

Legislative Council.

Thursday, 15th December, 1921.

	Page
Joint Select Committee: Federation and the State,	
Interim report	2424
Questions: Lime, Lake Clifton and Dongarra ...	2424
Arbitration Court, <i>Industrial Gazette</i> ...	2424
Sitting Days and Hours	2424
Bills: Health Act Amendment, report ...	2424
Land and Income Tax Assessment Amend-	
ment, 2a., referred to Select Committee ...	2424
Workers Homes Act Amendment, 2a., Com.	2432
Nurses Registration 1a.	2442
Traffic, 1a.	2442
Agricultural Bank Act Amendment, 1a. ...	2442
Grain, Com., recom.	2442

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

JOINT SELECT COMMITTEE—FEDERATION AND THE STATE.

Interim Report Presented.

Hon. J. W. KIRWAN brought up an interim report of the Joint Select Committee appointed to inquire into questions relating to the Federal Convention and the financial relations between the Commonwealth and the State.

Report received and read, and ordered to be printed.

QUESTION—LIME, LAKE CLIFTON AND DONGARRA.

Hon. J. W. HICKEY asked the Minister for Education: 1, Is it a fact that farmers are unable to obtain lime for fertiliser in sufficient quantities from Lake Clifton? 2, What amount of lime for fertilising purposes has been sold by the company operating at Waroona? 3, In view of the fact that lime costs 10s. per ton on rails at Waroona, will the Government have investigations made with a view to working the huge lime deposits on Crown lands at Dongarra?

The MINISTER FOR EDUCATION replied: 1, I am told that ample supplies are available. 2, I cannot say. 3, This is unnecessary.

QUESTION—ARBITRATION COURT, "INDUSTRIAL GAZETTE."

Hon. J. W. HICKEY (for Hon. J. Cunningham) asked the Minister for Education: 1, Is it a fact that clerical assistance at the Arbitration Court was promised by the Premier some time ago to enable the "Industrial Gazette" to be published? 2, Has such assistance been supplied? 3, If not, why not?

The MINISTER FOR EDUCATION replied: 1 and 2, The Public Service Commis-

sioner has arranged for providing assistance in carrying on the clerical work of the Court and overtaking arrears. 3, Answered by No. 2.

SITTING DAYS AND HOURS.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [4.35]: In accordance with the suggestion made by several hon. members a few days ago I move—

That for the remainder of the session, unless otherwise ordered, the House shall meet for the despatch of business at 3 p.m. instead of at 4.30 p.m.

If this motion is agreed to it will mean that we shall meet at 3 o'clock to-morrow afternoon.

Hon. Sir EDWARD WITTENOOM (North) [4.36]: I not only second but support the motion. Whilst to a great many members it will be inconvenient to sit at this hour, I think it is recognised generally that it is our first duty in Parliament to give to measures that are brought before us the most earnest consideration. I am confident that members will not mind the sacrifice thus entailed.

Question put and passed.

BILL—HEALTH ACT AMENDMENT.

Report of Committee adopted.

BILL—LAND AND INCOME TAX ASSESSMENT AMENDMENT.

Second Reading.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [4.37] in moving the second reading said: The objects of this Bill are to give effect to the provisions of the Tax Collection Act of 1920, bringing the State into line with the Commonwealth laws in several instances where it is desirable to facilitate the operations in view of the amalgamation of the two taxation departments. The second object is to exempt the profits arising from the sale of a mine from taxation in special cases. The third is to dispense with the keeping of land and income tax assessment books, which it has been the practice of the State Department to do, and which is considered undesirable and is not the practice of the Federal department. Fourthly, the object is to tax the profits arising from the sale of a business as a going concern. Fifthly, the Bill provides that the assets of deceased persons who die during the year after the year of assessment and before the issue of assessment notices, shall be taxed for income tax. A number of the sections of the existing Act are repealed or amended in order to bring them into line with the Commonwealth taxation law in view of the amalgamation. Hon.

members will notice at the foot of the memorandum attached to the Bill, in paragraphs 2 and 3, reference to the Act that this Bill proposes to amend, and also reference to the Commonwealth Land Tax Assessment Act. These paragraphs read as follows:—

The Commonwealth Land Tax Assessment Act is referred to in the marginal notes as Com. 1910/11, and is printed in Volume X. of the Commonwealth Statutes at page 185, and the Commonwealth Income Tax Assessment Act is referred to as Com. 1915/18, and is printed in Vol. XVI. at page 191. The marginal notes refer to the principal Act as reprinted with amendments in the volume of Statutes for 1918-19.

The Bill is purely one for consideration in Committee. My remarks will be confined, therefore, to an explanation of the principal clauses. Clause 2 relates to the powers and duties of officers. This clause gives the State Commissioner power, with the approval of the Government, to delegate any of his powers, duties and functions to officers of the Commonwealth Taxation Department. That is absolutely necessary in view of the present agreement under which, with the exception of the State Commissioner, all the officers are Commonwealth officers; and in many cases it may be necessary for the State Commissioner to delegate his powers under the Act to one or other of these officers. He can only do so with the consent of the Government. Clause 3 amends the proviso in the principal Act relating to the improvements on any parcel of land.

Hon. Sir Edward Wittenoom: A very important one.

The MINISTER FOR EDUCATION: The proviso reads—

Provided that any improvements made on any one parcel of such land shall extend to any one other parcel belonging to the same owner if such parcels of land as not a greater distance apart than 10 miles measured from the nearest boundaries.

This proviso in practice has been found unsatisfactory in its application. Many owners of unimproved property which they are not using are entitled to deem that property as improved if they have highly improved property within a distance of 10 miles. The result in such cases is that the owner of the unimproved property obtains a rebate of 50 per cent., which was only intended to apply to improved property. There is no provision of this kind in the Federal Act. It is considered desirable and just that the proviso should be deleted so that the rebate in regard to improvements should apply only to the land on which the improvements are made, and not to the land which may be 10 miles away, owned by the same owner, but on which there may be no improvements.

Hon. H. Stewart: The 10 miles might have been reduced to something more moderate.

The MINISTER FOR EDUCATION: Clause 4 exempts land held by invalid and old age pensioners from taxation. That is a very desirable provision.

Hon. J. Duffell: I thought they could not get old age pensions if they were the owners of property.

The MINISTER FOR EDUCATION: Clause 5 is one of the most important clauses in the Bill. It provides in the first place for the taxing of the profits on the sale of a business, and secondly, for the taxing of the profits on the sale of a mining tenement. The first paragraph regarding taxation of profits on the sale of a business, is new. It is additional to the provision contained in Section 16 of the principal Act. It provides for the profits arising or accruing to any person on the sale of a business as a going concern being taxed in respect to the profits received from the sale of the stock-in-trade and live stock. It is regarded as a very important and very necessary amendment to the principal Act, particularly in view of a recent decision of the Supreme Court. In that case the Commissioner of Taxation claimed income tax on the profits arising from the sale of a station and the livestock thereon. This was the case of a pastoral business which was sold on the walk-in walk-out basis. The Commissioner's claim was disallowed by the court and that decision was subsequently upheld by the Full Court. There is no idea of upsetting the decision, for the court's decision was based on the law as it stood. It is considered, however, that if such is the law and that is to be the practice in the future, it will permit very extensive evasions of the proper liability of persons to pay income tax. Any taxpayer under such circumstances could escape taxation by the sale of his business as a going concern or converting his business into a company.

Hon. H. Stewart: He cannot escape a liability to pay on the increase of live stock.

The MINISTER FOR EDUCATION: I do not see how that could apply. He could escape taxation altogether. Two or three days ago, the Federal Parliament passed an amending Act in a similar direction. There is a provision in the Federal Act which is not in the Bill before the Chamber. In the Federal Act it is provided that trade assets do not include live stock which, in the opinion of the Commissioner, the assistant Commissioner or the Deputy Commissioner, are used as working animals or for breeding purposes, but it does include all other live stock.

Hon. J. W. Kirwan: Is it not desirable to make the Federal and the State legislation conform to each other as nearly as possible?

The MINISTER FOR EDUCATION: Undoubtedly, that is so. Wherever it is desirable, that should be carried out. If such were done, it would save a considerable amount of confusion. I do not say, of course, that we should adopt anything which is in the Federal Act, and which we regard as bad in principle. Wherever it is a question of adopting something similar or different,

when the provision is acceptable, undoubtedly we should agree to adopting that which is similar to the Federal measure. The second portion of the clause deals with profits arising from the sale of a mining tenement. It is not proposed to make it apply to the sale of a tenement which has been held by a bona-fide prospector or to an owner who has been working a mine and subsequently sells the tenement at a profit. Where, however, the subsequent owner, who is the speculator, disposes of the tenement at a profit, income tax is payable on the profits he secures from the deal. A very similar provision is contained in Section 6 of the Federal Act which was passed on Friday last. The wording is not identical but the intention seems to be the same.

Hon. Sir Edward Wittenoom: Why are the paragraphs numbered 4 and 5 instead of (a) and (b)?

The MINISTER FOR EDUCATION: Section 16 has to be amended and I presume if the subsections appear as 1, 2 and 3 there, the ones I refer to would be 4 and 5.

Hon. H. Stewart: Yes, that is the position under the Act.

Hon. Sir Edward Wittenoom: No, it is not the position. There is already, for instance, Subsection 4. That is why I ask.

The MINISTER FOR EDUCATION: I cannot say offhand, but I will look into that matter later on. Clause 6 relates to exemption of pensions from taxation. This clause amends Section 19 of the principal Act and is necessary to exempt from taxation all pensions paid to widows, dependants and relatives of deceased soldiers or sailors, who were killed or died from injuries received, or sickness contracted during the recent war. It also exempts pensions paid under the Invalid and Old Age Pension Act, 1908, which were not previously exempt under the principal Act. Clause 7, paragraph (a), relates to allowances for life assurance premiums. Under our principal Act the premium paid on the life of children is not allowed as a deduction. It is now proposed to bring our Act into conformity with the Federal legislation and allow premiums paid on the insurance of the lives of children a deduction against income.

Hon. J. Duffell: Would that be in addition to the £50 allowance?

The MINISTER FOR EDUCATION: No. The Federal Act provides that a person may deduct premiums up to £50 on account of the insurance of his own life and the lives of his children. Under the State Act, the only deduction the taxpayer can make is the premium he pays on his own life insurance policy. We want to bring the provision into conformity with the Federal Act, hence the amendment. A further provision was inserted in the Bill in another place granting an exemption to cover the medical expenses of the taxpayer and dependants, provided that the exemption should not apply to persons whose taxable income is more than £250. Provision was also made for a deduction of

travelling expenses incurred in gaining or producing the taxable income. Paragraph (b) is an amendment of Section 30 of the principal Act and cuts out the provision for repairs being estimated and averaged over a period of two years. The words to be deleted are as follows:—

Such sums shall be estimated on the annual average of the sums expended for such purposes during the two years preceding the year of assessment; or, if such average cannot be struck, the amount to be deducted shall be the sum expended for such purposes during the year immediately preceding the year of assessment.

Those words will be deleted and then the clause will mean that actual repairs each year will be allowed as a deduction, this being in conformity with the provision under the Federal Act. The next paragraph provides for the omission of Subsection 7. That is important, because the subsection relates to the 4 per cent. allowance on business premises as a deduction from income tax. Such an allowance is not permitted in any other taxation measure that I know of and it seems to me illogical and improper that such an allowance should be made. Frequently taxpayers have inflated the capital value of their premises with a view to securing an excessive and unreasonable deduction from their taxable income. Under the Federal Act it is proposed that in such cases, the people will have to pay the tax. We do not propose to go that far but simply suggest knocking out the deduction altogether. In many cases, persons may utilise their own premises and yet have a very considerable mortgage over the property. It is impossible to say how much of the mortgage applies to the premises, and in such cases the individual secures a deduction for the whole mortgage off the premises, a deduction to which he is not entitled.

Hon. G. W. Miles: Only the equity is allowed.

The MINISTER FOR EDUCATION: That is what we cannot determine, seeing that the mortgage may be spread over other things as well.

Hon. H. Stewart: The Taxation Department does not allow that deduction unless they are absolutely clear as to the mortgage.

The MINISTER FOR EDUCATION: In such cases, an endeavour is made to arrive at the correct position as closely as possible.

Hon. H. Stewart: You do not get a concession at all, if there is any doubt.

The MINISTER FOR EDUCATION: If a person instead of investing a sum of money in business premises invested it in income-producing undertakings, he would pay taxation.

Hon. H. Stewart: The provision under discussion is conducive to development in the country.

The MINISTER FOR EDUCATION: But it does allow certain taxpayers to get off more lightly than otherwise they would do.

I cannot see how it can be demonstrated that this is a just provision. The following provision brings the £26 allowance for children into conformity with the Federal Act by inserting the words "at the beginning of the financial year in which the income is received" in the portion dealing with that aspect. The next paragraph is one to which I made reference previously, which affects the sale of a mine. We have in our principal Act, Section 30, Subsection 11, an amendment passed only a few years ago which reads—

Provided that if the mine is sold in any year, the sale price shall be taxable income, subject to the deduction of any capital expenditure on the mine in that or any preceding year, which has not already been allowed as a deduction in any assessment.

Having provided an entirely different method of imposing taxation on the sale of a mine, this proviso is not necessary, and it is proposed to repeal it. Clause 8 is entirely formal. Clause 9 is the first clause relating to the abolition of the assessment book and repeals Section 33 of the principal Act which necessitates the keeping of an assessment book for land and income taxes. This book has been found to be of very little value and it costs a certain amount of money to keep the book posted up. This practice is different from that of the Commonwealth and for the sake of uniformity and also of economy, it is desirable that the book should be done away with. Certain provisions of the Federal Act regarding the keeping of assessments have been added so as to bring both Acts into line. Clause 10 repeals Section 34 of the Act relating to the keeping of the assessment book, and the recording of certain information. Clause 11 also repeals Section 33 of the principal Act relating to the assessment book. Again, Clause 12 deals with the assessment book by excluding the reference to "assessment book" and inserting in lieu the word "assessment." Clause 13 also repeals reference to the assessment book in Section 37 of the principal Act but continues all the other provisions of the original Act, with the additional provision that the assessment of land shall remain in force for the period of five years from the date of assessment as notified in the "Government Gazette." The principal Act contains no reference as to the time when the assessments for land tax shall be made up for the period for which the assessments shall remain in force. The South Australian Act, I understand, makes similar provision for a period of five years and we are now incorporating the same provision as in the Commonwealth Act.

Hon. V. Hamersley: Are these assessments all gazetted?

