

Mr. Munsie: Are they being paid wholly by the Government?

The MINISTER FOR MINES: In some cases they are.

Mr. Munsie: Then they should have the same privileges as the Government officers.

The MINISTER FOR MINES: I am prepared to consider the matter.

Hon. P. COLLIER: I am glad to hear the Minister say he will consider the request. There are only four or five inspectors concerned, so that no considerable amount is involved. They have as much claim to consideration as have the tramway employees, who, though not in fact connected with the Railway Department, are granted a free pass over the railway system when on their annual leave.

Mr. TROY: Some time ago application was made—I believe it has been made repeatedly—for the Murchison workmen's inspector to visit Baddera, Narra Tarra, and the other lead mines in the Northampton district. He certainly should do so, and I hope the matter will receive the Minister's attention without further delay. Contrary to the forecasts of those who argued against the system of workmen's inspectors, these inspectors have worked very satisfactorily with the departmental inspectors of mines.

Item, Clerks, goldfields staff, £1,301:

Mr. CHESSON: I desire to call the Minister's attention to a young man, 19 years of age, who holds a clerkship in a mining registrar's office, who supports a widowed mother, and who receives a salary of £1 per week. I can give the Minister the young man's name. Is any provision being made to pay a living wage in this case?

Mr. Troy: I know the case, and it is a real scandal. The young man is over 19 years of age.

Mr. CHESSON: The duties he performs are important.

The MINISTER FOR MINES: I will inquire into the case.

Vote put and passed.

Progress reported.

House adjourned at 11.5 p.m.

Legislative Council,

Tuesday, 19th October, 1920.

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

QUESTION—POLICE SERVICES IN WAR TIME.

Hon. F. A. BAGLIN asked the Minister for Education: 1, What was the amount paid by the Federal Government to the Western Australian Government for police services during the period of the war? 2, What amounts, if any, were paid as a bonus to senior officers of the Police Department?

The MINISTER FOR EDUCATION replied: 1, £8,075 17s. 1d. 2, £125 was distributed by the Defence Department to two inspectors, two detective sergeants, and one detective constable.

MOTION—MUNICIPALITIES ACT, TO AMEND.

Rating on Unimproved Value.

Hon. J. E. DODD: (South) [4.34]: I move—

That in the opinion of this House the Municipalities Act, 1906, should be amended so as to allow of rating on the capital unimproved value of land.

I have to make a few remarks in vindication of this motion and of the Bill which I introduced. An expression of opinion by this Chamber is advisable upon the motion in view of the almost universal demand for the principle which it embodies, and I am encouraged to believe that perhaps if the motion is carried here, the Government may be induced to bring in the necessary amending Bill. Last session, in connection with the Parliamentary Allowances Bill, the subject was first brought before another place by way of motion, and after the Government had seen that the Bill was likely to be carried they introduced the necessary measure to give effect to the wishes of members. I think something like that might be done in connection with this matter, because I believe there is a general wish on the part of members that municipalities and road boards should have the optional power of rating on the unimproved value of land. I may also point out that only last session a comprehensive measure dealing with rating was carried through Par-

liament, and that under that measure road boards were given power to rate on the unimproved value of land. As a fact, they have had that power since 1902, but the consolidating measure carried last year reaffirmed the principle. In addition, a motion having reference to railway freights and taxation of unimproved land values was carried at my instance a couple of years ago. I would like to disabuse the minds of some hon. members as to the genesis of this agitation. Mr. Holmes seemed to think that the town clerk of South Perth was responsible for it. That is not so. The town clerk of South Perth is undoubtedly a very keen advocate of the system of unimproved land values taxation as applied to municipalities, and he was responsible for the replies received, which I quoted in moving the second reading of my Bill. But I desire to point out that a conference at which almost the whole of the municipalities and road boards in Western Australia were represented was held in Perth two years ago. Ninety-seven delegates attended that conference. I am not going to weary the House with much detail as to the proceedings of that conference, but I will just mention the names of the places from which delegates came: Albany, Bunbury, Boulder, Bridgetown, Broomehill, Collic, Bayswater, West Guildford, Cue-Day Dawn, Cottesloe, Claremont, Cuballing, Claremont road board, Coolgardie, Cottesloe road board, Dowerin, East Avon, Fremantle, North Fremantle, Guildford, Goomalling, Greenbushes, Greenmount, Kalgoorlie, Kalgoorlie road board, Katanning, Midland Junction, Mullewa, Moora, Marble Bar, Northam, Northam road board, Narrogin, Narrogin road board, Northampton, Perth, Perth road board, South Perth, Swan road board, Subiaco, Upper Blackwood, Wagin, Wagin road board, Wandering and Pingelly, York, Dalwallinu, Melville road board, Meekatharra road board, Williams road board, Esperance, Armadale-Kelmscott, Busselton, Harvey, and Merredin.

Hon. J. J. Holmes: Was that a road boards' conference or a municipal conference?

Hon. J. E. DODD: The conference was convened by the mayor of Kalgoorlie, and the road boards were asked to come in. The following resolution, sent forward by Bunbury, moved by the representative of Kalgoorlie, and seconded by the senior councillor of Perth, was carried:—

That the Municipalities Act be amended so as to give councils and road boards the option of rating on the unimproved values system.

I may mention that the Bunbury Municipal Council wanted to strike out the reference to optional rating, and to make rating on unimproved land values compulsory. The facts which I have stated ought to be sufficient to induce the Government to give effect to the principle. If it is not done this year, let me point out that there will be an election in March of next year, and that it is quite pos-

sible there may be a change of Government. The new Government may be more liberal. We may have an extension of the National Government, or a Liberal Government, or a Labour Government. I sincerely urge the present Government to take the matter up and give municipal councils and road boards the option of rating on the unimproved value of land. I can assure them that by doing so they will be taking away a slogan from some at least of the parties who are going before the electors. If this Chamber sees its way to carry the present motion, there should be no difficulty about the Government carrying the Bill through.

Hon. J. Duffell: Why make it optional? Why not definitely state that rating shall be on the unimproved value of land?

Hon. J. E. DODD: There are one or two points raised in the debate on the Bill to which I should like to refer. Mr. Sanderson expressed the opinion that rating on unimproved values was not going to bring about the millennium. I do not think anyone here has predicted such an effect from land values taxation, but I do hold that that system will bring about a far juster incidence of taxation than we have at present.

Hon. A. Sanderson: Hear, hear!

Hon. J. E. DODD: Moreover, in these days, when everybody is urging economy, there is the consideration that rating on unimproved land values will enable the various municipal councils and road boards to save thousands of pounds annually in the way of administration, as compared with the present system. Again, objection has been raised to the proposal that the ratepayers shall have the right to decide by referendum whether they will adopt the system of rating on unimproved land values. But let me point out that there are various questions upon which Parliament has refused to take the responsibility of giving a decision. Next year the electors will be called upon to give their decision on the liquor question by referendum. Parliament has refused to take upon itself the responsibility of saying whether or not licenses shall be reduced, and whether or not the sale of liquor shall be prohibited. Again, in regard to the change in the late shopping night, Parliament refused to take the responsibility of deciding but left the question to the electors. In 1911 the electors decided that the late shopping night should be on Friday instead of on Saturday. Further, various municipal loans are referred to the ratepayers for consideration. In order to save expense, the referendum on the subject of unimproved land values taxation might be taken on the day of the municipal elections. An objection has been raised that the system of rating on unimproved land values would be likely to press heavily upon the people least able to bear the burden, on some of the poorer classes of our people. One hon. member expressed surprise that a member of the Labour party should bring forward such a proposal as this. But unimproved land values taxation,

both for municipalities and for the State, has been a fighting plank of the Labour party ever since that party has been in existence. It is a fighting plank of the Labour party to-day, and in fact of all Labour parties. It is also a fighting plank of all socialistic parties. I believe there are few parties of any description in Australia to-day who are not in favour of it. The system will not affect the small land owner to the same extent as it will affect the large owner, but I would point out that in giving instances of how the taxation will apply I have sought to adduce instances which are more likely to appeal to members of this Chamber than are those mentioned by Dr. Saw. This House is a property House—I do not say it offensively—elected on a property qualification. Instances of where the proposed taxation would be likely to deal fairly with property holders are more likely to appeal to the House than are any others. The House is composed of practical business men, and if it can be shown that the system will not press unduly on industry, I think such instances would be among the best we could offer in support of the system. Take the question of valuations: At the present time, if there is a block worth £100, a tax of 4d. in the £ on the unimproved value would mean £1 13s. 4d. per annum. Under the present system of valuations if a house costing £600 is erected on that block, the annual taxation will amount to £4 or £5. In other words, immediately a poor man erects a home worth £500 or £600 on that block, he is taxed four or five times the amount he would have to pay if the block remained vacant. So, too, with a business man improving a property by the erection of a factory or warehouse which will be of considerable benefit to the town, he is heavily taxed for so doing. Out in North Perth there is a block of holdings extending from one to another street and including something like 15 houses. I take it those 15 houses collectively are rated at about £80. I do not know for certain. There are seven vacant blocks in the same area, and I suppose that if collectively they pay £10 in taxation, it is as much as they do pay. Why should those vacant blocks remain idle, reaping the unearned value from those who have built houses, and paying only about one-eighth of the rates imposed on those houses? Doubts have been expressed as to the proposal to fix a limit of 4d. or 6d. in the £, as the case may be. It is very hard indeed to get any figures upon which a limit can be fixed. It is almost impossible to get any figures in regard to valuation at all in Western Australia. Attention has been directed to that even in the "Commonwealth Year Book." However, that can be easily got over. It would be no difficult task to get a fair valuation made of the unimproved value of land. Under the Roads Board Act the authorities are allowed to rate on the annual value up to a maximum of 2s. in the £, and under the unimproved system they

are allowed to rate up to 3d. in the £. The rate for municipalities which are allowed to rate up to 2s. 6d. on the annual capital value would be 3¼d. in the £ on the unimproved value. I do not know whether that would be sufficient, but that difficulty could easily be overcome by the proper authorities; probably the Commissioner of Taxation could give a pretty good idea of a fair limit for municipal rating. I have here a little information concerning New South Wales and New Zealand. This book is entitled "Land Values Taxation in Practice." On page 11 will be found the following in regard to rating on the unimproved value in New Zealand—

The Act of 1896 and its amending Acts make it optional for local bodies to substitute rating on the unimproved capital value of land for the system then prevailing of rating either the capital value or the annual value of land. It also provides for a return to either of the older systems if the ratepayers should so desire after a three years' trial of the new one. Under it a proportion of ratepayers on the roll, varying from 25 per cent. where the total number does not exceed 100, to 15 per cent. where the number exceeds 300, may, by demand in writing, require that a proposal to rate property on the basis of the unimproved value shall be submitted to the ratepayers, whose votes shall be taken between twenty-one and twenty-eight days after delivery of the demand. The poll is to be taken in the same manner as in case of a proposal to raise a loan in the district under The Local Bodies' Loans Act, 1901. Under the original Act it was necessary for a minimum number of one-third of the ratepayers to vote, and a majority of their votes carried the proposal. Now, under the Local Government Voting Reform Act, 1899, the question of adoption or otherwise is decided by a bare majority of the valid votes recorded, irrespective of the number of ratepayers who have voted.

