: This is an excessive return for the capital invested. I have figures showing what has occurred during the last nine years, and members can see them if they wish. He who runs may read. In 1915 the average rental of the average house was 17s. 2d.,

but for the same class of house exactly it is now 17s. 7d.

Mr. Thomson: You cannot build that class of house to-day on a return of that much.

The MINISTER FOR JUSTICE: There is no reason why those who build houses years ago should get three times their proper rental for them now. There is a lot of discontent concerning Knibbs' figures, particularly in relation to rents.

Hon. Sir James Mitchell: The housing problem is a troublesome one everywhere.

The MINISTER FOR JUSTICE: In 1915 a four-roomed house could be rented for 11s. 2d., but it has gone up about 6d. a week per annum until it is now 15s. 2d. A five-roomed house has gone up from 13s. 10d. to 18s. 9d., a six-roomed house from 17s. 1d. to 22s. 2d., and a seven-roomed house from £1 to 35s. 11d. a week.

Mr. Thomson: There has been a big increase in the cost of building.

The MINISTER FOR JUSTICE: But all these houses have not been built since 1915. I will tell the House later how many houses have been built in the last 10 years. The increased cost of building will be allowed for. There is no excuse for landlords who built in the early days and are now charging so much more rent than they used to levy. This is causing great discontent now.

Mr. Taylor: Years ago a house cost £600, but to-day it would cost £1,000.

The MINISTER FOR JUSTICE: Under the Bill a man would be entitled to charge a rental that would give him an 8 per cent. return. In 1914 in the metropolitan municipalities there were 22,700 houses, and in 1923, 25,000 houses, an increase of 12½ per cent. There is, therefore, no justification for the many owners charging the same rental that is charged for new houses. In Perth itself in 1914 there were 11,200 houses, and in 1923, 13,000, an increase of 15 per cent. The increased cost of building affects only one-eighth of all these houses, whilst the increase in rentals is 33 per cent., namely, from 13s. 2d. to 17s. 7d. In the road board areas there are now 9,000 houses, the figures for 1914 not being available. In England in 1914, owing to there being no emigration, and no great capital expenditure in house construction, owing to the war, and owing to families remaining in their homes while the men went to the war, it was necessary to pass legislation to restrict the rents. Legislation of this kind was also passed in many other parts of the world, in order to keep down the unwarrantable charges. Anyone who wants information on this question as it affects Perth need not employ a private detective to get it. He has only to walk down Hay-street, Murray-street, or Wellington-street and find out from the tenants of the shops the rentals they are now paying as compared with those they used to pay. There is a chemist's shop opposite Sandover's

tenanted by Messrs. Kruger and Cooke. Last June the rental was £14 10s. a week, and now it is £22, an increase of 50 per cent. I did not have to go to the proprietors of the shop to get this information. Land agents who are in touch with what is going on have supplied me with it. These chemists have occupied the premises for years. They could not pay the increased rental. In order to maintain the goodwill they had built up, and meet the increased rent, they had to subdivide their shop, making one side a tobacconist's shop. I suppose these alterations cost £200 or £300. The tobacconist who is renting that side of the shop, which is about 10 feet wide, is paying them £10 a week, so that they may meet this increased demand on the part of the landlord. The rent of Snigg's Corner was £15 a week, and the proprietors wished to raise it in one hit to £35. The tenant, therefore, had to get out. There are now three small shops in place of one big one, and I suppose the increased rental will amount to at least 100 per cent. Within two or three years following the expenditure on the alterations—the sum involved probably not exceeding £1,500—no doubt the whole of the capital invested will have been returned.

Mr. Hughes: They got £700 from the tailor for ingoing.

The MINISTER FOR JUSTICE: The shops are not yet completed. These rents are fixed, not on the value of the properties, but upon what people are prepared to pay. If a man is selling a certain class of goods in a certain street he will often pay a high rental in order to keep out other competitors. A fruiterer in Hay-street is making all sorts of endeavours to keep people out of his trade on that side of the street. Baird's Arcade was referred to last session. I understand the capital expenditure on this arcade will be repaid in six or seven years' time. There is one small shop at the corner of the arcade, where the tenant is selling stockings, and a rental of £16 or £17 a week is charged for it.

Hon. Sir James Mitchell: Silk stockings?

The MINISTER FOR JUSTICE: Yes. I do not think the proprietor wanted anyone to take on a business of this kind, and put on a rental that was thought to be prohibitive. This particular tenant, however, decided to pay what was asked.

Mr. Taylor: The stocking business must be a good one.

The MINISTER FOR JUSTICE: Yes, although the stockings are sold at 2s. 11d. per pair. If a landlord can raise the rental of one of his shops he can use that as a reason for increasing the rents of his other shops. Where the Moana Cafe of three stories used to be there is now a hoot shop. I think the whole establishment used to be let for £35 a week, but the hoot shop alone is now paying that amount. We are not the only people in the world who are feeling this economic pressure, and are introducing

legislation to relieve it. The first Act dealing with fair rents passed in conservative old England, which we ought to be able to follow, came into operation in 1915. The Act set out that no one could increase the rent above what was termed the standard rent. This was the rental charged upon premises as on the 3rd August, the day prior to the outbreak of war. An increased rent could be charged not exceeding 6 per cent. per annum on the cost of any improvements or alterations made. Amendments to the Act were made in 1917 and 1919, but the principle regarding the rents was not interfered with. The law was consolidated in 1920, and an increase in rents allowed according to the increased cost of money. Instead of an increase of 6 per cent. for improvements, 8 per cent. was allowed for improvements made after the passing of the amending Act. Provision was also made for an increased rental where the rates had increased, and for an increase in rental not exceeding 15 per cent. on the net rent. Where the landlord was responsible for the whole of the repairs an increase of 25 per cent. was allowed on the net rent, and where the landlord and the tenant were jointly responsible the matter, if not settled, could be determined by the court. A small amendment to the Act was passed in 1923. New South Wales in 1915 passed an Act dealing with houses where the rent did not exceed £156 a year. A Fair Rents Court was constituted, consisting of a magistrate; and a lessor or a lessee—not in arrears with his rent—could apply to have a fair rent fixed. Such fair rent would be the sum which after deducting rates, taxes, repairs, maintenance, renewals, insurance and depreciation, and also allowing for an estimated time during which the dwelling house would be untenanted, would return to the lessor interest on the capital cost of the dwelling at not less than the rate allowed on an overdraft by the Commonwealth Bank of Australia and not more than  $2\frac{1}{2}$  per cent. above such rate. The rent was fixed for three years if not otherwise provided, the determination of the court being final. Queensland passed a Fair Rents Act in 1920. The Act applies to all leases, oral or in writing, in the localities proclaimed. The court is under the jurisdiction of a police magistrate, and the lessor or lessee, having paid or tendered rent, can apply for a decision. The court has to ascertain the unimproved value of the land and the value of the dwelling house erected on it, less a reasonable amount for depreciation. Ten per cent. on the total amount is to be taken as a fair rent, except in special circumstances, when an increase is allowed; but the rent cannot be increased beyond that obtained in October, 1919. Provisions similar to those in the present Bill exist dealing with houses let in parts and houses let furnished. The period is to be specified—not less than six

months, and not more than three years. Similar provisions apply as to bonuses, threats, boycotts, etc. Similar legislative measures enacted by the other States and by the Federal Government have been repealed, or allowed to expire by effluxion of time. The New Zealand Act of 1916 is a miscellany of enactments connected with the war. The rent at which the dwelling house was let on the 3rd August, 1914, was to be the standard rent, provided that if it was in any case less than eight per cent. of the capital value, then the amount of eight per cent. would be allowed. The same provisions as have been quoted above as to additional expenditure on structural alterations apply. The Act was amended in 1920 when the net rental was to be ascertained by deducting from the gross rental all outgoings by way of rates, insurance, repairs, and depreciation. In 1920 South Africa passed legislation in this direction. For determining the reasonable rent, a Rent Board is appointed, and an increase beyond 10 per cent. on that paid in July, 1914, is not to be allowed. In the case of a dwelling erected since 1914, the rent is not to be regarded as unreasonable if, after deducting rates, taxes, etc., the lessor obtains not more than 10 per cent. on the actual cost of erection plus not more than 6 per cent. on the actual cost of the land. Acts, following generally the above directions and largely based upon the English Act, were passed in the Isle of Man in 1923, British Guiana in 1922, Gibraltar in 1920, Trinidad and Tobago in 1920, Palestine in 1918, Burma in 1920, Bengal in 1920, Punjab in 1922, Zanzibar in 1922, Bombay in 1918, Hong Kong in 1921, Holland in 1917, and the United States of America in 1918. In submitting this Bill it is realised the probability is that in the majority of cases no action will be taken by either landlord or tenant, as many rents will be within the amounts which would be assessable if the court dealt with the matter, or so near to such amounts as to render it unnecessary for the lessor or the lessee to take action. There is undoubtedly, however, a number of lessors who are quite indifferent to anything beyond the imposition of as high a rent as it is possible to obtain, and it is owing to this class that the necessity for the Bill exists. Now I wish to explain the provisions of the Bill before the House. The contemplated legislation will provide jurisdiction to be vested in the local courts of the State to determine rents in connection with leased buildings, including buildings intended for residences, shops, warehouses, factories, or stores, and any buildings to which the Act is applied by proclamation.

Hon. Sir James Mitchell: Are not all buildings included in the measure?

The MINISTER FOR JUSTICE: All except hotels, which have been omitted because the licensing bench have such great power over hotels, and may at any moment

impose drastic orders as to renovations, improvements, and deteriorations. Therefore it is thought that the landlords of licensed premises should not be brought under this measure.

Hon. Sir James Mitchell: I am glad to know that is the only reason.

The MINISTER FOR JUSTICE: It the Leader of the Opposition is so particularly desirous of having hotels included here, that can be done.

Hon. Sir James Mitchell: I am merely anxious to obtain information.

The MINISTER FOR JUSTICE: The measure will apply only to districts defined by proclamation. Any lessor or lessee may approach the court with a view to the buildings in which he is interested being assessed for rent; but as regards the lessee, he cannot approach the court until he has paid or tendered all rent due. If the building is subject to mortgage, the mortgagee will be entitled to notice. For the purpose of determining what is a fair rent, the court is to ascertain, firstly, where the land has been purchased and the building erected by the lessor, or the land and building purchased by him, the actual cost to such lessor; and, secondly, where the building has been erected on land which has not been purchased by the lessor at the time of building, the cost of the building is to be added to the unimproved value of the land. Where the buildings have been constructed or purchased before 1915, 20 per cent. of the cost may be added. The fair annual rental shall be the total of the following items:— Firstly, a percentage on the capital value equal to 8 per cent.; secondly, the amount of annual rates and taxes; thirdly, the estimated requirements for repairs and maintenance not exceeding the average annual expenditure for such during the preceding five years; and, fourthly, the cost of insurance; provided that the rents shall not exceed the average rent paid during the previous three years when the building was tenanted. If depreciation has not reduced the letting value of the premises, not much will be allowed for depreciation. Of course every building depreciates to some extent, and that will be allowed for in fixing the capital value. But if a building has been kept in proper repair, and has been renovated as required, there will not be much allowance for depreciation. Buildings erected on freehold in Perth or in one of our rising country towns represent a first class security, and 8 per cent. on such a security is a fair return. The lessor will be allowed only so much for repairs and maintenance as he actually expends in that connection. The cost of insurance, as I have stated, will also be allowed. If a building is occupied by separate lessees, the court may determine the fair rent for the whole and then determine the proportion payable by the lessee making the application; or, if the lessor makes the application, the court may determine the fair rent for the

several portions of the building. Furnished buildings are to have the fair rent determined in the same way as unfurnished buildings, and the value of the rent to be paid for the use of the furniture shall be added thereto. Decisions of the court are to remain in force for a period of not less than six months and not more than two years. If no period is mentioned, the decision shall remain in force for two years. It will be an offence under the measure to charge more than the fair rent determined by the court, and no rent beyond that determined can be recovered. Bonuses for leases are illegal, and provision is made for the determination of any tenancy. Parties may not contract out of the measure, and threats and boycotts will be offences under it. Provision is made for the framing of regulations. Further, the Bill lays down that where rents are charged in excess of those allowed by the measure, the amounts of such excess shall be recoverable in the courts, but only for the preceding 12 months. I suppose everybody will be able to make a calculation for himself and thus see the incidence of the Bill. A number of houses in the metropolitan area are not, I think, charged to the full extent of the rent which the measure will allow; but, on the other hand, there are very many houses in the case of which the rents charged are out of all proportion to the capital value of the premises. It is the owners of such premises that we desire to bring within the purview of the Bill. For instance, if in 1910 a house cost £400 to build, the addition of 20 per cent. raises the capital value to £480. Eight per cent. on £480 represents £38, which amount, with the addition of insurance, municipal rates, water rates, land tax, and repairs, makes a total of £51 per annum, or, say, £1 per week. That amount, in my opinion, represents a fair return for an expenditure of £400 made 10 years ago.

Mr. Thomson: I have one or two houses I will sell you cheap.