The MINISTER FOR EDUCATION: Yes. Clause 14 is another repeal clause referring to the assessment book. Clause 15 also repeals a reference to the assessment book. Clause 16 deals with defaulters' as-

sessments that have to be made by the Commissioner himself owing to the neglect of the taxpayer to furnish those assessments. The clause embodies Section 32 of the Federal Act. It is regarded as more practicable in its application and incidentally it casts on the defaulting taxpayer the onus of proving that the Commissioner's assessments are incorrect. I do not think members will regard that as an unfair burden to cast upon the defaulting taxpayer. Clause 17 is another repeal provision dealing with assessments and so is Clause 18. Clause 19 has reference to appeals. It substitutes the word "lodged" for the word "heard" in Section 49 of the principal Act, and the effect of that is that the taxpayer must pay the amount of the tax due on the lodgment of any appeal. Under the Act now, the tax due need not be paid until the court of review is ready to hear the appeal. The taxpayer may lodge his appeal and then withhold the amount of his tax for a considerable period until the appeal is heard. Clause 20 repeals Section 53 of the principal Act and inserts in lieu the provisions of Section 41 of the Commonwealth Income Tax Act of 1915-18. This is regarded as essential in view of the fact that under the provisions of the agreement, composite notices of assessment, State and Federal, will be issued calling upon taxpayers to pay their taxes in a time, and therefore in that regard it is essential that the provisions of the two Acts should be identical. By regulation an extension of time will be granted to taxpayers in remote parts of the State for the payment of their tax. The State provision at the present time is that taxes are payable 30 days after the date shown on the notice of assessment. The Federal provision is 30 days after service by post of notice of assessment and the Federal authorities in addition to that 30 days allow three days' grace. I think the days of grace are given so that the notice shall actually reach the taxpayer before the 30 days start to run. Clause 21 also relates to the assessment book. Clause 22 refers to proceedings under the Act and is necessary in order to give effect to the provisions of the agreement and to enable officers of the Commonwealth Department to represent the State in any cases regarding State income tax. That is purely a machinery provision and is essential in view of the fact that there will be only one State officer. Clause 23 also relates to the abolition of the assessment book. Clause 24 merely extends the time for making refunds from one to two years. It is necessary to bring Section 62 of the Act into line with the similar provision under Section 34.

Hon. J. W. Kirwan: The extension is three years according to the Bill.

The MINISTER FOR EDUCATION: The Bill was drafted for two years and an alteration was made in another place. Three years is correct. Clause 25 amends the provisions in regard to the making of false re-

turns and brings them into conformity with the Federal Act.

Hon. J. Nicholson: How does Clause 10 affect refunds in view of Clause 24 which mentions three years?

The MINISTER FOR EDUCATION: It seems to me that there ought to be uniformity and that one or the other should be altered. This is a matter which can be considered in Committee. Clause 25 is an additional provision added to Section 68 with regard to penalties for making false returns. It seeks to insert in the section—

(d) without just cause shown by him refuses or neglects to attend and give evidence when required by the Commissioner or any officer duly authorised by him, or to truly and fully answer any questions put to him, or to produce any books or papers required of him by the Commissioner or any such officer.

It is a necessary amendment taken from the Federal Act, and at present does not appear in our own Act. Clause 26 relates to additional tax for late returns. This seeks to add in the first line of paragraph (a) of Section 68 (a) of the Act, after the word "return" the words "or information" and after the word "return" in paragraph (b) the words shown in paragraph (c). This will merely bring our Act into line with the Federal Act. Clause 27 seeks to amend Section 70 which voids contracts etc., affecting any assessment or the incidence of any assessment. This merely adds before the word "assessment" the words "land or income" to make the section of the Act applicable to both taxes. At the present time it is applicable to land tax only. Clause 28 relates to production of income and merely deletes the words "assessment book" in two places and inserts the word "assessment" in lieu. Clause 29 is a very important and debatable one. It was inserted in another place and reads—

A section is inserted in the principal Act as follows:—(a) The income arising or accruing to any person shall be assessed on the average net income arising or accruing to such person during the three years next preceding the year of assessment.

I think it is generally admitted that that clause in its present form, however admirable the principle may be, would not work. It would be particularly disastrous to taxpayers if it were introduced at the present time without any qualifying remarks at all, because there can be no doubt that the last couple of years have been years of big incomes. They have been years of inflated prices and people with big incomes have paid on the higher scale of taxation. We are now getting back to normal times and the following year's income is likely in most cases to be very much smaller, and the person who has paid on the high scale would, under this provision, have to pay

on the high scale and big income again, although he had lost a very large proportion of his income. If a person had had an income of £3,000 a year for two years, and this year's income dropped to one-half, instead of paying on £1,500 and the rate for that amount, he would have to pay on one-third of £7,500, and on the rate prescribed for that one-third, namely £2,500. The general effect of the clause would be to hit up severely people with falling incomes who naturally are not the best able to stand it, and to let off people with rising incomes. It could easily be shown that two men may have had exactly the same income for three years, but because one happened to have two years of small income and then one year of big income, he would pay very much less by way of taxation than the man who had had two years of big income and then one year of small income.

Hon. A. Lovekin: The farmer who in the first year got 7s. per bushel for his wheat, then 9s., and now 5s., would suffer in that way.

The MINISTER FOR EDUCATION: Yes. I think it is admitted that this provision will not work. There has been an effort, not only in this Parliament but in the Commonwealth Parliament, to devise means whereby a person who, after two or more years of losses makes a fairly substantial income, should receive some relief. It is contended, and I think quite justly too, that the fact that he has undergone those years of loss should be taken into consideration. This clause was designed to meet such a case, but it does not achieve the object. The Federal Act, which was passed a few days ago, also dealt with this matter but that Act stipulates that a start be made now and that past years be not taken into account. I think that if we are to accept the principle at all we should follow the Federal Act in this particular. The Federal Act lays down that for the present year the assessment shall be at the rate and on the amount of actual income. For the following year the assessment would be at the rate of the average of the two years' income but payment would be made on the actual income of the second year, and so on for a period of five years. In each case the assessment would be at the rate of the average income for the whole period, but the tax would be payable on the actual amount of income received in the preceding year.

Hon. A. Lovekin: How will that work out?

The MINISTER FOR EDUCATION: I am inclined to think there may be objections to that almost as serious as the objections to the clause in the present Bill. Its tendency would undoubtedly be the same in each case, although not so severe. Its tendency would be to lighten taxation to those whose incomes were ascending and who, it might be assumed, are able to pay,

while, on the other hand, it would increase the burden on those whose incomes were declining. When this matter was taken up, it was never intended that it should be a method of lightening the burden on a person with an ascending income. The idea was that some relief should be given to a man who had actually sustained losses in previous years. If a man had an income of £400 this year and £400 next year, and in the following year an income of £2,000, no one would suggest relieving him from paying taxation on the full £2,000. There is no reason for relieving a taxpayer in a case like that. But if he had lost several hundred pounds during last year, or the year before, and then made a few thousand pounds, it is properly contended that he should be able to make some provision to wipe off those losses. Whatever we do, we must see that the provision is not made retrospective. I think we shall have to endeavour now, or at some future date before the provision comes into actual operation, to devise some better means. Neither this clause nor the very long provision in the Federal Act seems to fully meet the case. Clauses 30 and 31 of the Bill relate to the estates of deceased persons. These are new provisions inserted with a view to taxing the estates of deceased persons who die during or after the year of assessment and who were not assessed previously. The provisions are quite simple and, I think, equitable.

Hon. J. Nicholson: You will be taxing such estates twice over, because the estate will already have paid probate duty when the owner died.

THE MINISTER FOR EDUCATION: Clause 32 relates to the commencement of the Act. In this clause there is a misprint. The date should be the 1st July and not the 18th July. I move—

That the Bill be now read a second time.

Hon. J. DUFFELL (Metropolitan-Suburban) [5.12]: I support the Bill, of which it can be said in the truest sense of the word that it is an amending measure of such a nature that it would puzzle the most astute member of this Chamber to do justice to it on the second reading. It is essentially a Committee Bill, but as a majority of the clauses either seek to amend or repeal sections of previous Acts in order to bring the law into conformity with the Commonwealth law, the best course to adopt would be to refer the Bill to a select committee, which could deal with it in a few hours, and then bring before this Chamber in concrete form a statement showing the exact effect of the various amendments and repeals. Whether the measure goes to a select committee or not, I think it would be quite in order if some reference were made to what actually led up to the framing of the Bill. It will be remembered that some two or three years ago this

Chamber had before it a motion having for its object bringing into line our financial year with that of the Federal Government, ostensibly to facilitate the collection of land and income tax. That motion was very favourably received by members of this Chamber, a majority of whom spoke in favour of it. At that time the proposal was considered at a Premier's Conference in Melbourne and, as a result of a telegram received from the then Premier of Western Australia, the late Hon. Frank Wilson, the motion in this Chamber was withdrawn. But during that debate it was stated that it would be advisable, if the financial years were brought into line, to suggest to the Commonwealth that the State should collect the Federal taxes as well as its own taxes. In favor of that proposition it was urged that the State had in its Taxation Department a permanent staff, whereas the Commonwealth Taxation Department in Perth was manned chiefly by temporary clerks. It was not considered quite right that the affairs of the taxpayers of this State should be handled by temporary clerks, and thus a strong case was made out. Subsequently, as the result of a visit to this State, Mr. Ewing, the Commonwealth Chief Taxation Commissioner, suggested that the Commonwealth should take over our permanent staff and collect our taxes—allowing our Commissioner of Taxation, Mr. Black, to remain as a State officer who would act as intermediary between the State and the Commonwealth. Clause 2 seems to provide that Mr. Black shall be no longer—

The Minister for Education: No. It only gives Mr. Black power to delegate his authority to other officers.

Hon. J. DUFFELL: As it stands, the clause leaves room for doubt as to the position which Mr. Black will hold relatively to this State's taxpayers. I want the matter to be clearly defined, because it is imperative necessary that our taxation Commissioner should be retained by the State, should be the servant of this State, and—that is the main thing—draw his salary from this State. If he is to draw his salary from the Federation, then Western Australia will lose her grip of him. In his favour it may be argued that while so long as the present Government are in power he would be all right under the State, if another Government came along they might feel that they had a better man for the position than Mr. Black, who thereupon would lose the position. Therefore, to make his own position secure, Mr. Black might be quite content to go over to the Commonwealth and receive his salary from the Commonwealth. I may, of course, be wrong in that suggestion. However, the matter affects one of the fundamental principles underlying the consent of this State Parliament to the collection of Western Australia's taxes by the Federation, and thus—to use the Commonwealth's words—save £25,000 per annum in the collection of our State taxes. This amending Bill leaves room for doubt as to

whether the State will really benefit by its previous action. I have no doubt that the select committee, if the Bill goes to a select committee, will be able to come to definite conclusions regarding the amendments proposed by the measure. It is impossible for any member to see straight away what the amendments really mean. In the circumstances I trust that the Bill will be referred to a select committee, who can go into the matter and report on Tuesday next. Such a course would save a lot of time in connection with the Bill.

Hon. A. LOVEKIN (Metropolitan) [5.21]: I had intended to traverse this Bill, and to compare it with the original State Act of 1907, and also with the Federal Act, so as to show that the Bill does not go far enough to bring the two Acts into line, and this on some essential points. But I do not think it will be necessary for me to do that at present. This is a highly complicated Bill, one of the most difficult measures that any body of persons could have to deal with. Before one can really interpret the Bill, one must get into the back of his head four or five Acts of Parliament, our original Act, the Dividend Duties Act, the Federal Act, and that Federal Amendment Act which was passed in the early hours of last Saturday morning, and of which copies reached this State only yesterday. In the circumstances, our objective should be to try to bring the State and Federal Acts as closely into line as possible. I am of opinion that we cannot very well do that on the floor of this House. Take the instance quoted just now by the Leader of the House, with reference to Clause 29 of the Bill, where averaging of income comes in. This clause of the Bill is quite impossible as it stands; and the Federal Act, viewed in the light of a number of instances, will be found almost equally unworkable in this respect. We want something better, and I think that a select committee, with the assistance of the officers of the department, would be able to devise something better than this measure—something that will really meet the situation. I hope that the second reading will be agreed to, and I hope that thereupon the Bill will be referred to a select committee. It is very late in the session, but the select committee need not be a committee in the ordinary sense of that expression, with evidence and "Hansard" reporters. The committee would sit round a table with the departmental officers, who would be able to supply them on the spot with any information required. Thus the committee would be able to improve the Bill, and probably to make recommendations which would save a good deal of debate and prevent the House from getting into a tangle on a very difficult Bill. I understand that the Leader of the House has no great objection to this Bill being referred to a select committee. Therefore I shall not take up the time of the House in going into matters which I can better bring forward after the committee has considered the Bill. Accord-

ingly I now content myself with supporting the second reading.

Hon. J. EWING (South-West) [5.24]: I support the idea of a select committee to consider this Bill. The measure seems highly complex, and the questions raised by our Leader this afternoon require the most careful consideration. Four or five members of this House could in a day, or perhaps two days, make the Bill a much better measure. At this late stage, unless we have a select committee to concentrate on such a matter, and to tell us what is right and what is wrong, and generally guide us, we cannot possibly give proper attention to the affairs of the country.

Hon. A. H. Panton: There is plenty of time next year.

Hon. J. EWING: I do not want to sit here after the new year, and I do not think any member does. Therefore I think the best course is to follow the advice of Mr. Duffell and Mr. Lovekin. The Bill is the outcome of the action of this Legislature in permitting the Commonwealth to interfere in any way whatever with State functions. But for that resolution which has been referred to, leading to the amalgamation of the Taxation Departments, we should not be faced with the present position. I take the strongest possible objection now, as I did at the very outset, to Federal interference with the proper functions of State Government. In my opinion it would be better to reconsider the matter even now. If the Bill were thrown out, not much harm would result. Let the amalgamated department go on for another 12 months, and it will find itself in a much more complicated position than that of to-day. Personally, I would not mind voting against the second reading, were it not that I understand the Government are committed to the Bill. However, the amalgamation of the departments is entirely wrong, and very much against the best interests of Western Australia.

Hon. G. W. MILES (North) [5.27]: I shall support the reference of the Bill to a select committee. The measure has been brought in at a very late hour, and we can deal with it only by the appointment of a select committee, as suggested. Regarding Clause 29, to which reference has been made, I had the honour of talking with the Federal Commissioner of Taxation and obtaining his view of the taxation measure then introduced into the Federal Parliament. His opinion was that the measure would not give the primary producers the relief that they anticipated from averaging income over a term of years. The setting of losses of past years against the profits of succeeding years is the only way of dealing with taxation of income. Another point I wish to refer to is that income taxation to-day is pretty well taxing out of existence the mining industry. It is well known to all hon. members that an increased gold production represents a great

benefit to the community as a whole. Now, there are in this State a number of dumps of gold ore which can be treated by the cyanide process. Perhaps I may be permitted to quote a few figures furnished me in regard to the treatment of dumps—

The figure I gave you, as taxation, of £5,000 should have been £5,000 less depreciation of $7\frac{1}{2}$ per cent. allowed by the Federal Government, and $12\frac{1}{2}$ per cent. by the State Government.

The contention is that in order to treat a dump a man must erect machinery, which has to be practically scrapped after the dump has been treated. In this measure we should provide the right for the man who erects a plant to treat a dump, to have the cost of the plant set against his profits. After running a year or two, it is contended, the whole cost of the plant should be set off against profits. Otherwise the gold in those dumps will remain there for all time. It is, of course, for the benefit of the State that all the gold should be extracted. The communication from which I have quoted continues—

The gross value of the gold recovered was £13,000. The wages and treatment costs amounted to £8,000, leaving a gross profit of £5,000. The cost of the plant is £2,000, leaving a net profit of £3,000.

Under the old Act these people would pay taxation on the £5,000, and the total collection by way of Federal and State income tax on the profits derived from the treatment of that particular dump of ore would have been £1,491. Now the Federal tax amounts to £303, and the State tax to £278. On the £5,000 the total taxation would be £1,400 now, and on the £3,000 it would be £582, or roughly a difference of £900. Unless some measure of relief is given, the dumps of tailings that we have in this country will not be treated. The communication proceeds—

The work of erecting the plant and completing the treatment would take two years, but the whole of the return would be received and taxed over a one-year period.