That is what is in operation in New Zealand. In New South Wales the system of land values taxation was carried through Parliament by Sir Hector Carruthers, one of the Liberal leaders of New South Wales. I mention this because some may think that the system is wholly a Labour proposal. Neither in New Zealand nor in Queensland was the principle put through by Labour Governments. In Queensland it was sponsored by the Philp Government, essentially a most conservative, almost a Tory Government, and in New Zealand and New South Wales it was introduced and carried through by Liberal Governments. In New South Wales the Act provides as follows—

Special rates and local rates may be levied, whether upon the improved or the unimproved value of land, as the council may decide, provided that if a poll be demanded by fifty property owners, including

Crown tenants, a referendum of property owners shall by a simple majority decide the basis of rating for such special or local rates. When, however, the number of ratepayers is under 300 for a special rate and under 150 for a local rate, such a referendum may be demanded by one-sixth or one-fifth of their number respectively.

The rate in Sydney is something like 4d. in the £. Of 181 municipalities, 12 have imposed a rate of 1d. in the pound, 39 a rate of 2d., 58 a rate of 3d., 51 a rate of 4d., 12 a rate of 5d. three a rate of 6d., and six have imposed rates of 7d. and over. And, in New South Wales, almost every municipal undertaking, such as sewerage, etc., is rated through the municipalities. In this State, of course, the municipalities have nothing to do with such work. I do not wish to enlarge any further upon the question, although the temptation to speak at length is very great. I refer hon. members to what I said when moving the second reading of the Bill the other day. I sincerely hope they will look into the matter. If they do so they will see that it is necessary that some alteration should be made, and will realise that there is a strong demand by the various public bodies in the State for an alteration in the system of rating. If the House carries the motion, the Government may be induced to bring in a small amending Bill and put it through before the next general election.

Hon. J. J. HOLMES (North) [4.55]: The motion would appear to be quite harmless, but when one looks into it it is seen that one might, by supporting it, be committed to a Bill that would not meet with approval when it reached the House. I am in favour of giving municipalities the option of rating on the unimproved value, but I require to see the provisions of the Bill before I commit myself to the power which the Bill will give. Reference has been made to this being a property House. In respect of unimproved land, I may say I was fortunate enough to get rid of all the vacant land I held in the metropolitan area. Therefore I am not speaking as an unimproved property owner. Unimproved property in a municipality, even in Perth, is about the worst security one can have. We are told that this proposal emanated from a conference of road boards and municipalities. But, in following the mover of the motion, we have learnt that there was at the conference a preponderance of road boards' representatives who could carry anything they liked against the municipalities.

Hon. J. E. Dodd: That was not so at a previous conference.

Hon. J. J. HOLMES: It is well to remember that we had before us last session an amendment of the Municipalities Act, which was introduced by Hon. W. C. Angwin. That measure contained all the provisions that anybody thought necessary at the time. It is significant that Mr. Angwin did not include among them this proposal.

Hon. J. E. Dodd: He could not, for the same objection would have been raised as was raised to the Bill I introduced the other day.

Hon. J. J. HOLMES: That is news to me.

Hon. E. H. Harris: And it is hard to take.

Hon. J. J. HOLMES: It is not. I do not know that Mr. Angwin even attempted it. It may be that he was better versed in Parliamentary procedure than was the hon. member.

Hon. J. E. Dodd: He was.

Hon. J. J. HOLMES: I can quite understand the road boards wanting this authority. Like individuals, they want all the authority they can get; but sometimes it is in their own interests to curtail their authority. The chief objection I have to the motion is that a Bill meeting with Mr. Dodd's approval would provide for a referendum of ratepayers. The hon. member has told us this afternoon that it is impossible to arrive at the unimproved value of land in this or any other town in Western Australia. Yet the hon. member proposes to make provision that the ratepayers, without any data whatever before them, shall be given the power to decide whether or not the proposed system is better than the existing one. The ratepayers are to be asked, without any data before them, whether they are to adopt the new system or adhere to the old one. The difference between giving the ratepayers this power and giving it to the council is this: The council, if armed with the power to impose this new taxation of rating, first of all secure the property valuation of the land under their control, and the next step would be that the council should have power under that system of rating to raise the equivalent revenue to that which they raise under the present system. Under the present Act they are entitled to impose a general rate of 2s. 6d. in the pound. I am inclined to think that sixpence in the pound, as proposed by the hon. member, would give them something like 10s. in the pound, that is sixpence on the unimproved capital value as against the present system of valuing.

Hon. J. E. Dodd: On the annual rental value.

Hon. J. J. HOLMES: I say it would give them something like 10s. in the pound as against 2s. 6d. in the pound now.

The Minister for Education: No!

Hon. J. J. HOLMES: We are speaking without any data before us. Mr. Dodd has told us that. We are, therefore, likely to find ourselves working on wrong premises. That is a matter which has to be decided before this House can fix the maximum rate in a Bill. It is also a matter which has to be decided before I can agree to a proposal which will allow the ratepayers, behind the backs of the council, to commit the council to the proposed system, whether it is in the interests of the local authority or not. Mr. Dodd during the course of the debate on the Roads Closure Bill expressed his regret that this Bill had gone out, because he claimed my support for it as I insisted that the local au-

thority should be consulted in the North Fremantle matter referred to. What I meant by the local authority is the mayor and councillors, who know something about the matter, and not irresponsible ratepayers referred to by Mr. Dodd. The present system of rating is misunderstood. Does Mr. Dodd know that the present system provides for four per cent. on the annual value, and $7\frac{1}{2}$ per cent. on the unimproved capital value?

Hon. J. E. Dodd: That is only in certain cases. It does not apply all round.

Hon. J. J. HOLMES: It does. We have heard of the man who builds a house, and that he pays rates for the man who does not do so. Let us say there are two vacant blocks in one street sold at £1,000 each. One man buys and holds a block, and the other buys and erects a building worth £1,000 on his block. The man who is holding his vacant land is rated at £75 per annum on the basis I have referred to, and the man with the £1,000 house on his block is rated only at £80.

Hon. J. E. Dodd: You are altogether wrong.

Hon. J. J. HOLMES: My authority is the municipality of Perth. I hope I have made myself clear.

Hon. A. Sanderson: That is clear enough.

Hon. J. J. HOLMES: A thousand pounds at $7\frac{1}{2}$ per cent. is £75, and it is on £75 that this man is rated, at 2s. 6d. in the pound.

Hon. J. E. Dodd: He is rated 2s. 6d. in the pound on £7 10s. per centum.

Hon. J. J. HOLMES: That is £75 on £1,000.

Hon. J. E. Dodd: On £100 in South Perth he would pay £1 3s. 6d.

Hon. J. J. HOLMES: The man who puts up a £1,000 house is rated at 4 per cent. on £80, which at 2s. 6d. in the pound is equal to £10. This man pays only 12s. 6d. per annum more than the man who is holding the vacant land, and the man who is holding the vacant land may be holding it because he cannot improve it. In Perth, where the water supply is controlled by the Government, the department rates the man with the vacant land on the basis of £75 per annum, and the man with the £1,000 house on the basis of £80 per annum. This is how the charge is made, the difference being, however, that the man with the house gets all the water he wants, and the man without the house gets nothing.

The Minister for Education: What is the value of the house?

Hon. J. J. HOLMES: It is a £1,000 house and a £1,000 block.

The Minister for Education: It is rather unusual.

Hon. J. E. Dodd: The hon. member is wrong in his figures. Who is his authority? He should see the town clerk.

Hon. J. J. HOLMES: I have seen the municipal authorities. In the case of the man holding the unimproved land, he pays on the basis of £75, and the water supply people fix

their rate on that. On this basis the municipal general rate is £9 7s. 6d. as against the rate on the improved block next door, rated on the basis of £80, which at 2s. 6d. comes to £10. The man who pays £10 gets all the water he wants except excess water, and the other man gets nothing. The Water Supply Department takes the municipal valuation, and on the score of economy I would point out that there is a duplication of work here. It costs the State thousands of pounds per annum to look after this water supply, and the municipality could do the same work and merely charge a fee for collecting the money. Municipalities are very much alive to getting in all the rates they can. The hon. member need not suggest that either municipalities or road boards are lacking in their duties in that respect. There was a property in Hay-street not far distant from this House. It had an old building on it. It was rated as an improved property, the capital value of which was £4,000, and at four per cent. this gave £160 per annum, which at 2s. 6d. in the pound gave an annual rate of £20. The improvements on the property were practically useless, and the municipality condemned the building. The local authority then rated this land, still on the basis of £4,000, at $7\frac{1}{2}$ per cent., and they made the holder pay £37 10s. as against the £20 I have just mentioned. We have heard what the road boards have done. Surely hon. members would not compare a road board with a municipality. I quite agree that if two persons each hold 1,000 acres of land alongside a railway, and one person improves his property and the other does not, both should pay on the same basis. Would we compare the Equitable buildings with the buildings next door to them, and say that both lots of land should be rated on the same basis? The Equitable Life Assurance Company buy a corner block in the city and put up buildings upon it. They know exactly what is going to happen, and pass the rates on to the tenants. Under the law of the country the tenant is first liable for the rates, and the landlord only comes in when the tenant cannot pay.

Hon. F. A. Baglin: Why do not you give the tenant a vote?