The MINISTER FOR JUSTICE: For a house built in 1915 at a cost of £500 the annual rent under this measure would be £53.

Mr. Thomson: I wish I could get a pound a week for those houses.

The MINISTER FOR JUSTICE: If the hon. member cannot get £1 a week for his houses, it shows that the basis laid down in this Bill is fair. But there are people in receipt of three times the rent we consider fair, and their extortionate demands should be restricted. If a house cost £800 in 1915, the capital value, with the increase of £20 per cent, would be £960, and the rent of that house under this Bill, with allowance made for rates and taxes and so forth, would be about £94 a year, or 36s. a week.

Mr. Thomson: What about the period when the house is empty? Will the Bill make a concession for that?

The MINISTER FOR JUSTICE: Unfortunately for people who want houses, there are not many empty houses about. If statistics could be obtained as to the number of days which houses in the metropolitan area have stood empty collectively, they would show that no decent house was untenanted for more than about a week per annum. Some houses are practically always empty, because nobody is prepared to take them unless he is unable to obtain any other house to go into. The sooner such houses are pulled down and decent houses erected in their stead, the better for the community in general.

Mr. Thomson: I am afraid you are going to make it worse for those who want houses.

The MINISTER FOR JUSTICE: I do not think so. We are allowing a fair investment at 8 per cent.

Mr. Thomson: It would pay the landlord better to put his money into war loan at 6 per cent.

The MINISTER FOR JUSTICE: Freehold property is first-class security, and the Bill allows 2 per cent. more than can be secured in war loans. The Bill is so framed as to endeavour as far as possible to make the local court decision final. It is, however, realised that in respect of many of the larger buildings referred to there will be complicated provisions that may render it necessary in special cases to have some sort of review of the decision of the court. Provision has therefore been made that no appeal from the decision of the local court shall be allowed except by leave of a Supreme Court judge. Obviously, therefore, no one is going to seek to appeal unless he is quite satisfied that he can in the first place satisfy a judge of the Supreme Court that he has reasonable grounds for seeking further consideration of the matter. The Bill represents an eminently fair and reasonable provision.

Mr. Panton: It is too fair.

Mr. Mann: Yes, we can all go and live in tents after this.

The MINISTER FOR JUSTICE: The title of the Bill is "Fair Rents," and we desire to have fair rents. Many landlords are not concerned as to what is fair and reasonable, but merely as to what amount they can extort from their tenants, as in the instance of that chemist's shop I have quoted. I do not claim perfection for the Bill and so, while the Government desire that it shall pass in as nearly as possible its present shape, if desirable amendments can be suggested, they will be duly considered. The Bill will allay the existing serious discontent, while not depriving landlords of a fair return on their property. I commend it to the House.

On motion by Hon. Sir James Mitchell, debate adjourned.

## BILL—NORSEMAN-SALMON GUMS RAILWAY.

### *Second Reading.*

The MINISTER FOR WORKS (Hon. A. McCallum—South Fremantle) [5.36] in moving the second reading said: It is not necessary to delay the House long in submitting the Bill. It has been before the House often enough during the past 20 years, and I do not suppose that any other railway has given rise to so much discussion. The Bill provides for the linking up of two existing sections, which will complete the line from Coolgardie to Esperance. The plan on the wall shows the route. It is 20 years since this line was surveyed. At a much earlier date the first public agitation for its construction arose. Bills to authorise its construction have passed this House on more than one occasion, but have been defeated in another place. Last session, however, the Legislative Council passed a resolution urging that a Bill to authorise the construction of the line should be brought down immediately. In the early days the agitation was rather for the construction of a line from Esperance to serve the goldfields. More recently it has been discovered that the line will open up really good agricultural country along the Esperance-Norseman section. In the early days, when the plea was that the line would furnish the goldfields with a port, the vested interests of the city were strong enough to prevent authorisation being given.

Hon. Sir James Mitchell: It will ruin Fremantle even now.

The MINISTER FOR WORKS: I do not entertain any such idea, for I do not believe that the opening of any port will interfere with Fremantle. So long as the State develops, Fremantle must develop with it.

Hon. Sir James Mitchell: But Fremantle opposed the construction of the line.

The MINISTER FOR WORKS: Some people in Fremantle opposed it, just as the great bulk of the people of Perth opposed it. However, the old idea that everything should come to Perth has largely given way, and it is now seen that there is not much fear of the proposed line interfering with the interests of the city or in any way retarding the progress of the metropolitan area.

Hon. Sir James Mitchell: Not in the slightest.

The Minister for Lands: It will assist to build it up.

The MINISTER FOR WORKS: The idea entertained in the early days that the line would be solely in the interests of the goldfields has been largely dispelled, and it is now urged—particularly was it urged by the ex-Minister for Lands—that it will open up a new province for wheat cultivation.



Hon. Sir James Mitchell: That wheat land is south of this line.

The MINISTER FOR WORKS: The line will give communication to a lot of it. It is not to be expected that this will remain the only line to be constructed in the district. Some day, I am convinced, there will be direct railway communication between the Great Southern and Esperance. However, this is the first step to the opening up of those wheat lands, and within a radius of 12½ miles of this actual section the line will serve 630,000 acres.

Hon. Sir James Mitchell: What will be the length of the line?

The MINISTER FOR WORKS: About 60 miles. Of that area, at least 300,000 acres is regarded as good wheat land capable of settling 300 settlers, the balance of the land being good grazing and third-class country. The forest country is principally good red soil, the timber being morrell, giant mallee and salmon gum, with open jam flats. Clearing is inexpensive, and water can be conserved in tanks. The good country extends eastward from the line for many miles. The rainfall records taken over a period of 27 years at Norseman show that the average has been 10.94 inches annually; in Dundas over a period of 13 years 12.51 inches; Salmon Gums over a period of five years 13.43 inches; at Grass Patch over a period of 23 years 14.16 inches; and at Fraser's Range over a period of 19 years 11.54 inches. This rainfall is equal to that of a considerable portion of our wheat belt now giving good returns.

Mr. Mann: How much of that rain falls in the summertime, or does it all fall in the growing season?

The MINISTER FOR WORKS: Mostly during the growing period.

Mr. Mann: That is an important point.

The MINISTER FOR WORKS: The estimated cost of the line is £221,300. Apart from serving that portion of the State either from an agricultural or mining point of view, the construction of the line will eliminate the very great disadvantages which the existing line from Esperance to Salmon Gums will labour under as an isolated railway. At the present time that line is very expensive to work, inasmuch as all rolling stock has to be taken there by boat. The Esperance to Salmon Gums line has not yet been handed over to the Railway Department for operation, and of course it is not possible to give any figures that would show the increased costs due to isolation. We have the experience of other lines—Hopetoun to Ravensthorpe and Port Hedland to Marble Bar, that are similarly circumstanced to guide us in assessing the disadvantages. It is proposed to construct the line with 45th. rails, practically similar to the rails used on the existing line from Coolgardie to Norseman and from Esperance to Salmon Gums. Rather than continue the isolated condition of the line,

it would be preferable to throw down a "minimum" line, without ballast. The woodlines at Kurrawang are laid with salmon gum sleepers and have answered their purpose for many years. By adopting a similar construction we could reduce the cost to £190,000. Parliament has pretty well agreed that the line should be constructed. At one time it was a topic of keen political controversy, not only in this Chamber, but in the Legislative Council, and it was the subject of as much public comment as any other proposition. Both Houses have carried resolutions approving of the construction, and therefore there is no need to say anything further. I hope members opposite will not deem it necessary to move the adjournment of the debate, but will go straight ahead with the Bill so that we may provide a little more work for the other place, which seems to be languishing for work to do.

Mr. Mann: You are not too popular over there just now.

The MINISTER FOR WORKS: I hope we shall be able to pass the Bill at this sitting. There is no need to delay the passage of the measure because everyone is so well acquainted with the facts. I move—

*That the Bill be now read a second time.*

On motion by Hon. Sir James Mitchell, debate adjourned.

## BILL—TRAFFIC ACT AMENDMENT.

### *Second Reading.*

Debate resumed from 20th November.

Hon. Sir JAMES MITCHELL (Norham) [5.50]: The Minister for Works in introducing the Bill said it was a non-party measure. I hope hon. members opposite will not forget that and will assist me to oppose some of the provisions.

Mr. Panton: We are waiting for a lead. Will you give it to us?

Hon. Sir JAMES MITCHELL: It is refreshing to find the Government introducing something that we can discuss and deal with and something there is a chance of amending.

Mr. Teesdale: Do not hope too much.

Hon. Sir JAMES MITCHELL: During the present session we have not been able to make any amendments of consequence to any Bill.

The Minister for Lands: The Bills have been so well drafted.

Hon. Sir JAMES MITCHELL: It is an extraordinary thing that a part of the Government's policy should be submitted to the House as a non-party measure. Of course it is not a very popular Bill. As a matter of fact, two Bills have been introduced, the Traffic Bill and the Main Roads Bill. The Bill we are now discussing is necessary because it is the measure that will provide the greater part of the money that will en-

able the Government to make main roads. I would like members to realise that this is a taxation measure hot and strong; it is the hottest taxation measure we have had this session. Members opposite will find it as I have described it when they look into it closely. Almost every measure introduced this session has imposed some disadvantage on the people, a disadvantage in the shape of additional taxation. I cannot remember a single measure having been submitted that meant any real help to the people. Let me quote the Workers' Compensation Bill, the Lotteries Bill and the Scaffolding Bill.

Hon. S. W. Munsie: The Lotteries Bill will mean giving the people a lot of help.

Hon. Sir JAMES MITCHELL: It is a taxation Bill.

Mr. Panton: It is a pity that all taxes are not like the tax proposed in the Lotteries Bill—voluntary.

The Minister for Lands: Unfortunately we cannot do anything without money in this State, but the people always expect everything to be done without having to pay for it.

Hon. Sir JAMES MITCHELL: But they want what they pay for. Another Bill, the Taxation Assessment Bill, will hit the farmer very heavily. Now we have the suggested taxation under this measure, and I do not know how many of the Bills, notice of which has been given, will also have taxation as their object. If I did not know the Premier, I would imagine he had "a down" on the capitalist, that he was out to attack the man of enterprise. Fortunately I do know him well enough to be aware that he would not approve of measures from that point of view. Ministers should bear in mind that the man on the land cannot stand any amount of taxation. Some years ago it was suggested by somebody that we should impose a good rousing tax. We are getting it now in little doses, but I hope members will see to it that the people are not overburdened by the measure we are now discussing. Of course the Bill will provide more money for the Government to spend; there is no doubt about that.

The Minister for Lands: If the work is required we must have the revenue.

Hon. Sir JAMES MITCHELL: This will provide more money for the Government to spend. I would like the House to agree with me when I say that taxation does not increase employment, that in fact it produces unemployment, that it retards development and decreases production. We know of course that production means employment, and a good deal more employment too than does the expenditure of money by the Government on public works such as those we have to carry out from time to time. The worker does not benefit by that class of expenditure, and moreover the people who are really seriously hit by all these taxation proposals are the workers themselves. Whenever anything is proposed, it is always the

worker that is hit where the chicken got the axe. Therefore we shall be justified in opposing the Traffic Bill in the interests of the workers themselves. We should see to it that the people who are enterprising are encouraged to increase rail carriage and transport generally. Even with the Bill the Government will not have sufficient money to provide perfect roads. A heavy burden will be placed upon the producers as the result of this legislation. I do not think the Minister intended to deceive the House when he placed before us certain figures. They were tabulated for him but I have no doubt that later on he will agree that they are wrong. Some of the amendments will have the effect of securing an alteration in control. Perhaps the Minister will secure an improvement in that direction, for he proposes definite powers vested in other than the Minister himself. It is right to impose a tax on heavy lorries and motor vehicles. Undoubtedly that class of traffic does cut up the roads between Perth and country centres, although the owners of those vehicles pay little for the upkeep of the roads. At the same time they are in competition with the railways. Much of that heavy traffic could just as well be carried over our railways, and it must be realised by everyone that there is not enough money in the State to maintain roads and railways side by side, catering for the same class of traffic. It takes more money to construct a really good road in many parts of the State than it does to lay down a railway track. We cannot expect to keep roads in repair adjacent to railways, particularly when we bear in mind the scattered description of our settlement throughout the State. If we were to construct main roads connecting up the country centres with the metropolis, it would cost millions, and many of them would be in competition with the railways seeing that the present routes largely run parallel to the railway lines. I will not be a party to assisting to provide money for roads that run alongside our railways, merely to carry heavy traffic, while the railways are capable of doing all that is required. It is a different matter when we come to the metropolitan area where the primary producers have to cart their consignments up to 30 miles into the market. The fees represent a most important part of the Bill. In the past heavy traffic and carts that have lifted heavy loads, such as sleepers, have had to pay a special fee. This will no longer obtain and for the future, if the Bill, be agreed to, all vehicles will pay on the same rate, no matter whether they are employed on the farm or in the orchard or on the roads carting stone or wood. No matter whether the person concerned is paying land tax or other taxes, all will have to pay the same fee.