That is another point. It takes the people concerned some time to get their plant erected, and the income from the operations comes into the second year, with the result that they are taxed on the whole amount over the one-year period. The capital in the plant should be recouped, for the life of such plant is only about equal to the period during which treatment takes place, and the plant has then to be scrapped. Past experience shows that the sales of plants of this kind do not realise more than 10 per cent. of their capital cost. The vats are practically useless after a year or two. I want to see something of that sort recommended by the select committee. There is another dump containing 30,000 ounces of gold.

Hon. A. H. Pantou: That is on the assay value.

Hon. G. W. MILES: Yes. The cost of the plant to deal with that will be approximately £20,000. It is in the interests of the country that the gold should be extracted, and so some relief ought to be given to the men who are prepared to put up £20,000 in order to extract the gold. They should only have to pay on what the plant is actually worth after the work is completed. I hope a select committee will be appointed to consider the Bill, and will get expert evidence on taxation, such as Mr. Horne, the secretary of the Taxpayers' Association, can give them.

Hon. J. Ewing: There will not be much time in which to do it.

Hon. G. W. MILES: That is another result of putting through legislation at the tail end of the session. In the circumstances, I will support the second reading.

THE MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East—in reply) [5.32]: If it be the desire of the House that a committee be appointed, and if it be thought that by so doing we shall get through the work more expeditiously, I have no objection to the appointment of such committee. But I hope it will be a committee such as was suggested by Mr. Lovekin; not a committee to make exhaustive inquiries in the whole question of taxation, but one which will review the clauses in the Bill and make suggestions for their improvement.

Hon. Sir Edward Wittenoom: Make them intelligible.

THE MINISTER FOR EDUCATION: I think they are intelligible. I do not think Mr. Duffell need have any anxiety in regard to Clause 2. Section 4 of the existing Act provides that the Commissioner may, with the approval of the Governor, delegate to any officer powers and duties imposed upon him as may be considered expedient by the Commissioner. That was all the power he required when his staff was a State staff. All that the amendment does is to class officers of the Commonwealth Taxation Departments as public officers for the purposes of this section of the Act, so that our own State Commissioner, when he considers it desirable, and with the approval of the Governor, may delegate his powers and duties to one of the Commonwealth officers. In the past the practice has been that the Commissioner, from time to time, delegated to certain public officers certain duties which it was not possible for him to carry out himself.

Hon. J. Duffell: He was a State officer then.

THE MINISTER FOR EDUCATION: He is a State officer still, paid by the State. The Bill does not alter the provision in Section 4 of the Act; it will be exactly the same. All that the Bill does is to make the officers of the Commonwealth Taxation Department public officers within the meaning of the section. There is no reason for anxiety regarding it. In respect of Mr. Lovekin's remarks about the averaging of income, there is a material

difference between the Commonwealth Act and the Bill, which I omitted to mention. The Commonwealth Act applies this averaging of income only to income earned in primary production, whereas the Bill contemplates that the averaging of incomes shall apply to everybody. Personally, I do not see why it should not apply to everybody, if we can get a satisfactory provision. I am sorry that Mr. Ewing has not yet seen the advantage of the amalgamation of the two departments, Federal and State. The monetary saving is very great to the State Government, and the saving in time and annoyance to the taxpayers will be very great as well. The point raised by Mr. Miles on the question of the depreciation of machinery and plant is rather a difficult one.

Hon. G. W. Miles: It should be dealt with.

THE MINISTER FOR EDUCATION: Quite so, but I do not know that we can very well say that a person should be allowed to write off the whole value of his machinery and plant. If any equitable arrangement can be arrived at whereby he might be allowed to consider it as part of his working cost, it might be a reasonable provision.

Question put and passed.

Bill read a second time.

THE MINISTER FOR EDUCATION: I move—

That you do now leave the Chair and that the Bill be considered in Committee.

Hon. A. LOVEKIN: I move an amendment—

That the Bill be referred to a select committee consisting of Hon. H. P. Colebatch, Hon. J. W. Kirwan, Hon. A. H. Pantou, Hon. R. J. Lynn, and the mover, to report on Tuesday next, 20th instant.

Amendment put and passed.

BILL—WORKERS' HOMES ACT AMENDMENT.

Second Reading.

THE MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East) [5.40] in moving the second reading said: The Bill contains a few important but not drastic amendments to the Act. The amendment in Clause 2 relates to the definition of "holding." That is the holding on which the worker's home may be erected. The amendment proposes to include portions of University, education, or municipal endowment lands held under lease or agreement. In a great many cases those endowment lands include excellent building sites, but those who hold them find it extremely difficult to get revenue from them. There is no reason why those lands should not be regarded as holdings within the meaning of the Act, and when they are held under agreement on lengthy lease the principle of the Workers' Homes Act might be applied. This will enable the different bodies to ob-

tain a revenue from their lands, and the security, in respect of the workers' homes board, will be adequate. I take it that the period of repayment will be within the period of the lease. Provision is also made that only allotments of a quarter of an acre in size shall be included. (Clause 3 amends Section 11 of the principal Act, which fixes at 5 per cent. the rate of interest on the cost of dwellings on leasehold blocks. The clause gives power to vary that. Obviously the rate of 5 per cent., which was perfectly fair when fixed in 1912, is not a fair rate at the present time. It is not intended that this shall in any way disturb existing contracts, nor is it intended to fix the higher rate, the idea being that if money goes down in value the rate shall be decreased. Clause 4 amends Section 24 of the principal Act to enable the erection and sale of small homes to workers in country centres. It will be of advantage to build small jarrah cottages with verandahs, costing about £250. In many places in country districts homes are unobtainable.

Hon. J. Cornell: The same here.

THE MINISTER FOR EDUCATION: Yes, but the Workers' Homes Act is operating here, and there is no reason why it should not operate more fully in country districts. Clause 5 also provides power to vary from 5 per cent. the rate of interest on advances under Part IV., which deals with the erection or purchase of buildings on the applicants' own holdings. That is necessary in view of the increased cost of money. But the clause cannot be used retrospectively, for it only applies to advances made after the passing of the Act. Those are the only provisions in the Bill. I move—

That the Bill be now read a second time.

Hon. J. DUFFELL (Metropolitan-Suburban) [5.43]: At first glance the Bill appears to be perfectly inoffensive, but from the remarks of the Minister, it opens up a question the importance of which suggests that the Bill should not be taken into Committee to-day. The point I refer to is in connection with land held by local authorities. It is well known that the municipality of Subiaco has certain endowment lands adjacent to the railway station which are reserved as industrial blocks. Although those industrial blocks are in a very favourable position, they are under a very great disadvantage. If a provision can be made in the Bill which will relieve the Subiaco Municipal Council from the disadvantages under which it is suffering in regard to those industrial blocks, the Bill will do some good in that direction. What I wish to refer to is that it is a well known fact that the freight rates from Fremantle to Perth are lower than they are from Fremantle to Subiaco, owing to river competition, and that has been a

great drawback so far as the industrial blocks are concerned. That is the reason why these blocks have not been taken up before and utilised for the purpose for which they were set aside—owing to the increase levied upon the people who erected factories on these sites.

The PRESIDENT: I do not think the hon. member is in order in discussing industrial blocks.

Hon. J. DUFFELL: I am discussing Clause 2.

The PRESIDENT: The hon. member is speaking outside the scope of the Workers' Homes Bill.

Hon. J. DUFFELL: Clause 2 refers to public education endowments.

The PRESIDENT: Yes, in connection with workers' homes.

Hon. J. DUFFELL: I quite agree, but suppose these industrial blocks which have not been made use of are taken by the Government and used for workers' homes? That is why the interests of the Subiaco municipality should be guarded, and that is why I have drawn particular attention to the matter. Of course if I am not in order I will sit down.

The PRESIDENT: I do not think the hon. member is in order in discussing the industrial blocks under this Bill.

Hon. J. DUFFELL: If those blocks are not going to be taken over in the same way as the land at Nedlands, when it was reserved for a University, of course it will be a different thing altogether. I am speaking as one with a grievance. However, I hope no harm has been done by my drawing attention to the fact that Subiaco has its disadvantages owing to the freight rates from Fremantle being higher than the rates from Fremantle to Perth.

Hon. A. H. PANTON (West) [5.48]: I have much pleasure in supporting the second reading of the Bill. One of the greatest difficulties in getting men to go out into the country to clear land is that there are many in the city to-day who would be willing to go out, but who cannot afford to keep two homes going. These men are married and they cannot take their wives and families with them because they would have no homes there to provide for them. It is proposed, I understand, to erect wooden cottages under the workers' homes scheme, which cottages while not being elaborate, will be suitable for a man and his wife and family. The Premier has informed me that it is proposed to build these cottages in fifties. I know that on the Peel estate a number of these jarrah cottages have been built at a cost of £180 or £190.

Hon. J. Ewing: Will they be moved about from place to place?

Hon. A. H. PANTON: I do not know that that is proposed, but I do know that it is proposed to erect them and that the Government will rent them. Quite a number of farming communities exist to-day where labour is needed. It is known, too, that men

would take up four or five-acre blocks and work them in conjunction with other work which they may be engaged upon in the neighbouring localities. I know of scores of men who would be prepared to go out into the country under these conditions, but they are deferred at the present time by reason of the fact that there are no homes to which they can take their wives and families. The proposal, too, will be a move towards decentralisation, and I sincerely hope that the scheme will be gone on with quickly. The homes which were erected in 1913 and 1914 were built on a 5 per cent. or a 6 per cent. basis, and it will be very hard and it will cause trouble if the interest on those properties is raised.

Hon. C. F. Baxter: The money was borrowed at a certain rate and the interest cannot be raised now.

Hon. A. H. PANTON: There is no such thing as "cannot" be done. However, I shall be glad to accept the assurance of the Minister that this will not be done. With regard to Clause 3, it must be within the knowledge of hon. members that at West Subiaco and Claremont there is a big area of endowment land which is practically idle. There should be given to people the opportunity to put up reasonable homes on that area. Opposite the West Subiaco station, is about the best part of Subiaco, and it is not an industrial centre either. The land there is lying idle because it is endowment land. I trust the Government will take the opportunity of erecting workers' homes there. There is not a shadow of doubt that the workers' homes built before the war were some of the best homes that were erected around Perth. I built one at a cost of £505. I submitted the plans to the War Service Homes Board a little while back and ascertained that to build a similar house to-day would cost not £505, but £962. This shows that the homes which were erected before 1914 are proved now to be amongst the cheapest built around the metropolitan area. Another satisfactory feature is that they are occupied by a good class of people.

Hon. J. Ewing: What title have they?

Hon. A. H. PANTON: The land is leasehold. I am on a leasehold block. There are 36 houses on the block that I am on, and each occupant has a 99 years lease and pays interest at the rate of 3½ per cent. per annum.

Hon. J. EWING (South-West) [5.52]: I welcome the Bill and congratulate the Government on bringing it forward, but I am not clear as to whether it will be possible to build these workers homes in any portion of the district I represent. I think the idea is to build the homes on small areas of land so that a man, while working, say, at a mill, may also be able to till some of his land. I would also like to know whether a title is required to the land. I wish also to bring under the notice of the Minister something which may have escaped his notice during the visit to the South-West recently. At

Balingup we saw the success obtained by one man working an area of eight or 10 acres of land. This man, of course, was not on a workers' homes block. Why should not the Government endeavour to settle others on blocks of a similar size to enable them to make a living out of such areas? I do not think that that is what is proposed by the Bill we are now discussing. I understand the intention of the Premier is to ascertain where work is available and then erect these cottages on a fair sized block of land, so that in the event of the work in which the occupant of the cottage is engaged, failing, he should be able to turn his attention to the small block he holds. If the land is good I trust the Government will make the block sufficiently large to permit the holders to make a decent living. With regard to the endowment lands, I understand they were given for specific purposes. Is it the intention of the Government to resume those lands? If so who is to get the benefit from the disposal of them or from the erection of buildings on them? I am pleased that the Bill has been submitted and I support it.

Hon. A. J. H. SAW (Metropolitan-Suburban) [5.55]: The University authorities have had great difficulty in utilising their endowment land because people would not take it up on leasehold. The University at one time tried to dispose of some of this land on leasehold but failed. I suppose the Government got into communication with the University before including this endowment land in the Bill. Although a member of the University Senate, I cannot say that I remember the matter ever having been brought up, although I must admit I was not always present at the meetings.

Hon. J. W. Kirwan: Neither do I.

Hon. A. J. H. SAW: I would like the Minister to inform me whether the University authorities were consulted. I have no doubt they welcome the proposal contained in the Bill, but I think as a matter of courtesy they should have been consulted.

Hon. J. CORNELL (South) [5.58]: I must confess that to me the position is as clear as mud. I cannot understand how it is proposed to carry out the intention of the Bill. In connection with the workers' homes to-day there are two definite principles in the procedure. The land is the property of the Crown and it is vested in a board, and it costs about £5 5s. or £5 10s. to get the home. You pay 3½ per cent. on the land subject to reappraisal every 20 years. The money that it costs to build bears interest at 5 per cent., but the property never becomes one's own.

Hon. J. Ewing: Cannot it be made freehold?

Hon. J. CORNELL: No.

Hon. A. H. Panton: Parliament can do so.

Hon. J. CORNELL: Many of those who availed themselves of the leasehold system

have found that they have not obtained anything in the way of an unearned increment. I could point to many facts in that regard to show that the action which has occurred has amounted almost to robbery. After all, any appeal from the board is like an appeal from Cæsar to Cæsar. The other part of the Act has to do with freehold. The board will advance money to an applicant under the freehold system to build, but the applicant must possess a block of land. This land may be sufficient security for the board, or the board may require the applicant to put up a certain sum of money. When the advance is made the board charge to the applicant 6 per cent. per annum, minus a rebate of ½ per cent. if the instalments are paid regularly. Immediately the loan is repaid the property becomes the applicant's, and he has all the advantage of any unearned increment. Practically all the leaseholder can say is, "A bum-bailiff cannot come along and kick me out." That is about the best protection he has. A third scheme is now provided in the Bill. Under Clause 2 it will be necessary to amend the interpretation clause of the Act. I take it the Government will avail themselves of the provisions of Part III. of the Act, which is the leasehold part. The University endowment lands are vested either in the University or the State. Is it intended that the Crown shall buy the endowment lands, or that the Crown shall lease them? Who will do so?

The Minister for Education: The worker.

Hon. J. CORNELL: Will he lease land from the University, and pay whatever the University requires over a definite period? Does the Bill propose that the Government shall erect dwelling houses under the leasehold system on these lands? They cannot do so under the freehold system, in my view. In the event of advances being made, what kind of title and security will the Government have?

Hon. J. Ewing: Are the Government going to resume the land?

Hon. J. CORNELL: The Minister says not. They are going to allow a man to negotiate with the University to lease the land at a certain rental. They can advance up to £550 for the building of a house, but who will give the mortgage? I see a great difficulty in respect to this question of title.

Hon. A. H. Panton: The Government would have to lease the land themselves.

Hon. J. CORNELL: Is it intended, on these endowment and other lands, only to work under the leasehold part of the Act or under both parts? Clause 3 of the Bill amends paragraph (b) of Section 11 of Part III. of the Act, which contains these words—

The capital cost of a dwelling house with interest thereon at 5 per cent. per annum shall be paid by the lessee by instalments extending over 30 years.

After the words "per annum" it is proposed to insert "or other such rate per annum as

may be prescribed." It seems, therefore, that these buildings will be put up under the leasehold system, but what about the title? How is it intended to square the present system of title and tenure with the contemplated system?