Hon. J. J. HOLMES: The tenant gets a vote.

Hon. J. E. Dodd: The tenant will not pay under this.

Hon. J. J. HOLMES: The hon. members want to relieve the tenant altogether. It seems to me that it is in the interests of all that people should build, for the more buildings there are the cheaper will rents be. If a tenant is not going to take any liability it is a matter for consideration on the part of the landlord as to whether he will build or not. The hon. member also referred to what happened in Sydney. Sydney has adopted this system, it is true. If the hon. member had been to Sydney within the last five or ten years he would have admitted that every inch of land in that city

had been built upon. It is quite a different proposition to a city like Perth, where perhaps only one-third of the land has been built upon.

Hon. J. E. Dodd: Has not the adoption of this system helped all this building?

Hon. J. J. HOLMES: No. The land was built upon first, and the adoption of this system is of quite recent date.

Hon. J. E. Dodd: A few years ago.

Hon. J. J. HOLMES: If a man who had improved his property was victimised as against the man who had not done so, as the hon. member suggests, then there would be something in favour of the proposal. When a municipality bases its improved annual value on the four per cent. basis and the unimproved capital value on the $7\frac{1}{2}$ per cent. basis, I think hon. members will admit that the unimproved land is certainly not getting the best of the deal. I am not going to commit myself to an abstract motion like this. The best I am prepared to do, if a Bill does come before us, is to give the mayor and councillors of the municipality the right to adopt either system after due consideration. I am not going to arm irresponsible ratepayers with power to foist upon any municipality a proposal of this kind without any data being placed before them. The hon. member has told us that no data exists upon which a correct decision can be arrived. I, therefore, oppose the motion.

Hon. A. SANDERSON (Metropolitan-Suburban) [5.15]: I hope whatever the opinion of the Council may be on this point, we will have a definite decision at the earliest possible moment. We have heard two sides of the case put very ably, but the fact remains that, as indicated by a previous vote, we have all made up our minds on this question. The Council is already committed to the principle underlying this particular motion.

Hon. J. J. Holmes: When was that?

Hon. A. SANDERSON: Last session, I think.

Hon. J. Duffell: It was two sessions ago.

Hon. A. SANDERSON: I am not quite certain, but the decision was reached recently. The important point is now: what are the Government going to do? We all wait, therefore, with the greatest interest to hear what the leader of the House is going to tell us. Perhaps it would be unreasonable to ask him this afternoon to give the decision of the Government, but I think we may reasonably ask him to make the necessary inquiries and find out whether the Government are prepared to introduce this matter this session. That is a question entirely for them to decide. To tell the House that we are all speaking without data is contradicted by the speech of the hon. member who has just spoken.

Hon. J. J. Holmes: The data is the actual value.

Hon. A. SANDERSON: That is a question which the municipality should decide. The mover of this motion will doubtless be able to go through the arguments point by point and give answers to them. I do not think it will be difficult for him to do so. For my part I do not intend to go through them at the present juncture for the reason that we have noticed in the Press recently that our time is to be limited. The less time that is wasted at this stage the better. If the Government are not willing or able to bring down the Bill this session, I venture to assert that it is no use attempting to discuss the question, for it then becomes an abstract matter. As to the referendum of ratepayers, I think the hon. member who has just spoken is entirely astray on that point.

Hon. J. J. Holmes: How am I astray?

Hon. A. SANDERSON: The ratepayers are not going to decide the value of the land as the hon. member seems to think. As I understand the position—and I do not claim to be an equal authority with the member who has introduced this motion—it seems very clear that the ratepayers will be asked this question: "Do you wish the rating on the unimproved value or on the improved value?" That is the only question to be asked.

Hon. J. J. Holmes: How can they answer without data?

Hon. A. SANDERSON: If they have their own block of land, that in itself is some data for them to go on, for the owners know how it applies to them. I do not say that even that will answer the question. I think it is unnecessary for the hon. member to assure the House that he is not interested in this question personally, that aspect being put entirely on one side.

Hon. J. J. Holmes: The point was raised by the mover of the motion.

Hon. A. SANDERSON: I do not care if he did. It is quite unnecessary. I refuse to listen to that line of argument. It has nothing to do with it. I do make this appeal to the Council, not to have the matter adjourned for more than one or two days to enable the leader of the House to make the necessary inquiries, and to make it his business to let us know as early as possible whether the Government are prepared to deal with it.

On motion by Minister for Education, debate adjourned.

BILLS (2)—THIRD READINGS.

1, Stallions Registration.

2, Prevention of Cruelty to Animals.

Transmitted to the Legislative Assembly.

BILL—ROADS CLOSURE.

In Committee.

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

The CHAIRMAN: An amendment has been moved to Clause 2 to insert after the word "estate" in line 4 the words "and shall forthwith be transferred in fee simple and vested in the North Fremantle Municipality."

The MINISTER FOR EDUCATION: I cannot agree to the amendment. It would be an unprecedented course for the Committee to take. I do not know of any previous occasion where such a procedure was adopted. Under the present conditions a street or road is never closed so long as it is useful as a street or road, and when it is closed, in the language of the clause, it "revests in His Majesty as of his former estate." Mr. Holmes raised the question a few days ago as to how the alternative proposal had crept into the file regarding this matter, and he questioned whether my statement was accurate, and whether the proposal had been submitted to the Under Secretary for Lands by the mayor and councillors of North Fremantle.

Hon. J. J. Holmes: I did not doubt the accuracy of your statement.

The MINISTER FOR EDUCATION: No, the accuracy of the statement on the file. I understand the position. I raised this question with the Under Secretary for Lands and he was most emphatic that it had arisen in the way I stated. Fortunately, there is no need to rely on his word in the matter, although it would have been quite sufficient for me. I will read a letter dated March 1st, 1920, addressed to Mr. A. H. Panton, Trades Hall, Fremantle, and signed by the town clerk of the municipality of North Fremantle. This was prior to the deputation and was, as a matter of fact, the first stage in these negotiations. The letter reads—

As I understand that you are looking after the interests of our district member, Mr. Angwin, during his absence, my council will be pleased if you will take the necessary steps to arrange a deputation consisting of the mayor and the town clerk to meet the Minister for Works. It is this council's desire that the Minister be good enough to put through the House a small Bill vesting the fee simple of portion of Phillip-street in this council. Their reason for making this request is that the street at the present time is of no value as a thoroughfare, but could be disposed of advantageously, and as compensation, either in a monetary form or by the gift of a strip of land equal in width to the portion of Phillip-street aforesaid, the council would then be enabled to widen Lancelot-street from its present narrow width of 33 feet to one of 66 feet. As Lancelot-street serves the same purpose as Phillip-street as far as traffic requirements are concerned, and as the portion of Phillip-street this council desires to obtain is practically only a sand heap, the proposal if agreed to would be of great benefit to residents residing in the

vicinity. Trusting you will be able to arrange this deputation.

From this, it will be abundantly clear that these proposals were submitted in the first instance by the North Fremantle Municipal Council.

Hon. J. J. Holmes: Your Bill does not provide for the disposal of the land.

The MINISTER FOR EDUCATION: It is not provided for in the Bill, nor is it provided for in any Bill of this sort. All the Bill provides for is for the closing of the road.

Hon. J. J. Holmes: It does not provide for the municipal council securing land at all.

The MINISTER FOR EDUCATION: No, but it provides for the closing of this road and the land itself is not given to the British Imperial Oil Company. It revests in His Majesty. In fact, the land could only be disposed of to the Oil Company under the provisions of the Act, by way of exchange or by way of submission to the public at auction. These are the only two ways permitted in the existing legislation for disposing of such land. While nothing is stated in a Bill of this description to that effect, the House is given the information that it is the intention of the Government, acting in accordance with the express desire of the North Fremantle Council, to dispose of the land by way of exchange, which is one of the only two ways this can be done.

Hon. J. E. Dodd: To whom would the proceeds go if the land were auctioned?

The MINISTER FOR EDUCATION: To the Crown. No municipality has the right to the road except for road purposes for the convenience of the public, and the council, in their representations to the Under Secretary for Lands, emphasised the fact that the land was of no value as a thoroughfare and that they desired it closed. That was set out in the letter, wherein it is stated that it would be desirable for the land in question to be exchanged so that they might add to the width of Lancelot-street, making it 66 feet wide instead of 33 feet, an alteration which the council said would be of great advantage to the residents in the vicinity. Apparently since this took place, the council made up their mind that it preferred to have a cash consideration. The point is that no municipality has a right to cash consideration for the closing of a road.

Hon. A. Sanderson: Hear, hear!

The MINISTER FOR EDUCATION: As I indicated previously, the Government do not wish to make anything out of this transaction. Having discussed the matter with the Premier and the Lands Department since speaking on the last occasion, I can emphatically state that the Government have no desire whatever to make sixpence out of this transaction. It is the North Fremantle Council's proposal that this road shall be closed and the proposal is that the land shall be exchanged for the purpose of

securing an additional area to widen Lancelot-street. The first proposal would be entirely contrary to established principles and one which has never before been adopted. The second proposal is one that is frequently adopted and that was the one which the Government decided to adopt.

Hon. A. Sanderson: To widen Lancelot-street?

THE MINISTER FOR EDUCATION: Having closed this street, to transfer it to the British Imperial Oil Company by way of exchange. When this land is re-vested in the Crown, it would not be competent for the Government to sell it to the British Imperial Oil Company, or to anyone else. It would be competent for the Government to put it up for sale by public auction, but I think members will agree that this would be a very improper course in the present instance. Mr. Baglin says that the land is of no value except to the British Imperial Oil Company. When the land is re-vested in His Majesty it will be competent to exchange it for other land of equal value, and that course will be followed. Having got the other land of equal value, the Government would be quite prepared to vest that in the municipality for the purpose of widening the street, thus doing exactly what the municipal council have asked; but the Government would not be prepared to depart from well established precedent by carrying out the alternative suggestion of the North Fremantle council to vest the land in them, so that they might sell it and make money out of it.

Hon. A. Sanderson: Do the council get the land to widen the street in exchange from the oil company?