Mr. Sleeman: Some of them have to pay high rents.

Hon. Sir JAMES MITCHELL: The farm cart that seldom leaves the farm will have to pay the same rate as the dray used every day in the year for carting stone or wood over our roads. The Minister said that there were in the metropolitan area 8,000 carts and carriages, 2,215 motor cycles, and 4,693 motor cars and tractors, making a total of 14,908 vehicles. He further stated that under the Bill those vehicles would have to pay fees representing £55,000 per annum. Outside the metropolitan area he said there were 34,000 carts and carriages, 500 motor cycles, and 5,000 motor cars and tractors, making a total of 39,500 vehicles. Those vehicles are to be taxed on the same basis as the vehicles within the metropolitan area, and the Minister estimated that the vehicles outside the metropolitan area would return fees amounting to £20,000. If hon. members look at the schedule they will see that the lowest tax is that imposed upon sulky for which 15s. per annum has to be paid. On that basis it will be seen that the figures quoted by the Minister must be wrong. If we take the motor cycles without side cars, it will be seen that the fees will total £30,000. It is clear, therefore, that the Minister's figures must be wrong. I believe that the Minister's estimates are much understated. If we take the 12,693 vehicles in the metropolitan area, leaving out the motor cycles, the revenue to be derived from the fees will amount to £53,000 per annum, while on the same basis 39,000 vehicles in the country areas will return £168,000 per annum, instead of, as the Minister suggested, £20,000 per annum. The cart tax is levied at so much per cwt. respecting the weight of the vehicle and the load it is capable of carrying. The schedule shows that for a cart exceeding 4 tons in weight the fee will be 2s. per cwt. on the weight of the vehicle and the load it will carry. For a cart up to one ton—the weight of the vehicle and the load weight—the fee will be at the rate of 1s. per cwt., while for a cart exceeding 1 ton but not exceeding 2 tons, the fee will be 1s. 6d. per cwt. In the original Act the third schedule sets out the present rate and how it is assessed. It gives the weight of the vehicle and then states the load, so that we can calculate what the charge will be. Under that schedule a two-wheel vehicle with 4-inch tyres, having a load of 2 tons 16cwt., would have to pay a fee of 10s. Under the Bill that vehicle will have to pay £5 12s. A four-wheel vehicle, having tyres of a similar width and capable of carrying a load of 5 tons 16cwt., has in the past paid 20s., but under the Bill that vehicle will have to pay £11 12s. A two-wheel vehicle with 5-inch tyres, capable of carrying a load of 4 tons, has had to pay a fee of 10s. in the past, but under the Bill will have to pay £8; while a four-wheel vehicle with 5-inch tyres, capable of carrying a load of 8 tons 5cwt., will now have to pay a fee of

£16 10s. instead of 20s. as formerly. These figures will be illuminating to hon. members. Farm drays and wagons are needed on the farm and seldom go on the roads at all. The dray hardly ever leaves the farm and the wagon travels over the roads for a limited number of days in a year. Now, however, the tax is to apply to every vehicle other than motor vehicles no matter where they may be employed. These imposts are very serious indeed. They are more than the House should be asked to agree to in any circumstances. I do not know that any member will be found willing to vote for such heavy taxation. The Minister has informed the House that £20,000 will be derived from vehicles owned outside the metropolitan area. I cannot say exactly how the 34,000 carts and carriages are made up, but I will estimate that 10,000 of them are wagons, 10,000 are carts and 14,000 spring carts and traps. At the present time those wagons will pay £10,000, the carts £5,000, and the spring carts and traps £7,000, making a total of £22,000. Under the Bill, however, the wagons will have to pay £116,000; the carts £35,000, and the spring carts and traps £10,500, making a total of £161,500. The 5,000 motor cars, taking the average fee at £4 per annum, will return £20,000 and the 500 motor cycles may be expected to return £375, making a grand total of £181,875. Yet the Minister estimates the returns at £20,000! Perhaps hon. members could wish that the people were in a position to pay such an impost, but they cannot do so, and it is not reasonable to ask the House to agree to such a charge upon the community. How would members like, after paying land tax, road board taxes, and many other taxes as well, to have to shoulder this added burden? When members appreciate the position they will know how to vote on the second reading.

The Minister for Lands: The good roads will save the cost of repairs for a wagon on one trip.

Hon. Sir JAMES MITCHELL: You have never driven a wagon in your life.

The Minister for Lands: Yes I have.

Mr. Chesson: He has ridden on a wagon many times.

Hon. Sir JAMES MITCHELL: Yes, the water wagon or perhaps the dinner wagon.

*Sitting suspended from 6.15 to 7.50 p.m.*

Hon. Sir JAMES MITCHELL: I wish to show how the proposed tax on ordinary horse vehicles compares with that on motor vehicles. A wagon weighing 6 tons with load will pay £12 a year. If it is owned by a farmer it will travel not more than 400 miles on main and feeder roads. If it spent all the time on main roads, the tax would be equal to 7-1/5th of a penny per mile, which is altogether too heavy. A motor lorry weighing 6 tons with load will pay

£15, or only £3 more than the farmer's wagon. At 20 miles a day, the motor would travel 6,000 miles a year, principally on main roads, which would represent a cost of about  $5/8$ ths of a penny per mile, as against  $7-1/5$ th of a penny for the wagon. A motor car of almost the same weight as a farmer's wagon without the load would pay £6 a year, and it would travel up to 10,000 miles a year, representing  $3/5$ ths of a farthing per mile. Of course there is a petrol tax to be paid by the motors which, at 3d. a gallon, would amount to about £6 5s. a year. A dray with a load of 2 tons 16 cwt., which may seldom leave the farm, would have to pay a tax of £5 12s., whereas a motor car of 1 ton 5 cwt. would pay £3 a year and would travel probably 10,000 miles. Of course the petrol tax of £6 5s. would have to be added to that. Many carts are little used and cannot travel far unless they are constantly at work, drawn as they are by horses or bullocks. Heavy traffic carting sleepers, etc., will pay the same rate as the farmer. That is not right. It is always considered by road board authorities that the people who make special use of the roads, and who use them in such a way as to cut them up badly, should pay a little more. A farmer pays tax to the road board. Now he will have to pay land tax under the Main Roads Bill, and under this measure he will have to pay for the right to use the roads. Thus, he will pay twice though he uses the roads less than anyone else. If a farmer takes a plough or other agricultural machinery along a road and damages it in any way, he is liable for a special charge for the repair of the road. Such implements can do precious little harm to a road, and they are owned by men who not only pay tax to the road board, but who will pay tax under the Main Roads Bill. I do not know why farmers' implements should be singled out for a special charge in case they damage a road. I know that in some instances, when a man has been drawing a plough behind his wagon, he has let the share get into the road a little, but I have not seen any real damage done. I have seen real damage done by motor cars and heavy traffic. Why should farmers' implements be singled out for special impost?

The Minister for Works: This will only bring them into line with the others.

Hon. Sir JAMES MITCHELL: It will be hard if a farmer has to make good the damage for knocking a stone or two out of the road with a plough share.

The Minister for Works: That is the existing law.

Hon. Sir JAMES MITCHELL: If that is the existing law, why have not the heavy jinkers and heavy drays been made to repair the damage they do? All we could do would be to make them effect repairs for special damage.

The Minister for Works: It is for special damage.

Hon. Sir JAMES MITCHELL: Traffic is now much heavier than it was a few years ago, particularly the motor traffic, and it is almost impossible for the road boards to keep the roads in decent repair. I have shown that under this measure we do not propose to put nearly so much additional impost upon motor cars as upon horse-drawn vehicles owned by farmers. They are the ones upon which heavy taxation is to be imposed. There is special provision for heavy motors and for buses, but the motor car that does far more damage than does a farmer's wagon is to escape very lightly. Money is required on account of the Main Roads Bill having been introduced, but the Government propose to contribute not one penny more than they have found in the past. The Minister said there would be about £400,000 to spend on main roads if this measure were passed. He said he would get £50,000 from a land tax. In answer to a question to-day he said the amount would be £83,000, and £52,000 of it will come from the country. The fees will be nearer £260,000 than £75,000, and the petrol tax will be about £43,000. To get the Federal grant of £96,000, the State has to find a pound for pound subsidy. That money is used for opening up the country and making development roads, and it will still be used for development roads. The Minister spoke of £400,000 being available and said it would be four times as much as had been contributed before. As a matter of fact, the £180,000 represented by the Federal and State grants and the special £25,000 make £200,000, which sum we have been spending for months, and similar expenditure will be continued in future whether this Bill be passed or not. The Minister was wrong in referring to that aspect as he did. If the present license fees be included, nearly £300,000 of the money proposed to be spent is already being expended. Consequently, instead of the £400,000 being four times as much as has been spent in the past, the Government are making provision for spending only £100,000 in addition to the £300,000 now being spent. In the spending of this money on road work preference is to be given to unionists. That is wrong. The Minister said that a farmer working on the Peel estate and desirous of doing a day's work on the road must be a unionist. That man may have contributed several pounds under this measure, and yet that would not entitle him to get a day's work on the roads. He would have to join a union. I do not know what that would cost, probably £1 for fees and 10s. for the newspaper, which he does not always get.

The Minister for Lands: What has that to do with the Bill?

Hon. Sir JAMES MITCHELL: Everything. The Minister himself dealt with it. I do not approve of that sort of thing. If the farmers on the Peel estate, or anywhere else, have time to spare, they should

be able to take work on the roads in their locality. I gave instructions that farmers must stay on their holdings, and that is the right attitude to adopt. If a man cannot remain on his holding, he should be able to take a day's work that may be offering, but that is a bad principle because the land should be able to absorb all the man's energy. The Minister was frank in his remarks, but was out in his figures. I hope the mistake was due to those who prepared them for him. We have to face a serious position. We have been told that this is a non-party measure which throws the responsibility upon the House. If it is a non-party measure it is for members to say what is to become of the Bill. If they agree with me that the amount to be paid is as I have stated, they will vote out the measure without further consideration. It is unthinkable that we should ask owners of vehicles to pay what is required under this Bill, and that when we are going to increase the fees against vehicles we should increase them to a very much greater extent against horse-drawn vehicles than against motor vehicles, which do so much more damage to the roads. Motor cars have rendered it necessary for us to face the question of better roads. The road boards cannot keep their roads in repair with the traffic that is now carried over them. The people who use the roads are not always the people of the district. In the district in which I live thousands of vehicles pass through which are not in any way connected with it. Traffic is life, and there can be no progress or development without it. We welcome traffic, but we cannot have perfect roads with the money that people can pay. We, therefore, have to face the situation. If we were to do better with our roads the general taxpayer would have to pay more than he does. Under this proposal the general taxpayer will pay no more than he does to-day, but the special taxpayer will have to pay the whole amount, and very largely the special taxpayer will be in the country. We have the word of the Premier that the valuations in the country are greater than those of land in the metropolitan area. Land tax paid by business people is of necessity passed on to their customers, who are largely country people. I do not think we could devise any means for taxing the business people of Hay-street. It is part of their trade expenses, as they say, and just as the wages, the rent, the cartage and the price of their goods are passed on to the public, so do they pass on the taxation. I cannot imagine how the House could contend that business places can be taxed. In every case the tax is passed on to the producer, the man who is creating the wealth. I commend the Minister for his great activities. This session he has given us a great deal of work because of the Bills he has brought down. I cannot hope that many of them will pass into law.

The Minister for Works: That comes from your heart.

Hon. Sir JAMES MITCHELL: There is so much prepared for the working man that I cannot hope all these Bills will pass. The Minister has been frank and open and his method of handling the legislation has been satisfactory, even if the legislation itself has been unsatisfactory. It is not his behaviour here that creates the burden, but it is the written word contained in the Bills. The Minister thought that the flowers bloomed in the trail of his footsteps; in my opinion, he is more likely to find cut-worms.

Mr. GEORGE (Murray - Wellington) [7.50]: I have gone carefully through the Bill and the points that will be likely to be of value to the department that will administer it. I should like to be satisfied that the money received from the licenses for drivers of motor cars and other vehicles will go to the fund for repairing roads. It was thought when the Traffic Act was passed that this point was covered, and that the money would go into the fund for the metropolitan area. When the Act was administered, however, we found that the fees went into Consolidated Revenue. If a person damages another, that other person has some claim against him. If a vehicle damages a road, means should be found to force the owner to assist in making that damage good. Although the motorist should pay, he should feel that the money he pays will give him some return in the shape of better roads. During my time the fees derived from the metropolitan area were used for the creation of better roads, but if the licenses from drivers had been added, things would have been much better. Under the Traffic Act motorists and others are very properly brought up before the Police Court for infringement of the regulations and causing damage or injury to persons. The fines imposed upon these people should also go into the fund for the maintenance of roads. The expense of bringing the action should be deducted, but the balance should go into the fund. I commend that point to the Minister. I should be obliged if he would put up a map on the wall of this Chamber showing the boundaries of the metropolitan area. It is very difficult from the schedule to ascertain where the new boundaries are. With regard to fees, in a great measure I see eye to eye with the Leader of the Opposition. In Committee I suppose the schedule will be discussed. The Minister has probably put up these fees in the hope of getting them through, but has left a margin for a reduction. No doubt the common sense and reasonableness of members will effect the necessary reduction, especially where the fees deal with industries such as the farming industry, the motor industry, and others of the kind. I do not think motorists would object to their fees being increased provided that, in re-

turn, they had better roads. To motor on some of our main roads is anything but a joy. It is rather a toil, and in many cases the condition of the roads is a menace to the safety of those using them.

The Minister for Lands: In this Bill those who have no motors and no lorries have to contribute towards the maintenance of the roads.

Mr. GEORGE: We all have to bear our share of the burden.

The Minister for Lands: You are advocating that some should be exempt.

Mr. GEORGE: I am not, but I am advocating that better roads should be provided in return for increased charges. A country cannot become known and developed unless people are provided with means for travelling over it and seeing it. The wheat belt and the orchard areas, and the South-West generally, are lessons for all who see them. People who travel through talk about what they see, and this benefits the State and often induces settlement. The fees that affect the industries I have referred to will bear revision. The control of the main roads is to be vested in the Government, who will take over the roads, receiving maintenance assistance from the road boards, where that is forthcoming. My idea was that the Public Works Department should supervise and advise the different road boards and districts, and that where big repair work is required the different plants of the local authorities should be grouped together, the authorities concerned being paid out of the main fund. I congratulate the Minister upon bringing down the Bill. In Committee a little criticism on the administration clauses will be useful. I notice that bicycles are to be registered, but no fees are provided for them. I am not suggesting we should re-impose the old fee of 2s. 6d. per bicycle, but I want to show the necessity for control in this matter. I have lately taken to motoring, and have noticed things that escaped me when someone else was driving. I have seen a number of cyclists going about at night without lights. The police cannot have the same control over the users of bicycles as they would have if the Bill contained some provision by which they might get hold of them. I am not suggesting they should be stopped in their pleasure or from using them in going to work, but I bring up the matter from the point of view of their own safety and the safety of others using the roads. The Minister might make inquiries regarding that matter, with a view to the drafting of a clause or a regulation giving control of that uncontrolled traffic.

The Minister for Works: Are not cyclists controlled now?

Mr. GEORGE: Not as thoroughly as they should be.

Mr. Marshall: They are not allowed to travel without lights after sunset.

Mr. GEORGE: But they do it.

Mr. Marshall: And motorists travel beyond the speed limit.

Mr. GEORGE: Motor cycles should not be allowed to travel with open throttles, disturbing sick people in hospitals and making themselves a nuisance to the community in general. The only reason for it is that an open throttle saves a certain amount of fuel. A motor car must have a muffler to keep down the noise, and why should these infernal nuisances of motor cyclists be permitted to do what is permitted to nobody else? However, these are only minor matters, which are mentioned for the Minister's notice as calling for remedy. On the subject of fees, some further criticism is required in Committee, but otherwise I congratulate the Minister on his Bill. Apart from the aspect of fees, I would rather have this measure than the Victorian system, which some people tried to force on the late Government and also, I believe, on the present Government. The Victorian system is altogether unsuitable for Western Australia. If a proper scale of fees is provided, this Bill should prove a very workable measure.

Mr. LINDSAY (Toodyay) [8.4]: In introducing the Bill, the Minister said it was a machinery measure. I feel it rather difficult to deal with this Bill without referring to another measure previously introduced, but I shall keep as nearly as I can within the rules of debate. To a great extent this measure deals with regulation of traffic. I do not wish to speak on that aspect, but rather on the taxation aspect. The Minister provided the House with a set of figures, from which he drew certain conclusions. He said that if the Bill became law, the metropolitan area would provide £55,000 and the country districts would provide £20,000 annually under the measure regulating traffic. I have gone closely into the matter in order to ascertain as nearly as possible, in the short time at my disposal, what the Bill will provide. I find that it will provide a great deal more than £75,000. However, I am quite prepared to assist the Minister to obtain the £75,000 he asks for. The guiding principle in road development is that we now need better roads owing to the great increase in motor traffic, which traffic adds greatly to the cost of maintenance. Generally speaking, I agree that those who use the roads, and particularly those who damage them, should pay. I must commend the Minister for his moderation as to motor traffic. There are some increases in fees, but they are very small. Now, the Minister drew certain comparisons. He said that under the Bill the metropolitan area would provide £55,000, and the country districts £20,000. I interjected at the time, "Do you mean £20,000 from the country districts?"

The Minister replied in the affirmative. That statement rather startled me. I have had 14 years' experience of road board matters, and five years' experience as a member of a road board executive, and naturally I am interested in road board finance, and am sympathetic to the men who give their time on road boards in the interests of the public. The Minister said there were 8,000 carts and carriages in the metropolitan area, and 34,000 vehicles in the country districts; but he gave the House no information as to the respective proportions of two-wheeled and four-wheeled vehicles. I have applied to five road board secretaries in my electorate for information on that aspect, and I have the figures here. Necessarily, some of the figures are only approximate. The secretary of the Dowerin Road Board, however, has supplied me with detailed figures on the whole subject. In order to arrive at an estimate of the number of four-wheeled vehicles, I have taken the Dowerin Road Board figures, and they show 128 wagons, 30 buggies, 70 sulkies, 40 spring carts, and five drays, a total of 281 vehicles, of which 158 are four-wheeled. The present tax is 5s. per wheel, so that a four-wheeled vehicle pays double tax. To make my comparison, I have added 12½ per cent. to the number of vehicles in the metropolitan area, giving a total of 9,000 four-wheeled vehicles with annual taxation of £4,500. The 34,000 vehicles in the country districts, increased by 12½ per cent. to get the four-wheeled, number 38,250, with a taxation of £19,125. My own opinion is that there are not 12½ per cent. of four-wheeled vehicles in the metropolitan area, because there are practically no wagons here, the great bulk of the vehicles being spring carts, sulkies and drays, though of course there are a few buggies.

Mr. Panton: What about lorries?

Mr. LINDSAY: There are lorries, of course. In the metropolitan area there are 2,215 motor cycles, and in the country districts there are 500. The metropolitan area pays a tax of 15s. per motor cycle, equal to £1,711, whilst the corresponding taxation of the country districts, 15s. on 500 motor cycles, equals £375. According to the Minister's figures, the number of motor cars, trucks, etc., in the metropolitan area is 4,693, and the corresponding number in the country districts 5,000. In order to arrive at an estimate of power weights, on which the taxation of motor traffic is based, I have taken some figures again from the Dowerin Road Board list. I have averaged the motor cars at £5 apiece. This again compares more than favourably for the metropolitan area as against the country districts. One matter calling for notice is that the only light car in that road board district is a "Fiat" of 20 power weights. There are 47 cars of 37 power weights, six at 26 power weights, and 24 at 44 power weights.

The average fee under the old regulation is about £5 apiece. In the metropolitan area there are numerous light runabouts and light delivery wagons, but nevertheless I have taken the figures for the metropolitan area on the same basis as those for the country districts. The 4,693 motor vehicles in the metropolitan area at £5 apiece give a total taxation of £23,465. In the country districts there are 5,000 motor cars at £5 apiece, giving a total taxation of £25,000. The Minister stated that license fees collected in the metropolitan area last year amounted to £27,300. My figures, however, show a total of £29,676. I have deliberately inflated the total figures in order to make a fair comparison with the country districts. Two-wheeled vehicles in the country districts last year paid taxation amounting to £19,125, motor cycles paid £375, and motor cars £25,000. Thus there is a total tax of £44,500 in the country districts, as compared with £29,676 in the metropolitan area. The Minister also stated that under this Bill it was expected the taxation in the metropolitan area would increase owing to the larger number of vehicles, particularly motor cars and lorries. He expected the taxation to reach £31,000. I can assure the House, from the figures I have collected in my electorate, that the increase in taxation owing to the increase in the number of vehicles, and particularly of motor cars, will be a very large amount by the 30th June next. However, taking the figures I find we have a total of £44,176 in the country districts on the old basis of taxation, which obtained up to the 30th June last. The Minister stated that he expected to get only £75,000, which is practically what he receives now. I quite understand that the Minister, when speaking of the metropolitan area, was alluding to a larger area than generally understood by the term, inasmuch as he is going to extend the area.

The Minister for Works: It has been extended.

Mr. LINDSAY: I want the House to understand that although my percentages are increased, the increases are only slight. In order to show how the Bill will affect the various road boards in my electorate, I have collected certain figures. Owing to the fact that I had to travel some hundreds of miles to interview road board secretaries since the House rose on Thursday last, my visits were rather hurried, and the figures which I have available are not fully detailed. In the case of the Toodyay Road Board there are 31 carriages, 66 wagons, 88 drays, 162 sulkies, and 61 motors. The item as to drays includes both spring carts and drays. Owing to that fact, and as under the Bill drays will probably pay twice as much as spring carts, I have had to approximate the figures. In every case I have reduced the figures in order that they might be absolutely fair and accurate. The Toodyay road board shows 66 wagons,

the present tax being £66. Under the schedule we not only pay for the load weight, but also the weight of the wagon itself. So the new tax on wagons will be £13. The average increase in motor traffic is from 25 to 30 per cent. Under the old Act the maximum was £21 up to three tons. The increase is not very great, but when we get over that size the percentage of increase is much greater. Take the 5-ton wagon, the 212 per load weight wagon. Under the old scale £21 was paid. Under this Bill it will be £36. That is not 30 per cent., nor do I consider it too high. When we come to wagons we find that on an average they are increased 1,300 per cent.; and they are not the vehicles likely to use these main roads, for the main roads run parallel to the railways, whereas these wagons take the wheat direct to the railway. In all past legislation this item has been allowed for. The Minister mentioned the Heavy Traffic Act. There seemed to be some doubt in the minds of members as to what that Act is. I have here a "Government Gazette," of 5th September, 1924, in which it is seen that the Traffic Act of 1919 was amended by the Act of 1922. It was found necessary to amend the old Heavy Traffic Act, because in a court case it was found to be illegal. Since then it has been regazetted, and is now in operation, but only in certain parts of the State. It cannot operate on the farmers' wagons even under this scale. This is what the Heavy Traffic Act says—

The annual license fee payable shall be, for every cart of two wheels £5; for every cart or wagon of four wheels £6. This regulation shall not apply to a vehicle that is only engaged in heavy carrying on some special occasion, for which permission in writing of the licensing authority of the district has been obtained, or a vehicle in use by a farmer or settler conveying goods and materials to and from his own farm.

The Minister also said this Act was not proclaimed in the metropolitan area. I find that it was proclaimed on the 21st November of this year. However, it never was intended that this Act should apply to farmers' wagons. One reason for that is this: Particularly in the South-West, roads that have been made only a few months are today quite impassable, owing to heavy cartage over them in winter months. But the Heavy Traffic Act came into operation to deal with constant regular traffic. The farmers' wagons are not used for that purpose, indeed are not on the roads more than six weeks in the year. Moreover, the roads used by those wagons are not main roads, but are roads leading to sidings. To revert to the figures of the Toodyay Road Board, there are 66 wagons, paying at present £66. Under the proposed tax they will pay £758. There are 31 buggies paying

at present £31. They will have to pay £46 10s. There are 102 sulkies paying at present £51. They will have to pay £76 10s. There are 44 carts paying at present £22; they will have to pay £44. There are 44 drays paying at present £22; they will have to pay £88. The total present wheel taxation is £192, whereas the proposed taxation is £1,113, or an increased tax on wheels of £921. There were 61 motor cars registered, the tax being £279. The increase will be approximately £80, making a total of £359, or a total tax in that road board of £1,372, as against the old total of £471. I have some information from the Goomalling Road Board. It is not in complete detail. For instance, they give me "carts 95," and have not told me the number of drays. However, here are the figures: There are 127 wagons, paying a tax of £127. In future they will have to pay £1,657. There are 30 buggies paying a tax of £31. The proposed tax is £45. There are 118 sulkies paying a tax of £59; the proposed tax is £88 10s. There are 85 carts paying a tax of £42 10s.; the proposed tax is £85. There are 10 drays paying a tax of £5, and in future they will have to pay £50. So, whereas the present total taxation is £263 10s., the proposed taxation will be £1,919 10s., the increase in tax on wheels being £1,656 10s. They have 103 motor cars, paying a revenue of £437. The increase here will be £130, giving a revenue of £567. The total tax on wheels and motor cars under the new scheme will be £2,486 10s. The Dowerin Road Board has 128 wagons. The present tax is £128, and the proposed tax is £1,664, or an increase of £1,536. There are 30 buggies, the present tax being £30, and the proposed tax £45. There are 78 sulkies, the present tax being £38, and the proposed tax £58 10s. There are 40 spring carts, the present tax being £20, and the proposed tax £40. There are 5 drays, the present tax being £2 10s., and the proposed tax £15. They have 78 motor cars, paying a tax of £308 5s. I notice that the Minister's figures are not exactly the same as mine, which give the present fee as £3 on 30 to 35 p.w., which should be £4, and the proposed fee as £5. Evidently there is a slight mistake here. However, the existing tax is £308 5s., whereas the proposed tax is £443. They have 9 motor cycles, the present tax being £9 7s. 6d., and the proposed tax £13 10s. So there will be a total increase in taxation of £2,277 10s. In the Wyalcatchem Road Board area there are 115 wagons, the present tax being £115, and the proposed tax £1,495. There are 30 buggies, the present tax being £30, and the proposed tax £45. There are 78 sulkies, the present tax being £39, and the proposed tax £58 10s. There are 40 spring carts, the present tax being £9 10s., and the proposed tax £38. In all there is an increased tax on wheels of £1,463. There are 78 motor cars paying