Hon. J. Ewing: Who is going to give the land?

Hon. J. CORNELL: Is the land to be leased for 99 years, and who is going to determine the question, the University, the Government, or the Education Department? Clause 24 amends the freehold part of the Act and says that the Government can build for a man without that man putting up any money himself. That is a big departure from the existing system under which a man may be called upon to contribute towards the cost of his home. The Minister says that this would apply to the country, and there is need for such a provision. It is possible to build in the country for £250. The originators of the workers' home scheme laid it down that only the freeholder should be assisted, whereas in the case of a leaseholder the dwelling was provided outright. It is now proposed to do for the freeholder what was only done for the leaseholder.

Hon. A. H. Panton: There is nothing wrong with the principle.

Hon. J. CORNELL: No, but to extend relief to one participant under this scheme and not to another is unsatisfactory.

Hon. A. H. Panton: You do not want to make the Act retrospective?

Hon. J. CORNELL: No. I have a leasehold home myself. I know of many other leaseholders who wish to convert their property into freehold, and have valid reasons for their desires.

Hon. J. Ewing: They ought to be allowed to do so.

Hon. J. CORNELL: The Scaddan Government, who were responsible for this scheme, were wedded to the leasehold system. Since their time I do not think a single dwelling has been put up under the leasehold principle. In fact, the policy of the present Government is diametrically opposed to that principle. The position has now to be reviewed. Leaseholders can see that many people who built under the freehold principle have reaped a considerable amount of unearned increment, while they themselves think they are out of pocket. Of the members of the Labour Party who are in Parliament to-day, I think that only Mr. Panton, Mr. Foley and myself have taken up leasehold homes. The whole business should be recast. Houses which have been built under the freehold system for £550 can now be sold for £850, therefore one section of the participants of this scheme has reaped considerable benefit, while the other section has not. I do not oppose the second reading of this Bill, for I would be the last to stand in the way of people being housed. But there are some points in connection with the

Bill that it is very desirable we should go fully into.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. W. KIRWAN (South) [7.30]: Dr. Saw, as a member of the Senate of the University of Western Australia, expressed some surprise at having heard nothing about the legislation that was to be introduced affecting the University endowment lands. I have been a fairly regular attendant at the University Senate meetings and have followed closely what has been done. I, too, feel surprised that I have not heard anything of the matter before now. I was inclined to think that it must have been an oversight on the part of the University authorities in not mentioning the matter at the Senate meetings. I attended the meeting of the Senate on Monday evening last. There was considerable discussion on the question of the endowment lands, but no reference was made to this legislation. Possibly the Government have not communicated with the University authorities upon the matter. True, if the Bill is passed, the University authorities will still have the option of saying whether or not their land will be used for workers' homes. I think the Government might have consulted with the University authorities on a question such as this. The position seems to me to be somewhat remarkable because if the Bill be passed, and the Workers' Homes Board is desirous of utilising this land, it will have to be the subject of an arrangement with the University authorities.

The Minister for Education interjected.

Hon. J. W. KIRWAN: I hope the Minister will clear up the position at a later stage. Were the University authorities consulted on the matter? Possibly they were, but if they were not, it is rather unfortunate, because any legislation affecting the property of an institution such as the University should have been the subject of some conference between the Government and representatives of that institution. Apart from that aspect, however, it seems to me that the Act foreshadows an extension of policy in connection with workers' homes. I understood the Minister to say that one of the purposes of the Act was to extend the policy of workers' homes to country centres. If that is so, I am in hearty accord with the proposal. The Minister, I think, said that Clause 4 of the Bill particularly was intended for that purpose, namely the extension of the operations of the Board to rural districts, but on looking through the measure, I cannot find where there is anything to lead us to suppose that such will be the case. After all it is a question of policy with the Workers' Homes Board, who have been building more homes in the country districts than was the case in the past. I am glad that that has been so. The last report of the Workers' Homes Board is very inter-

esting and a few extracts from it may not be out of place at the present juncture. The report is for the year ended 30th June, 1921. The second paragraph states:—

The financial result of the year's operations has been satisfactory. After provision of sinking fund contributions, £2,343 15s. 7d., the net profit is £159—

That seems to me a very gratifying result. The scheme, of course, was never intended to be a profit-making one and the fact that the board is on the right side of the ledger at a time like this, is certainly a bright feature and indicates the exercise of praiseworthy caution.

The total profit to date is £6,806 12s. 9d. Seventy-five country applications, amounting to £32,327 and twenty-four metropolitan applications for £9,903, were approved for the twelve months. Eighteen dwellings under Part III.—

Part III. refers to workers' homes—

have been re-allotted during the year. In addition to the regular instalments, £21,644 was specially repaid for the twelve months: total to date, £83,295. Excessive cost of building led to many applications being held over. It is anticipated there will be a large demand on the Fund immediately building costs are more reasonable. The experiment of an officer of the Board visiting country towns assisting applicants has proved very successful. There is a steady demand for assistance in main country districts. Inspection of estates has shown the properties have generally been well maintained and improved. The self-supporting results of the scheme to date are satisfactory, having in view the experimental feature of Part III. of the Act. It is hoped that during the following year, it will be possible that the public avail themselves more fully of the Act. The financial success of the scheme depends on a steady reinvestment of funds. Sound investments in country proposals, with the continuance of metropolitan building, will materially improve the position of the Fund.

The report of the Workers' Homes Board would lead one to support the proposal for the extension of workers' homes to the country districts. What is rather puzzling to me, and I hope the Minister will explain the matter later on, is the special reference made to endowment land of the University of Western Australia, the endowment lands belonging to the trustees of the Education Department and the endowment land owned by municipal corporations. I would like to know whether the Government or the Workers' Homes Board have any particular endowment lands in view. I want to know what municipalities in Western Australia have endowment lands.

Hon. J. Nicholson: Perth has large endowment lands, and Subiaco has some as well, in addition to other municipalities.

Hon. J. W. KIRWAN: Possibly Boulder and Kalgoorlie may have endowment lands, but outside those areas I do not know that any other local governing body in the country districts possesses endowment lands. The special reference to the University endowment lands is interesting.

Hon. A. J. H. Saw: I find the University approved of this matter.

The Minister for Education: It could not have been brought forward otherwise.

Hon. A. J. H. Saw: The University authorities asked for it, as a matter of fact.

Hon. J. W. KIRWAN: I am glad to hear that. Neither Dr. Saw nor myself was aware of this measure, and I take it that it must have been some oversight on the part of the University authorities in not bringing the question before the University Senate. I hope that if the arrangement brings in revenue to the University, that revenue will be substantial. The University is badly in need of funds because the requirements of the institution increase each year, and the revenue is not increasing in proportion to the needs and demands of the University. I support the second reading of the Bill.

Hon. H. STEWART (South-East) [7.42]: On general principles, I am not a supporter of the workers' homes system because it seems to me that the money available to the Government could be better spent in developmental work rather than in building homes, the erection of which could be left to private enterprise. However, while these may be my general principles, they would not afford sufficient reason for opposing the measure. We are told that the Bill will mean the extension of the workers' homes system to the country centres. It does not seem to me that the Bill is necessary for such a purpose.

The Minister for Education: There is only one clause dealing with that.

Hon. H. STEWART: I trust the Leader of the House will make the position plainer later on. There is provision for increasing the rate of interest, and, in view of the present financial conditions, I think that provision is a necessity, and I would support the second reading of the Bill for that purpose alone. One reason why I do not support the policy of workers' homes is that, when the Act came into being, the maximum amount which a farmer could get to house himself and his family was £30, and I do not know that that position has been altered since. When it is provided that the people doing the pioneering work of the country cannot get a greater allowance than £30, there seems to be a lack of proportion in introducing a measure to provide for the building of homes involving hundreds of pounds for people engaged in work which is less vital to the development of the State. If we were a much more prosperous community and had plenty of money available, this would be a very helpful and right policy. My main objection to

the Bill is to Clause 4 which seeks to extend Part IV. of the Act. This amendment will simply give the Government, who I understand do not favour the principle of fostering State enterprises, the power not only to make advances but to erect and dispose of dwellings to workers. It is surprising to find the Government asking for such power, and some very sound reasons should be advanced before that power is granted. I intend to support the second reading because Clauses 3 and 5 are necessary. However, I still maintain that there is relatively more important work in the country on which the money could be expended by the Government.

Hon. T. MOORE (Central) [7.50]: I support the second reading because of Clause 4, which contains a very good principle. Mr. Stewart has referred to this as State trading. I think it can hardly be so designated. It is a scheme for State houses and when we consider how the workers fare in the country districts, leaving their wives and families in the towns, and continually travelling backwards and forwards, it is high time we set about providing homes for them in the country towns. That, I understand, is the object of the Bill. In Dalwallinu, Balli, and other new centres, a provision of this kind is urgently needed and the Bill will enable the want to be met.

Hon. J. W. Kirwan: It does not say so.

Hon. T. MOORE: I am hopeful that it is so; it is the only interpretation I can place on the measure. If a general contract can be let for the building of a lot of homes in different centres, it will be possible to provide these homes much more cheaply than if persons in different portions of the State individually undertook to build homes. I commend the measure to those who favour decentralisation and who wish to encourage the settlement of population in our country areas.

Hon. C. F. Baxter: Do the Government intend to build homes in the small towns or only in big towns like Northam?

Hon. T. MOORE: I have every reason to believe that they intend to build homes in the small country towns. This is about the only way in which homes can be provided in such towns as those I have mentioned. The future of those new districts is assured. Every year an increased area is put under wheat and each year witnesses a greater accumulation of stock, but there is no hope of the workers getting decent accommodation, unless under a scheme of this kind, owing to the fact that the farmers have not adequate accommodation for themselves. If we want to people the country, we want the young people to be working in the country. We do not want the fathers to be working in the country while the young people are growing up in the city. As many children as possible should be reared in the country, because that is where the better class of citizen can be reared. I hope that these houses will not be expensive, but that it will be possible to construct them

at a price well within the purchasing power of the men who have to live in them. By the board taking control and erecting these houses in numbers, I believe people will be encouraged to go into the country.

Hon. V. Hamersley: This does not refer to road boards; only to municipalities.

Hon. J. W. Kirwan: Municipalities have not got endowment lands.

Hon. T. MOORE: I do not pretend to understand Clause 3, but I am concerned to see the measure passed in order to give relief to the workers in the country who have no homes, and have no chance of getting homes in the country. If the country can afford to allow the farmer only £30 towards providing a home for himself and his family, it is a disgrace. The advance should be considerably greater, because these are the men who are going to make the country. I hope that I have rightly construed the intentions of the Government, for everyone wishes to get the people out of the city and into the country.

Hon. J. NICHOLSON (Metropolitan) [7.56]: I agree with Mr. Moore that the chief clause of the Bill is Clause 4, which seeks to give the Minister power to erect and dispose of dwelling houses to workers. With perhaps a slight amendment to Clause 3 in connection with the regulating of the interest, I think no member can raise serious objection to the other clauses of the Bill, but the proposal to give to the Minister this greater power than he possesses under the existing law may be creative of serious loss, unless the Act is administered very wisely indeed.

Hon. T. Moore: It has been in the past.

Hon. J. NICHOLSON: I admit that. The board have shown good results, but their operations have been confined largely to the metropolitan and the metropolitan-suburban areas. Though I represent the metropolitan province, I have at all times maintained that we must look to the country for our success. We must assist those who are opening up the country and making this State what we wish it to be. We must bear in mind, however, the danger which exists in many districts owing to the fluctuation of population. In many districts the population is very migratory. From centres which a few years ago were flourishing, houses have disappeared—

Hon. T. Moore: Not in the rural parts.

Hon. J. NICHOLSON: No, but that has been the experience on the goldfields—at Coolgardie, Menzies, and other places.

Hon. C. F. Baxter: But the Government will not build workers' homes in such centres.

Hon. A. Lovekin: They could do it under this measure.

Hon. J. NICHOLSON: If we grant this power, the board, instead of achieving successful results as has been the case in the past, might have an experience quite the opposite. The section in the principal Act which it is sought to amend is fairly wide, and so long

as we make it clear that the section extends to country lands—

The Minister for Education: As a matter of fact, it does extend to all country lands.

Hon. T. Moore: In order to be of any value in the country, the homes would have to be erected on the farms, and not in the country centres.

Hon. J. NICHOLSON: Exactly. The definition of holdings in the principal Act is—

“Holding” means land of which an applicant or borrower is the beneficial owner in possession, and includes Crown land (in which term is included any land vested in the board) held by an applicant or borrower for his own benefit under a lease or agreement; and includes residential leases, miners’ homestead leases, and residence areas.

Section 24 of the Act sets forth—

(1) Subject to the provisions of this Act and the regulations, the board may, with the approval of the Minister, make advances to any worker on the prescribed security for the purpose of enabling him (a) to erect a dwelling-house on his holding as a home for himself and his family (if any); or, after erection or partial erection of a dwelling-house on his holding, to enlarge or complete the same; or (b) to purchase a dwelling-house, and the land enclosed or occupied therewith, as a home for himself and his family (if any), or (c) to discharge any mortgage already existing on his holding. Provided that at no time shall the total advance made to any person and for the time remaining unrepaid exceed the sum of five hundred and fifty pounds.

The whole point about these homes is the intention to help the man who is going to make a home on his area. With that idea I do not think anyone can quarrel. In the country districts it is a highly commendable idea. But are we going to extend the power to the degree asked for in Clause 4 and allow the wholesale erection and disposal of dwellings? My contention is that the power already given by Section 24 of the Act is ample, without this further power to build houses speculatively, as do builders in the Old Country on large estates. The board should not have power to go out and erect houses broadcast. Before erecting a home for a man, we must have some evidence that the man is going to make the proposed house his home. I do not wish to see the Government made into a speculative builder. We do not know to what extent the board might be actuated in laying down some large scheme for building, thus putting the country to great expense which would not prove remunerative. Therefore I trust this particular power will not be granted. Another point to which I desire to draw attention is the provision in Clause 3 with regard to the rate of interest. The principal Act provided 5 per cent., which has, I think, been amended. There should be some limitation, so that the rate of interest may not be less than

the rate which the Government are paying for the money they allocate to this purpose—so that the money will not be lent at a loss. Next, as regards the amount of money to be available for the purposes of the Bill. The amendment Act of 1912 provided that the funds necessary for the effectual execution of the Act should be such moneys as might from time to time be appropriated by Parliament for the purpose. Under the principal Act a certain limit was placed upon the amount, a limit of £250,000. However, that limitation was struck out by the amendment Act. I do not know how much has been actually expended up to date in the erection of workers’ homes.

The Minister for Education: About £330,000.

Hon. J. NICHOLSON: This Bill means that we shall have to find further moneys for this particular purpose.

The Minister for Education: The money is coming back all the time.

Hon. J. NICHOLSON: I recognise that. However, I simply seek to look at the matter from a safe aspect, and with a view to restrictions which in the circumstances are reasonable. I think the power under the principal Act is sufficient, without the power asked for by Clause 4 of the Bill. Otherwise I support the second reading.

Hon. A. LOVEKIN (Metropolitan) [8.8]: I think we should be well advised if we took a few months’ further time to consider this Bill. For the last few years we have been talking in this State about the ever-increasing deficit, due to our enormous interest bill, for which the revenues of the State do not provide the money. Under this Bill we have another proposal—and I cannot follow the policy of the Government—to go on the market to borrow money on debentures in order to put up cottages.