THE MINISTER FOR EDUCATION: Yes, the British Imperial Oil Company have purchased—I know not from whom or at what price—a certain area of land. The road runs through the British Imperial Oil Company's land. The council say it is useless as a road and that they have a 33 feet street which would be greatly improved if it were widened. We propose to close this street, and re-vest the land in His Majesty and then permit the British Imperial Oil Company to exchange one piece for the other. Lancelot-street will then become a 66-ft. street. This transaction would be entirely in accord with what is done all over the State in the matter of road closure. The trouble is that the North Fremantle council want us to do something entirely foreign to anything done under a Road Closure Bill before, and I certainly cannot agree to their proposal.

Hon. F. A. BAGLIN: I ask leave to withdraw my amendment with the object of substituting another amendment.

Amendment by leave withdrawn.

Hon. F. A. BAGLIN: I move an amendment—

That after "estate" in line 4 of Sub-clause (2) the following words be inserted:

"and shall forthwith be transferred in fee simple and vested in the North Fremantle municipality on payment by the British Imperial Oil Company of such amount as shall be determined by agreement or, in default of agreement, by arbitration under the provisions of the Arbitration Act, 1895.

Several members have said that they would be guided by the views of the North Fremantle Council. A special meeting of that body was held on Monday evening. There was only one absentee and the following motions were carried:—

That the council ask for a monetary consideration for the closing of that portion of Phillip-street between Napier road and Broome-street, provided that the Bill for the closure of the street vests in the council that particular portion aforementioned.

That for the purpose of determining the monetary consideration one valuer be appointed by the council and one by the British Imperial Oil Company; in the event of a disagreement in values an independent valuer to be appointed.

This is a fair proposal. The council have no desire to exploit the company. The council have abandoned the idea of widening Lancelot-street; it would be a huge expense, and it is not necessary because Lancelot-street will carry the traffic for many years to come. Consequently the council do not want that piece of land of which the Minister has spoken and which the British Imperial Oil Company are prepared to give. If this Bill is passed as printed, the land will be re-vested in the Crown, and the Crown will then hold a public sale. It is a narrow strip of land running through two lots owned by the British Imperial Oil Company. Therefore there is likely to be only one bidder at the sale, namely the British Imperial Oil Company, and they may offer a shilling for the land. This would be tantamount to making them a free gift of the land.

The Minister for Education: That will not be done.

Hon. F. A. BAGLIN: Then the alternative is to give the council a piece of land which is practically valueless.

Hon. J. E. DODD: What has the manager of the British Imperial Oil Company to say?

Hon. F. A. BAGLIN: The manager (Mr. Allingham) would agree to either proposal. He attended the meeting of the North Fremantle council on Monday evening and at the close of the meeting he said that his company could take no reasonable objection to the attitude of the council, and that if two valuers were appointed, together with an arbitrator if necessary, he felt sure that a reasonable arrangement could be arrived at between the council and the company. The British Imperial Oil Company offer no objection. The only people standing in the way are the Government. The Government are insisting upon the North Fremantle council taking a piece of land which they do not want, and which is of no use to them.

The Minister for Education: In exchange for something.

Hon. F. A. BAGLIN: It would be an unfair exchange. The only people who would benefit by the exchange would be the oil company. They would get a valuable concession and would pay nothing for it though they are prepared to pay for it. If the amendment is passed, the money obtained will be spent on roads leading to the beach and to provide a playground for the children. If the Bill is passed as printed this work will not be carried out.

The MINISTER FOR EDUCATION: Although I cannot accept the amendment, I candidly admit that if I were the mayor, or a member of the North Fremantle Council, I would adopt precisely the attitude which the council have taken up. I would do so with the idea that it was worth trying. In order that there may be no misunderstanding and to remove from the minds of members the idea that the land we propose to transfer to the North Fremantle Council is of no value to them, I shall read a letter which I received to-day from the council covering a minute passed by the council on the 16th March of this year. It states—

As I understand you are in charge of a Bill now before the House providing for the closure of Phillip-street I take this opportunity to bring under your notice my council's position in this matter. During the early portion of March His Worship the Mayor and myself waited on the Hon. the Minister for Works (Mr. George) and also Mr. Morris, Secretary to the Minister for Lands, re the closing of Phillip-street. We pointed out, first to the Minister and later to Mr. Morris,

And I want hon. members to take notice of these words—

that is was in the interests of both the council and the company that portion of Phillip-street, viz.: that portion between Napier-road and Broome-street dividing the British Imperial Oil Company's property, should be closed.

It was in the interests of both that it should be closed. That is a definite statement.

The question of consideration for the closing of this street had not been decided upon.

That shows they wanted the street closed in any case.

Several suggestions were made by the mayor, such as the company giving a piece of land suitable for a children's reserve in the locality, or the granting of a piece of land equivalent in size to that portion of the street closed for the purpose of widening other streets in the locality, or if the company wished, the portion of land closed to be valued by some suitable valuer and paid for by the company at the price fixed. My council are very anxious indeed that the Bill providing for the closure of Phillip-street should go through the House and the portion closed should be handed over to the municipality so that they may make

the best arrangements possible in the interests of North Fremantle with the company. I am attaching a copy of portion of the minutes taken from the council's official minute book dated the 11th March, 1920, page 325, and also copies of letters dealing with this matter.

This is an extract from the minutes of the North Fremantle Council—

The town clerk reported that in company with the mayor he had waited on the Minister for Works (Mr. George) and also Mr. Morris, the Secretary for the Minister for Lands re the closing of Phillip-street. Mr. George intimated that if the facts were as presented to him by the mayor and the town clerk he would do all he could to assist the council in the matter. Mr. Morris said that it would be necessary to introduce a Bill to the House to give effect to the council's proposals. This Bill would provide for the closing of Phillip-street, and vest in the council a portion of land to be handed over by the British Imperial Oil Co. He further pointed out that it would be necessary for the council at a later stage to carry a resolution expressing their wishes and that nothing further would be done except in a tentative way by the department until such time as the council discussed the matter and decided their course of action.

Hon. J. J. HOLMES: The whole trouble that has arisen is due to the fact that the information which we should have had was not disclosed last week. When the leader of the House introduced the Bill members sought for information, but the Minister threw down the papers and said, "That is all the information I have. If hon. members want further information, they can get it themselves." I suggest that is not the manner to be adopted by a Minister when he is introducing a Bill to this House. I venture to suggest also, that the member who introduced the Bill in another place did not understand it. It has been said that we cannot make a monetary gift to the North Fremantle Municipal Council, but in the first subclause of the Bill we find that we are re-vesting four fine blocks at the corner of High and Parry-streets in the Crown, and also that land is going to be given to the Fremantle people. The Bill as introduced in another place was not for the transfer of a portion of the land belonging to the British Imperial Oil Co., but for the closing of Lancelot-street. That was deleted in another place because the member who introduced the Bill did not understand it. He should have provided for the widening of Lancelot-street and a portion of the British Imperial Oil Co.'s land was to be given for that purpose. I have had an opportunity of interviewing the manager of the British Imperial Oil Co., and he told me all along that the company expected to give something for this land. It would appear now, that owing to the necessity to delete a portion of the Schedule, all we are doing is to close this street, and re-vest it in

the Crown. I suggest that it would be a wicked thing to put the land up to public auction. Mr. Baglin says that the company could buy the land for a shilling, but what is there to prevent me or anyone else buying that land for £2,000 and selling it again to the company for £2,500. The British Imperial Oil Company have plenty of land on the sea shore which is of very little use to them, and instead of bringing down another Bill to widen the other street, I would suggest that the Government should approach the company, and from what I can see, the company would be prepared to give a playground for children on the sea shore in exchange for the land they require. With regard to the North Fremantle Council, I do not know of any municipality that has been treated as badly as that body. Before the Fremantle harbour works were opened up the whole of the north side of that municipality was used for residential purposes. The council made roads and provided other facilities for the people who live there. The land was resumed by the Government for harbour purposes and the council never got one penny piece in return for their outlay. Now we have an opportunity to do just a little for that municipality and we should not neglect it. A misunderstanding has arisen and this has been due to the fact that the position was not made clear in another place or when the Bill was introduced in this House.

Hon. J. DUFFELL: Since the Bill was last under consideration I have made it my business to peruse a number of similar Bills which have been introduced to this House, and generally speaking I found that the conditions which prevailed on other occasions are similar to those which are before us now. In ordinary circumstances the land would revert to the Crown. As Mr. Holmes has stated, I do not think that any municipality in Western Australia has been treated as badly as the North Fremantle Municipality by reason of the confiscation of what was their land on the foreshore. They lost a great deal of money by way of rates which would have been collected from the properties there when that land was reclaimed by the Government. In the circumstances, therefore, we have to consider the position as it appears before us in the Bill. Phillip-street as it stands to-day, so far as the North Fremantle Council is concerned, is of very little value to that municipality, but it divides two large blocks of land each of which is owned by the British Imperial Oil Company. The company are desirous of erecting oil tanks so as to store oil in bulk, and they require the street to be closed to enable them to comply with the conditions which have been set out in connection with the erection of these tanks. If they are not able to get this strip of land, they will be obliged to erect their tanks somewhere else.

Hon. A. Sanderson: This Bill will not give them that land.

Hon. J. DUFFELL: The Bill gives no consideration to the North Fremantle Council who have suffered acutely by reason of their having had this area taken from them for the purpose indicated by Mr. Holmes. Now we learn that the British Imperial Oil Company are prepared to give the council some consideration. If the land reverts to the Crown, the council may get nothing. I believe the Government would do something similar to what they did in connection with the previous transaction when a certain area of land which belonged to the Fremantle hospital was resumed. The information I have received is that the Government resumed a certain area which belonged to the Fremantle hospital authorities and as a result of the sale of that land they pay to the Fremantle hospital the interest on that money which was invested. My sympathies are entirely with local governing bodies. Any property which they hold is still the property of the Crown, and if the land in question reverts to the Crown, it amounts to the same thing. But if one body can make more use of it for the benefit of the ratepayers, than another body, the question then is worthy of consideration.

Hon. A. SANDERSON: I have no hesitation in voting against the amendment, and I trust the Committee will not permit the amendment to go through. The sacrifice which has been made by the North Fremantle Municipal Council has nothing whatever to do with this particular Bill.

Hon. J. Duffell: It has something to do with the amendment, though.