£284 15s., while the motor cycles pay £6 6s., or a total of £291 1s. So we get an increase in taxation of £391, or a total tax on wheels of £1,676 10s., and on cycles and carts £391, the aggregate revenue under the new scale being £2,067. In this case I have reduced my figures. For instance, wagons are given at £115, and drays at £19, and the total revenue from wheel tax at £301. In order to make my figures safe I have given only an actual revenue of £213 10s. So it will be seen I am reducing my values, not inflating them. In the Kununoppin-Trayning road board area there are 105 wagons, the present tax being £105, and the proposed tax £1365. There are 20 drays, the present tax being £10, and the proposed tax £40. There are 42 carts, the present tax being £21, and the proposed tax £42. Sulkies, 100, present revenue £50, proposed revenue £75. Number of vehicles 276; present revenue £185, proposed revenue £1,522. The increased tax on wheels will mean £1,337. The motor cars in the district on the 30th June last was only 46, and the total revenue derived from them was £170. The increased tax will be roughly £50, or a total of £230. I might add that since the 30th June last the number of motor cars has been increased to 72. The figures I have quoted are a little out of date because the progress in the district has been so rapid, and the number of vehicles and cars has increased considerably. I will sum up the figures that I have given. Members will appreciate what the proposed taxation means in the various road board districts to which I have referred. In the Toodyay electorate the present tax yields £471, and the proposed tax will give £1,372; Goomalling, present tax £700, proposed tax £2,486; Dowering, present tax £537, proposed tax £2,277; Wyalcatchem, present tax £504, proposed tax £2,067; Kununoppin-Trayning, present tax £355, proposed tax £1,742. Altogether the taxation obtained to-day amounts to £2,533 and the proposed taxation will produce £9,945, or an increase of 400 per cent. My electorate covers six road board districts, and two thirds of another, but I have not been able to get the figures from all in the time at my disposal. I can, however, add 30 per cent. to represent the figures that I have not supplied to the House, so as to be able to give an approximate idea of what is likely to be collected. The total in this way works out at £12,945. On the Minister's figures the existing taxation for the rest of the State will amount to £44,500, but if we make allowance for the increase in the number of vehicles to which I have made reference, and we add 400 per cent. to that total, the Minister will find that his revenue from country districts instead of being £75,000 as he estimates, will amount to £178,000. I believe the Minister can get a great deal more than he estimates without touching the wheel

traffic at all. He gave the House figures so far as motor cars and trucks were concerned. The total number of these vehicles in the metropolitan area on the 30th June was 4,693, and in the country districts 5,000. In addition there are 2,315 motor cycles in the metropolitan area and 500 in the country. It is well known that the number of motor cars is increasing rapidly. I believe that on the 30th June next we shall have no fewer than 11,000 motor cars and trucks in this State. Averaging the tax at £6 each, we should have £66,000 in revenue from those vehicles alone. The Minister proposes to raise the amount of drivers' licenses, and if we have 11,000 drivers, say at 10s. each, we shall thus get another £5,500. Then there are the motor cycle fees to collect and, without touching the wheel tax, the Minister should get much more than the £75,000 that he is looking for. I make this suggestion to the Minister; I believe it to be necessary to have some kind of heavy traffic legislation and we should provide that if a vehicle is carting all the year round, it should be made to pay more than 10s. a year or 5s. a wheel for the use of the roads. I suggest this because the Minister proposes to deprive the road boards of a considerable amount of revenue. In the Goomalling district the revenue from wheel tax and motor cars amounts to £700 per annum, and with the Government subsidy of £300, the board there receives £1,000. If the Minister collects the tax, he will reduce the revenue by that figure, but the cost of administration will remain the same. The Minister may take away from the control of the board a few miles of roads, perhaps 25 or 50 miles, but what difference will that mileage make if the board still has 400 or 500 miles to look after, and he takes away at the same time 33 per cent. of their revenue? They will have very little money left. I have travelled over a good deal of Western Australia during the last few months, and I can say that the roads in the wheat belt are in very fair order. They could, of course, be improved, and the road boards are doing their work slowly. The point I wish to stress, however, is that if the Government deprive the road boards of 33 per cent. of their revenue, those boards will still be obliged to keep the same amount of plant in order to maintain the roads, and they will have so much less money to spend. The result will be that the road boards will have to still further increase their taxation in order to be able to carry on. There are 11 metropolitan members and 39 country members. It may be that I represent one of the biggest country electorates in the State, and also one of the most prosperous. Our taxation is considered high, but in arriving at my figures I have reduced the amount. But even so, I estimate—and the estimate is conservative—that the Minister will receive £126,000 per annum and not £20,000 as he mentioned.

I hope that a suitable traffic Bill will be passed, because I believe in the interests of the State it is necessary that we should have better roads than exist at the present time. The Minister at least deserves credit for having had the courage to introduce a Bill that we know has been on the tapis for many years. I assure the Minister that the figures he quoted are considerably less than he will receive under the Bill as it is at present. I shall be prepared to assist him to get in the amount of taxation that he requires, namely, £75,000.

Mr. BROWN (Pingelly) [8.40]: Like the previous speaker, I have gone into this matter carefully with the secretary of the Pingelly Road Board, an officer who is one of the most competent in the State so far as local governing bodies are concerned. It is well known that the road boards impose an unimproved values tax of something like 1½d. and in some instances 2d., and that recently most of the road boards received a notice that if they did not increase that tax by another halfpenny in the pound, the Government subsidy would be taken from them. The result is that the people in the country are now very heavily taxed. In addition to this unimproved land values tax, there is also the vermin rate, vehicle licenses, and a dozen and one other taxes to pay. The proposal contained in the Bill we are discussing will fall heavily on the men on the land. Of course we realise that the question of good roads is a matter of the utmost importance. On every motor car we see the placard "We want good roads," but the proposal contained in the Bill, I repeat, will fall very heavily on those who are engaged on the land. Let me quote as an instance what will happen in the Pingelly road district. At the present time the road board collects a tax of 1½d. on the unimproved value of land. This they will retain. The Government subsidy in respect of licenses from vehicles and motor cars will be taken away and given to the principal body. In the Pingelly district there are approximately 100 cars and from those vehicles £500 in fees is obtained. Then in addition there is a subsidy of £300 from the Government and that, too, will be taken away, so that something in the vicinity of £1,000 will be lost to the Pingelly board. We know that the Federal authorities propose to give £90,000 this year on condition that the Western Australian Government subsidise that amount, pound for pound. I cannot come to any conclusion other than that the Bill is designed for the purpose of providing that subsidy, because the Treasurer is experiencing difficulty in raising the money. I admire the Minister for the manner in which he is raising the amount of money he requires to subsidise the Federal grant. It is cleverly engineered by the Minister; he is taking the money

from the boards with one hand and handing it back to them with the other.

Mr. Mann: That is just the point.

Mr. BROWN: The member for Toodyay referred to the cost of administration. We know that the cost of administration will have to be borne, and we know that we will have to maintain an office with a highly paid secretary—if he is a good man he will be worth the salary—and a foreman will be required as well. The Pingelly Road Board may be quoted as a typical instance. After the cost of administration has been borne there will be practically no revenue left at all. That board might just as well agree to be wiped out and brought under the scope of the Main Roads Board. In the eastern part of my electorate there is the Roe Road Board district, which is a comparatively new one. The rates collected are practically swallowed up in administrative costs and difficulty is found regarding road construction.

Mr. E. B. Johnston: I do not think that is quite right.

Mr. BROWN: I have been there and I know that the cost of administration is among the highest in the State, with the result that little work is being done on the roads.

Mr. E. B. Johnston: They are making roads from one end of the district to the other.

Mr. BROWN: About 90 per cent. of the men in the district are clients of the Industries Assistance Board. If we put this tax on the farmers they will have to go to the Industries Assistance Board for further assistance to enable them to pay the tax.

Mr. Mann: And they will have to pay interest on it as well.

Mr. BROWN: That is so. If the Government were to construct one new main road into a newly opened-up district it is possible that, with the advent of motor trucks, the people might not require so many railways. Another question that arises is: Who is to determine what shall be a main road? I suppose it will be the Minister or his officers who will have to determine that point. It would be in the interests of the older settled road board districts to have as many main roads declared as possible. From York to Katanning there is one road only that is used principally by motor cars, and it is in a deplorable condition. Will the Minister declare that a main road? If he does not do so, it will be indeed serious for the road boards concerned because of the great expense involved. Those boards will not have sufficient funds to maintain the road in proper repair. It has been stated that the Bill is similar to the Victorian Act. We cannot compare the conditions operating in Western Australia with those of Victoria. In the latter State there are over

1,000,000 people in a small area where plenty of money is available. Here in Western Australia we are struggling at the developmental stage and we have a very considerable road mileage. If the people are to be taxed heavily, as suggested in the Bill, more harm than good will be done. There must be some solution. In my opinion it is to be found in the Government giving the local authorities £1,000 or £2,000 to put into good order the main roads running through their districts. In my particular road board district we have some of the finest roads that our funds will permit, and roads that will compare favourably with those in other parts of the State. We have the plant and officers who have skill and ability. If the money were handed over to them they could see that their portion of the main road was constructed satisfactorily. I know the position is somewhat difficult in new areas where new roads are required. In country districts by-roads have to be constructed leading to railway sidings, and those roads now are in a deplorable condition. Can the people in the country districts shoulder this additional taxation? When we realise that a wagon for which a fee of £1 was paid in the past will now result in an expenditure of £12, the House will realise what an additional burden this involves for the farmer. A farm wagon will not be used on the roads for more than one month in a year. In one instance when the season was a bad one a farmer was able to cart his produce to the siding in two loads. In order to use his wagon over the roads for two or three trips in a year that farmer will in future have to pay £1 for every month in the year. That is absurd. The farmers will not stand it. We are not antagonistic to the Bill. We want something done along the lines proposed, for we want good roads, and I hope, therefore, that some satisfactory result will follow from our discussion. It might be possible to appoint a committee to make inquiries as to how the difficulties may be overcome. If the Bill be passed as printed, it will be one of the worst things that has happened for the country road boards and we will find indignation meetings held throughout the State.

Mr. Sleeman: Do you suggest stop-work meetings?

Hon. Sir James Mitchell: No, we cannot stop work on the farms.

Mr. Panton: They had a stop-work meeting in the Legislative Council to-day.

Mr. BROWN: I am glad the Minister has not made this measure a party question. I trust that all sections of the House will unite in an endeavour to make it a good and workable Bill.

On motion by Mr. Marshall, debate adjourned.

## MOTION—ESTABLISHMENT OF CENTRAL MARKETS.

Debate resumed from the 20th November on the following motion by Mr. Mann:—

*That, in the opinion of this House, it is advisable that legislation should be introduced empowering the Perth City Council to establish markets for the whole-sale disposal of vegetables, fruit, produce (other than grain and chaff), meat, fish, poultry and game, under the conditions as recommended by the Select Committee on the Establishment of Markets in the Metropolitan Area,*

to which Mr. Thomson had moved an amendment to—

*Strike out the words "Perth City Council to establish" with a view to the insertion of "Government to appoint a trust, composed of representatives of the primary producers, consumers and distributors, to arrange for the erection and control of," also to delete "other than."*

Hon. W. D. JOHNSON (Guildford) [8.55]: Any time taken up in a discussion of marketing problems is well spent. If there is one problem in Western Australia that is of paramount importance it is the question of marketing our primary products. Not only is the marketing question of great moment, but we find that all countries throughout the world are active in giving special consideration to the question. The old method of leaving the handling and marketing of primary products to organised bodies as a means of business from which to make a profit, has been superseded by organisations composed of those directly producing and, in many instances, these organisations combine with the consumers themselves. That result has been brought about largely by co-operative effort. Just prior to the war co-operative handling of primary products and the marketing of them was mainly confined to European countries adjacent to the British Isles. Those were countries that did so much towards feeding the millions of people in Great Britain. It was sought to eliminate the middleman, and for that purpose the people organised on a co-operative basis. The success in Denmark was largely due to the fact that the producers combined and so eliminated the profits derived by the middlemen, and a fair proportion of the money so saved was utilised in the education of producers in better methods of production and more scientific operations generally. The result is that Denmark is looked upon as one of the best organised centres of the world. The system so successfully adopted in Denmark is now used in other countries. The member for Coolgardie (Mr. Lambert) referred the other evening to America as being one of the best organised countries in the world regarding the handling and marketing of perishable products. That

statement was hardly correct according to my reading. America certainly has improved considerably during recent years, and that improvement was brought about during the war period. At that time America started to reorganise her methods of handling and marketing her primary products. An organisation was formed to deal with the matter. It comprised active socialists and labour people, with farmers throughout the country. The organisation was known as the Non-Partisan League. Several books have been published regarding the formation of the league, and the improvements brought about in the handling and marketing of goods. So successful has the organisation been that we find that they ran a candidate for the presidency of the United States of America, and the basis of the campaign was the question of handling and marketing products, with the elimination of those huge combinations that had acted detrimentally to the interests of the producers in America.

Hon. Sir James Mitchell: It is a very dear country to live in.

Hon. W. D. JOHNSON: It is, but that would be improved, just as they have perfected their organisation to get away from the huge combines that operated to the detriment of producer and consumer. I do not agree with the member for Coolgardie (Mr. Lambert) that America can be cited as one of the successful nations of the world, but from my reading I gather that a great deal of improvement is being effected, and ultimately I have no doubt this will be reflected in the cost of living there. We, as producers, have done more for the general organisation of marketing and handling than has any other part of Australia. We have introduced and firmly established a co-operative organisation that has been financed solely by the small contributions of individual producers, but sufficient has been forthcoming to permit of a huge volume of the farmer's work being handled, both in obtaining from overseas the requisites he needs, and in forwarding his produce to overseas markets.

Mr. Mann: Has the co-operative movement done more than any other merchant has done?

Hon. W. D. JOHNSON: Undoubtedly, and more than all the combinations of merchants in Western Australia.

Mr. Mann: Your co-operative movement joined the other merchants in the jute ring.

Hon. W. D. JOHNSON: The hon. member has mentioned something in which the movement is helpless. One of the biggest combinations perpetrating one of the greatest scandals in this State is that handling the jute goods of Calcutta. When the Industries Assistance Act was introduced, I conceived the idea that as we had to supply everything to the farmer, we should cut out as far as possible the middleman's profits. I decided to buy all the bags required for the I.A.B. settlers, and it was estimated

that 7,000 bales would be needed. Although we wanted such a huge quantity, representing as it did the bulk of the State's needs, and although we were prepared to give the Agent General a letter of credit and arrange shipping, we were told we could not do it. There was an organisation attending to the marketing of these goods and we had to do the work through that organisation. When I inquired about the organisation, I found it consisted of two or three firms that had absolute control and could dictate not only to the farmer but the Government. Although I made a satisfactory deal, it had to be made with the consent of those controlling the market. The Westralian Farmers Ltd., the head of our co-operative movement, are in an exactly similar position. They do the major portion of the jute-goods trade in Western Australia, but they are not viewed by the producers of the bags with the same favour as is the organisation that has been operating for years.

Mr. Mann: They buy through brokers.

Hon. W. D. JOHNSON: Yes; the trade is so organised that we cannot overcome those difficulties, but the day will come when we shall overcome them.

Mr. Mann: Do not you think they bought supplies at 9s. and are selling them at 16s.?

Hon. W. D. JOHNSON: When the co-operative movement buys bags at 9s., information is sent to members that the bags are available. I did not pay 16s. for my bags. I was a member of the co-operative movement and did my business there. Those who are loyal to the co-operative organisation are not exploited in that way. Suppose the movement was guilty of making the enormous profits suggested by the hon. member, it would be distributed amongst the members. It would not go in directors' fees or to shareholders; it would be returned to members in the shape of dividends and bonuses in proportion to business done. The movement is as sound in principle as is any co-operative movement in the world. The rules and regulations are those of the huge co-operative concerns in the Old Country. To suggest that any other firm is doing anything like the work being done for our producers by the Westralian Farmers Ltd. is incorrect. As I hold such an opinion of the work of the co-operative movement, I would not go beyond it to provide city markets. I give great credit to the member for Perth (Mr. Mann) and the members of the select committee for the work they have done and the conclusions they have arrived at. I concur in their recommendation that immediate consideration should be given to the establishment of central markets.

The Minister for Agriculture: In your opinion they should be run by the co-operative movement?

Hon. W. D. JOHNSON: I would not go beyond the co-operative movement.

The Minister for Agriculture: Who would finance it?

Hon. W. D. JOHNSON: The co-operative company. There is no vested interest. Give the co-operative company a monopoly provided they attend to the buildings and do the work necessary in the interests of the State generally. I have no authority to speak for the co-operative movement; I am expressing my personal opinion. The movement could finance it, because the people represented by the co-operative movement are interested in markets.

Mr. Mann: And the consumers.

Hon. W. D. JOHNSON: Unquestionably. There is an urgent need from the point of view of both producers and consumers for the establishment of central markets. The difference of opinion arises on the question of control. The delicate side of control is emphasised by the wording of the select committee's recommendations. The committee were wonderfully cautious when they touched the question of control. They say they want control by either the Government or the City Council. Then they add, "Taking into consideration all the circumstances, we favour the City Council." But they do not give the circumstances. They say it would be an advantage to have an advisory board representing the growers, the distributors and the consumers. The member for Leederville (Mr. Millington) was a party to the recommendations, but he realised that the City Council was not the body to control the markets. He wants the City Council there to look after the financial part, being of opinion evidently that the City Council is the only body capable of raising the necessary money to build the markets. Having got the City Council to finance the movement, he thinks it would be an advantage to bring in the grower, the consumer and the distributor to assist the City Council in controlling and administering the markets. When the amendment came along, the hon. member went to some pains to ridicule the idea that one could put his hand on the producers or the consumers, but he did not deal with the distributors. If it is so difficult to find who represents the producers and the consumers, how could it be done if the proposed advisory board were established? The hon. member admits that an advisory board is necessary, but when we suggest cutting out the City Council and making the others the advisory board in control, he ridicules it. He said we would have to go to the financial institutions to ascertain who the primary producers are. The primary producers are organised. True, all the primary producers are not organised, but the big mass are and it would be a simple matter to extend the organisation, so that the whole of the primary producers could be included. We want to cut out the City Council and

let the grower, the distributor and the consumer do the work.

Mr. Millington: Our report was based on evidence. Your statement is not. There is no evidence to show those people exist.

Hon. W. D. JOHNSON: Yet the hon. member emphasises the recommendation that they should constitute a board of control. How on earth can they be expected to constitute a board of control if they do not exist? Let us find out whether there is such a thing as an organisation representing those interests.

Mr. Mann: It is analogous to the price-fixing board that was appointed by your Government some years ago. It did very good work.

Hon. W. D. JOHNSON: That board functioned under an Act of Parliament.

Mr. Mann: Therefore you could lay down powers for this board.

Hon. W. D. JOHNSON: Certainly, such powers could be conferred upon anybody by Act of Parliament. I wish to ascertain whether it is not possible to do as the member for Leederville wishes, only in a direct way, instead of having three parties constituting the controlling body.

Mr. Millington: Their evidence was that they did not propose to find any money.

Hon. W. D. JOHNSON: I am of opinion that it is possible to give to a representative body, such as a board the hon. member suggests, a monopoly of the markets just as is proposed in the case of the City Council, and that they could finance the proposition and manage it on behalf of the people interested.

Mr. Clydesdale: They have never shown any desire to do so.

Hon. W. D. JOHNSON: Have they been considered in the matter?

Mr. Clydesdale: Why did not the Primary Producers give evidence?

Hon. W. D. JOHNSON: The President of the Westralian Farmers Ltd. (Mr. C. W. Harper) did so, and he is an authority on the question. I had not consulted any of them. I believe the movement is buoyant and capable enough to cope with the situation. The producers are organised. The wheat-growers and the great body of the fruit-growers are organised.

Mr. Millington: They told us they were not.

Hon. W. D. JOHNSON: That is incorrect. In my electorate there is a complete organisation. They go to the extent of saying that they represent 95 per cent. of the growers. If this can be done in Guildford and the Swan the principle can be extended. The organisation is extending to-day for the reason that the producers are beginning to realise that private marketing is impossible.

Mr. Millington: They told us they were not organised in other districts.

Hon. W. D. JOHNSON: That is incorrect. The dried fruits, which is the main

product from Guildford and the Swan, have a State organisation. I am prepared to admit that growers of other fruits are not organised to such an extent.

Mr. Sampson: That organisation has no stability.

Hon. W. D. JOHNSON: It has enough to run its own business up to the stage of cleaning and marketing. Difficulties arose because certain individuals took advantage of the organisation to do things that they should not do, and they had to go to the Government and ask for compulsion. The whole difficulty in Queensland was overcome by compulsion. These people say, "We have been able to organise and conduct our business in a satisfactory way, but of late years that has become impossible, because of the disloyalty of a few who took advantage of the work of the many." They now say, "In order that we may continue this work we want a compulsory pool on the lines of Queensland." I am prepared to do for the producers all that I have preached as a trade unionist, that is, give them preference. They want the right to get the maximum results from their labours, and to do so in such a way that it will not be detrimental to the State, but be of advantage inasmuch as they will bring about direct contact with the consumer so that both parties may benefit.

Mr. Mann: The egg producers formed a pool and the buyers formed another and would not buy from the producers, but bought direct from South Australia.

Hon. W. D. JOHNSON: Although a difficulty may be experienced in regard to eggs it may not occur in other directions. The member for Perth (Mr. Mann) said that the main question was one of control. He did not go into details. He was not enthusiastic about giving Perth the control of the markets. He says so in his motion, but in his remarks did not trouble to explain any advantage that would be gained by giving the control to the City Council. I support the amendment because it is a definite declaration along the lines I want. It does not do all that I would suggest, but it is an improvement upon the motion. The idea of the amendment is to give the producer, the consumer and the distributor the control of the markets in the form of a trust. A trust can be formed with full power to borrow and function.

Mr. Millington: That is the idea, but the effect will be to kill the proposal.

Mr. Clydesdale: Or put it back 10 years.

Hon. W. D. JOHNSON: I am not impressed by that argument. The hon. member suggests that we cannot give power to those who are directly interested, the people who are clamouring and who brought about this motion, who gave evidence before the select committee, and who are well enough able to run the business under Act of Parliament, but would be prepared to

give it to the City Council which represents only city interests.

Mr. Millington: They were the only people who suggested they should take it over. The producers did not suggest it.

Hon. W. D. JOHNSON: The Minister should take into consideration the special qualifications of the producers' organisation, and see if they cannot carry out this undertaking.

Mr. Clydesdale: Why did they not tell the committee that? You suggest they will find the money.

Hon. W. D. JOHNSON: I said I thought the money could be found. They have found it for bigger propositions than this, and have handled them well. The producers have a big enough organisation and have demonstrated their powers. This organisation can be extended to include all the producers who would be interested in the city markets. The member for Leederville (Mr. Millington) is concerned as to who will represent the consumer. Surely the Labour movement represents the consumer and is constantly having regard for his interests! All sides would, therefore, be represented. The hon. member may think this is too big a proposition for the producers of this State to handle. Limited though they are in numbers and capital they have to-day an organisation in London for the marketing of Western Australia products. The co-operative movement of Australia handles the marketing organisation in London, cuts out the middleman, and does an enormous marketing business. It is pleasing to know that Western Australia played a prominent part in the establishment of that organisation, and that the General Manager in this State was selected to assist in bringing this about. For years past we have handled the marketing of all our wheat, and this year it is anticipated we shall handle much more than usual. It may be news to members to know that previously we had to go cap in hand to the banks of Australia for the purpose of financing our concern. To-day the co-operative movement in England is financing the co-operative movement in Western Australia. The co-operative movement of consumers in the Old Country, who consume the major portion of our wheat, is financing the co-operatives of Western Australia who send it overseas. When we have a movement that deals with business running into millions of money it is not fair to cast a doubt upon its ability to handle a pettifogging marketing proposition in Perth. The movement is a huge one. Last year it handled four millions of money represented in goods exported and imported. The business has been handled in a way of which Western Australia has cause to be proud. I read with interest the speech of the Premier at the opening of the new buildings of the Trus-

tee, Executor and Agency Company when he rightly paid a tribute to the foresight, judgment, and organisation of that body. They have a huge building and a big organisation, but much more could be said of those who have established the co-operative movement in this State. The State should be proud of the trustee company, but it is operated for the advantage of a few shareholders, and big dividends are paid to the shareholders and large fees to the directors. The co-operative movement also has a huge building in Perth and a big organisation. The work it is doing, however, is for the generations of to-day and the generations that are to come. This organisation will go on for ever. I look forward to an Act of Parliament being passed to ensure that it shall go along on a truly co-operative basis, and that it shall not be so immersed in vested interests as to become a huge limited liability company, such as occurred in the case of several co-operative companies in New Zealand. I remember from my youth that we were all proud of the co-operative organisations formed in New Zealand, but carelessness in legislation allowed those undertakings to become close corporations. A majority got together in given districts and declared the share lists closed. They then used the co-operative movement until they got control of a majority of the shares. Thereupon they turned the concern into a limited liability company; and the organisation that had been established practically by the pence of producers in the struggling stage, ultimately became the monopoly of a limited number. There is a danger of that here so long as we go on without legislation to control co-operative activities. Up to date there is no indication of anything of the sort. Day by day the share list increases; day by day more and more producers realise the advantages of co-operation; day by day the movement is expanding. I want to pay a tribute to that kind of organisation. It is the kind of organisation that makes a country. It represents a revolution of a kind that occupies the mind of the world to-day. The old system of running trades by interested private parties to make millions of profit for a limited number of shareholders is disappearing. That work is being done to-day by the servants of the whole of the producers. I trust that shareholders will continue to come in to the organisation in perpetuity, by the aid of a suitable Act to control co-operative activities.

Mr. Mann: You know that the co-operative undertaking raised the selling rate of commission to the producers, while the private concerns did not do so.

Hon. W. D. JOHNSON: I cannot say whether that is so. However, the marketing in Perth is no credit either to the co-operative movement or to the private traders. We want a reorganisation by which

we can establish a central market under a general organisation that will give satisfaction all round. I did not know that the co-operative undertaking had a market of its own. If such a market exists, it must be on a very limited scale. In my opinion the City Council is not the organisation to handle the markets. Take fruit marketing. The select committee got evidence as to the enormous rents which had to be paid in connection with the marketing of fruit. Now, the City Council are representative of the property owners and ratepayers of Perth. Their attitude towards the proposal for cheapening fruit to the consumer by distribution from barrows, as against shops costing high rents, was not sympathetic. All their influence was in favour of the shops as against the barrows. Cheapness of fruit was the principal consideration from a State point of view, but the scheme was hampered by the City Council. That fact in itself is sufficient to prove that the City Council are not a sympathetic organisation in this respect. Their composition is such that they cannot be sympathetic towards the consumers' and producers' interests in the matter of marketing. They can only come in as landlords.

Mr. Mann: Won't you give the City Council credit for the kerbstone markets?

Hon. W. D. JOHNSON: Undoubtedly I will. The kerbstone markets are an improvement of a kind that leads one to believe that central markets would do a great deal of good. However, the kerbstone markets are very limited, and all the other markets are operating against them. Moreover, the City Council are elected on plural and absentee votes, and no organisation so elected can be satisfactory. The city councillors, by the very method of their election, are representative of commercial interests. I view with the utmost alarm any proposal to give to a body elected on a plural and absentee voting basis the control of concerns which are of vital importance to the general mass of the community. In to-day's newspaper there is a letter signed by Mr. Langley, an authority on marketing, who states that central marketing has not improved conditions in Eastern Australia. I will admit that. However, the kind of marketing in Eastern Australia has not been of such a nature as to tend towards improvement. The councils who are the landlords there, are not concerned with obtaining more satisfactory results for the producers and the consumers. They are merely concerned to see that their rents shall be on a scale which will make the undertaking a pecuniary success. We want an organisation on the Danish model, where the middleman's profit is saved for the purpose of education. If we could get co-operative marketing, much improvement would result. To go on as we are going is economically unsound. I think the next generation will regard as ridiculous the fact that we

have five or six bakers' carts going into one street to serve five or six customers, and the fact that we have five or six milk carts going into the same street to serve five or six customers, and similarly five or six butchers' carts. The whole thing is absurd. It exists because vested interests wish to perpetuate it. It adds enormously to the high cost of living. We want an organisation which will educate the people up to the view that the existing state of affairs is wrong, and that all our marketing should be controlled on an entirely different basis. The Queensland marketing started on a very small scale, but it educated all interests up to the view that the old methods were economically wrong. Fruit was in; maize came in, and then wheat and sugar. All these producers appealed to the Government to bring them within the scope of the Act, so that they might have the right of control. Gradually and surely Queensland is overcoming the difficulties of marketing; the middleman is going out of business, and the producer is getting the profits. The producer and the consumer in Queensland are both benefiting by the elimination of the middleman. Here in Western Australia all of us as individuals are called upon to furnish security so that money may be distributed amongst the producers. The Agricultural Bank and the Industries Assistance Board have distributed millions amongst the producers, for the reason that the entire community have been called upon to guarantee the amount. The money has been raised not on the security of agricultural lands, but on the security of the stability of the State. The consumers, representing the majority, are consequently providing funds for the producing section of the community. The consumers help the producers to produce, but in the matter of marketing the consumer gets no consideration at all, because of vested interests. The present methods have gone on from the year one, and are so well entrenched that the general public has come to believe that there is no other way of marketing. If we give the markets to the co-operative movement, it will be a start towards educating the public up to a right view of the matter. The whole thing is a question of organisation, and we shall never get the right kind of organisation so long as it is not truly representative of those directly interested. The only people directly interested in marketing are the producers, the consumers, and the distributors. I would give each of those sections representation. The job should be done by the people whose job it is and, therefore, I would hand over to the co-operative movement the power that is proposed to be given to the City Council. For the time being, I am prepared to support the amendment rather than the motion. I know nothing can be done this session, but I do sincerely trust that the Government will investigate whether the co-operative move-

ment, which was able to finance its marketing requirements in London, cannot finance them in Western Australia also.

On motion by the Minister for Agriculture, debate adjourned.

## BILL—TREASURY BILLS ACT AMENDMENT.

### *Council's amendment.*

A message having been received from the Council notifying that it had agreed to the Bill subject to an amendment, the message was now considered.

### *In Committee.*

Mr. Lutey in the Chair; the Premier in charge of the Bill.

Council's amendment—Add the following new clause to stand as Clause 3:—"This Act shall continue in force until the 31st day of December, 1925, but no longer."

The PREMIER: The amendment is quite unnecessary, for no Treasurer would pay a higher rate of interest than he was compelled to pay. However, the Council apparently do not appreciate that. Still, they have made the same amendment in similar Bills, and there is really no objection to it. I move—

*That the Council's amendment be agreed to.*

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

Resolution reported, the report adopted and a message accordingly transmitted. to the Council.

## MOTION—CUSTOMS DUTY ON STATE LOCOMOTIVES.

Debate resumed from 11th November upon the following motion by Mr. Thomson:—

*That this House strongly protests against the action of the Federal Government in enforcing the payment of £21,000 as duty on the locomotive engines being imported from England by the Western Australian Government Railways Department, which engines could not be obtained in Australia when required.*

Hon. Sir JAMES MITCHELL (Northam) [9.47]: In all development work the total added cost of material due to duty imposed by the Federal Government ought to be refunded to the State. While the Federal Government cannot refund duty, they should make good the disadvantage of the duty on material used in development work that brings them revenue for all time. For they get more revenue from the development work of the State than does the State itself. When we bring a



migrant into the State the Federal Government collect duty on his first cup of tea and his first glass of beer. Therefore they might very well make good the disadvantage imposed upon the State by the tariff. I hope the motion will result in the refund of this £21,000, since the locomotives could not be made in Australia at the time they were wanted. Still, there is no need to make political capital out of the question, for it is not so much the Federal Government as the Tariff Act that is at fault.

Mr. Taylor: High protection is the policy of Australia.

Hon. Sir JAMES MITCHELL: Yes, and of both parties in the Federal Parliament. As a matter of fact, the present high protection is not high enough for some of them, for at a conference the other day it was seriously proposed that it should be raised. If we want to get a refund of this duty it is of no use attacking Federal Ministers. It has been ruled that duty cannot be refunded at all. Just the same, we got a refund a little time ago, although I understand it was illegally done. It is a great temptation to us in Western Australia to import our requirements, because the interest on money is very much lower in England than it is out here and, moreover, money is more easily obtained there than in Australia. When the Premier of this State requires money it is very hard for him to get it in Australia, although he can get it readily enough in the Old Country, and at 1 per cent. cheaper than he would have to pay in Australia. That 1 per cent. means a tremendous difference on a loan extending over 30 or 40 years. So, if we were to consider only Western Australia we certainly would buy everything in the Old Country, even though we had to pay a slightly higher price than if we were to buy in Australia. We buy in Australia because we wish to see Australia peopled. However, the disadvantage is all ours, while the advantage is all to the Eastern States. And, when we buy in Australia, we have to borrow the money in Australia. A little time ago we gave an order for £100,000 worth of rails. The Australian tender was just satisfactory. I told the Australian manufacturers they could have the order, but would have to take their money in London. They agreed to that, and so we saved 1 per cent. for a period of between 30 and 40 years on the purchase. I certainly would not have paid the Australian rate of interest on the money. I had just been to London and, meeting the financial people there, I found we could make satisfactory arrangements with them. Our real banking is done in London, not in Australia. We pay money in to the Commonwealth Bank and we draw out money from that bank, but if we want to draw out from it something we have not paid in, we have a very hard job to get it. It is a different matter with the London bankers. When

there I got an overdraft from them for over three millions of money, because they realised we had good security to offer. They lent that money quite willingly, and at 3 per cent. Of course to-day it is 4 per cent. As our real banking is done in London it suits us very well to go to London. After all, duty is paid, not to the manufacturer, but to the Commonwealth Treasurer. We called tenders for some railway wheels. The London tender was £2,000, plus the duty of £1,000, the Australian tender being £3,050. I decided that we must buy in London. We were compelled to do so for want of money. In that case £2,000 went to the manufacturer in England, and £1,000 to the Commonwealth Treasurer. It is not the payment of the duty, but the fact that we have to borrow at a very high rate in Australia if we wish to buy in Australia, whereas we can get most favourable terms in London. On one occasion I remember there was £1,000,000 due for the redemption of a loan. I said to the Australian people, "What are you going to do about the renewal?" They said, "What interest are you going to pay us?" Seeing that their interest was going to be high, I sent a wire to the Agent General asking him to consult our bankers and cable out a million. On that wire he was able to cable out a million, and so we were able to pay off our loan. In the next year, when the exchanges were difficult, we had another loan falling due. We could not get the money out from London, and I remember that we had an awful bother in getting it in Australia. It is very much better for us to borrow our money in the Old Country, even if we have to use it for purchasing goods made in Australia. It is impossible for us to finance the State by borrowing in Australia. So we are making sacrifices whenever we buy goods made in Australia, having regard to the rate of interest we have to pay. I should like the Premier to carefully consider this question of borrowing. The exchange will come right before very long, and he requires to use the money in England. If we have to pay duty the Federal Government should make it good, for they get a greater advantage than do we for our developmental works.

Mr. Thomson: They get a sure and certain profit.

Hon. Sir JAMES MITCHELL: Yes, and take no risk. Since we have submitted to the tariff we have to live up to it. It is of no use worrying the Federal executive, for they are merely carrying out the instructions of Parliament. By quiet methods we have already secured refunds of duty in one or two instances. It is no use crying out against the Government. If the policy is set up that certain articles are to be manufactured in Australia, then the people must pay a higher price for those articles because of the tariff that is imposed. Everybody knows that we

pay two prices for all manufactured goods, the price of manufacture in Australia and the duty. We willingly and cheerfully do that, but I think the policy of high protection is stupid. I believe in protection to enable goods to be manufactured in Australia when the conditions are ripe and charges that are proper are imposed, but when we have high protection, it means prohibition. If it is wrong for the people collectively to pay, it is not right for people individually to pay. We enter a protest when the amount appears to be unreasonably large. The tariff makes sure that Australians purchase Australian-made goods at the Australian-made price. That is a curse so far as we are concerned. The Eastern States make the goods and put their own prices on them. Everyone knows that if the tariff is not enough the manufacturers can come along and ask that it be increased. Living of course must become dearer under this system and we do not get value for our money. Under high protection there can be inefficiency. We protect the inefficient factories where the machinery is not good and where perhaps the control is not what it should be. That is what high protection means. We are a non-manufacturing State, and we are realising now what high protection means to us; it is bringing home to the people what can actually happen. The tariff means that the farmer in Western Australia has to pay 2s. 6d. on every acre that he cultivates. That is a fearful burden for the farmer to have to carry. The point we are now considering is the £21,000 that the Federal Government require us to pay on locomotives. If the Premier has not already done so, I should like him to make representations to the Federal Government—of course I know it will be useless—that we should have made good to us that which we pay on material for purely developmental work. I do not know that the Commission that has been appointed will be a very great advantage. It is a limited Commission, and I do not think it will achieve the objects we are hoping for. I intend to support the motion and I trust that we shall be able to get a refund of the £21,000 in some shape or other. I do not care how.

Mr. SAMPSON (Swan) [10.7] I join with the previous speakers in protesting against the imposition of the duty on machinery required for the development of the State. This is another indication of that wall being built around Australia. Every year it is getting higher and higher and it is making it more difficult for the primary producer to exist. The policy of the Federal Government precludes the admission into the State of goods or implements that are required to assist in the development of the country, and the tariff as it stands today must mean that the cost of living will go up continually. Apart from the duty on articles required by the Government for

developmental purposes, we find that protection is given to many other things that are sold at just a trifle under the cost of the imported article. It has always seemed to me that the fullest advantage has been taken of the protection given. In my opinion the factories should produce goods at the lowest possible price, but because of the support which the high protection gives, there is no longer need to carefully watch production cost, there is no need to see that equipment is maintained at 100 per cent. efficiency, and there is no need to see that factories are producing goods at the lowest possible price. I recall the fact that two or three years ago a question somewhat similar to this engaged the attention of the people of the State. It was in regard to the importation of tractors for the clearing of land on group settlements. On that occasion the duty was remitted. Whether that was legally done or not, is another matter, but there can be no doubt about the justification for the action that was taken. I noticed in this morning's paper a telegram from Melbourne stated—

In view of the very strong feeling on the matter in the Western Australian Parliament, the whole of the facts will be subjected to the fullest investigation, and the Cabinet will endeavour to act sympathetically toward Western Australia, if this can be done without abrogating the spirit of the legislation. One method which could be adopted would be to place on the Estimates a sum of money to reimburse the Western Australian Government the amount paid as duty. It would then be for Parliament to decide whether or not the claim of the Western Australian Ministry is a just one. It is probable that the Cabinet next week will consider the adoption of this course.