The Minister for Education: Where do you find that?

Hon. J. Nicholson: The principal Act has been amended in that respect; the money had to be raised by debentures.

Hon. A. LOVEKIN: Whether raised by debentures or borrowed, the money must come from somewhere. It cannot come from revenue, because we have not, I am sorry to say, enough revenue to meet current expenses. I cannot understand Cabinet, in the parlous position of the finances, suggesting that we shall borrow money, or find money, to put up more cottages—after all, that is what they will be—for workers all over the State. Mr. Moore suggests that these cottages should not be put up in the metropolitan area but in various places which he calls rising centres. I have seen a good many rising centres in this State which are now fallen.

Hon. T. Moore: Not on the wheat belt, I am pleased to say.

Hon. A. LOVEKIN: I do not like to be pessimistic; otherwise I might reply to the hon. member on the point. But in any event, the Government can only borrow

money and let it out without making a profit. The experience even with the workers' homes in the metropolitan area shows that for the last year the scheme paid working expenses and a very small profit. There is no margin to the Government. If the Government erect a number of cottages at the present high costs on endowment lands, then in the time to come, when the price of building falls, the Government will most assuredly be left with these edifices on their hands and make a loss. This State cannot afford to make any more losses. We have seen the result of some of the State enterprise we have had in the past, and we see the position into which State enterprise has dragged us. It is time that we at any rate called a halt and commenced to try to find some scheme by which we can repair our finances. I would like to reply to one or two points put forward by the Minister. He said the money is coming back all the time. That is perfectly true. Large sums of money were borrowed for the sewerage scheme of Perth. Nearly all the money borrowed, or a very large part of it, has already been paid back. But the bonds on which the money was raised, have they been redeemed? No. The money that has been paid back by those who had their sewerage connections made upon the instalment plan has gone into an open Government account, and that is the last heard of it. The money is promptly applied to some other purposes instead of being applied, as I think it should be, to the extension of the sewerage system. It has gone into other things, and that is the last we may expect to hear of it except through the medium of the deficit and through the losses incurred. It would be wrong for the Government to make a profit out of the workers' homes scheme; but, in any case, they cannot make sufficient profit to cover the risk they are about to take. They are about to erect buildings at high costs, which will be left on their hands as the years go on, when the prices of building materials and of labour fall. Therefore, there is no point at the present moment in the Government proceeding to build these cottages. I gather that the building operations which the Bill proposes to authorise are intended to be carried out principally on the lands mentioned in Clause 2—the University endowment lands, the education endowment lands, and municipal corporation endowment lands. So far as I know, Perth is the only municipal corporation that has endowment lands. To permit what are as a matter of fact cottages to be placed upon those lands under perpetual leases would be the height of folly on the part of the trustees. The lands will be far more valuable in days to come, when the money will be much more needed than it is to-day. The lands can be utilised in the future to much better advantage than by locking them up for all time with these small workers' homes erected upon them. It is true that the lands will bring in a revenue. I suggest that no worker can afford

to purchase a house upon leased land which is subject to reappraisal, because for all time he will have a rental millstone round his neck. Those representing the workers in this House will do well to strike out the provision which refers to the subsequent reappraisements; and if that be done the project will be no good to the University or the municipality.

The Minister for Education: Where does the question of appraisements come into it?

Hon. H. Stewart: It is not in the Bill.

Hon. A. LOVEKIN: Section 11 of the Act provides that, in the case of leasehold land, after 20 years the land shall be subject to reappraisal.

The Minister for Education: The Bill has no application whatever to that portion of the Act.

Hon. J. Cornell: It will, in the working of it.

Hon. A. LOVEKIN: The Bill has to be read as one with the Act. Unless the appraisal provision be wiped out, the scheme will be of no use to the worker, because he will have to pay rent all his life.

Hon. T. Moore: That is in the city.

Hon. A. LOVEKIN: It is everywhere in the State. Seeing the parlous condition of our finances, we ought to defer further consideration of the Bill until next session. I will vote against the second reading.

Hon. F. A. BAGLIN (West) [8.20]: I support the second reading, but I want some information from the Minister. Section 8 of the Act clearly sets out that no dwelling can be erected except on land invested in the board. When Mr. Cornell was speaking, the Minister said that if land was acquired from the University endowment, the person for whom the home was built would lease it from the University. That is in direct conflict with Section 8 of the Act. I claim that, before the building can be erected, the land must be vested in the board. I want the Minister to clearly define the attitude of the Government regarding the question of leasehold versus freehold. I cannot see how endowment land can be regarded as freehold property. Clause 4 of the Bill provides that the Minister shall have power to erect and dispose of dwelling houses to the workers. Section 24 of the Act states definitely that the Government can erect homes of the value of £550 on freehold property. I want to know whether the Government intend to continue to allow persons to build on both freehold and leasehold. There can be no doubt that the policy of the Government is opposed to leasehold. Yet the Government say in effect that they are going to follow the leasehold policy adopted by the Labour Government. If they do that, I will not blame them, but I want them to clearly define their position. I am astonished to find the Bill providing for the acquirement of land by the Government, seeing that the workers' homes board already has plenty of land unutilised. For instance, there is the

land close to the Subiaco railway station. Again, there is a number of blocks at Cottesloe Beach waiting for workers' homes. I cannot understand why the workers' homes board should want more land than they have already.

The Minister for Education: They do not want more land.

Hon. F. A. BAGLIN: Then what does Clause 2 mean?

Hon. C. F. Baxter: It merely gives authority to advance money.

Hon. F. A. BAGLIN: Nothing of the sort. It provides that homes may be erected on University endowment land.

Hon. J. Nicholson: But one man may want to live in one place, and another desire to live somewhere else.

Hon. F. A. BAGLIN: That may be. The lands already available are in suitable positions, and any houses erected on them would let readily. The board has done very well. The best evidence of that is that those who have taken workers' homes have evidently been well pleased. Certainly one cannot buy a worker's home to-day, except it be as the result of the sickness or transference from the State of the original owner. Twelve months ago I knew of a worker's home for disposal, and I was besieged by persons who wanted me to see the secretary of the board on their behalf.

Hon. C. F. Baxter: Merely showing the difference in cost between then and now.

Hon. F. A. BAGLIN: Whilst I am against centralisation, and whilst I recognise the importance of worker's homes being built in the country as well as in the city, I ask hon. members to remember that we must have accommodation for city workers. Of what use would the farmer be without the wharf lumper?

Hon. J. Nicholson: You would not have the lumper if you had not the farmer.

Hon. F. A. BAGLIN: We had the lumpers before the farmers were here. The workers' homes board, while extending their operations in the country, must not close their eyes to the fact that with the increase of city workers, it is necessary to construct additional workers' homes in the city and suburbs. I support the second reading, but I hope the Minister will give me the explanation I have asked for.

The MINISTER FOR EDUCATION (Hon. H. P. Colebatch—East—in reply) [8.30]: I did not think in introducing the Bill that the policy of the workers' homes was likely to be attacked. Therefore I did not devote any particular time to discussing that phase of the question. I think the policy of workers' homes has been amply justified. A sum of approximately £530,000 has passed through the hands of the board, and as Mr. Kirwan pointed out, a profit of something like £7,000 has been made. During last year, in addition to the regular instalments that have to be paid in accordance with the arrangements made, no less

than £21,644 was repaid. The total amount repaid during the 12 months was £93,295, and the members of the board point out that the financial success of the scheme depends on the steady reinvestment of their funds, which no doubt is the case. The activities of the board have been minimised of recent years because of the excessive cost of building, and it is expected that as costs come down applications for assistance will increase. During last year the activities of the board were largely confined to country districts, and of the total expenditure of £42,000, over £32,000 was spent in the country districts, mostly in towns like Kojonup, Kwolyn and Bruce Rock and in some of the larger towns like Northam, Narrogin and Albany. But the amount was fairly distributed over a large number of the towns.

Hon. C. F. Baxter: I did not know there was a private house in Kwolyn. There are only two stores and an hotel there.

The MINISTER FOR EDUCATION: There was a house erected there by the board last year at a cost of £550. Mr. Cornell is labouring under a misapprehension in regard to what Clause 2 means, and Mr. Lovekin and Mr. Baglin have followed him in his error. Clause 2 has nothing whatever to do with Part III. of the Act. Those hon. members seem to have jumped to the conclusion that because these homes will be built on land leased from different public authorities, they will necessarily be erected under what are known as the leasehold provisions. That is not the intention at all. The leasehold provisions apply to land owned or acquired by the State on which the State builds homes and then disposes of them in accordance with the provisions of the Act. What Clause 2 does is to amend Section 3 of the Act in the matter of the interpretation of the word "holding." According to the existing Act, "holding" means—

land of which an applicant or borrower is the beneficial owner in possession, and includes Crown land (in which term is included any land vested in the board) held by an applicant or borrower for his own benefit under a lease or agreement; and includes residential leases, miners' homestead leases and residence areas.

If the hon. member will look through Part III. of the Act from start to finish, he will find that the word "holding" does not occur in it. Therefore this amendment can have no application to Part III., which is known as the leasehold portion of the Act. But if the hon. member turns to Part IV. of the Act he will find in Clause 24 that the right is given to make advances for homes. That clause provides—

Subject to the provisions of this Act, and the regulations, the board may, with the approval of the Minister, make advances to any worker on the prescribed

security for the purpose of enabling him . . . (a) to erect a dwelling-house on his holding.

That is where the whole point comes in. These homes are not to be erected under Part III. of the Act but under Part IV., and what Clause 2 does is to include in the definition of "holding" any land a person may have leased "being endowment lands of the University of Western Australia, the trustees of the Public Education Endowment or any municipal corporation."

Hon. J. Cornell: That does not bring in the applicant.

The MINISTER FOR EDUCATION: It becomes a holding. At the present time the University finds it difficult to let its endowment lands. The Education Endowment Trustees, of which body I have been chairman for a good many years, also find it immensely difficult to let the endowment lands. We have a great many endowment lands in country towns, and many of them are desirable building sites. But people cannot see their way to utilise them. Under this amendment a person might first approach the Workers' Homes Board so as to make sure of his ground. The board can say, "Yes, it is a suitable place on which to erect a worker's home." The individual would then apply to the controlling body and say, "Being able to make satisfactory arrangements to build on this land, I am prepared to take a lease of it." All that Mr. Lovekin said about reappraisement has nothing whatever to do with the case.

Hon. J. Cornell: That would be a condition of the lease.

The MINISTER FOR EDUCATION: The lease is a matter purely between the individual and the controlling body. It has nothing to do with the board. All that the board does is to regard this as a holding on which, under Part IV., they can advance money to enable a worker to erect his home. So that the matter of re-appraisements does not come into the question at all. The only alteration is that, whereas these bodies cannot lease their lands because the people cannot make satisfactory use of them, if they are suitable for building sites, after approaching the board they can then go to these trustees and say "I am prepared to take a lease because I know I can get a home built by the board." The question of percentages or re-appraisement, or anything of that sort, would not enter into the matter at all. It would be a mutually satisfactory arrangement between the trustees and the individual, and when the individual has made his arrangement with the trustees, he is able to go to the board and say "I have a holding under Section 24 of the principal Act."

Hon. J. Cornell: It is a form of leasehold.

The MINISTER FOR EDUCATION: It does not matter whether it is leasehold or what it is. This amendment will make it a

holding, and under Section 24 of the Act power is given to advance to enable a person to build on the holding. There is no intention on the part of the Government to resume these endowment lands or interfere with them in any way. Dr. Saw said that the University had asked for this. I was not aware that they had done so, but undoubtedly it must be a great deal to their advantage because it will give them the opportunity to satisfactorily lease many of their lands which probably they find it difficult to lease at the present time. And I am sure in the case of the Education Endowment Trustees, where we have land in country towns, which we are not able to use at the present time, this provision will enable us to do so. So far as the amendment to Section 24 is concerned—

Hon. J. Cornell: What does Clause 3 say?

The PRESIDENT: I would point out that the discussion of details may be left to the Committee stage.

The MINISTER FOR EDUCATION: It is purely a matter of the rates of interest that may be charged on future advances. That paragraph relates to interest on leasehold property and the other paragraphs relate to the interest on freehold property or on holdings such as are mentioned here. Provision is made at the present time that the board may, with the approval of the Minister, make advances. It is proposed in addition that the board may, with the approval of the Minister, erect and dispose of dwelling-houses to workers, and it is intended to use that provision for the erection of homes in the smaller country districts. The Premier, when moving the second reading of the Bill in another place, mentioned a number of the districts to which he intended it to apply. But this will only be done in established places. The intention is to build small cottages in order that the worker, who is engaged for perhaps half a year's work on adjoining farms, may have a property of his own on which to do something in the slack period. It is generally conceded that you can do nothing that is more likely to stabilise an industry and bring about contentment than to provide a worker with a good home at a reasonable price, and there is no doubt that the Workers' Homes Act, during the time it has been in operation, has proved of immense benefit in that direction. The number of homes runs into well over 1,000, the occupants of which are paying by way of interest and repayment of principal far less than they would have had to pay as rent. A question has been asked about freehold and leasehold. This Bill does not raise a controversy about either, and I do not propose to deal with that phase of the subject. The board itself has always regarded the leasehold sections of the Act as merely experimental, and it is a fact that, whereas the foreclosures under Part IV. (freehold) have amounted to the small total of £348 for the whole period of the board's existence, the forfeitures under Part III. (leasehold) have amounted to

£3,085. The operations of the Board show that the freehold system has been the more successful of the two, but the Bill does not raise the question as between leasehold and freehold. I hope I have made it clear so far as the two amendments are concerned that the section amended does not contemplate any assumptions by the Government, and that it has no reference to the leasehold portion of the Act. The object is to make these particular land holdings come within the meaning of paragraph (a) of Section 24 of the Act, and, so far as the amendment in Clause 4 is concerned, the intention is to enable the board, with the consent of the Minister, to erect small homes in some of the country towns, where such homes are badly needed at the present time. The board, as many members have admitted, has done its work well. It may not be out of place to mention that some time ago when the Federal Government initiated the war service homes, an arrangement was made between the State and the Commonwealth that this work should be carried out by the State Workers' Homes Board. The arrangement was completed in every detail. The agreement was drawn up and signed, and then for some reason or other the Commonwealth Government took the matter back out of the hands of the State, and went on with their own organisation. I do not hesitate to say they made a great mistake. More recently, when I was in Melbourne I had a very long discussion with the acting Minister for Repatriation upon this matter. On my return we followed up the question, and subsequently the chief architect and auditor general visited Melbourne. They have now completed an arrangement under which for the future the work for the Commonwealth will be done by the State. I hope this will be the forerunner of other arrangements under which the State will do the work for the Commonwealth.

Hon. C. F. Baxter: Senator Millen must have been absent from Melbourne when that arrangement was made.

The MINISTER FOR EDUCATION: The work is about to be taken over now.

Hon. J. Nicholson: I hope the Land and Income Tax Act will be administered by the State.

The MINISTER FOR EDUCATION: We cannot have everything as we would like it, but we were able to demonstrate to the Commonwealth Government in this instance that it was wise for them to use the State organisation for this purpose, and they are going to do it.

Question put and passed.

Bill read a second time.

BILLS (3)—RECEIVED FROM THE ASSEMBLY.

1, Nurses Registration.

2, Traffic.

3, Agricultural Bank Act Amendment.

Read a first time.

BILL—GRAIN.