Hon. A. SANDERSON: I quite admit that the word "blackmail" is open to objection, but it is difficult for me to find another word which will adequately express my meaning. There is no use telling me that the British Imperial Oil Company are willing to pay the money, because the person willing to submit to blackmail is very little better than the blackmailer. Let me add that I use the word "blackmail" in a Pickwickian sense. I entirely agree with the leader of the House on this amendment, but I was sorry to hear his confession that if he had been in the municipal council's position he would have done exactly the same thing. The municipality are not now prepared to make the exchange, or accept the compensation, which is a better term than "blackmail." Of course the local governing body should be supported as far as possible, but I hope the amendment will not be carried.

Hon. J. E. DODD: I think the Government took the only course open to them when this Bill was presented to the House. If the proposal was to re-vest the land in the North Fremantle Municipal Council and give them the right of asking what they liked for it from the British Imperial Oil Co., I would oppose it. But there is a new element now in the matter, and the council and the company are apparently prepared to

agree. However, there is the danger that a very bad precedent may be established.

Hon. A. Sanderson: Hear, hear!

Hon. J. E. DODD: I am anxious to see the municipality get a fair deal, and if the British Imperial Oil Co. are willing, without being squeezed, to come to some arrangement, there can be little objection.

The MINISTER FOR EDUCATION: I wish to take some slight exception to certain remarks of Mr. Holmes. The information now before the Chamber is information which I gave the House when I moved the second reading of the Bill. Mr. Holmes and Mr. Baglin have raised mare's nests. Mr. Holmes questioned whether the proposal had come from the municipality, and would not even accept the clear and definite statement of the Under Secretary for Lands that it did come from the municipality. The information I furnished to the Committee to-day, simply bears out what I told the House in the first instance. Mr. Baglin's mare's nest was that the municipality did not want the street closed, but he found afterwards that he had spoken under a misapprehension. All the delay has been due to the necessity which arose for my obtaining confirmatory information to dispel the mare's nests raised by the two hon. members.

Hon. J. J. HOLMES: I repeat that the information given to-day has cleared the atmosphere, and that if that information had been given at the outset no difficulty would have occurred. Had the municipality been informed that it was not the practice to re-vest land in a municipality and that that course could not be adopted in this case, the position would have been clear. I suggest to Mr. Baglin that he withdraw his amendment, because all we are dealing with now is the re-vesting of Phillip-street in the Crown. It then remains for the Crown to negotiate with the oil company for another piece of land in exchange. We would be establishing a very bad precedent if we closed a street and then allowed it to be sold by a municipality. The British Imperial Oil Company have acted fairly throughout.

Hon. J. CUNNINGHAM: I know neither the British Imperial Oil Co. nor anybody connected with it, and am not acquainted with any member of the North Fremantle Municipal Council; but as regards the closing of Phillip-street it seems to me that the North Fremantle Municipal Council have no use for that street and are willing that it should be closed. That being the case, I fail to see how the municipality come further into the matter. Therefore I oppose the amendment, and shall vote for the clause as it stands.

Hon. F. A. BAGLIN: I cannot accept Mr. Holmes's suggestion to withdraw my amendment. I do not want to weary members with the whole report of the North Fremantle Municipal Council's special meet-

ing, but here is another resolution carried at that meeting--

That if the Bill now before Parliament for the closing of Phillip-street does not vest the land in fee simple in the North Fremantle municipality, our representative be asked to endeavour to have the Bill dropped, Phillip-street to remain open as at present.

The municipality say that if they cannot get a monetary compensation for the valuable concession they are making to the British Imperial Oil Co., they want the proposal dropped. I take very strong exception to either my amendment, or the decision of the North Fremantle Municipal Council, being designated blackmail. "Evil be to him who evil thinks." I moved the amendment from the purest motives, and the North Fremantle Council have also been actuated by the purest of motives.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. F. A. BAGLIN: I desire to withdraw my amendment. During the tea adjournment I had a conversation with the town clerk of North Fremantle, who agreed that it would be better to withdraw the amendment and trust the Government to do a fair thing by the municipality.

The MINISTER FOR EDUCATION: As I have previously said, the Government have no desire to make a single sixpence out of this. When the road is closed and re-vested in His Majesty, it will be competent for the North Fremantle Council to make what representations they like.

Amendment by leave withdrawn.

Clause put and passed.

Schedule, Title—agreed to.

Bill reported without amendment, and the report adopted.

BILL—PUBLIC SERVICE APPEAL BOARD.

Received from the Assembly and read a first time.

BILL—CORONERS.

Second Reading.

* Debate resumed from the 14th October.

Hon. R. G. ARDAGH (North-East) [7.34]: I support the second reading. For years past I have recognised the necessity for amending the existing legislation. Throughout the goldfields for many years certain people have been called upon to carry out the duties of coroners, sometimes at much inconvenience to themselves, and always without remuneration. It is time coroners were adequately paid for their services. Also I think that jurors are insufficiently paid at present. They are called

from their employment, frequently with financial loss to themselves, and therefore they, too, should be adequately paid for the duties they perform. The Bill provides that in all cases of fatal mining accidents jurors shall be empanelled. In all such cases experienced men should be enrolled as jurymen, because it cannot be expected that the coroners shall have an intimate knowledge of the technicalities of the industry. In regard to Clause 40, relating to witnesses, I am not clear about their payment. The clause makes provision for the remuneration of medical practitioners, but it does not definitely prescribed payment for witnesses, notwithstanding that it provides penalties for non-attendance on their part. I think their services should be remunerated, particularly in view of the possible imposition of penalties. Under another clause the coroner has power in certain cases to order payment for witnesses, but in my opinion that is not sufficient. I will support the second reading.

Hon. J. NICHOLSON (Metropolitan) [7.38]: I am sure the Bill will commend itself to hon. members. It has for its object the consolidation of various measures dealing with inquests and inquiries of various characters, not only in the matter of death, but in respect of fire. Also there are comprised within its purview the Coal Mines Regulation Act and the Mines Regulation Act. The measure will be of considerable benefit. Possibly, when in Committee, it will be found advisable to amend certain clauses, such as have been pointed to by the hon. member who last spoke. The Bill has been sorely needed for many years past. I heartily support the second reading.

Hon. E. H. HARRIS (North-East) [7.40]: I welcome the Bill. It will bring our legislation up to date. Among other alterations which I notice is that dispensing with the services of juries when deemed advisable, and the conferring upon the Governor in Council power to appoint coroners. In many cases it is important that the inquest should be held by an experienced coroner. There are two or three clauses which, I think, can with advantage be amended, as for instance Clause 25, which in Sub-clause 1 provides for a representative of the deceased and a representative of the miners' association in the district being present at the inquest. That, I think, might be improved by providing also that any registered industrial association or union or branch of such union should be represented, if so desired. No provision is made in regard to an inspector, other than inspectors under the Mines Regulation Act. In the case of an accident which may have happened through any breakdown of machinery, an inspector under the Machinery Act, 1904, should be present at the inquest. Clause 26 provides chiefly for accidents or deaths under the Coal Mines Regulation Act. In Sub-clause 1 provision

is made that when death has been caused by explosion or accident of which notice is required by the Act to be given to the inspector of the district, and such notice has not been given, the coroner shall adjourn the inquest unless an inspector or some person on behalf of the Minister is present to watch the proceedings. That provision is not found in Clause 25, which deals with accidents in or about a mine other than a coal mine, I should like the Minister to indicate the reasons for this omission. If it is necessary for an inspector to represent the Minister and be present at such inquiries, an amendment will be required in several subclauses. Clause 31 provides that whenever it is practicable, at least two of the jury shall be working miners. It is highly desirable, in the case of an accident underground, that the jury should be composed chiefly of miners. On the other hand, in the event of the avocation of the deceased being of another kind than mining, it is desirable that the jury should be mainly composed of men who follow the same avocation. If a man should happen to be electrocuted it would be preferable to have on the jury men with a knowledge of electricity than to have the jury composed chiefly of miners who may have no knowledge of electricity or machinery. Clause 33 provides for exemptions of jurors. I should like to know from the leader of the House whether under paragraphs (a) and (b) provision is made for members of the Legislature to serve on juries or not. These points cover what I consider to be the defects of the Bill. When in Committee I will endeavour to have amendments set out in the directions indicated. I support the second reading.

Hon. J. MILLS (Central) [7.47]: One point is not clear to me. Clause 3 provides that "coroner" shall include a deputy coroner, a resident magistrate, and a justice authorised by the Attorney General to act as a coroner. I take it there will be only a certain number of justices who will have that power delegated to them. In outback places deaths frequently occur from violence of some nature, and a justice, who may act as a coroner, may not be within 50 miles of the scene of the accident. What would happen in such a case? Would the body have to be interred and would a deputy coroner, at some later time, come on the scene and cause it to be disinterred before an inquest could be held? I do not see why all justices of the peace should not have the powers they have at present. They are usually common-sense men and must be entitled to some respect or they would not have been appointed to these positions. It would be advisable to leave to justices of the peace the power to act as deputy coroners.

Hon. J. W. HICKY (Central) [7.48]: I support the second reading of the Bill. I have followed the speech of the leader of

the House, and have also followed the Bill closely in another place. It is essentially a measure for Committee. There are many clauses in it that are debatable, but I will reserve any comment I have to make to the Committee stage. I also require a good deal of information concerning many of the clauses, but I hope that will be given during the discussion in Committee.

On motion by the Minister for Education, debate adjourned.

BILL—BUILDING SOCIETIES.

In Committee.

Resumed from the 14th October; Hon. J. Ewing in the Chair, the Minister for Education in charge of the Bill.

Clause 19—Prohibition of advances on second mortgage:

The CHAIRMAN: Hon. members will recollect that this clause was postponed until after the consideration of Clause 52. An amendment had been moved by the Hon. J. J. Holmes, to strike out the second proviso.

The MINISTER FOR EDUCATION: The view taken by a number of hon. members is that it is either right or wrong to permit building societies to lend money on second mortgage. If it is right, then no one should be prevented from doing it. If it is wrong, everybody should be prevented from doing it, except societies which have been formed under the existing law, and whose rules practically provide for the lending of money on second mortgage, and which societies should be enabled to carry out the obligations into which they have legitimately entered. Mr. Nicholson read a letter he had received from the Co-operative Building Society of Western Australia. I have also received a letter from this society to the effect that in the other States of the Commonwealth a society on exactly similar lines is operating and lending money on second mortgage. I placed the whole of the facts before the Attorney General who submitted them to the Solicitor General, whose opinion I will read to the House.