We all hope that it will be possible to get over the difficulty in this way. At the earliest possible opportunity the constitution should be altered so as to make sure that in the future there will be no instances of taxation pressing heavily upon the State Government, as has happened recently. The position to-day is that the Commonwealth Government are taxing the working tools required by the people of this State, and in no State does that press so heavily as it does in Western Australia. When we consider that the cost of Australian locomotives is £4,820 higher than that of an English locomotive, we are inclined to wonder how it is possible for any Australian foundry to expect to be able to establish itself. The saving on the manufacture in England of locomotives required by Western Australia amounts to no less a sum than £48,000. That is, if the duty is not to be paid. If the duty is to be paid the saving will be £27,000. The Industries Preservation Act is being administered at a serious cost, at the cost of the prosperity of this and some of the other States, and I earn-

estly hope that it will be possible to secure from the Federal Government a remission of the duty on the locomotives. I wonder what the "Age" newspaper thinks to-day of the protective policy which it advocated so ardently in years gone by. But the more moderate newspaper, the "Argus," is to-day recognised as a more reliable journal.

Mr. Panton: It is very unreliable.

The Premier: The "Leader," you mean.

Mr. SAMPSON: Of course the "Leader" is facile princeps.

Mr. Marshall: How does it come to be in this motion, anyhow?

Mr. SAMPSON: That is a matter I will explain later.

Mr. E. B. Johnston: The "Farmer" ought to be in this.

Mr. SAMPSON: The "Farmer" is an advocate of free trade, or at least of the free importation of working tools required for the development of this country. We know what protection of the sugar industry is costing this country. Those who are concerned with fruit production might well say a word or two on that aspect. For the purpose of maintaining the sugar industry, every man, woman, and child in the State pays a heavy impost. I have no doubt that the motion will be carried unanimously.

Mr. TAYLOR (Mt. Margaret) [10.17]: With the rest of the taxpayers of this State, I feel that it would be much to the advantage of Western Australia if an allowance of £21,000 could be made to us; but I think it is idle for members in this House to stand up and attack the Federal Government because of the impost. Protection, and high protection, is the policy of Australia. The policy of our friends opposite is the highest of high protection.

Mr. Panton: Nothing of the sort!

Mr. TAYLOR: In the earliest days of Federation, Western Australia sent three freetrade Labour members to the Commonwealth Parliament. They became protectionists. William Morris Hughes was originally a freetrader, but he had to bend to the will of the Labour Party and become a protectionist, his only alternative being to sit silent on the fiscal question. He was the man behind the gun with the Labour Party right up to the time he became Prime Minister. Freetrade Labour members were compelled by all the Trades Halls of Australia to become protectionists when the tariff was put up.

Mr. Panton: We stand for the new protection to-day.

Mr. TAYLOR: I heard the new protection advocated in the Eastern States 15 years before Federation. The new protection merely meant that the workers in a protected industry should receive some of the gains of protection. Formerly freetraders and protectionists thought on different lines altogether. Is there any man in this House

prepared to stand as a freetrader at the next Federal election? What is the use of being hypocrites to ourselves? We stand for protection while the imposts are drawn from us in dribs and drabs, but when we see the £21,000 proposition we squeal like wounded hares. That is absurd. The Federal Government are carrying out the policy of Australia, a policy largely inaugurated by the Labour movement, of which I was a member at the time. But I was never a high protectionist.

The Minister for Mines: Who is responsible for this tariff?

Mr. TAYLOR: The Federal Government, strongly supported by the Labour Party. The Labour Party helped Sir William Lyne to carry his tariff. It is no use for us to attack the Federal Government. Let us attack the principle. Let us attack the law that gives the Federal Government power to do these things. I know jolly well that the man who thinks he is going to get into the Federal Parliament on a freetrade ticket will be a long time outside that Parliament.

The MINISTER FOR LANDS (Hon. W. C. Angwin—North-East Fremantle) [10.21]: I did not think this debate would develop into a question of the Labour Party versus any other party.

Mr. Taylor: It is a question of policy.

The MINISTER FOR LANDS: The present high protective policy was brought in by a Nationalist Government since Sir William Lyne, unfortunately, was gone. It was only towards the close of the previous Parliament that the very high protective tariff was introduced. Only a few weeks ago I received a communication from some primary producers in the Eastern States asking that the primary producers of Western Australia should join with them to force on the British Government the adoption of the preference clauses which were agreed to at a conference held in London. It is greatly to the credit of the Western Australian primary producers that they refused to join in that movement. They said, "Before we can appeal to the British Government"—a Labour Government happened to be in power then, or in all probability this movement would never have been got up—"to introduce a preference policy for Australia, it is advisable to put Australia's own fiscal house in order." I agree with that view entirely. As to protection, I may draw attention to the conference of Australian Chambers of Manufactures held in Perth not so long ago. The gentlemen at that conference, who were always opposed to the Labour Party, carried a resolution strongly approving of the Australian Prime Minister's attitude on preference to Britain, so long as it did not affect them. If it did not affect them, it was all right. There are in Australia many people who strongly oppose protection in Australia, but are doing their

utmost to impose protection on the food-stuffs of the working classes in England. If I were in England to-morrow, I would be a freetrader; but Australia is a young country, a country which could not have had a more impressive lesson than was given to it by the outbreak of the great war. We know how we were then left minus many goods necessary to our development. Goods required for carrying on various industries were not obtainable here, because the manufacture of them here was not profitable, owing to the limited market. In a young country's early stages it is necessary to protect secondary industries. Western Australia, unfortunately, has not many secondary industries, and suffers on that account. In the Federal Parliament to-day there are as many protectionists on the Government side of the House as on the Labour side of the House, and the former are much more bitter protectionists.

Mr. Taylor: But their points of view are different.

The MINISTER FOR LANDS: Possibly because the Labour Party believe that when protection is given to the manufacturer there should also be a certain amount of protection for the employee. Unhappily, protection in Australia applies only to the one individual. Hon. members will recollect that when an attempt was made to apply the principle of the new protection, the High Court was used to throw the proposal out. The manufacturer can have protection, but the worker who manufactures cannot share in the benefit. As regards many lines, Australia to-day is not sufficiently advanced to manufacture them; we have not the necessary market. I consider that such goods might be admitted at low rates. Again, goods that cannot be manufactured in Australia should also be admitted at low rates. What is the position with regard to the present motion? Tenders were called in Australia, and no tenders were submitted, with the exception of one which did not offer to supply within the time required and was otherwise conditional.

Mr. Taylor: Victoria has had protection for 50 years.

The MINISTER FOR LANDS: I know Victoria had had protection for a number of years before I arrived there, 40 years ago. As regards these locomotives, tenders were open to all Australia, and the goods could not be supplied. In such circumstances the people of Western Australia are justified in asking that the heavy duty should not be exacted.

Mr. Thomson: That is my motion.

The MINISTER FOR LANDS: If it had been possible to manufacture the locomotives within a reasonable time in Australia, it would be right that this State should pay the duty. Doubtless our attention is specially attracted to the matter because the amount involved is so consider-

able, but there are various small articles which cannot be manufactured in Australia. For instance, many electrical appliances cannot.

Mr. Taylor: Then they ought not to be taxed.

The MINISTER for LANDS: But they are taxed. That is revenue tariff. The position to-day is that everybody in Australia is suffering owing to the protection of goods which cannot be manufactured in Australia, because of insufficiency of demand. Meantime the Commonwealth Government are getting more money than they know what to do with, and so they are building up departments in the various States to carry out functions which could be much more economically performed by the States. I would not have spoken on this motion had it not been for the Party question being introduced. However, my belief is that if Australia is to become a manufacturing country, manufacturing for her own supplies, she must have a protective tariff. As the member for Mt. Margaret (Mr. Taylor) said, protection is the policy of Australia; and there are very few people in Australia who think otherwise. The Federal Government, however, in many instances have brought in high protection not in the interests of Australia, but in the interests of centralisation. Only a few months ago a member of this Chamber complained about lobbying here. There is very little lobbying in this State, but if one goes to the Commonwealth Parliament while the protective tariff is under discussion one finds the place full with lobbyists, members being bombarded right and left with representations made not from an Australian point of view but from the point of view of one minor industry. I hope the motion will be carried, though I do not think it will make much difference now, having regard to the article which was read by the member for Swan (Mr. Sampson). The article shows clearly that the Commonwealth Government intend if possible to assist Western Australia as she asks. We have reason to hope that the amount of £21,000 will be available for us in the further development of this State.

Question put and passed.

Mr. THOMSON: I am glad that the motion has been carried. I shall now move—

*That the resolution be forwarded by message to the Federal authorities informing them that the resolution has been agreed to unanimously.*

Mr. SPEAKER: It is rather a delicate position to place the House in, for it throws us open to a possible snub by the Federal Parliament.

Mr. Panton: It will not be the first time.

Mr. Thomson: I hope you will convey to the Federal authorities the fact that the motion was carried unanimously.

Mr. Taylor: I think this is unwise.

Mr. SPEAKER: It is rather a delicate position and may be taken as a precedent.

Question put and passed.

House adjourned at 10.33 p.m.

## Legislative Council,

Wednesday, 26th November, 1924.

	PAGE
Leave of absence ... ..	1975
Bills: Premium Bonds, 12. ... ..	1975
Inspection of Scaffolding, recom. ... ..	1976
Bills of Sale Act Amendment, report ... ..	1976
Land and Income Tax Assessment Amend- ment, 22. ... ..	1975
Noxious Weeds, Assembly's Message ... ..	1980
Treasury Bills Act Amendment, Assembly's Message ... ..	1980
Closer Settlement, Com. ... ..	1980

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

### LEAVE OF ABSENCE.

On motion by Hon. E. Rose, leave of absence for six consecutive sittings granted to Hon. F. E. S. Willmott (South-West) on the ground of ill health.

### BILL—PREMIUM BONDS.

Introduced by Hon. A. Lovekin and read a first time.

### BILL—INSPECTION OF SCAFFOLDING.

Further Recommittal.

On motion by the Colonial Secretary, Bill further recommitted for the purpose of considering Clause 25 and new clause to stand as Clause 28.

Hon. J. W. Kirwan in the Chair; the Colonial Secretary in charge of the Bill.

Clause 25—Regulations:

The COLONIAL SECRETARY: I move an amendment—

*That the following be inserted to stand as Subclause (1).—“The regulations in the schedule of this Act shall have effect and the force of law.”*

Amendment put and passed.

The COLONIAL SECRETARY: I move an amendment—

*That after “regulation” in line 1 of the clause as printed the words “not inconsistent with the regulations in the schedule” be inserted.*

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

New Clause 28.

The COLONIAL SECRETARY: I move—

*That the new clause to stand as Clause 28 be struck out.*

Since the fees form part of the regulation in the schedule and are, therefore, part of the Bill, there is no need for the clause.

Motion put and passed.

Bill again reported with further amendments.

### BILL—BILLS OF SALE ACT AMENDMENT.

Report of Committee adopted.

### BILL—LAND AND INCOME TAX ASSESSMENT AMENDMENT.

*Second Reading.*

Debate resumed from 20th November.

Hon. H. SEDDON (North-East) [4.40]: In extending my support to the Bill I wish to say a few words on the general principle of taxation, which at present is in need of consideration by both this Chamber and another place. As indicating the policy of the Government, the Bill throws light on the position as it was when they took office. They were returned on a pledge, amongst others, to attend to and put into sound position the finances of the State. Measures like this give us an indication of the lines on which the Government are working. Consequently it is rather amusing to find that the old familiar principle of extending exemptions has been followed in the Bill. The time has come when we should revise our policy in that respect, for, after all, we can only get to a certain point when we render taxation unfair in its incidence. It is interesting to refer to the report of the Taxation Department that has just been placed in the hands of hon. members. In that report, Table F shows that the result of the exemptions granted from time to time has been that the number of persons taxed has steadily decreased. Thus, in 1922 there were 48,399 taxpayers. In 1923 the number was 38,191 and in 1924 it had fallen to 31,986. As to the amount of income taxed, in 1922 it was £14,258,538; in 1923 it was £10,707,890, and in 1924 it was further reduced to £9,142,726. As to the revenue derived from income taxation, we find that in 1922 it was £403,774. In 1923 it had fallen to £342,039, and in 1924