In Committee.

Resumed from 13th December; Hon. J. Ewing in the Chair: the Minister for Education in charge of the Bill.

Clause 21—Modification of lease.

Clause put and passed.

Clauses 22-46 put and negatived.

New Clause—

Hon. J. NICHOLSON: I drew this amendment intending to move for its incorporation in the lease, but I am now somewhat in a quandary. Certain clauses have been embodied in the Bill. If the clauses of which I have given notice are embodied in the lease some inconsistency will result. It would be better to make the parties execute a new lease with all this new matter embodied in it.

The CHAIRMAN: It has been ruled that the schedule can be amended. The hon. member can please himself.

Hon. J. NICHOLSON: I want to see uniformity, and instead of having two documents, to have only one.

The Minister for Education: The lease is already registered.

The CHAIRMAN: The hon. member may proceed as he thinks fit. If he does not wish to amend the schedule he must move his amendment as a new clause.

Hon. J. NICHOLSON: I move—

That a new clause be added to stand as Clause 5, as follows:—Paragraph (g) of Clause 2 of the lease is modified by adding at the end:—"Provided always that section four of the Landlord and Tenant Act, 1912, is hereby expressly excluded."

Section 4 of the Landlord and Tenant Act says:

In all leases containing a covenant, condition of agreement that the lessee shall not, without the license or consent of the lessor assign, underlet, part with the possession, or dispose of the demised premises or any part thereof, such covenant, condition or agreement shall, unless the lease contains an express provision to the contrary, be deemed to be subject to a proviso to the effect that such consent shall not be unreasonably withheld and that no fine or sum of money in the nature of a fine shall be payable for or in respect of such license or consent.

The Minister for Education: Cannot you find some other stick with which to beat this unfortunate company?

Hon. J. NICHOLSON: There is no stick about this. Apparently the Minister thinks I am inflicting a hardship upon this company, whereas that is not so.

Hon. A. H. Panton: Would it not be kinder to move the Chairman out of the Chair and have done with it?

Hon. J. NICHOLSON: I am not moving in this direction in a carping or critical spirit.

I simply wish to safeguard the interests of the Government.

Hon. J. W. Kirwan : What penalty is there for non-compliance ?

Hon. J. NICHOLSON : Only the consent of the Governor in Council is required. In the event of the consent being withheld the company can still go ahead and transfer or assign as they desire. The reading of the section has not the meaning which hon. members would ordinarily attribute to it.

New clause put and passed.

New clause.

Hon. A. LOVEKIN : I move an amendment—

That a new clause, to stand as Clause 6, be inserted as follows:—"Clause 2 of the Lease is modified as follows:—1, In paragraph (g) the words "in accordance with the articles of association" are omitted. 2, In paragraph (i) the words "on the like conditions and" are inserted after the word "grain." 3, paragraph (l) of Clause 2 of the lease is omitted, and the following inserted in lieu thereof:—(1) That until an Act has been passed by Parliament declaring the rates, tolls, and charges for handling, storage, and transport of grain, all directors' fees and reserve fund appropriations shall be subject to the approval of the Governor in Council. After paying such dividend as aforesaid, the net profits shall be distributed among all persons for whom the company has handled grain during 12 months prior to the making up of the balance sheet and profit and loss account, on the basis of the quantity of grain delivered by them to an elevator. Any grain grower shall have the right at any time to acquire shares in the company, on the same terms and conditions as the original shareholders. 4, Paragraph (m) of Clause 2 of the lease is omitted, and the following inserted:—(m) That neither the company nor any of its directors, officers, or servants shall directly or indirectly deal or traffic in grain. 5, That a new clause, to stand as (n) be added to Clause 2 of the lease, as follows:—(n) That notwithstanding any of the terms or conditions of this indenture it will faithfully comply with each and every provision of any Act or Regulation promulgated by authority of such Act hereafter passed by Parliament, having for its object the control and regulation of the bulk handling of grain and the fixing of the rates, tolls, and charges in respect thereto.

The amendment covers a number of matters. The first subclause seeks to eliminate the reference to the articles of association. I read some of the articles of the association during the second reading of the debate and members will agree that the Committee should not ratify such articles of association.

Hon. J. Duffell : A public company must have articles of association.

Hon. A. LOVEKIN : I know that, but I am doing this in the interests of the grain growers of Western Australia.

Hon. Sir Edward Wittenoom : If you leave out the words as suggested, the company could do anything.

Hon. A. LOVEKIN : Not at all. The second subclause will provide for everyone, whether a shareholder or not, who puts grain through

the elevators, to have equal treatment in the price, the conditions operating and so on. If there is to be any bonus all who put their grain through the elevators will share alike.

Hon. H. Stewart : Is that a fair proposition ?

Hon. A. LOVEKIN : The company has already indicated its willingness to comply with the provisions of the Canadian Act and the Canadian Act provides for equal treatment for those who put grain through the elevators. Subclause 3, if agreed to, will get over a number of objections I have to paragraph (1) of Clause 2 of the lease. As it stands at present the directors of the company may place as much money as they like in the reserve fund and they can use that fund for all sorts of purposes, putting up the price to the farmers at the same time.

Hon. A. H. Panton : Surely the farmers do not need to be protected against their own directors.

Hon. A. LOVEKIN : There are more than shareholder farmers interested. There are other people who will put their grain through the elevators. I wish to provide that everyone who puts his grain through the elevators shall participate in any surplus in ratio to the quantity of grain he puts through.

Hon. J. W. Kirwan : Why not make each paragraph a separate new clause ?

Hon. A. LOVEKIN : It is all one clause.

Hon. J. Duffell : On a point of order, this is supposed to be a new clause, and I think I am safe in saying that members will not agree to have all this jumbled statement put into a new clause. It should be taken paragraph by paragraph.

The CHAIRMAN : Mr. Lovekin is quite in order. If he is moving the whole thing as a new clause, he must deal with it as such. If he wishes to deal with the paragraphs separately, he must withdraw the whole clause before proceeding to do so.

The Minister for Education : It is all one clause.

Hon. A. LOVEKIN : Yes.

Hon. A. H. Panton : You are not giving us a fair chance to cast an intelligent vote on it.

The MINISTER FOR EDUCATION : I hope the Committee will not agree to the proposed new clause. I repeat my protest of Tuesday evening. I was clearly given to understand, and so were the directors of the company, that if the portions of the Bill considered to be objectionable were abandoned—the monopoly and clauses of that kind—the lease could be passed. Now that they have abandoned those clauses, the lease is to be destroyed. The amendments will assuredly destroy the lease.

Hon. J. J. Holmes : Who gave an assurance on behalf of the House ?

Hon. A. Lovekin : I did not.

The MINISTER FOR EDUCATION : That is the impression the hon. member conveyed to me.

Hon. H. Stewart : He conveyed it to me also in this House before I spoke on the second reading.

Hon. J. J. Holmes : But the hon. member is not the House.

The MINISTER FOR EDUCATION : If some other member were leading the attack, I would have no objection, but I do object to the

hon. member now seeking to tear the lease to pieces after giving me and the directors that impression.

Hon. A. Lovekin: You had an erroneous copy of the letter.

The MINISTER FOR EDUCATION: If the hon. member will hand me the original letter, I will read it.

Hon. A. Lovekin: Here it is.

The MINISTER FOR EDUCATION: It reads—

I have the authority of the Chairman of Directors and the promoters of the granaries company (Messrs. McCallum Smith and Basil Murray) to state that the company will be satisfied if the whole of the clauses of the Bill now before the House are struck out, leaving the schedule only remaining, which makes compliance with the Federal Act on the understanding that during the next session of Parliament, a comprehensive Bill dealing with the bulk handling of grain generously and adequately providing for the protection of grain growers using the elevators on lines of the Canadian Acts will be introduced, such Bill to contain no provision by which any monopoly will be afforded to this or any other company.

How could the directors, myself or anyone else come to any other conclusion than that, if we abandoned those clauses, the lease would be passed? Now the lease is being attacked by the hon. member in vital particulars so that it will not comply with the Federal Act.

Hon. A. Lovekin: Be honest about it.

The MINISTER FOR EDUCATION: What more does the hon. member wish me to say?

Hon. A. Lovekin: I will speak for myself.

The MINISTER FOR EDUCATION: On Tuesday I read a typewritten copy of the letter supplied to me by the directors of the company. In that typewritten copy was a reference to Section 19. Evidently it was not an exact copy of the original letter, but I do not wish to take note of anything except the document in Mr. Lovekin's own handwriting. How the directors came to supply me with what purported to be a copy, which contained words not in the original I do not know. On the strength of that document, we abandoned the other clauses of the Bill. The hon. member spoke of the Canadian practice. Does he not realise the difference between Canada, where the bulk handling system has been in vogue for years, and where the profits are assured and a venture of this kind which is undoubtedly of an experimental character. Is it not obvious that some inducement must be offered to shareholders of the company?

Hon. A. Lovekin: I know how the farmers were robbed in Canada, and I want to prevent that here.

The MINISTER FOR EDUCATION: Not only do we provide that the charges to all shall be the same, but that a farmer may acquire shares at the same price as the original shareholder, and get his proportion of any surplus. If we provide that an outsider may share in the surplus, there will be no inducement for farmers to join the company, and the whole value of the business will be destroyed.

Hon. H. STEWART: I came here on Thursday last to speak on the second reading, and I told the House that Mr. Lovekin had assured

me he was speaking on behalf of a number of members—

Hon. A. Lovekin: I did not say anything of the sort.

Hon. H. STEWART: I intend to state the impression he conveyed to my mind. I had seen none of the directors of the company. I was prepared to try to convince the House to pass the second reading of the Bill, and then to deal with the measure on its merits. I was prepared to contest the contention of Mr. Lovekin that the board was not one which could deal with the valuation and grading of grain as in Canada. I was prepared to state the basis on which I thought the board would act. The hon. member showed me that letter and told me of negotiations. I asked him the attitude of a number of individual members, and he assured me that it was all right. I thought it was rather an unseemly thing to do. I would have preferred to fight for the Bill on its merits.

Hon. A. Lovekin: That is right, to strike out the clauses.

Hon. J. Cornell: Why did not you take the dope?

Hon. H. STEWART: When I have reason to doubt the good faith of any man, I know how to act subsequently.

Hon. J. W. Kirvan: Why did the directors supply the Minister with an incorrect copy of the letter?

Hon. H. STEWART: I do not know. It did not seem to me to be the proper thing to do. I came here prepared to deal with the measure in this House. The hon. member conveyed to my mind the assurance that he was speaking on behalf of a number of members opposed to the second reading. Now he comes down with these proposals. The lease duplicated the conditions of the Federal Act and the Bill triplicated those conditions. There was a good deal of unnecessary repetition. Now, however, the hon. member comes along with proposals and completely changes his ground.

Hon. A. LOVEKIN: I thought I had made the matter clear the other night, and I imagine that in what I am doing now I am acting in perfect good faith and honour. After the first night's second reading debate in this Chamber, I saw a letter in the "West Australian" signed by Mr. MacCallum Smith, stating that the company wanted no monopoly. That was such a complete change of front that I rang up Mr. Basil Murray and asked him what the company wanted. He said he had never been in favour of the monopoly at all, and had for some time been urging the directors not to go on with it. He came up to my house, and we sat there and he told me his view of the matter, that he had advised the directors long since not to bother with these clauses at all. I said, "That puts a different complexion on the whole matter, and if you authorise someone to make that statement in the House, it will probably save a lot of debate. All the clauses can go, and we can then discuss the schedule only." Mr. Basil Murray said he would do as I asked. I said, "If you will get me that statement, I will read it in the House." Mr. Murray then asked me to write a note of it, and I wrote the note which Ministers have had, and which said nothing about leaving Clause 19 in the Bill: the whole of the clauses of the Bill were to be struck out,

and the lease was to be left so as to comply with the Federal Act. Mr. Basil Murray took away the memorandum which I wrote out for him at his suggestion, not at mine; and in consequence he wrote the note which the Minister read in the House. I mentioned the matter to several other members, and they thought it was an expeditious way of getting rid of the business. Consequently I and a number of other members who would otherwise have voted against the Bill, voted for the second reading. Either the Minister has not been told all the facts, or he has unwittingly suppressed some of them. He got up and read a statement containing the assertion that Clause 19 was to stand. I took the original letter to the Minister, who then expressed himself as satisfied that what had been handed to him as a copy of the letter was not a true copy. Reverting to the Bill, I am leaving sufficient to enable the company to comply with the conditions of the Federal Act. Here is the last chance we have of dealing with the lease so as to protect the interests of farmers throughout the State. I am sorry there is a personal element in the matter, but I have been quite straightforward.

Hon. H. Stewart: You are not saying now what you told me.

Hon. A. LOVEKIN: I am sorry that my veracity in the matter should be impugned, but I think I have explained the position satisfactorily.

The MINISTER FOR EDUCATION: I do not want any personal feeling to come in at all. All I want to make clear is that I took it from the statement of the hon. member, and from the statements of the directors, that if I agreed to the deletion of all he had attacked on the second reading, he would help to pass the rest of the Bill. Had he told me that he intended to attack the lease after all the clauses had been deleted, I would not have agreed to their deletion. Had the hon. member told me that he wished me to abandon all these other things so that he could attack the lease, I should have refused the proposal. I am very sorry I misunderstood the hon. member. Had I understood him, I should simply have allowed the matter to be fought out in the usual way.

Hon. J. Duffell: How do you explain the difference between the two letters?

The MINISTER FOR EDUCATION: I know nothing about it.

Hon. J. W. KIRWAN: I am an opponent of the Bill. Mr. Lovekin and I have not discussed this matter, and I knew nothing whatsoever about it. Accordingly I voted against the second reading of the Bill. I took that course in what I thought were the best interests of the farmer. I was twice in Canada, spending many weeks there; and I say the operations of bulk handling in Canada afford no basis of comparison as regards the probable success of bulk handling here. To believe that because bulk handling has been a success in Canada it must be a success here is altogether a wrong idea. In Canada during last year the wheat crop was 198 million bushels, and the oats crop nearly 400 million bushels. That is something very different from our wheat crop of 15 million bushels.

Hon. H. Stewart: In Canada they started their bulk handling system when their output was less than ours of last season.

Hon. J. W. KIRWAN: But in Canada they could calculate accurately beforehand what the output of wheat would be in various years. For the small quantity of wheat we produce in Western Australia, the overhead charges would represent a crushing burden to the farmers. The clause presented to the House really involves seven different questions, and it will be very awkward to vote on the clause as a whole, because some members might be in favour of some sub-clauses, while against others. Perhaps a method could be devised to take votes on the new clause, subclause by subclause. If that cannot be done, I would ask the mover to withdraw his new clause.

The CHAIRMAN: I said distinctly that this was a new clause to be added. The clause can be amended.

Hon. A. LOVEKIN: I ask leave to withdraw my amendment.

Leave refused.

Hon. J. W. KIRWAN: I now move an amendment on the amendment—

That Subclause 1 be struck out.

My object is to test the feeling of the Committee.

Hon. J. J. HOLMES: What the company want is merely this lease.

The Minister for Education: They have got it.

Hon. J. J. HOLMES: Unless we alter it. If the company had foreseen the criticism the lease would evoke, they would not have sent it here. I repudiate the suggestion that Mr. Lovekin speaks for the House. I thought the Government had come to an agreement with the company; it seems now it is Mr. Lovekin who has come to an agreement with them. This is a lease for 99 years of what is really the only available site at Fremantle until the whole plan of the harbour be reconstructed, which will mean an expenditure of millions of money. I am anxious to amend the lease in a manner that will protect the interests of the State.