The Building Societies Act, 1874 (Imperial) did not contain any provision prohibiting advances on second mortgages. The amending Act of 1894 arose mainly out of the "Liberator" scandals, and one of its provisions is a Clause 13, prohibiting advances on second mortgages, which has been adopted in Clause 19 of our Bill. The Victorian Acts and other building societies Acts of the other States are based on the Imperial Act of 1874, and I cannot find that the provisions of the amending Act of 1894 have been adopted in the other States. Referring to this amendment made by the Act of 1894, Davies in his book on building societies, writes—"The heavy losses which resulted to societies through lending upon second mortgage have led to

an alteration of the law in this respect. Now (except as regards some societies in Scotland and Ireland) the practice is forbidden." And in Wurtzburg on building societies he states—"In many societies advances on second mortgages are expressly forbidden by the rules, and this very wholesome provision has now been adopted by the Legislature, and made universal by Section 13 of the recent Act."

The present Bill was prepared largely at the suggestion of the Perth Building Society, and the desire was that it should be framed on the lines of the Imperial legislation. It was at the instance of the Co-operative Building Society of Western Australia that this second proviso was inserted in Clause 19. There is a precedent in what has been done in England. The Imperial Act provides "that this section should not apply to any society in Scotland or Ireland which is at the passing of this Act authorised by its rules to make advances upon second mortgages." There is a distinct precedent for doing what is being done in this Bill in the second proviso. In the present instance there is, I understand, only one society in Western Australia whose rules authorise them to lend money on second mortgage. The passing of the proviso, as it stands now, would give to the association the exclusive right for all time to carry on this particular form of business.

Hon. A. Sanderson: For all time?

The MINISTER FOR EDUCATION: Until Parliament chooses to pass some other Act. If the association were given the power, Parliament in order to take it away would have to do so in such a manner as to enable them to carry out all the obligations which they had properly and legally entered into. The Solicitor General goes on—

Therefore, we have the precedent of the Imperial Act as regards societies which, prior to the passing of the Act of 1894, were authorised to make advances upon second mortgage, and, although the proviso in Clause 19 would, apparently, only apply in this State to one society, namely the Co-operative Building Society of Western Australia, the principle of the proviso was accepted by the Imperial Parliament as regards building societies in Scotland and Ireland authorised at the passing of the Act to make advances on second mortgage. As the registration of the Co-operative Building Society of Western Australia has been allowed, and as it has established its business under the methods authorised by its rules, I doubt if it is desirable, by allowing Clause 19 to pass without the proviso, to put an end to the business of that society. On the other hand, in view of what I have quoted from the text books on building societies, it is, it seems to me, a desirable amendment of the law to provide that, except as regards societies authorised to make advances on second mortgage before the commencement of the

Act, societies should not advance except on the security of a first mortgage. I think the alternatives are: either to allow Clause 19 to stand, or to strike it out. If it is struck out, then, as a consequential amendment, the words in Clause 22, to which I have referred, will also be struck out.

The Attorney General takes the view that it would be most unwise to permit building societies to advance on second mortgage, but he thinks the proviso as it stands now goes too far in allowing this society to do it indefinitely. The secretary of the Co-operative Building Society wrote to me pointing out what would happen to the society if this proviso was struck out. His letter says—

If this is done my society would have to break its pledges to its 800 odd members and before long go out of business. We have been carrying on operations for the past seven and a half years, during which period our members have received over £60,000 in loans. On joining the society a member is guaranteed that he or she will receive their loan within eight years, but if the above amendment is carried this will be impossible. Our membership is composed almost entirely of those not richly endowed with this world's goods but with the desire to better themselves and become their own landlords, and we are encouraging them in every way. The society is absolutely co-operative, and all profits go back to the members themselves, less a proportion to reserve account. Where a member has sickness or bad luck we help him in every possible way. We are not asking for any monopoly; we simply wish to carry on legitimate business and carry out the pledges we have given to our members. I trust, therefore, you will go carefully into the matter before allowing such an injustice to be done as is proposed by this amendment. If you desire any further information with regard to our society, I shall be happy to give it.

I have had a couple of interviews with the secretary of this society and we have discussed the matter fully. The amendment suggested by Dr. Saw was that this clause should apply only to business already transacted. That would not meet the case. It would mean that advances already made on second mortgages by the society would stand as good, but it would be impossible for the society to carry out the obligations it had entered into with its 800 members. In view of the precedent established by the Imperial Act, I do not think we should be going too far if we exempted this society so far as was necessary to enable them to carry out their obligations to the whole of their members. In regard to absolutely new business, it will have to be conducted on the same lines as other societies, in accordance with the Bill. Such a result could be achieved by inserting after the word "that" in the first line of

the second proviso of Subclause (3) the words "for a period of eight years from the passing of this Act," and also by inserting after the word "may" in line 4 of the same proviso the words "during such period." The subclause would then read as follows—

Provided also that for a period of eight years from the passing of this Act this section shall not apply to any society which is at the commencement of this Act authorised by its rules to make advances upon second mortgages, and any such society may during such period, if authorised by its rules so to do, in lieu of advancing its own funds, negotiate advances by other persons to its members on the security of a first mortgage of a freehold or leasehold property, and the guarantee of the society by way of covenant in the mortgage or collateral security.

I do not want any misunderstanding on this question. What I have outlined is not what the co-operative society desire, and I do not want members to think that my proposal arises from what I learned while discussing matters with the secretary of the society, but it is what is necessary to enable the society to carry on and observe the obligations they have entered into. With the amendment I suggest, all members who have joined the society with the promise that their requirements will be met within eight years, will be exempt, but on all future business the provisions of the Act will have to be complied with. At the same time, I adhere to my former attitude which is in accord with that first taken up by Mr. Holmes, that if it is wrong for a building society to advance money on second mortgage, no society should be allowed to do so. As this society started business legitimately under the law as it stood at the time, and in view of the fact that such privileges are given to societies in Scotland and Ireland, we would not be going too far to give this society the eight years exemption to enable them to carry on and observe their obligations to their present members. On all new business the provisions of the Bill will apply.

Hon. A. Sanderson: What is the amendment before the House?

The CHAIRMAN: The amendment is to strike out the second proviso.

Hon. J. J. HOLMES: Having heard what the leader of the House has said, I ask permission to withdraw my amendment.

Hon. A. SANDERSON: Before the amendment is withdrawn, I should like to know what the position of the Committee will be, if the amendment is withdrawn. Will we have to vote for the clause as it stands?

The Minister for Education: I intend to submit an amendment.

Amendment by leave withdrawn.

The MINISTER FOR EDUCATION: I desire to move an amendment.

Hon. A. SANDERSON: Would it not be advisable to test the feeling of the Committee on the whole question dealt with in the proviso?

The MINISTER FOR EDUCATION: If the clause is struck out, I cannot amend it. If I amend it, the hon. member can still move to strike out the clause. I move an amendment—

That after "that" in line 1 of the second proviso the words "for a period of eight years from the commencement of this Act" be inserted.

Hon. A. SANDERSON: I am going to vote for this amendment as the only possible means of meeting the case as it appeals to me, if the Committee will not reject the clause as a whole. I am going to vote for the amendment but that will not commit me to support the clause as a whole. Thus I hope no member will twit me with bringing forward arguments in support of the whole clause being struck out, after voting for this amendment.

Amendment put and passed.

The MINISTER FOR EDUCATION: I move a further amendment—

That after "may" in line 4 of the second proviso the words "during such period" be inserted.

Amendment put and passed.

Hon. A. SANDERSON. We now come to an important stage, and I regret that I have not had the opportunity of consulting skilled advisers, such as rests with the leader of the House.

Hon. J. J. Holmes: You have that right. I avail myself of it.

Hon. A. SANDERSON: We will not go into that question, but it is a fact that there is a difference between an ordinary member and the leader of the House securing that advice. This question has been put before members very clearly by the leader of the House. Is it or is it not proper that this power should be given and that building societies should have the privilege of operating on a second mortgage? If we are going to have an important change it is the business of those who want the change to make out a very complete case in favour of it. I ask whether that case has been made out. The leader of the House has stated that the Attorney General was very much in favour of this provision because of the Liberator scandals in 1894 in which Jabez Balfour was concerned. I am not going to deal with the particulars of those scandals, but there is a great difference between the conditions of land transfers and mortgages in England and those obtaining in Australia. Everyone knows of the cumbersome method in England and the more simple methods in Western Australia. It does not appeal to me that because there were Liberator scandals in England, that we should take our legislation back, and not forward, to the conditions of 1894. We have every respect for the mother of Parliaments, but we know that at times when public scandals are

abroad, Governments bring in Bills in order to satisfy public pressure. I am under the impression that the Bill in 1894 was brought in to meet the pressure of public opinion. I do not think that the leader of the House has put up a good case for this measure. It was introduced at the instance of the Perth Building Society. Is that the proper method of dealing with a matter of this sort? It is no reflection upon the Perth Building Society that they should bring influence to bear to get what they want, but I think that the proper attitude of the Government would be if they desired to make such provisions as are embodied in this clause, that they should give other societies an opportunity to avail themselves of the privilege as well. I am authorised to state as far as the Co-operative Building Society are concerned that they did not know anything about this Bill until it was brought under their notice. I understand that this society occupy a position of some importance in the building society world. Another point of importance is that societies in the Eastern States are permitted to work on second mortgages.

The Minister for Education: The Solicitor General admits that.

Hon. A. SANDERSON: Then there is no necessity to press that matter. Surely there are dozens of important matters which require alterations with the greatest care. Is this the proper time to introduce a difference between us and the Eastern States in a matter like this? Why make these differences unless we can put up an overwhelming case?

Hon. J. W. Hickey: On a point of order, is the hon. member discussing the Bill or the amendment?

The CHAIRMAN: The hon. member was discussing the clause, though he was digressing somewhat.

Hon. J. W. Hickey: I thought he was speaking on the second reading.

Hon. A. SANDERSON: The second reading might have been confined to this particular clause. It is the essence of the Bill. What is the objection to a second mortgage?

Hon. J. J. Holmes: Would you take it as a security?

Hon. A. SANDERSON: It might be better than a first mortgage; I should want to see the details before I could say. To assert that all second mortgages are less valuable than first mortgages can be contradicted by the evidence which each member could bring forward in his own experience. I trust that the clause will be struck out. If it can be established that the second mortgage system is bad, these people should be stopped, hardship or no hardship, from continuing their work. If there is to be a scandal in the building society world, I do not believe it will arise from trouble over second mortgages.

Hon. J. NICHOLSON: The Minister explained what induced the amendment of the

law as it existed in England. There are very few members who recollect the details of those scandals. Such scandals are not likely to be repeated in this State or anywhere else in Australia. Jabez Balfour, the prime mover in connection with those scandals, was a past master of his particular art, and by promoting companies and utilising the funds of the various companies which he managed and controlled he was given a facility to commit frauds which no company in Australia has an opportunity to do. We might dismiss that argument. Therefore we have to consider the existing conditions in the old country and here. In the old country conditions are palpably different, but we know our own needs and requirements. The small man requires a helping hand to establish himself in a home, and building societies have provided the necessary help. Thousands of people own their own homes through the assistance rendered by building societies. I sent a telegram to South Australia asking for information with regard to business there, and have received the following reply—

Society here established 20 years. Since inception granted loans £900,000. Have 4,000 members. Reserve fund £19,000 invested in large block buildings on main street. Second mortgages on society's terms under which society collect and pay interest on first mortgages have proved quite satisfactory to mortgagee and mortgagor.

This shows that in South Australia a great benefit has been conferred on those members of the society who have availed themselves of it. The society here have been in operation for seven years, and have conferred a considerable boon on members. They have 800 members who have received £60,000 on loan. The society have a limited capital. They explain to their members that they cannot invest the whole of the money required from their limited means, but when a member calls upon them for a loan they arrange for him to get, say, £300, on a first mortgage, and the balance on a second mortgage. They guarantee, if need be, the first mortgagee, thereby giving him an extra measure of security and getting a first mortgage at a lower rate of interest than the member himself could procure. Then they advance on the second mortgage on equally reasonable terms.

The Minister for Education: At one-half per cent. higher.

Hon. J. NICHOLSON: Quite so. The borrower repays the money by easy instalments, the terms are so favourable. The society do not seek to rob their clients, but to benefit them. This is the point we have to consider: are the society conferring a public benefit. I submit that they are.

Hon. J. J. Holmes: For the time being.

Hon. J. NICHOLSON: Nothing has been brought forward to show that there is any likelihood of fraud being perpetrated here. I agree with Mr. Sanderson that what

prompted this legislation in the Imperial Parliament was nothing more or less than the outcry raised by the public of the United Kingdom following on the Jabez Balfour scandals; so many people suffered through the iniquities perpetrated by that man. Such iniquities could not be perpetrated here.

Hon. A. Sanderson: And this clause would not stop them.

Hon. J. NICHOLSON: No. As there is nothing to justify the prevention of the continuance of these benefits, why restrain societies who embark upon this business from carrying out a business beneficial to the general public? To do so would be to stop progress, whereas we should seek to encourage progress. Members join the society with a full knowledge of the fact that the society have power to advance money on second mortgage, and members are receiving the benefit of the money obtained from time to time. Assume that there is a loan of £500 and that £400 of that is on first mortgage and £100 on second mortgage. If there is a shrinkage the society bears the whole of the burden of that shrinkage. The property may be sold for £400 and the net loss then is £100, so that it is neither here nor there. There has been nothing shown to justify the need for retaining the clause. I have no desire to give a monopoly to anyone, nor that anyone should have a monopoly. Let us strike out the clause.

Hon. J. J. HOLMES: I propose to support the clause as amended. When I moved for the deletion of the provision the other night I discussed the matter from the standpoint that if it was right every society should be allowed to do this, and if it was wrong, no society should be allowed to do it. Would hon. members be prepared to take a second mortgage as security? Does an ordinary man of business in the ordinary way take a second mortgage as security? Nine out of ten who take a second mortgage, take it because it is the only security they can get.

Hon. A. Sanderson: It would not be any mortgage at all.

Hon. J. J. HOLMES: I propose to take up a more definite attitude and to argue that it is wrong to allow any building society to do this. I thank the leader of the House for the lucid explanation he has given on this Bill. We would be making a grave error if we allowed a building society to invest trust moneys and take second mortgages as securities. Mr. Nicholson has quoted a telegram which he received from Adelaide, but I would prefer an independent opinion, say the opinion of the Attorney General of South Australia. I would rather have that than any telegram from a building society in Adelaide. Last week a letter was read in this Chamber, a letter which was written by the secretary of the particular society transacting this class of business, and this letter distinctly set out that other building societies advanced on first mortgage, took the security to the bank, lodged it, and got an overdraft.

Hon. A. Sanderson: Who said that?

Hon. J. J. HOLMES: That was contained in the letter which was read by Mr. Nicholson, a letter written, I understand, by the secretary of the society in question.

Hon. J. Nicholson: He did not say other societies in Perth.

Hon. J. J. HOLMES: Well, other societies.

Hon. J. Duffell: The inference was that it was other societies in Perth.

Hon. J. Nicholson: I may tell the hon. member that the letter did not in any way refer to the Perth Building Society.

Hon. J. J. HOLMES: I have not mentioned the Perth Building Society at all. I have said other societies. So far as I know, however, no other society does that. Other societies look upon the securities they hold as something held in trust, and that their directors would be liable to imprisonment if they took those securities to the bank and got an overdraft on them. Suppose the owner of the security came along and wanted to complete his contract. If the bank had possession of the security, what position would the owner be in? I want to know whether the wire Mr. Nicholson received from Adelaide is more reliable than the letter he read the other night.

Hon. J. Nicholson: Well, get the opinion of the Attorney General.

Hon. J. J. HOLMES: If the society have their own funds to advance, and if there should be a slump in property, there is not much trouble, but if they have large sums of money from outside sources for a given number of years, and the mortgages fall due on a given date, and the mortgagee approaches the building society and finds that the society cannot pay, what will be the position then? If the building society have their own funds to advance, it is all right, but if they have not, when the crash comes, and the mortgagor makes a demand, trouble is likely to arise. I have no desire to wake up one morning to find that a building society has borrowed a lot of money on first mortgage, that they have advanced trust money on second mortgage, that the first mortgagee has made demand for payment, and that the building society cannot pay. The clause was amended in another place to give the first mortgagee additional security, but I am not concerned about the first mortgagee: he is top dog always. I am, however, concerned about the shareholders of the society. The clause as amended by the leader of the House will treat the society liberally. It will give them eight years to complete their contract and it provides that doubtful business shall not be continued and that no new business of this description shall be taken.

Hon. J. NICHOLSON: Mr. Holmes is under a misapprehension. He referred to the possibility of a slump and the mortgagee calling upon the society to pay. What the society do is to arrange a first mortgage with another person who is not a member of the society at all. But that first mortgage is

advanced by the first mortgagee with that care which is exercised by all first mortgagees to obtain full security. The society then come in and render the poor man that little extra help which is essential to enable him to become his own landlord. Suppose there is a slump, the first mortgagee would apply to the member of the society. Then, if default were made by that member, the society would merely have to replace that loan by another. But if the loan were repaid, the first mortgagee could not exercise any power of sale or any other power against the member. With the first mortgage there is always a big margin, and in case of need it can always be replaced with another. Let us have an optimistic outlook. Securities are going to swell in value, instead of shrinking as suggested by Mr. Holmes. The hon. member is wrong in supposing that these societies exist only for the purpose of advancing in the same way as trustees. They exist for the purpose of assisting their members. If Mr. Holmes wants to telegraph to South Australia for information, let the further consideration of the Bill be postponed for a day or two.

The MINISTER FOR EDUCATION: Mr. Holmes made reference to a letter read by Mr. Nicholson when this Bill was last before the Committee. That letter certainly misled me. Here is the text of the letter, and I ask hon. members, with perfectly unbiased minds, to say if it would not mislead anyone—

For instance, in the first seven years of our existence we loaned over £60,000 to our members, of which we obtained approximately £35,000 outside. As a matter of fact the method employed by other societies, which practically amounts to the same thing, is as follows: they advance their own money on first mortgage, then arrange for large overdrafts on the security of these mortgages, and in addition take in deposits. The advantage our system has is that all our first mortgages are for definite periods, whereas overdrafts are at immediate call, our system therefore being the safer.

Hon. A. Sanderson: From whom is that letter?

The MINISTER FOR EDUCATION: It is the letter which Mr. Nicholson read here on Thursday last, and it is from the secretary of the Perth Co-operative Building Society.

Hon. J. Nicholson: He might have qualified that statement.

The MINISTER FOR EDUCATION: It certainly misled me, not being familiar with the practice of other societies. However, I at once made inquiries and found that, so far as can be ascertained, no such practice is in existence. In the interview I had with the secretary, I challenged him about that statement, and he admitted that he had not put the matter properly.

Hon. J. Nicholson: I asked him about that matter, too.

The MINISTER FOR EDUCATION: It was certainly an improper way of putting the position. I admit that under the arrangement the society are able to meet the requirements of their members much more quickly than they could otherwise. The arrangement would be very satisfactory if the Committee felt assured that it was safe. Taking the figures given as correct, then of the total advances of £60,000 made by the society £35,000 came from outside and the balance of £25,000 was the society's own money. If we assume that the average properties advanced upon would cost £900, it would mean that £575 would be on first mortgage and £325 on second mortgage. Mr. Nicholson says that the first mortgage has an entirely safe margin. That may be so, but most insurance companies and most of the people who lend money at more reasonable rates than other people, that is to say who lend money at the lowest rates, would not consider such a margin of security sufficient to satisfy them on first mortgage.

Hon. J. Nicholson: Oh, yes.

The MINISTER FOR EDUCATION: No. They advance only half the value. Now, I will not put up a supposition of the State going to pieces; but we know that these building societies operate in all parts of the State, and there may be some localities which will go down. We have also to consider that at present building is extremely costly. I can readily imagine circumstances in which a house which to-day costs £900 would not be a particularly good security for an advance of £575.

Hon. J. Duffell: That is very feasible.

The MINISTER FOR EDUCATION: That is what we have to consider. If such circumstances arise, and the first mortgagee forecloses, what becomes of the society then? Of course if the advance is entirely represented by the society's own money, there will be no foreclosure. Undoubtedly it will take the society longer to supply the requirements of their members if advances are made only on first mortgage; but that system will be safe, and I do not think we are entitled to strike out this clause unless we are satisfied that the system of advancing on second mortgage is perfectly safe. Personally I doubt very much whether it is perfectly safe, and that is the reason why I support the clause as amended.

Hon. A. SANDERSON: I desire to reply to Mr. Holmes because on these subjects he speaks with special weight. I totally disagree with Mr. Nicholson on the point of optimism, particularly in this matter. What appeals to me is that we have no right to make a vital alteration in the existing conditions without bringing forward evidence which everyone can trust. I subscribe to nearly everything that the leader of the House has said. But I say we must not be asked to do this without getting the most careful consideration from the expert authorities on the parti-

cular point. We cannot be asked to act upon a general statement as to the position of affairs. Do not let the hon. member go away with the impression that I associate myself with this question of optimism. But is it a reasonable thing that in a small Committee, such as we have to-night, we should make this vital alteration without giving the people concerned an opportunity for coming forward? If the Minister can substantiate the story he has outlined I will be the first to assist.

Hon. F. A. BAGLIN: It is refreshing to find in this Chamber so many champions of the proletariat. We have been listening to hon. members pleading the cause of the working man and the poor man. I have not heard any great agitation from the working man to have the clause struck out. I think the working man wants it amended as proposed by the Minister. I believe Mr. Holmes is sincere in trying to protect the interests of the poor man, but I question the sincerity of those hon. members who want the clause struck out altogether. The amendment, I think, will afford better protection to the working man than would the striking out of the clause.

Hon. J. J. HOLMES: Mr. Nicholson said that when the first mortgagee's mortgage falls due it is a simple matter to get somebody else to take it up. I have yet to learn that people are anxious to take up mortgages in those circumstances. I do not adopt a pessimistic view of the position of affairs generally in the State; in fact in my opinion the outlook for the State was never better than at present. I hold the opinion that with the present prosperity the Government ought to make ends meet. The crash I speak of comes and goes. Rents and properties in and about Perth have gone up at least 25 per cent. during the last few years and that, too, without any justification, except the high cost of material. It is on these high values that the advances are being made. It is when we come back to normal that the second mortgage security will fail. That is what I want to guard against.

Clause as amended put, and a division taken with the following result:—

Ayes	8
Noes	3

Majority for 5

AYES.

Hon. F. A. Baglin	Hon. E. H. Harris
Hon. C. F. Baxter	Hon. G. W. Miles
Hon. H. P. Colebatch	Hon. J. Mills
Hon. J. Duffell	Hon. J. J. Holmes
	(Teller.)

NOES.

Hon. E. M. Clarke	Hon. A. Sanderson
Hon. J. Nicholson	(Teller.)

Clause, as amended, thus passed.

Postponed Clause 22:

The MINISTER FOR EDUCATION: I postponed the consideration of this clause merely because it depended on the decision arrived at in regard to Clause 19.

Clause put and passed.

Schedules 1 to 4—agreed to.

Title—agreed to.

Bill reported with amendments.

Recommittal.

On motion by Hon. J. Duffell, Bill recommitted for the further consideration of Clauses 4, 9, 17, 20, 21 and 23.

Hon. J. Ewing in the Chair, the Minister for Education in charge of the Bill.

Clause 4—Purpose for which societies may be established:

Hon. J. DUFFELL: I move an amendment—

That in line 7 the words "or leasehold" be struck out.

Paragraph (b) of Clause 18 authorises a society to make advances upon the security of freehold or leasehold property. It is to the provision in that paragraph which my objection chiefly lies, but Clause 4 is the first in which the objectionable words appear. To find a satisfactory definition of building societies I have had to go back to an old Act of 1863 which empowered building societies to advance money on leasehold properties. Every building society with which I have communicated since the Bill was placed before us has informed me that it does not under any consideration advance money on leasehold property, the security not being satisfactory. If we err at all in this matter it is wise to err on the side of caution. We are not being cautious if we permit those things to be embodied in our statutes which are considered by existing building societies to be unsafe and unsound. I have made investigation in regard to the question of advances by building societies on leasehold properties, and I am informed that the Perth Building Society, at whose instigation this amending legislation is being brought forward, do not advance on leasehold property.

The MINISTER FOR EDUCATION: I see no reason why leasehold should not be sound security for building societies upon which to advance money to assist in building. I have already informed Mr. Duffell of the opinion of the Solicitor General on this question. The Crown Law Department see no necessity for the deletion of these words, for in making loans building societies will always first inquire into the value of the security offered.

Hon. A. SANDERSON: I support Mr. Duffell's amendment, but it is with the greatest regret that I am compelled to deal with this important matter without having the facts of the case before me. The Government should not, at a time like this, bring such a matter before us in this way.

Hon. J. J. HOLMES: I support the amendment, because I think it will be the means of ensuring that the operations of building societies are confined to freehold properties. If the tenant of a leasehold fails to carry out his obligations to the owner, the society loses its security. Doubtless the inclusion of these words would be a good thing for the Government. There is a good deal of land in Fremantle, for instance, leased by the Crown for 99 years, and it might happen that building societies would provide money for the erection of buildings on these leases. If the holders of the leases failed to carry out their obligations the building society would lose their security, but the Government would have an improved security.

The MINISTER FOR EDUCATION: In some instances new townships have been disposed of entirely on the leasehold system. Should building societies be debarred from operating in these cases? The security is quite good enough. We may not like the system, but this is not the proper time to attack it.

Hon. J. DUFFELL: In reply to the Minister I need only refer to our workers' homes, some of which are on the freehold principle and others on the leasehold principle. I could bring forward some interesting facts in regard to some of these leasehold homes. I understand that not one building society in Western Australia will advance money on leasehold properties.

Hon. A. Sanderson: What evidence have you got for that statement?

Hon. J. DUFFELL: I have the evidence of the building societies themselves. If they do not think it wise to lend money on leasehold property, why make it possible for some new society to do so?

The Minister for Education: They have had that right all along.

Hon. J. DUFFELL: Since 1863 they have never availed themselves of the opportunity, because they know it is not sound business. Why, therefore, perpetuate it?

Hon. J. NICHOLSON: Certain classes of leasehold form a very good security. If I had a lease of a property for 99 years at a peppercorn rental it would be as good as a freehold property. If power were given to advance on leasehold properties with due safeguard, there is no reason why that should not be permitted. This affords another instance of our dealing hastily with matters into which we have not had enough time to inquire. There is also the question of improvements on C.P. land. The banks have advanced money against improvements on C.P. blocks and that is leasehold.

Hon. A. Sanderson: Do you say that C.P. blocks are leasehold?

Hon. J. NICHOLSON: Yes, there is no question of that. These points that I have raised require looking into, and I say that we are rushing this a little too quickly. We might rush into cancelling the loan of money on good improvements on C.P. blocks.

Hon. J. Duffell: It does not say anything about C.P. blocks.

The Minister for Education: The definition clause shows that it includes all these.

Hon. J. NICHOLSON: That is the position. It would be a pity if we had to instruct directors of companies who are men supposed to be possessed of a little common sense who would naturally only advance on properties which would be safe, to act on the suggestion advanced at the present stage.

Progress reported.

House adjourned at 2.53 p.m.

Legislative Assembly,

Tuesday, 19th October, 1920.

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

QUESTION—RAILWAYS, DEMURRAGE.

Mr. JONES asked the Minister for Railways: What was the amount of demurrage paid by Dalgety's, Elder, Smith, & Co., and Wilcox & Moffin on trucks of goods in the sheds at North Fremantle, Fremantle, and Perth, for fortnight ended Saturday, October 16th?

The MINISTER FOR RAILWAYS replied: The amount of demurrage incurred by the firms named at the stations enumerated during the period ended 16th October, 1920, was £504 17s.

QUESTION—CATTLE LOSS, TICK FEVER.

Mr. DURACK asked the Honorary Minister: 1. Has the Stock Department any information confirming the heavy loss of cattle in shipments from Derby to Fremantle said to have taken place during the present ship-

ping season in consequence of tick fever? 2. What is the estimated loss covering total shipments of cattle from Derby this year? 3. What action does the Department propose taking to try and remedy this in the future? 4. In view of heavy loss and wastage from tick fever and tick infestation, together with the consequent spread of tick by travelling stock, will the department bring in regulations making it compulsory for all cattle in the Kimberleys to be dipped before leaving their runs?

The COLONIAL SECRETARY (for the Honorary Minister) replied: 1. The losses from tick fever averaged about three per cent. 2. The estimated losses from all causes are 616 head. The total number shipped is 17,161. 3. A dip was last year erected on the Fitzroy River to deal with travelling stock, and prevent the southward spread of tick. In pursuance of representations by the Commonwealth Institute of Science and Industry, a State committee was appointed to advise regarding the application to this State of a proposed Federal scheme for dealing with the question of tick eradication throughout the Commonwealth. The scheme contemplated co-operation with the States and a sharing of expenses. The committee reported to the Commonwealth Institute of Science and Industry, and the decision of the Federal Government has not yet been communicated. The committee's recommendation included the construction of further dips in suitable localities. The chairman of the committee has been making recent inquiries on the matter in Melbourne, with a view to expediting finality. 4. This matter will be dealt with when the application of the Federal scheme to this State is determined.

MOTION—GOVERNMENT BUSINESS, PRECEDENCE.

The PREMIER (Hon. J. Mitchell—Northam) [4.35]: I move—

That on Wednesday, 27th October, and each alternate Wednesday thereafter, Government business shall take precedence of all motions and orders of the day, in addition to the days already provided.

For eleven weeks now we have had Wednesdays devoted to private members' business. A good deal of legislation has yet to be brought before the House. It is usual after the first two months or so to move the motion that I am proposing. Some of the business to be brought before the House will be controversial. In the course of other sessions it has been customary to move this motion at about the present stage, and I am anxious not to sit here after the end of November.

Mr. O'Loughlin: Why?

The PREMIER: Because it is getting near Christmas, and there are quite good reasons.