Hon. J. CORNELL: I have only one desire, namely to defeat the Bill in the interests of those who grow grain. The company have Buckley's chance of getting twopence from the Federal Government until this Parliament validates the lease by an Act. I will support anything that will make the Bill inoperative, my sole object being the protection of the farmer.

Hon. T. MOORE: I am in the dark regarding the Bill and so, too, I think are most members. All I can find in the schedule is that the company have been given a right to a certain piece of land. There is no obligation on them to do anything with it except hold it. In another place obligations were placed on the company in respect of elevators at the outports, whereupon the company changed their tactics and asked for an alteration of the Bill. Is it that the company merely wish a free hand for their Fremantle operations? This agreement requires to be very closely looked into.

Hon. F. A. BACHLIN: I will support the retention of Subclause (1). The agreement requires alteration. I have already voiced

my protest against the company being given the only available site at Fremantle. Members are beginning to understand what is really being done with this lease. Here we find the Government handing over a site to one company without giving anyone else the opportunity of securing that site. The only thing therefore for this Parliament to do is to modify the lease. I intend to support the clause as proposed by Mr. Lovekin.

Hon. J. A. GREIG : If the agreement with the Federal Government is altered in this way it will probably mean that we will not be able to get any money from the Federal Government.

Amendment put and passed.

New clause as amended put and a division taken with the following result :—

Ayes	...	...	12
Noes	...	...	11

Majority for ... 1

AYES.

Hon. R. G. Ardagh	Hon. J. W. Klrwan
Hon. F. A. Baglin	Hon. A. Lovekin
Hon. J. Cornell	Hon. T. Moore
Hon. J. Duffell	Hon. J. Nicholson
Hon. J. W. Hickey	Hon. A. H. Pantton
Hon. J. J. Holmes	Hon. E. H. Harris
	(Teller.)

NOES.

Hon. C. F. Baxter	Hon. A. J. H. Saw
Hon. H. P. Colebatch	Hon. H. Stewart
Hon. V. Hamersley	Hon. F. E. S. Willmott
Hon. C. McKenzie	Hon. Sir E. H. Wittenoom
Hon. J. Mills	Hon. J. A. Greig
Hon. E. Rose	(Teller.)

New clause as amended thus passed.

Hon. J. NICHOLSON : I move an amendment—

That the following new clause, to stand as Clause 7, be added : "Paragraph (h) of Clause 2 of the lease contained in the schedule shall be altered by adding the following words : 'and elevators shall be constructed at each of the following places, Geraldton, Bunbury, and Albany, on sites and of a capacity to be approved by the Governor in Council, within five years of the commencement of this lease.'"

The amendment gives more time than is contemplated by either the lease or the clause in the Bill.

The MINISTER FOR EDUCATION : The Bill as introduced gave the company a monopoly and in return cast upon the company certain obligations. The company was obliged to provide for the requirements of all people. We have taken away the monopoly and we still insist on them providing for everybody. The House has also made an alteration to their lease whereby every applicant for shares outside certain areas can withdraw that application. Having done that, we make the lease at Fremantle conditional on the building of other elevators ? Is that a fair idea ? Is it likely that the Federal Government will advance any money to a com-

pany so embarrassed as this company is likely to be now ?

Hon. H. STEWART : When the time is ripe I shall be as keen to see the system of bulk handling established in the different ports, but we must realise that the time is not ripe to start the scheme in such ports as Albany. The Albany people may not like me to say that, but until we have a certain production it is no use endeavouring to inaugurate the bulk handling system. This company alone has asked for a lease at Fremantle, and only this company has attempted to institute a bulk handling system for the State. Some members are adopting a dog in the manger attitude and are opposed to the shareholders of this company assisting themselves. The time is not ripe for imposing the conditions respecting the outports.

Hon. A. H. PANTON : If members want to kill the Bill, they should do so in an honest manner. The amendment is obviously ridiculous, and we have already made ourselves ridiculous enough over this Bill. It will cost fully two millions of money to make Bunbury or Geraldton fit ports for the handling of wheat in bulk. We should be fair. If we are going to defeat this Bill, let us do so in a proper manner. I am not going to associate myself with this method. Surely we are not going to ask the company to do something which we know to be impossible. Hon. J. DUFFELL : Mr. Stewart has said this is the only company which has applied for land at Fremantle for the erection of silos.

Hon. H. Stewart : For the bulk handling system for the State.

Hon. J. DUFFELL : That is not in accordance with the facts. There is another company, Messrs. F. & C. Piessse, who applied for a piece of land at Fremantle upon which to erect elevators, but they were not allowed to get it.

The Minister for Education : They did not want it for bulk handling.

Hon. J. DUFFELL : The company is obliged to fulfil certain conditions in connection with this lease and the advance from the Federal Government. Let us make those conditions such that they will be of advantage to the people who live in zones other than the Fremantle zone. It would not be fair that farmers who will not derive any benefit from the operations of this company should be called upon to contribute towards it.

Hon. J. A. GREIG : So far, the 256,000 shares which have been applied for have been applied for by those living within the Fremantle zone. A few applications have come in from the Geraldton end and from Narrogin, outside that zone, from people who said they were prepared to help the company, knowing they would derive benefits later. We have now relieved those outside people of their responsibility. The company has never canvassed for shares outside the Fremantle zone. I hope Mr. Nicholson will withdraw his amendment. If it is desired to kill the Bill, this can be done by a sudden death motion. I honestly thought the schedule would be allowed to go through as it is.

Hon. J. W. KIRWAN : So far as the amendment favours decentralisation I will support it, but if the fact that expenditure of money is necessary at Bunbury and Geraldton in order to make the harbours fit for the erection of elevators is to stand in the way, I object to a pro-

posal which will mean that all wheat will go to Fremantle.

Hon. H. Stewart: Be fair! Do you know anything about the railing of wheat?

Hon. J. W. KIRWAN: If we are to have the bulk handling system under the present conditions, it will mean that the wheat will go to Fremantle.

Hon. H. Stewart: Each zone gets its own quota now.

Hon. J. W. KIRWAN: When we are considering this matter, we should have regard to the fact that elevators could be provided at Albany without any huge expenditure in connection with harbour improvements. Owing to the natural harbour at Albany, comparatively no expenditure would be incurred at all. Albany has never received fair treatment and we should make a start with a policy of decentralisation by providing that the first elevator be erected at Albany.

Hon. J. J. Holmes: I would support you if it were not for the fact that the last election at Albany cost this State £400,000.

Hon. J. W. KIRWAN: I will support the amendment, but if it is defeated I will move an amendment to provide for the first elevator to be erected at Albany and subsequently they can be constructed at the other ports, including Fremantle. Albany has a stronger claim than any other port and much greater than that of Fremantle.

The MINISTER FOR EDUCATION: I understand that Mr. Kirwan contends that we are granting a lease of land at Fremantle to the company in order that they may erect an elevator at Albany! This discussion has gone far enough.

Hon. J. W. Kirwan: I suggested nothing of the kind!

The MINISTER FOR EDUCATION: There is no other meaning to be gleaned from the hon. member's statement. The schedule comprises a lease to the company of certain land at Fremantle and Mr. Kirwan suggests a condition that the elevator should be erected at Albany!

Hon. T. MOORE: I am not treating this matter as a joke. The whole attention seems to be focussed on Fremantle. One hon. member who represents that particular part, talks of other portions of the State about which he knows nothing.

Hon. A. H. Panton: I know as much about it as you do.

Hon. T. MOORE: The hon. member has been in Geraldton about twice in two years, and then on flying trips only.

Hon. A. H. Panton: That was as much as one could stand.

Hon. T. MOORE: The Geraldton district will be one of the largest wheat-growing areas in Western Australia in a few years to come, and consequently we have a considerable interest in this matter. I know that money has been put into this scheme by farmers in the Victoria district. But a large amount of State capital is at stake as well. We have to alter the rolling stock in order to assist the bulk handling scheme generally, and we have to recollect that our railway system is a losing proposition to-day. A great many wheat growers who

cannot get any benefit from the elevators at all will still have to pay increased taxation in order to pay for the extra expense involved.

Hon. A. H. Panton: How much would it cost to put the Geraldton harbour right for the scheme?

Hon. T. MOORE: The Government are going ahead with expenditure in connection with the Geraldton harbour. The Estimates provide for £30,000 towards the scheme of improvements. That is to be done irrespective of whether this Bill is passed or not. I do not believe in this company getting the plums unless it is prepared to go on with the rest of the work and erect the elevators at other centres as well.

Hon. J. W. HICKEY: Mr. Panton's speech and his continuous stream of interjections while Mr. Moore was speaking have convinced me that he has shown the hands of the company in this matter. What chance has Geraldton of getting silos—

Hon. A. H. Panton: Within five years.

Hon. J. W. HICKEY: What has wakened up the hon. member? He sat silent and never opened his mouth until to-night. He has been livened up somehow and has now had a rude awakening. Why should not silos be erected at these ports?

Hon. A. H. Panton: You were not in the House when I spoke—

Hon. J. W. HICKEY: I am glad I was not. We intend to make every effort to protect the shareholders in our province, who put money into the company. Men were induced to put money into the company on the understanding that silos would be erected at the outer ports. There does not seem to be much chance of the silos being erected.

Hon. J. W. KIRWAN: The Leader of the House must have misunderstood what I said. I stated that if we wished to initiate a policy of decentralisation in the matter of bulk handling, the first place for an elevator was a port like Albany, which had never received fair play from the State generally. The erection of an elevator there would not involve cost for harbour improvements. If it were possible, I would embody a provision of the kind in this scheme, but of course it is not possible. There is no doubt that the provision of an elevator at Fremantle will have a tendency to accentuate centralisation.

Hon. H. STEWART: I can only assume that Mr. Kirwan has spoken humorously.

Hon. J. W. Kirwan: I object to the hon. member inferring that I was not serious in my references to a part of the State for which I have always done all I could to remove a grave injustice under which it has laboured. I am surprised that the hon. member does not support my suggestion.

Hon. H. STEWART: Earlier in the evening Mr. Kirwan referred to the Canadian experience, that 14 million bushels of wheat should be available, and that there should

be more millions in prospect before the bulk handling system was established. Now he suggests that elevators should be erected at Albany, in which zone only a fraction of the wheat produced by the State is grown. If his statements were not intended to be humorous they are ridiculous. The policy of the company is to give the outports their quota of wheat. If the bulk handling system were inaugurated at Albany before the requisite quantity of wheat was produced in the district, the people outside that zone would be penalised in order to make up the quantity for the benefit of Albany.

Hon. J. NICHOLSON: I overlooked the amendment moved by Mr. Mills and passed at yesterday's sitting aiming at excusing persons who have applied for shares from their liability to the company. I had in mind the fact that reference was made to the necessity for constructing elevators at Geraldton, Bunbury, and Albany within five years. I have no wish to be unfair towards the company, and I ask leave to withdraw the amendment.

Leave refused.

Hon. T. MOORE: Anything we do in connection with this Bill will not relieve the shareholders of their obligation to pay for shares for which they have regularly applied.

Hon. J. NICHOLSON: They could be released by a statute.

Hon. T. MOORE: Not by anything contained in this measure.

Hon. J. NICHOLSON: I would not like to say that.

Hon. T. MOORE: I have legal opinion to the effect that, under the Companies Act, these applicants are liable.

Hon. J. CORNELL: The company will still have a monopoly under the lease, and I am surprised that members are prepared to sell this right to the company for a mess of pottage. Mr. Panton has the fear that the proposition might be too big for the company to carry. Other members not interested commercially in Fremantle are quite willing that Albany and Bunbury should not get elevators. There is a neglected corner of this State containing two or three million acres of the finest wheat land in Western Australia. I refer to the Esperance district, which, however, has no railway. Of course it must have a railway before it can have a silo. If a silo is erected at Fremantle, the proposed system will centralise at Fremantle everything connected with wheat. Unless the company are placed under an obligation to erect silos at Albany, Bunbury, and Geraldton, silos will not be erected at those ports. The natural features of Albany harbour commend it more for the erection of a silo than do the natural features of Fremantle harbour commend that port. Ships can get into Albany harbour that cannot get into Fremantle harbour. I understand that the White Star liners, some of the largest boats running to Australia, will shortly pull out of Albany

altogether, because of the centralisation policy obtaining in this State. The Government refuse to devote the necessary funds to Albany harbour. Regarding Bunbury and Geraldton, it is contended that the expense of deepening the harbours there would be many thousands of pounds. But how much was expended on Fremantle harbour to turn it from the creek it was into what it is now? Let us not be a party to centralisation in its worst form, which can have only one result. Mr. McKenzie said the Albany district ceased at Tambellup, and that there was no wheat grown south of Tambellup.

Hon. J. J. HOLMES: How much wheat is grown within 20 miles of Fremantle?

Hon. J. CORNELL: Not enough to feed a canary. If there is not much wheat grown in the South Province of this State, there is a great deal of wheat grown in the neighbouring province, which has for its natural port Bunbury. Centralisation is rampant throughout the Australian States. If the Committee does not assist Mr. Nicholson, the result must be disastrous to the interests of this country. I am putting up a request to hon. members representing country constituencies not to support a proposal which must result in centralisation.

Hon. E. ROSE: I agree with Mr. Nicholson. Provision should be made for elevators at Bunbury, Albany, and Geraldton. Why should the wheat growers behind those ports be penalised by having to contribute to the cost of converting the railway rolling stock for the exclusive advantage of Fremantle? Mr. Cornell said there was no wheat grown down towards Albany. That is true, but there are hundreds of thousands of bushels going through Bunbury, and so elevators should be erected at that port. The importance of Bunbury warrants the expenditure there of just as much money as is expended at Fremantle. At the cost of a few thousand pounds provision could be made which would enable ships to call at Bunbury for wheat in bulk. Why should the company be assisted to get money from the Commonwealth for the erection of elevators at Fremantle, and Fremantle alone? The company ought to be compelled to construct silos at the out-ports.

Hon. F. E. S. WILLMOTT: Yesterday, at the instance of certain members, the Committee, so far as lay in its power, relieved certain shareholders of the company of all responsibility in respect of their financial obligations. Now we have the same hon. members demanding that those shareholders shall have silos provided at their ports. I agree that every port is entitled to the produce of its hinterland. Quite recently have I seen what is being done in the Eastern States, and I have come to the conclusion that Western Australia must produce many more million bushels of wheat before bulk handling in this State can be financially successful. Nevertheless, I support the Bill, because the very establishment of bulk handling will promote wheat growing, and so in

the end bulk handling may become a financial success. It is contended that because the company have the exclusive right to a certain piece of land at Fremantle for 99 years, they hold a monopoly over bulk handling during all that period. But we know that our railway system will not for many more years continue to run over that bridge at Fremantle, and when that bridge is removed, other sites for elevators will become available. It will be very many years before any Government would insist upon the erection of silos at Albany, Bunbury, and Geraldton. I predict that Esperance will become the biggest wheat exporting port in Western Australia.

Hon. J. Mills: The average yield there is $5\frac{1}{2}$ bushels!

Hon. F. E. S. WILLMOTT: That does not matter. I know that district thoroughly, and I recognise good land when I see it. All the arguments used against the Esperance country have been used against the Lake Grace country; yet it is now admitted that we are going to get some of our very best wheat averages from Lake Grace. I hope the Committee will carry the amendment moved by Mr. Nicholson, because the Governor-in-Council, at the end of five years, should be empowered to extend the time for the erection of silos.

Hon. F. A. BAGLIN: I will vote for the amendment, and I believe that my constituents also, if they could, would vote for it. If we do an injustice to the farmers, that injustice will be reflected on Fremantle, so that anything that may appear to be a temporary advantage will in the end prove a disadvantage to Fremantle. I support the amendment which, if carried, will in the end, be of benefit to Fremantle.

Hon. J. MILLS: The more this discussion drags on, the more I am convinced that the grain elevator company never had any intention of erecting elevators at any port other than Fremantle. I am pleased to think that hon. members were broad-minded enough to assist me the other night to carry the amendment permitting those people who had applied for shares under the belief that silos would be erected at the outside ports to withdraw their applications. The company held out inducements to people to take up shares knowing well that elevators at the outside ports would never be erected there. In the district I represent there is every justification for the fulfilment of the promise made with regard to harbour improvements because, not only are our agricultural prospects second to none, and not only is it true that the Victoria district boasts of a higher average by two bushels than that of any other part of the State, but we have also recently discovered in the Irwin district, an immense seam of coal. Taking everything into consideration, the elevator company and the Government have not shown us that consideration to which we are justly entitled.

Hon. J. A. GREIG: The hon. member who has just resumed his seat is not au fait with

the position of the people of the Geraldton district with regard to the shares they took up in the elevator company. They were not canvassed for a single share. The people who did take up shares took them up voluntarily.

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

Ayes	..	..	..	14
Noes	..	..	..	8
Majority for				6

AYES.

Hon. R. G. Ardagh	Hon. J. W. Kirwan
Hon. F. A. Baglin	Hon. A. Lovekin
Hon. J. Cornell	Hon. J. Mills
Hon. J. Duffell	Hon. T. Moore
Hon. E. H. Harris	Hon. J. Nicholson
Hon. J. W. Hickey	Hon. F. E. S. Willmott
Hon. J. J. Holmes	Hon. E. Rose

(Teller.)

NOES.

Hon. H. P. Colebatch	Hon. A. H. Panton
Hon. J. A. Greig	Hon. H. Stewart
Hon. V. Hamersley	Hon. Sir E. H. Wittenoom
Hon. C. McKenzie	Hon. C. F. Baxter

(Teller.)

New clause thus passed.

New clause:

Hon. A. LOVEKIN: I propose to move to insert a new clause which will save a good deal of litigation. I move—

That the following new clause, to stand as Clause 23, be added to the Bill: Clause 3 of the lease is omitted, and the following inserted:—(3) And it is hereby agreed and declared, that in the event of the failure of the company to perform or observe all or any of the covenants or conditions herein expressed, or in the event of the company failing at any time during the periods fixed by this indenture for construction of the elevators respectively to make progress with such construction to the satisfaction of the Governor, it shall be lawful for the Governor, after at least three months' notice to the company, by Order in Council, to revoke the rights, privileges, and advantages hereby conferred.

The Minister for Education: The proposal now is to put in the penalty section of the monopoly clause.

Hon. A. Lovekin: No. We have it in the lease now.

Hon. C. F. BAXTER: How far do members intend to go? If they want to reject the Bill, why do they not move that you do now leave the Chair? Mr. Lovekin came to an honourable understanding outside the Chamber.

Hon. A. Lovekin: I did not!

Hon. C. F. BAXTER: He wants to back out now and to pick out the different clauses from the Bill, leaving in the penalty clauses, and thus give the company no possible chance

of success. It is very unfair. The position is almost impossible. This new clause will destroy the Bill.

Hon. A. LOVEKIN: I hope members will not look upon this as hostile to the Bill. Clause 3 of the lease is much more drastic than my proposal, because it affects both the company and the State. I want to avoid the State being dragged into litigation, but if the company prefers to have the clause as it stands in the lease, well and good.

Hon. V. Hamersley: Is this by arrangement with the directors?

Hon. A. LOVEKIN: I have made no arrangement with any of the directors of the company.

Hon. H. STEWART: Mr. Lovekin led me to understand—

The CHAIRMAN: I cannot allow any further discussion on the point and must rule it out of order.

Hon. H. STEWART: But there has been a direct contradiction of the statement which has been made.

The CHAIRMAN: I cannot allow any further discussion.

New clause put and a division taken with the following result:—

Ayes	..	..	..	11
Noes	..	..	..	11
A tie	..	..	..	—

AYES.

Hon. F. A. Baglin	Hon. J. W. Kirwan
Hon. J. Cornell	Hon. A. Lovekin
Hon. J. Duffell	Hon. J. Mills
Hon. E. H. Harris	Hon. T. Moore
Hon. J. W. Hickey	Hon. R. G. Ardagh
Hon. J. J. Holmes	(Teller.)

NOES.

Hon. C. F. Baxter	Hon. A. H. Panton
Hon. H. P. Colebatch	Hon. H. Stewart
Hon. J. A. Greig	Hon. F. E. S. Willmott
Hon. V. Hamersley	Hon. Sir E. H. Wittenoom
Hon. C. McKenzie	Hon. E. Rose
Hon. J. Nicholson	(Teller.)

The CHAIRMAN: I give my casting vote with the noes.

New clause thus negatived.

Hon. J. NICHOLSON: I want to move a new clause.

The CHAIRMAN: The hon. member cannot amend any portion of the schedule now.

Hon. J. NICHOLSON: I do not want to amend the lease but to insert a new clause. I will, however, wait until Mr. Holmes moves his new clause.

Hon. J. W. Hickey: I also have a new clause on the Notice Paper.

The CHAIRMAN: That would be out of order, because the vote has been taken. The principle has been decided.

New clause:

Hon. J. J. HOLMES: I move—

That a new clause be inserted as follows:—“In the last paragraph of the schedule

the word “twelve” is struck out and “twenty four” inserted in lieu.

This lease is dated the 31st March, and if we carry this new clause we shall have another opportunity of considering the lease. In view of the alterations that have been made, and the fact that this is a lease for 99 years, we are entitled to have an opportunity of reviewing the lease when we are considering the Bill it is proposed to bring down.

The MINISTER FOR EDUCATION: This proposal would be a fitting termination to the proceedings which have passed. It would mean a direct repudiation of the contract which has been entered into between the Government and the company. The lease has been granted and the Government and the company have agreed to accept this subject to any alterations that may be made within 12 months. No company, however, could be expected to operate under the terms now proposed, under which the terms of the lease might be altered during the period of 24 months after the company had commenced operations and spent a good deal of money.

Hon. J. J. HOLMES: In view of the explanation of the Leader of the House, I have no desire to press for this new clause, and will withdraw it.

New clause by leave withdrawn.

New clause:

Hon. J. NICHOLSON: I move—

That a new clause be inserted as follows: “Clause 2 of the said lease is hereby amended by adding the following paragraph after paragraph (m)—

The CHAIRMAN: Is that part of the schedule?

Hon. J. NICHOLSON: Yes. It is a new clause.

The CHAIRMAN: If it is to amend part of the schedule, which has already been considered by the Committee, I cannot allow it, but the hon. member can move after recommittal.

Hon. J. NICHOLSON: Very well.

Schedule, as amended, agreed to.

Bill reported with amendments.

Recommittal.

On motion by Hon. J. Mills, Bill recommitted for the consideration of further amendments.

Clause 21, paragraph (b):

Hon. J. MILLS: I move an amendment—

That at the end of the new clause agreed to dealing with shares the following words be added: “And shall be entitled to a refund of any moneys which he has paid in respect of such shares.

In providing for farmers, who had taken up shares in the company, being relieved of their responsibility where there was no chance of

elevators being erected in their district, we omitted to make provision for the refund of the money they had paid for their shares. The present amendment will complete the earlier amendment to which I have referred.

The Minister for Education: Do you want the money refunded, with interest?

Hon. J. MILLS: I am willing to add interest as well.

Hon. A. H. PANTON: What does all this mean? Mr. Moore says he has taken legal advice on this matter and he has been informed that these people are unable to dodge their obligations. If that be so, the amendment by Mr. Mills is not worth the paper it is written on. However, it is only making the thing more ridiculous than ever.

Hon. F. E. S. Willmott: Impossible!

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

Ayes	..	..	..	8
Noes	..	..	..	14

Majority against .. 6

AYES.

Hon. J. Cornell	Hon. J. W. Kirwan
Hon. J. Duffell	Hon. A. Lovekin
Hon. J. W. Hickey	Hon. J. Mills
Hon. J. J. Holmes	Hon. R. G. Ardagh
	(Teller.)

NOES.

Hon. F. A. Baglin	Hon. T. Moore
Hon. C. F. Baxter	Hon. J. Nicholson
Hon. H. P. Colebatch	Hon. E. Rose
Hon. J. A. Greig	Hon. H. Stewart
Hon. V. Hamersley	Hon. F. E. S. Willmott
Hon. E. H. Harris	Hon. Sir E. H. Wittenoom
Hon. C. McKenzie	Hon. A. H. Panton
	(Teller.)

Amendment thus negatived.

New clause:

Hon. J. NICHOLSON: I move an amendment—

That a new clause be inserted as follows: "Clause 2 of said lease is hereby further modified or altered by adding the following paragraphs after paragraph (n): '(o) That the company will execute or carry out all such works and comply with all such orders hereinafter as may from time to time be made under or in pursuance of any Act or Acts of Parliament or by-laws or regulations already passed or hereafter to be passed, and which may be directed or required by any local public or statutory authority to be executed at any time or times during the said term, upon or in respect of the said demised premises or any part thereof, whether by the landlord or tenant thereof. (p) That the company will permit such persons or person from time to time authorised or appointed by the Governor in Council or Minister for Lands for the time being of the Government of the

said State, at all reasonable times throughout the said term, to enter on the said land and premises and to inspect or view the state of repair and condition of all buildings and improvements hereafter erected thereon, and forthwith after notice to the company signed by the Governor in Council or the said Minister for Lands, to repair and make good defects and wants of reparation, which the company shall be liable to make good under the covenants herein contained or implied.'"

This clause is one which is usually embodied in leases and particularly in leases covering a long period such as that under consideration.

Hon. C. F. BAXTER: Mr. Nicholson's amendment is a very long one and it is rather difficult to follow at this stage. Perhaps it would be as well to report progress.

The MINISTER FOR EDUCATION: Not at all. I think the Committee is indebted to Mr. Nicholson for the great attention he has given to this matter. We have struck out so many provisions of the Bill that if we can put in a few quite in-offensive clauses like this, to take the place of those struck out, I think we should do so. I have no opposition to offer.

New clause put and passed.

New clause:

Hon. J. NICHOLSON: I am only seeking to insert clauses which I think, having regard to the period of the lease, it is only fair should be inserted. I would not seek to embody clauses that I think are foolish or not justified. I move—

That the following new clause be added:—"Clause 3 of the said lease is hereby modified or altered by adding the following subclause:—(4) If and whenever the Company shall commit a breach of or fail to observe and perform any covenant, condition or agreement herein contained or implied and on its part to be observed and performed and without prejudice to all or any powers or authorities hereby conferred or agreements herein contained or implied, it shall be lawful for but not obligatory on the said Minister for Lands for the time being for and on behalf of His Majesty the King to do or cause to be done all or any such acts, deeds, matters and things and to make such payments and to enter upon said land and premises with or without workmen and others to carry out such works and operations as he the said Minister or any person appointed by him may think proper for the purpose of remedying or attempting to remedy every or any such breach or failure aforesaid, and all moneys expended, paid or incurred in connection with the foregoing with the interest thereon, at the rate of six pounds per centum computed from date of payment thereof respectively shall be paid by company on demand."

New clause put and a division taken with the following result:—

Ayes	14
Noes	8

Majority for ..	6
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AVES.

Hon. R. G. Ardagh	Hon. T. Moore
Hon. F. A. Baglin	Hon. J. Nicholson
Hon. J. Cornell	Hon. A. H. Pantou
Hon. J. Duffell	Hon. E. Rose
Hon. J. W. Hickey	Hon. F. E. S. Willmott
Hon. J. J. Holmes	Hon. E. H. Harris
Hon. J. W. Kirwan	(Teller.)
Hon. A. Lovekin	

NOES.

Hon. C. F. Baxter	Hon. H. Stewart
Hon. H. P. Colebatch	Hon. Sir E. H. Wittenoom
Hon. J. A. Greig	Hon. J. Mills
Hon. V. Hamersley	(Teller.)
Hon. C. McKenzie	

New clause thus passed.

Bill reported with amendments, and a Message accordingly forwarded to the Assembly requesting them to make the amendments, leave being given to sit again on receipt of a Message from the Assembly.

House adjourned at 12.20 a.m. (Friday).

Legislative Assembly,

Thursday, 15th December, 1921.

	Page
Questions: Arbitration Court, <i>Industrial Gazette</i> ...	2452
Prices Regulations Commission	2452
State Labour Bureau	2452
Joint Select Committee: Federation and the State,	
Interim report	2452
Loan Estimates, 1921-22	2452
Bills: Agricultural Bank Act Amendment, 3R.	2458
Traffic Act Amendment, 3R.	2458
Nurses' Registration, 3R.	2458
Closer Settlement, Com.	2458
Industrial Arbitration Act Amendment, 2R.,	
Com. recom. report	2469
Industries Assistance Act Continuance, 2R.,	
Com. report 3R.	2472
Motion: Retirement of A. C. Kessell, to inquire by	
Select Committee	2456

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

QUESTION—ARBITRATION COURT, "INDUSTRIAL GAZETTE."

Mr. MUNSIE asked the Premier: 1, Is it a fact that clerical assistance at the Arbitra-

tion Court was promised by him some time ago to enable the "*Industrial Gazette*" to be published? 2, Has such assistance been supplied? 3, If not, why not?

The PREMIER: 1 and 2, The Public Service Commissioner has arranged for providing assistance in carrying on the clerical work of the Court and overtaking arrears. 3, Answered by No. 1.

QUESTION—PRICES REGULATION COMMISSION.

Mr. McCALLUM asked the Premier: Is it the intention of the Government to take the necessary action to continue the Prices Regulation Commission after the expiration of the current year?

The PREMIER replied: Yes. An amending Bill continuing the Act in a modified form will be introduced immediately.

QUESTION—STATE LABOUR BUREAU.

Col. DENTON asked the Colonial Secretary: 1, Is it the practice of the State Labour Bureau, when engaging men for employment in the Midlands district, not to frank the men so engaged over the Midland Company's railway? 2, If this is a fact, is it the intention of the Government to deny to settlers and prospective employees in the Midlands district the advantages of the State Labour Bureau? 3, If so, why?

The COLONIAL SECRETARY replied: 1, Men are not franked over railways, but in certain cases advances are made for railway fares, and in doing this there is no discrimination against the Midland Company's line. 2 and 3, Answered by No. 1.

JOINT SELECT COMMITTEE, FEDERATION AND THE STATE.

Interim Report presented.

Mr. Angelo brought up an interim report of the Joint Select Committee appointed to inquire into questions relating to the Federal Convention and the financial relations between the Commonwealth and the State.

Report received and read, and ordered to be printed.

LOAN ESTIMATES, 1921-22. Message.

Message from the Governor received transmitting the Loan Estimates for the year 1921-22, and recommending appropriation.

In Committee of Supply.

The House resolved itself into Committee of Supply for the purpose of considering the Loan Estimates; Mr. Stubbs in the Chair.

Vote—Departmental, £66,124: