

## Legislative Assembly.

Tuesday, 10th September, 1907.

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The SPEAKER took the Chair at 4.30 o'clock p.m.

Prayers.

### PAPERS PRESENTED.

By the Premier: 1, Caves Board Report for year 1907. 2, Papers in connection with Lockout or Strike of Collie Miners' Union, Strike of Engine-drivers on Cosmopolitan Mine, Lockout or Strike of Timber Workers; ordered on motion by Mr. Holman. 3, Regulations under Pharmacy and Poisons Act.

### QUESTION—RAILWAY FENCING, MIDLAND.

Mr. WALKER asked the Minister for Railways: 1, What amount of fencing has been done by the Midland Railway Company for 298 miles from Midland Junction—(a) Pursuant of orders for fencing given by the Commissioner for Railways or other State authority in accordance with Clause 15 of the original contract published in the *Government Gazette* at the time; (b) At the Midland Railway Company's own initiative? 2, Is the Minister aware that there are miles of unfenced railway line bordering on comparatively settled districts? 3, Is he aware that enormous loss annually falls upon the settlers owing to the destruction of cattle in consequence of the railway line being unfenced? 4, Is it the intention of the Government to insist upon the Company fencing its line to the full extent authorised by Clause 15 of the original contract?

The MINISTER FOR RAILWAYS replied: 1 (a), None so far as I can ascertain; (b), 187 miles 71 chains. 2,

Yes. 3, No. 4, Inquiries will be made through the Crown Law Department as to the operation of the clause.

### QUESTION—MINING, A MONEY GRANT.

Mr. SCADDAN asked the Minister for Mines: 1, Have the Government made a grant of money to the Callion G.M. Co., Davyhurst? 2, If so, what amount, for what purpose, and upon whose recommendation? 3, If not, whether the Government propose making such a grant?

The MINISTER FOR MINES replied: 1, No. 2, Answered by 1. 3, No, but a loan of £1,000 has been promised for the purchase and erection of machinery on the recommendation of the State Mining Engineer after a report from the Inspector of Mines. The security for the loan is considered ample.

### BILL—COLLIE-NARROGIN RAILWAY AMENDMENT.

Read a third time, and transmitted to the Legislative Council.

### BILL—LAND TAX.

*To impose a Tax—in Committee.*

Resumed from the 5th September; Mr. Daglish in the Chair; the Treasurer in charge of the Bill.

Clause 2—Grant of Land Tax:

Mr. FOULKES moved—

*That the word "halfpenny," in line 6, be struck out.*

When the second reading was being discussed, he explained why he intended to move this amendment, that at present none could tell what the effect of the tax on the community would be. The estimated amount that would result from the tax was £60,000 a year; but his impression was that the Treasurer was altogether under-estimating. He hoped there would be no objection on the part of the Government to the reduction of the tax from three-halfpence to one penny. He regretted that the Committee stage was put down for this afternoon, as several members who would have supported his

amendment were unfortunately unable to be present. [*The Treasurer*: They had due notice.] Unfortunately they had to go to their homes in the country, and had not been able to get back in time for the debate. There was a considerable amount of suburban lands in the vicinity of municipalities, the owners of which, if desiring to secure the rebate under the Bill, would need time to arrange for building on those lands. If sufficient time were allowed the owners would probably build on the land, so as to secure the rebate. Many members had voted for the second reading in the expectation that the rate would be reduced to 1d. Some pastoral properties had increased enormously in value, as was shown by the sales; and much agricultural land was becoming more valuable every month. Only four or five years ago one could take up Crown land within six or seven miles of Beverley at 6s. or 10s. per acre, which was now selling at from £3 to £4 per acre; and similarly with land in the Northam, York, Wagin, and Katanning districts. The tax on these lands would produce a much larger amount than the Treasurer anticipated; and so with the Midland Company's properties, judging by the prices secured at the recent sales. Do not make the tax too heavy for the first year. Afterwards, if the Treasurer found his forecast incorrect, he could make the necessary alteration.

**THE TREASURER**: Several times he had pointed out that we could not expect to receive during this financial year much more than the £60,000 estimated, for there would not be time to establish a taxing branch and make proper valuations of all lands in the State. If that could be done, the estimate might be exceeded. He had shown the absolute necessity for raising £60,000 at least. The money was needed to balance or nearly balance the ledger. True, without proper assessments we could not tell the exact effect of the tax; but should we for that reason reduce the amount? We ought rather to be on the safe side. There was no understanding that the amount would be reduced. The tax of 1½d. would not be imposed on the improved properties

spoken of by the hon. member. These would pay only ¾d. If as stated they had increased enormously in value during the past few years, that was an additional reason for asking the owners to pay their share of the taxation, in view of the unearned increment. The New South Wales land tax was 1d. in the pound; the South Australian ¾d., for this year; and the Victorian, a percentage on the capital value. To reduce our revenue as proposed would be absurd.

**MR. BATH**: The arithmetic of the mover of the amendment was peculiar. The Treasurer estimated a deficit of £106,000 or £108,000 on this year's operations, and that the tax would realise £60,000.

**MR. FOULKES**: But we should save £60,000 or £70,000 on our railways.

**MR. BATH**: As to such savings the statements were too vague to justify the amendment. The hon. member's allegations about the unimproved values of land were entirely at variance with the statements of other opponents of the tax. The member for Gascoyne (**MR. BUTCHER**) said that pastoral holdings, in spite of considerable improvements, could now be secured for the prices quoted some years ago. The member for West Perth (**MR. DRAPER**) spoke of the dire effect of the tax on land generally, and said the prospect of it had already a depressing effect on land values; while the member for Perth (**MR. H. BROWN**) supported that argument.

**MR. FOULKES** had not spoken of metropolitan and urban districts.

**MR. BATH**: No line of argument would support the idea that a land tax would have one effect on town lands and an entirely different effect on country lands. There might be some difference in the amount of influence as between town and country lands. As had been pointed out, there had been an increase of values in country lands; therefore the securing of a portion of this increased value to the State was a just basis for taxation. Until the tax had been raised and the amount actually received into the Treasury, it was mere prophecy to say what amount would be yielded by the tax; and on this point the Treasurer was

in a better position to estimate than private members could be. In view of the state of the finances, the Treasurer should be supported in the amount estimated by him as necessary.

Mr. H. BROWN supported the amendment for reduction. The Treasurer had quoted the amount of the land tax in New South Wales; but in that State, where the system of shire councils obtained, so soon as local taxation was imposed in a shire, the land tax ceased to operate in that area. In this State, our people could not afford to pay this added impost; certainly not in Perth and most other towns, where the local rating was now very heavy. If the intention was to force on the improving of town properties by imposing a land tax, he feared the tax would have the opposite effect of depreciating values and reducing rents. As showing the burden of taxation now imposed in towns, the wealthy municipality of Claremont had been forced to issue distress warrants for the recovery of rates, £320 only being collected in ten months and some £2,000 outstanding. In and around Perth the tax on unimproved lands was 2d. in the £, and to add a farther 1½d. would be too much. He agreed with the opinion of the member for Claremont that a greater sum than £60,000 would be raised by a land tax of 1½d. in the pound, and the reduction of the amount to 1d. would be a relief to the towns.

Mr. COWCHER supported the amendment. The tax should be as low as possible. Many roads boards already imposed a tax of 1½d. in the £, and to add to that a Government tax of 1½d. would be loading the camel with the last straw that would break its back.

Mr. FOULKES: In referring to the increase of values in pastoral and agricultural districts, he had been careful to refrain from including urban and suburban properties, in which there had been little or no increase of value during recent years. The Leader of the Opposition had urged as a reason against a lower tax that the state of the finances did not justify a reduction of the tax; but members knew there had been a large saving lately in the cost of running the railways. [Mr.

Bath: And a large reduction in railway revenue.] It was certain, £60,000 could be saved in the Railway Department this year, even allowing for some decrease of revenue. If a land tax of 1d. in the pound were found insufficient in the first year, the amount could be increased next year. Once an excessive tax was imposed, it would be more difficult to reduce the amount than to raise a low tax to a higher figure. [Mr. Bath: The argument was the other way.] If a tax was necessary, it should not be made a burden on a section of the people, but should be borne by all classes according to their ability to pay. There were other avenues for raising revenue; and though landowners should bear a proportion of the State burden, other sections of the community should also bear theirs. An income tax might be introduced to provide that those whose incomes were derived from trades or professions should bear a fair share; and the licenses for hotels might be increased, so that those making fortunes from hotels might also have to contribute, especially as the liquor business caused so much additional expenditure to the country.

Mr. HARDWICK: As municipal and roads boards rates were now sufficiently high, this new kind of tax should be made as light as possible; therefore the amount should be reduced to 1d.

Mr. H. BROWN made another appeal on behalf of the towns. The imposition of the tax would expedite a threatening crisis in the city of Perth, where values had depreciated 25 per cent. in recent years. Even now, securities were being revalued, and in nine cases out of ten the mortgagor was called on to either pay up or reduce the amount of mortgage. This tax would fall on the mortgagor more heavily because in many instances his interest in the land was less than that of the mortgagee. This was stated with knowledge, for he had valued much land lately, and in nearly every instance the mortgagor had had to reduce his mortgage or pay up. Land had gone down 20 per cent. in value, and with the imposition of the tax it would go still lower.

Mr. BREBBER: The tax would not bear very heavily on the poorer class of

property owners. He did not look on the arguments brought forward by the member for Perth as sincere, because he and other members had stated that they were prepared to adopt any means or use any strategy to wreck the Bill. This, to his mind, discounted any arguments which that member brought against the Bill. The member for Claremont and the member for Gascoyne had also right through the debate on the Land Tax Assessment Bill appeared to be insincere. They did not want the land tax at all and would adopt any method, whether just or unjust, to wreck the Bill.

Mr. FOULKES: The member for North Perth had no right to say he (Mr. Foulkes) was not sincere. With other members he had very strong feelings against the measure, and had therefore urged the Minister to reduce the amount of the tax. The member for North Perth represented a district where the effect of the taxation would be practically *nil*, for a large number of people in his district would be exempt. In Claremont, Cottesloe, North Fremantle, and in other districts, there was an amount of urban land and vacant blocks, and in these districts people should not be forced to build on the vacant land, for the buildings would be of no utility if erected. Many persons would be glad to build on these vacant blocks if they could get tenants when the buildings were erected. The burden of taxation should be spread as evenly as possible amongst all classes of the community.

Mr. H. BROWN: Before the division took place he would like to show what short memories some members had. Many members had spoken in favour of the Bill and voted against it, and *vice versa*. He would like to read the division list which was recorded on the last occasion.

The CHAIRMAN: The hon. member must discuss only the amendment.

Mr. H. BROWN: It was only to show what short memories some members had.

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

Ayes	..	..	..	33
Noes	..	..	..	6
				—
Majority against	..			27

## AYES.

Mr. Angwin  
Mr. Barnett  
Mr. Barb  
Mr. Bolton  
Mr. Brebber  
Mr. T. L. Brown  
Mr. Butcher  
Mr. Collier  
Mr. Davies  
Mr. Eddy  
Mr. Gordon  
Mr. Gregory  
Mr. Gull  
Mr. Hayward  
Mr. Heitmann  
Mr. Holman  
Mr. Horan  
Mr. Hudson  
Mr. Johnson  
Mr. Male  
Mr. Mitchell  
Mr. N. J. Moore  
Mr. Price  
Mr. Scaddan  
Mr. Stoue  
Mr. Stuart  
Mr. Taylor  
Mr. Underwood  
Mr. Verrard  
Mr. Walker  
Mr. Ware  
Mr. F. Wilson  
Mr. Layman (Teller).

## NOES.

Mr. H. Brown  
Mr. Cowcher  
Mr. Draper  
Mr. Foulkes  
Mr. Hardwick  
Mr. Smith (Teller).

Amendment thus negatived.

Mr. FOULKES moved a farther amendment, that the following be added at the end of the clause:—

*And such land tax shall be payable by two equal half-yearly moieties.*

This would be a great convenience to people who would have to pay the tax, and the Treasurer would be able to collect it easier in two moieties than one.

The TREASURER opposed the amendment. This year at least it would be impossible to collect the tax in half-yearly instalments, for the necessary machinery could not be provided in time; hence under the amendment we should have to be satisfied with one half-yearly payment. Clause 46 Subclause 4 of the Land Tax Assessment Bill contained ample provision for prescribing by regulation when and how the tax should be paid; and next year it might be convenient for the Treasurer to collect the tax half-yearly. This year we must have the full amount in one payment, to realise the estimate.

Mr. FOULKES strongly objected to the tax being collected this year in one sum, and to the Treasurer having power to prescribe how the tax should be paid—this year in a lump, next year in two moieties, while a future Treasurer might prescribe quarterly instalments. Better

fix this in the Bill. Many would find it convenient to pay the tax half-yearly.

Mr. STONE supported the amendment. Both people and Government would find it more convenient if the tax were payable half-yearly, like municipal and roads board rates.

Mr. ANGWIN supported the amendment, which had been proposed last year by another place, and should, like similar amendments, have been accepted by the Government, for the Bill would then have passed. It was unfortunate that the Bill was not retrospective, for we might lose half of the tax this year; but that there would be any extra cost of collection under the amendment was not apparent. Many could pay in two moieties who could not pay in a lump sum.

Mr. GORDON: The tax was imposed because the Government wanted money. Certainly urban and suburban residents would find it easier to pay half-yearly, but for the farmer it was easier to pay yearly, when he secured his annual profit. As the Government wanted money they must have it, else the tax would not be worth passing. Why not collect it quarterly, or not at all? The amendment was only putting off the evil day. If next year a half-yearly collection was considered desirable, that method could be adopted.

Mr. COWCHER supported the amendment. The Government land rents were collected half-yearly: why not this tax?

Mr. HAYWARD: Could the Treasurer say what would be the additional cost of collecting the tax half-yearly?

The TREASURER: No; though he did not think it would be a heavy burden. But, owing to the time which would be occupied in preliminary arrangements after the Bill passed, we could not get this year more than one payment; and if members wished to see the £60,000 on the Estimates, the amendment must be negatived. Pass the Bill, and next year a regulation would be made to provide for half-yearly payments. One annual notice should suffice, with a reminder as to the second moiety; and there should not be any heavy additional expense of collection. The idea of the mover (Mr. Foulkes) was evidently to

reduce by one-half the amount to be received this year. He had failed to reduce the rate by one-half, and now tried to provide that only half the amount should be collected.

Mr. FOULKES: On the second reading notice was given of the two amendments, and even had the first amendment been carried he would have moved this amendment. The Treasurer made certain promises that next year he would do this or that. [*The Treasurer: If here.*] Yes, the Treasurer should not forget that Treasurers might come and go. True, the Treasurer could make provision for this matter by regulation, but it should be in the Bill.

Mr. ANGWIN: Municipalities did not postpone the date of payment of rates on account of appeals. Before lodging an appeal the first moiety of the rate had to be paid. Similar provision could be made in regard to this tax. In regard to the promise to have the matter dealt with by regulation, we had too much done by regulation so that the people did not know where they were half the time.

Mr. STONE: It would be regrettable if the Treasurer intended to make this retrospective and collect the whole year's tax right away; that would be hardly fair to the public. Land rents were paid to the Crown half-yearly, and it would be an easy matter to have the land tax paid half-yearly the same way. People could see by notice in the *Gazette* how much they were entitled to pay, just as they saw that their rents were due.

Mr. WALKER: As this was a new tax there could be no objection to making it as light as possible on those who had to pay it. We should not unnecessarily irritate those who had to pay the tax. One could not understand why we should wait to make a good regulation; surely it could be done now. [*The Treasurer: Things could not be got in readiness.*] Surely the train was ready to put the match to it; officers must be ready to jump into office at once and collect the tax. What must be the position if the Government were so hard up that they must have the cash down now, and not in half-yearly payments? It was absurd to talk of extra expense

being incurred by half-yearly payments. The tax gatherers would not get in the tax straight away; they would be knocking at people's doors time after time; they must be kept regularly in harness to collect, whether we had yearly or half-yearly payments. It must not be forgotten that the citizens were accustomed to pay half-yearly in municipal government, and when it came to paying 12 months in advance they were more or less insulted. [*The Treasurer*: It was not in advance. Six months was nearly gone.] It would be practically six months in advance. To make regulations afterwards was a bad precedent. We should treat the people rationally, and they would act rationally in response.

**The TREASURER**: The Bill provided that for the year ending 30th June, 1908, there should be charged, levied, collected and paid, for the use of His Majesty the King, a certain amount in the manner prescribed. If we passed the Bill and then put in an amendment practically prohibiting the collection of money in the financial year, we might as well recast the Bill altogether. It was not a matter of imagination that it would take some time to get things in order. When the Commissioner of Taxation was first appointed in New South Wales he was appointed on the 1st January but did not collect a penny during that financial year under the Taxation Bill Act then in existence in New South Wales. It took him all the six months to get his department into working order so that he might collect in the following financial year. Members should not forget the reason for passing this Bill. It was because we needed money. Yet members were now quibbling over the question of collection, and wanted to cut the matter down so that, although we anticipated to receive £60,000 from this source, we could only collect possibly £30,000. Members were going back on their desire to assist the Treasurer in the fiscal policy put forward. It was playing with the question. Neither must it be forgotten that this Bill merely applied to the current financial year. Power was given to the Governor-in-Council to make regulations prescribing the mode

of payment. That would do in the meantime, but next year if he still occupied the position of Treasurer he would suggest having the tax paid in two moieties. To suggest that this should be a hard and fast condition of this Bill would defeat the wording of the clause and intention of the measure. Next year, if the Government did not bring down the proposition, the House could take any steps necessary to enforce the tax being paid in two moieties. When the Taxation Department was in working order there would be no objection to having payments made in two moieties, because everything would be running smoothly; the assessments being made in advance could go out, and half-yearly payments could be made, one towards the end of the calendar year, and the other towards the first half of the following year. For the bulk of those engaged in agricultural pursuits the best time to pay taxation was in March or April, when the harvest payments came in.

*Mr. Coucher*: What about after shearing?

**The TREASURER**: Shearing did not affect most of the agriculturists. Pastoralists on the whole could pay at any time, and the hon. member did not desire to assist the pastoralists.

**Mr. FOULKES**: The Treasurer had admitted that it would in future years be a great convenience for people to pay the tax in half-yearly instalments, and the arguments applied equally as well to the first year of the tax. Unless this system were adopted this year it would press very heavily on the people.

**Mr. H. BROWN**: It was gratifying to see that the Committee were so sympathetic with the amendment. In South Australia it took six months to collect the first tax, and he was sure that that term would be not decreased in this State. If this were so the tax would not be collected for anything like the five per cent. estimated by the Treasurer. There was a sum of £1,200 provided for the purpose, but that would not be anything like sufficient to start the machinery for the collection of the tax. The bulk of the money would come from the towns, and if the Government were to call upon the

storekeepers of the city, who had their lands on lease, to pay some such sum as £40—as many would have to—in one lump at 30 days' notice, they would find it would be absolutely impossible for the people to pay the money. In Perth at the present time the first instalment of the municipal rates due last February was, in many cases, not yet paid. It was most unfair and unreasonable to expect that the tax should be paid at 30 days' notice, and especially when it was remembered that the tax took priority of everything else, even rent.

Mr. GORDON: The amendment had been moved for no other purpose than to attempt to harass the Government. If any member who voted for the tax was not prepared to support the Government in their desire to have it collected this year, or within 12 months, and in one lump sum, he was not really supporting the Bill. [*Mr. Foulkes*: The hon. member should not crack his whip.] At all events he would not crack it at the member for Claremont. There had been threats from the Opposition since the introduction of the Bill, and now in the last stages they were opposing something to which they had already agreed. [*Mr. Taylor*: The Opposition agreed to the principle, not to details.] The principle was that the Government wanted the money. Those who were in earnest in the matter should support the Bill as printed.

Mr. VERYARD: None could question his loyalty to the land tax, but he intended to support the amendment, for his own experience showed the difficulty there would be in collecting the tax in one sum. The Treasurer had said it would be necessary to recast the Bill if the amendment were carried, but it would be easier for the Treasurer to do that than to get the tax paid in a lump sum. His experience of municipal work showed him clearly that very great trouble would be experienced in getting the money in. In cases he had known of moieties of rates having to be paid in weekly instalments. The object of the Government should be to make the burden as light as possible.

Mr. BATH: The impression sought to be conveyed by the member for Canning (Mr. Gordon), that if anyone sought to support the amendment he must be regarded as an opponent to the principle of land values taxation, was entirely erroneous. The member for Canning made some reference to members of the Opposition, but he evidently made a mistake, desiring to refer to those members who opposed the Bill. With regard to the collection of a tax he had found it a very great convenience to be able to pay his municipal taxation in half-yearly instalments, and he could appreciate the arguments as to the advantages to be derived by making the tax payable in a similar way. For that reason he proposed to support the amendment, and would join issue with the Treasurer in the opinion that he would be likely to lose half the tax in the first year if the amendment were carried. [*The Treasurer*: There was nothing surer.] The fact that the amount was made payable every financial year would enable him to collect it whether it was to be paid half-yearly or annually. [*The Treasurer*: It would be collected in the next financial year, and not the present one.] Even if it were not payable until after next June the tax would be able to be collected for any term, after the Bill became law, and the measure would become enacted before the end of the financial year. It really would not affect the amount the Government would receive if the tax were collected in half-yearly instalments or annually, the question resolving itself into one of convenience. It would be more convenient for the people to pay it in two moieties.

Mr. STONE: There had been no more ardent supporter of the land tax than he, but he intended to support the amendment for he considered it would be an injustice to the people if they had to pay the tax in one sum. There should be two instalments, and he could not see why any great expense should be incurred in collecting the tax.

Mr. STUART: We had been told the land tax was needed because the Government required money, and we were now informed by certain members that

the tax should not be collected in a lump sum because the people wanted the money. He opposed the amendment, for the sooner the tax was brought into operation the sooner the Government would be out of their present necessitous state, and some of those who were fighting so hard against the Bill would be compelled to contribute something to the revenue of the State. He had every sympathy with those who desired the instalment system, but he did not think that an injustice would be perpetrated on any one if the tax were collected in one sum. The people who would have to contribute were crying out and trying to place themselves in the position of being the champions of the poor. "Money-bags" was saying, "Do not touch my pockets or the poor will suffer." He was not very much impressed with that argument and although he had every sympathy with the people who had to pay the tax he agreed with the argument that it would be a more economical method of collection to have the sum paid yearly instead of half-yearly.

At 6.15, the Chairman left the Chair.

At 7.30, Mr. Hudson took the Chair.

Mr. ANGWIN: The member for Leonora did not understand the question, or he would not have said the amendment was moved in the interest of the money-bags. It might be in the interest of money-bags, but those money-bags were empty. In addition to land taxation there were other taxes, not imposed by the Government but by local bodies, which people had to pay. He believed in a land tax, but it should be made as easily payable as possible. Members who opposed the amendment wished the Bill to go to the Legislative Council with the tax payable in one instalment so that the Council would throw out the Bill. Only last session the Council passed an amendment that this tax should be paid in two moieties. There were many hard-working persons always willing to pay what they owed, but he wished to have the payment made as light as possible. The Treasurer wished to get the whole payment in this year, but the amendment was one which

every right-thinking person could not object to.

Mr. GORDON: One could read between the lines of the amendment. How could a member be consistent in voting for the tax and then vote for the amendment, for the reason, as the member said, that people were unable to pay the tax? The hon. member thought that the tax would fall a little heavily on people whom he represented, and he was tempted to qualify himself at the expense of the Government. The tax was imposed to enable the Government to carry on. There had been an unholy alliance, apparent, between members on the Opposition benches and the extremists on the Government side, ever since the Bill had been before the House. The member for Claremont would not lead him (Mr. Gordon) into a side track. The member was adopting every means he could to get the Bill defeated.

Mr. Angwin: He voted for it.

Mr. GORDON: Because he could not help it. But now as a side string he moved the amendment, and he had covered the string with a little bit of sugar and the Labour members were going to swallow it. The member for East Fremantle had argued that the Council would throw out the Bill if the amendment were not passed. It did not matter to us what another place might do: as a matter of fact the amendment did not affect the question at all, for that question was dealt with in the Assessment Bill. Last year on the Assessment Bill a request was sent to this House by the Council asking that the tax should be paid half-yearly, but we had already passed a Bill in which it was said that the tax should be collected in one sum, and to vote now that the tax should be collected half-yearly meant that members would stultify themselves.

Mr. HARDWICK supported the Bill. He recognised the difficulties that the municipalities had in collecting rates, and the system of two moieties was adopted by municipalities. Nearly every member who favoured the amendment had served some time in a municipal council. In his electorate there was great difficulty in collecting rates at all. The Treasurer had



said something about shearing; in his (Mr Hardwick's) electorate in many cases the wool clip was very short. The Government should follow the example set by the municipalities.

Mr. HAYWARD: Many members forgot that the amendment would result in collecting this year only half the Treasurer's estimate. Though personally in favour of taxes being collected half-yearly he would vote against the amendment, but would support a proposal to make the inpost payable in half-yearly moieties from next year onward.

Mr. GULL opposed the amendment. Many members ostensibly in favour of land taxation were now endeavouring to make the tax inoperative. If honestly in favour of the tax, as many were not though they voted for it, they had now no right to rob the measure of its value by voting for such amendments.

Mr. ANGWIN: The last speaker did not know the difference between refusing to pay a tax and paying it in two instalments.

[Mr. Daglish took the Chair.]

Mr. TAYLOR: The Government Whip (Mr. Gordon) semi-officially charged members on either side who supported the amendment with trying to wreck the Bill. He (Mr. Taylor) wished neither to wreck the Bill nor harass the Government. Land taxation on unimproved values was the most legitimate tax we could impose, whether the Treasury were full or empty. The Treasurer did not sympathise with land taxation, but desired it for revenue purposes. Few Government supporters believed in the principle. The amendment sought to lighten the tax by making it payable in two instalments, and should therefore be passed. It was unfair to twit members with trying to wreck the measure. He would wreck the Bill to-morrow if that meant wrecking the Government, in view of legislation they were about to introduce. Much had been said of the squatter, but he could pay in one instalment, while many other people could not. Members with experience of local governing bodies stated it was impossible to collect rates already imposed. Even aristocratic Claremont

had in six months collected only £300 out of £2,300, and to achieve this result sixteen collectors had worn out their boots.

Mr. A. J. WILSON: The question of collection was important, but the cost of collection should not be increased to make the tax easy of payment. On a suburban block with an unimproved value of £100 the tax would be 6s. 3d. If by dual collection in one year we increased the bookkeeping and other charges, the cost would be considerably more than the amount realised from such properties. On a large property with a capital value of £7,000 and improvements equal to £4,500, the tax would be £7 16s. 3d.

Mr. Stone: Which the tenant would have to pay.

Mr. A. J. WILSON: In few cases would the tenant have to pay. This was the one tax which could not conveniently be transferred by the owner to the lessee or other occupier. Why increase the cost of collection to make the tax easier for people who could readily pay the full amount in one sum? Better widen the exemption so as to wipe out such small contributions as 6s. 3d., or make them payable every five years. Make the minimum payment something worth collecting.

Mr. UNDERWOOD opposed the amendment. If he thought the tax would be a burden on the people, he would vote against the Bill. It was ridiculous to halve 6s. 3d. The owner of a property on which the tax was considerable must be able to pay it one sum. If, as in an instance quoted, the tax were £3 a year, the property would be worth £1,000 with improvements, and the owner was to be envied. On improved land the tax was roughly 6s. 3d. per £100—not the price of a round of drinks. A man who could not save 6s. 3d. in a year must be hard pushed indeed. Members who favoured the amendment should vote against the Bill. The argument was raised that another place would use this as an excuse for throwing out the Bill, but his belief was that if the other House desired to defeat the Bill they would not be lacking in excuse. If this failed them they would find some other. We should deal

with the Bill as we thought best, and deal with the Legislative Council when the amendments of that House came before us.

Mr. T. L. BROWN: The reasons advanced by some members on the Government side seemed almost inexplicable. Although they had assisted the Government over the stream, they now showed their opposition to the land tax and attempted to drive them back into the stream. Reference was made to the difficulty of collecting municipal rates, but according to his own experience that was because in many cases people would not pay their rates and because councils were dilatory in bringing people up to the mark. This tax in the majority of cases could easily be made in one payment. It was his intention, after thinking over the proposal during the afternoon, to support the amendment, but now after hearing the views of some members on the Government side whose opposition to the land tax did not reflect any credit on their action of last week, he intended to support the Government in this connection.

Mr. WALKER: That statement was most extraordinary. The hon. member was going to vote irrespective of the merits of the question. Was there anything in the question that there should be Government opponents or Government supporters? It was merely a question of the method of collecting the tax, a matter of convenience, whether the tax be paid in a lump sum or in two instalments. The tax could be made to look so small that it was not worth while making two bites at a cherry over it, but in some instances there were so many other calls in the shape of rates and such like—[Mr. Gordon: Then why have voted for the tax at all?] Because it was a matter of principle with the Opposition. It was considered the best means of taxing. Now having voted for the tax, where was the opposition to the tax in saying that the payment should be made in two instalments?

Mr. Gordon: The hon. member might suggest monthly payments.

Mr. Hudson: And so make it more expensive.

Mr. WALKER: Monthly payments would be still more convenient, but there was nothing stupid in suggesting that there should be half-yearly payments of the tax. As to the matter of expense, in hundreds of cases there would be books of delinquents; and no matter how small the tax would be, whether it was collected yearly or half-yearly, there would be need for book-keeping. So the expense in that connection would be continuous. The point was, however, that where a man had to make a comparatively big payment, with all his other payments to meet, he might hesitate and put off the time of payment, so that ultimately the Government might have to take drastic steps to secure the payment. On the other hand, if the payments were made so that the moiety would be no extra strain on the man, it would not be felt, and the tax would be more popular in consequence, while the Government would not be put to the necessity of taking steps to recover arrears. It should not be forgotten that the Treasurer was not the only person hard up. The people were hard up or the Treasury would not be in its present position. The only argument advanced against the amendment was that the Treasury was hard up; but if the Treasury was in such a state that it would go crash if £30,000 was not received within a month, no one would support the amendment. That, however, was not the case. He believed that under this system the tax would be more easily collected and that a greater sum would be realised than if the payment was to be made in one lump sum.

Mr. STONE: Those connected with roads boards and municipalities knew the difficulty of collecting rates. The member for Geraldton who opposed the amendment was a member of the Geraldton council that had often to issue orders to tenants to pay rents direct to the council to liquidate rates owing.

Mr. H. BROWN: It was said the landholder would pay the tax, but in the majority of instances in Perth the landholder would get off practically scot free, and the tax would come on the lessee every time. The first clause of every lease stated that the tenant must pay all

rates and taxes. With land worth £200 a foot, the tax paid by the majority of tenants in Barrack Street would be £25 to £30 a year, but in this Bill we had a stand-and-deliver clause that the tax must be paid within 30 days. Everyone knew that in connection with municipal taxation it was impossible to get money in, even after 12 months. As mayor of Perth he had signed as many as 500 warrants in order to try and get in rates which had been outstanding 12 months. The tax meant a sum equal to a rate of 1s. 4d. on unimproved land and 8d. on improved land. In nine cases out of ten, therefore, the tax would be equal to the local rating, and in the country districts it would far exceed that sum.

The PREMIER: After five years' experience as mayor of Bunbury, he could tell a different story from that of the member for Perth, for he had never been compelled to sign a single warrant for the collection of arrears of rates. Apparently when the member for Perth was mayor of the city there were bad times, even although the land tax was not spoken of. [*Mr. H. Brown*: And times were better then than now.] As had been pointed out by the member for Pilbarra, it was all bunkum to argue as to the effect the tax would have upon the small man. The large man would not be worried by the tax at all. Take the land recently acquired by Mr. McKay in Hay Street; when the Bill was being discussed last session mention was made of the terrible calamity that would befall that owner if the tax were brought in. Mr. McKay, however, recognised that if the Government were to carry on the works of the State, it was essential that they should have funds, and he was raising no objection to the tax. If the member for Claremont were arguing on a basis that the tax would come into existence on June 1st next, the Committee would agree with his contention; but the position was very different from that, for the Government wanted to secure revenue, and it would mean that, if the amendment were carried, they would receive this financial year from the tax only £30,000 instead of £60,000. The tax

could not be collected until about the end of March next, for there had to be 30 days' notice to furnish returns, the assessment books must be written up, 30 days had to be given for appeal, then the appeal had to be heard, and finally there was another 30 days before the tax need be paid. In addition, if the Bill passed both Houses, the Public Service Commissioner would have to appoint a Commissioner of Taxation, which would entail a certain delay, and an office would have to be established. The land tax measure would be brought up every year, and if it was found that the system of collecting the tax in one amount was inflicting hardship, then the principle could be adjusted next session. Mention had been made as to the cost of collection; let them take as an instance the wealthy suburb of West Perth and the owners of property along the King's Park Road. The ordinary residence there had a frontage of 50 feet, and the unimproved value of that would be about £10 per foot or £500 in all; that would represent a tax of only £1 11s. 3d. Was it worth going to the trouble to send to that owner two different notices for the collection of the tax? By issuing two notices a greatly increased cost of collection would be entailed. There would be the sending out of an extra notice, a second receipt; if there were appeals two would have to be heard. [*Mr. Foulkes*: There was only one appeal for the year.] Two notices would have to be sent out, and there was extra cost of postage on rate notices, receipts, etcetera. It would be far better that we should adhere to the Bill as it was printed, at all events for the present year.

Mr. TAYLOR: The argument as to the effect the tax would have on wealthy owners was all very well, but it did not apply to the poorer owners. It had not been pointed out, but was a fact, that those who were in a position to do so could pay the total amount of the tax at once. Those who were unable to do so should be given an opportunity to pay in two instalments. In deciding this question members should be guided by the opinion of members who had long experience of municipal life and the diffi-

culty that was experienced in collecting municipal rates. [*The Treasurer*: How about the Premier's experience?] The Premier had the good luck to represent a wealthy part of the State. If the clause were carried as printed, great hardship would be inflicted upon the smaller owners, but if the country were in a flourishing state, as one was led to believe by the optimistic speeches of members of the Ministry in the House and outside, only a very small section of the community would come within the scope of the amendment and would desire to pay the tax in two instalments; that being so the cost of collection would not be very greatly increased by the adoption of the amendment.

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

Ayes	..	..	18
Noes	..	..	19

Majority against .. 1

AYES	NOES.
Mr. Angwin	Mr. T. L. Brown
Mr. Baruett	Mr. Collier
Mr. Bolton	Mr. Eddy
Mr. H. Brown	Mr. Gordon
Mr. Cowcher	Mr. Gregory
Mr. Davies	Mr. Gull
Mr. Draper	Mr. Hayward
Mr. Foulkes	Mr. Holman
Mr. Hardwick	Mr. Hudson
Mr. Horna	Mr. McLarty
Mr. Johnson	Mr. Male
Mr. Smith	Mr. Mitchell
Mr. Stone	Mr. Monger
Mr. Taylor	Mr. N. J. Moore
Mr. Vervard	Mr. Price
Mr. Walker	Mr. Stuart
Mr. Ware	Mr. Underwood
Mr. Scaddan ( <i>Teller</i> ).	Mr. F. Wilson
	Mr. Layman ( <i>Teller</i> ).

Amendment thus negatived; clause passed.

Preamble, Title—agreed to.

Bill reported without amendment; report adopted.

#### *As to Third Reading.*

The TREASURER moved—

*That the third reading be made an order for to-morrow.*

Mr. FOULKES: It was to be hoped the Treasurer would extend the time for the third reading. There were many members absent who would like to have an opportunity of speaking on this question. Last Thursday he had moved to report progress because there was com-

paratively an empty House. The third reading should be made an Order of the Day for next Tuesday, for many members would not be present to-morrow.

Mr. Taylor: The Bill would have to be recommitted.

Mr. FOULKES: It was intended to save time.

*The Premier*: We knew the time the member would like.

Mr. FOULKES: If the third reading were set down for to-morrow he would have to ask that the Bill be recommitted.

*The Premier*: They did not pay £700 all told.

Mr. FOULKES: To whom was the Premier referring?

*The Premier*: The residents of Claremont.

Mr. FOULKES: The hon. member mentioned that the people of Claremont—

Mr. SPEAKER: The hon. member was not in order.

Mr. FOULKES had been led away by the Premier's interjection. In order to save time he suggested that the third reading should be set down for Tuesday next. If this were not done another place might say that sufficient time had not been given to the consideration of this measure. He was anxious to assist the Treasurer in every way.

The PREMIER: The hon. member would no doubt like the third reading postponed until after the end of the session. It was to be hoped there would not be a repetition of debates on third readings. Last week there was a debate on the third reading of the Land Tax Assessment Bill; but that exception was brought about in consequence of a new member being given an opportunity of speaking on a matter in which he was much interested. Only on two occasions that he could remember had a third reading been discussed; at other times the third reading was taken as a formal matter. The Legislative Council could not say that this Bill had been ill-considered, or that it was hasty legislation. He could not accept the hon. member's suggestion to postpone the third reading until next Tuesday.

Question passed; third reading made an order for the next sitting.

## MESSAGE—ASSENT TO BILLS.

Message from the Governor received and read assenting to the following Bills: 1, Permanent Reserve Revestment; 2, Education Act Amendment; 3, Statistics.

## MOTION—MUNICIPAL SUBSIDIES, HOW OVERPAID.

Debate resumed from the 7th August, on the motion by Mr. H. Brown "That a select committee be appointed for the purpose of ascertaining the amount of subsidy overpaid to municipalities by the Government during the past six years, and the persons responsible for same; also, the amounts refunded."

The TREASURER (Hon. Frank Wilson): When I asked for the adjournment of this debate, I did so with the object of causing some inquiries to be made into the question of municipal subsidies, and into the allegation made by the member for Perth in regard to certain over-payments during the past five or six years. And I must confess, that after looking into this matter, I find this has been a very vexed question, and has caused considerable worry and trouble to my predecessors in office, as it has also done to myself. It appears that before 1902, municipal subsidies were paid on the certificate given by the mayor and the town clerk of the municipality, these officers certifying monthly as to the amount of general rates collected, and on that certificate the subsidies were paid. In 1902, the same year that I am referring to, the Colonial Treasurer discovered or heard that the Perth municipality had been paying interest and sinking fund on loans, from moneys collected from general rate. This matter, I think, was the ground of complaint of the member for Perth, inasmuch as he stated that the Perth council was made to disgorge, while other councils were allowed to go scot free. This is quite true. That meant the general rate had been inflated in order to cover the payment for interest and sinking fund on loans. On inquiry, the Treasurer found that in 1901 the

sum of £2,842 had been so expended, and in 1902, the year in question, the sum of £4,092, making a total of £6,900 altogether. The council at that time contended that the subsidy had been legitimately claimed as they said on the certificate of the mayor and town clerk; that so much had been collected from the general rate. Cabinet contended it was wrongly claimed, that it was the intention of the Government to pay on general rate legitimately used, and they claimed a refund from the Perth City Council and deducted the same, spread over a period of three years. I cannot find that anything farther was done at that time. It seems to me, as far as I can judge from the papers and records, that the Treasurer evidently thought that no other municipalities were involved, or he did not think it necessary to take farther action, perhaps thinking his action in connection with the Perth council might be a warning to others, and would put the matter right. At any rate, he turned his attention to grading the municipalities, and the result was that in July, 1903, a schedule was brought out, and all the subsidies were paid in accordance with that printed schedule, and according to the grades contained in the schedule. This went on until 1905, and payments with regard to the claims were made under that schedule, supported at the same time by the certificate of the mayor and the town clerk as heretofore. The subsidies were claimed on the amount collected under general rates until 1905. Evidently the Treasurer at that time had some doubt with regard to the matter, and perhaps his attention was more particularly drawn to the question by the Auditor General, because the Auditor General in that year asked for a sworn declaration and balance-sheets to accompany demands for subsidies. In the year 1905 the Treasurer directed that sworn declarations had to be furnished with the half-yearly statements showing the rates collected, and this had to be certified to by the municipal auditors for the information of the Auditor General. This method was carried on until last year. In 1906 I instructed that payments had to be made on the previous year's

collection of general rate. It was not that I had any knowledge of the action taken in the year 1902 to recover certain alleged over-payments from the Perth Municipal Council, but simply that I wanted to endeavour to have a fixed amount on which subsidies would be paid. I recognise that subsequent action—I will refer to that later on—in the interests of municipalities defeated that end so far as that year was concerned. Then it was for the first time we got balance-sheets delivered from the municipalities. When we demanded balance-sheets in the Treasury, the result was we found that during the year 1906, on these balance-sheets certain sums of money had been transferred from the general rate to the health rate, for health purposes; and immediately upon that the Under-Treasurer took steps to deduct the sum shown on the balance-sheet from the amount on which subsidy had to be paid, and contrary to the statement made by the member for Perth that no action had been taken. I am in a position to tell him—I think he referred to Fremantle and other towns in making that statement—that £4,933 was deducted from the amount on which subsidy was paid. There were nearly 20 different municipalities, including Fremantle and Northam, from which deductions were made in 1906. As to Fremantle, we made a reduction last year of £1,372, being the amount shown in the balance-sheet as having been advanced. This sum had been collected out of the general rate and advanced to health account.

*Mr. Daglish:* The rate per pound was apparently higher than the actual rate.

*The TREASURER:* This £1,372 was deducted from the amount of general rate on which the municipality claimed subsidy. In Kalgoorlie the amount was £977 and in Northam £695. These are the three towns mentioned by the hon. member. There are other items, but I do not think it necessary to read them. They show that action was taken in the direction indicated by the hon. member, as soon as the Treasurer was able to gain the necessary information from the balance-sheets. I at once admit that the

increased subsidy can be gained in several ways, and in ways not apparent to the Treasury from the balance-sheets. As I have mentioned, moneys advanced from general rate to health rate, and shown on the balance-sheet, may form the basis of a claim for increased subsidy, as I believe they have in years past, when these balance-sheets have not been asked for or provided. Again, a municipality can get an increased subsidy on work performed by the general municipal staff on health account, and other expenditure on plant for health purposes not appearing in the balance-sheet and therefore not capable of being traced without a very strict audit of pay-sheets and accounts, and not even then unless the accounts were strictly kept to distinguish between the time worked in respect of health matters and general municipal matters. The municipality can get an increased subsidy on moneys paid from the general rate towards interest and sinking fund, and it may be that such a fact would not appear on the balance-sheet, though I believe it usually does appear. The Act provides that municipalities have power to use general rates for the payment of sinking fund, so that the lenders may not go without the interest due. If any of these methods is adopted, whether or not the fact is apparent by the scrutiny of the balance-sheet, the municipality gets the increased subsidy for striking an increased general rate, a rate higher than it need be for general purposes, the cause of the increase being the need for the special work. That is the position so far as I have ascertained it; and on looking through the different Acts it seems fairly clear that payments from general rate for health purposes are illegal. If members will consult the Health Act of 1898 they will find the sections which cover such matters provide that the expenses of local boards of health shall be defrayed out of the health rate; and it is only the local board which can make the necessary arrangements for the payment of such expenses. Then, by the Municipal Institutions Act, Section 379, for whatever is borrowed there shall be a special rate not exceeding 1s. 6d. in the

pound struck to meet the payments of interest and the contributions to the sinking fund.

*Mr. H. Brown:* That is abrogated by a later section which provides for both being paid out of general revenue.

The TREASURER: No. The next section provides that if the special rate be insufficient to cover the interest and sinking fund, the council may pay the deficiency out of the general rate, and may in the following year refund the amount so paid. The section implies that the creditor of the council who has the interest due to him must not go wanting, that whether or not the council are short of funds raised by special rate, the interest must be paid when due. That is the position; but the section does not make it imperative that the council shall refund, but provides only that they may refund in the following year any sums of money which have been utilised from general rate to pay interest and sinking fund. That, of course as anyone can see, is simply to avoid temporary trouble and embarrassment in the payment of interest. As to whether the Audit Department should have taken any action, I wish to point out it is not any part of the Auditor General's duty to audit municipal accounts, unless specially instructed by the Governor-in-Council to make a special audit. Municipalities have their own special auditors elected by the ratepayers; therefore it is only when any question arises as to the expenditure of public funds paid to municipalities that we deem it necessary for the Auditor General to send auditors to investigate the municipal accounts. He has no power to act without instruction. But as soon as the Auditor General reported having heard that various municipalities had used general rate funds for health purposes, as he did in his last year's report, laid on the table of the House, and as such payments, though they might be legal, were not in accordance with the general idea of the Government as to payment of subsidies, Cabinet decided, early this year, that some steps should be taken to ascertain how far the practice had gone; and they instructed the Auditor General to make

an inquiry, but not into the accounts for the past five or six years, for that would be rather expensive. The Auditor General's office is not overmanned. He has now, I believe, about seven inspectors, who are all pretty fully engaged auditing Government accounts in different parts of the State. In February last the Government instructed the Auditor General to audit the municipal accounts for 1906. He was to do this in the ordinary course of his duties. As the inspectors went round to audit the Government accounts they were to visit the municipal offices in the towns, and audit the accounts in respect of payments of this nature alleged to have been wrongly made. That work is now in progress. Members will at once see that twelve months must elapse before the auditors can complete their task. It will take twelve months in any case to audit the Government accounts. If it is thought desirable to expedite the matter, or that any good can accrue from expedition, special auditors can be put on. The Auditor General tells me that it would take at least five men two months to examine the accounts; that is, if they do not find any obstacle, if the accounts are all in order and easily audited. I may say in passing that there are two inspectors now in the country districts, one at Menzies, the other at Cossack, investigating in the ordinary course of their duties the accounts of most of the municipalities. There are 46 municipalities in the list, and the work will occupy 12 months in the ordinary course. The question we have to decide, and I take it the question a select committee will have to consider, is whether it is wise to incur considerable expense in auditing the accounts for the past five or six years to ascertain whether certain municipalities have claimed subsidies which they ought not to have claimed—I do not say they claimed them illegally; because it appears to me the notices from time to time sent out by the Treasurer do not in any case clearly indicate that moneys from general rate must be expended by a strict interpretation of the Act, for general rate purposes only. That is to say, in not one of the notices was any indication given that the

Government objected to pay a subsidy on any moneys that might be legally used from general rate for other purposes contemplated by the different Acts. We may find that £10,000 or £20,000 has been so used. I do not think that the total will exceed £20,000. I believe that the city of Perth, after the experience of 1902, has probably kept its accounts in proper order and not claimed moneys other than it was justly entitled to receive.

*Mr. H. Brown :* Other municipalities have been going on worse ever since.

The TREASURER : I do not know that. Anyhow, suppose we have to ask these municipalities to refund £10,000, how are we to get it ? Can we fairly compel them to refund it, and so embarrass their operations ? We must remember they are public bodies, and that municipal councillors expend moneys not in their own interests but for the public weal ; and it is questionable to my mind whether the House would be inclined to order a refund of £20,000, distributed over five or six years, if it were discovered that so much had been inadvertently overpaid by the Government.

*Mr. Stone :* Why not, if it was wrongly obtained ?

*Mr. Taylor :* Anybody else would be punished.

The TREASURER : First, has it been wrongly obtained ? Secondly, how are we to punish them ?

*Mr. Taylor :* You have made other people disgorge.

The TREASURER : We may make one person disgorge, but we may not be able to accuse a council of having wrongfully obtained money.

*Mr. Taylor :* That is too thin.

The TREASURER : It may be too thin for the hon. member ; but seeing these payments were claimed and made on a certificate from the mayor and town clerk that a certain amount of general rate had been collected, how can we say the money was wrongly obtained ? That is all that has been required by the Treasury for the last 20 years. Why

not go back for 20 years—go back to the inception of responsible government ?

*Mr. Taylor :* Go back to the time the first step was taken to prevent the practice being continued.

The TREASURER : But I do not find that any step has been taken, except to secure a refund of some £6,000 from the Perth municipality.

*Mr. Taylor :* The then Treasurer said he would do likewise throughout the State.

The TREASURER : So far as I know there is not any record of his having done so.

*Mr. Taylor :* He soon after relinquished office. Perhaps that is the reason. A weaker man became Treasurer.

The TREASURER : I shall not oppose an inquiry by a select committee. I shall be pleased if the inquiry is made, to find out if possible how much has been overpaid. I venture to think the inquiry will take longer than is expected, and that to get the information the committee will have to recommend the Government to appoint a special staff of auditors.

*Mr. Angwin :* The information cannot otherwise be obtained.

The TREASURER : That is so. We shall have to wait 12 months in the ordinary course ; and even then I am much afraid that a lot of expenditure cannot be traced. If for instance the horses and carts belonging to a municipality are engaged for a time at health work, will anyone tell me that a separate account is kept of the cost ? The time of the ordinary permanent staff of the municipality may be occasionally utilised for health purposes. I doubt very much whether a balance-sheet will be found so kept that the finger can be placed on amounts that ought to be debited against general rates. There is a fair amount of difficulty in connection with it. I did not rise with the intention of opposing the appointment of this select committee. It is that I doubt very much if the hon. member finds that



he can get a refund. I should be very glad to have the advice of the hon. member and of the members of any select committee; on the other hand, I may just as well point out at this stage that this is the only basis we have for paying subsidies; and though we do deduct, and have deducted since last year, all the amounts that are shown on the different balance-sheets as having been advanced to health account or to loan account for the payment of interest and sinking fund on loans, yet we cannot get away from the fact that they have received increased subsidies, as the member for Subiaco has interjected, through having struck higher rates than were otherwise needed. So I leave it to the House. If members wish this select committee to be appointed, I am not going to oppose it if they think it is going to have good results, but I do not know that it will help the Government; I say that frankly; I do not think we can do much more than we are doing, unless the House wishes the appointment of special auditors; and even if they are appointed, I think we will find that the municipalities have most of them acted in good faith; and if they have received more than they should have received we will find it a considerable hardship to deduct that money from them this year.

Mr. H. DAGLISH (Subiaco): I would suggest that the proposal for a special audit, hinted at rather than advised by the Treasurer, would be the only satisfactory way of getting the information the member for Perth desires. [Mr. Bath: Hear, hear.] The select committee could not get the information in the time that would be at their disposal, and in any case could not get the information without travelling to every district where there is a municipality. But if this information be got, then it is very important that the circumstances under which the alleged unduly large claims have been made should likewise be reported. I would like to point out to the House and to the Treasurer that there are circumstances which arise in many municipalities necessitating the

temporary transfer from general account to loan account and likewise to health account. [The Treasurer: And in the Government finances as well.] The Treasurer knows that the Treasurer has to adopt a similar expedient. [Mr. Taylor: The Treasurer does not get a subsidy.] But the Treasurer has something that is more accessible than the ordinary subsidy is accessible to the municipal body—he has large trust funds at his disposal, and he sometimes must have recourse to these trust funds, as well as loan funds, to help the consolidated revenue if he has to meet an accumulated deficit. There are circumstances in regard to some of our suburban municipalities of a special nature. In the late eighties there was a large area of Western Australian land, more particularly in the suburbs of Perth and Fremantle, cut up and subdivided and sold entirely outside Western Australia, sold by establishments in Melbourne, Sydney, and Adelaide, which existed solely for the purpose of carrying out that work; and persons in every one of the Eastern States bought small blocks of land at low rates and ultimately got the titles in their own names. These people in many cases still hold the land in the immediate vicinity of Perth and its closer suburbs and in the suburbs of Fremantle. Some of those purchasers still remain in the remote districts of the Eastern States and in New Zealand, whilst some of them have gone away to Europe, Asia and Africa. Therefore, many of the municipalities in Western Australia to-day find great difficulty in collecting their rates because of the fact that they cannot in some instances find the owners of unimproved land, or having found where the owners reside, find they are inaccessible for collecting purposes; so that the municipalities are forced to either strike an unnecessarily high rate for health purposes or loan purposes, or are forced, until they can get in the rates legally due and legally obtainable when opportunity offers from these absentee owners, to work by means of transfers from general account to loan account or health account. All this money must eventu-

ally reach the municipal safe ; but in the meantime these transfers from one account to another are essential in order to carry on. For instance, a municipality has incurred loans, and these loans necessitate say a rate of 5d. or 6d., which when fully collected will pay for interest and sinking fund. Should a municipality in that case, because some of these ratepayers are inaccessible, impose a higher rate than that 5d. or 6d. on those ratepayers who are accessible ? Would it be right that the loan account should be unnecessarily swollen for the time being in order that existing liabilities might be met ? Or is it more proper to obtain an advance from the general account to the loan account until the defaulting ratepayers can be got hold of ? This question in regard to the health account and the loan account does press itself on the majority of municipalities in Western Australia : but does not press on the municipality of Perth because of the fact that the city is more settled in population, and its lands have been alienated many years, the great bulk of them, before the lands in our other suburban districts were cut up and sold. Many a municipality is faced with the position, that it must either strike very high health and loan rates, or it must for the time being, and perhaps for some few years to come, transfer from general account to loan account and to health account. But if these transfers be made honestly and the amount be carried forward on each account from year to year, if it be so shown in the books from year to year, then I contend the action of municipalities that find it necessary to make such transfers is absolutely defensible and is absolutely justifiable, and that the returns are true and accurate returns. This position would not have been what it is to-day were our municipal law more satisfactory. Our municipal law provides in regard to the collection of rates that municipalities may, when rates have been a certain time unpaid, distrain on the land and sell it for the purpose of collecting rates ; and that course would certainly have been adopted in a number of the municipalities in the

immediate vicinity of the metropolis ; but members are perfectly aware that the Transfer of Land Act has prevented municipal bodies who desire to force payment of their rates in that fashion from doing so. We remember two or three years ago, when the Cottesloe Roads Board sold land under the Transfer of Land Act for the non-payment of rates the purchasers were unable to get their title. [Mr. H. Brown : But you have that power under the old Act.] The power exists to sell, but the power does not exist to give a clear title to the buyer. [Mr. H. Brown : That power is in the Municipal Act.] Undoubtedly not ; because the Municipal Act does not override the Transfer of Land Act, and a municipality cannot compel the Registrar of Titles to give a clear title to the new buyer. Members will remember that when I was in office I tried to get Parliament to pass an amendment of the Transfer of Land Act with the express purpose of enabling local bodies, when they had distrained on land for rates, to give a clear title to the purchaser : but Parliament in its wisdom decided it would not allow the amendment to be made. Therefore municipalities and roads boards have been hampered in dealing with unimproved land on which no rates have been paid, by their inability to force their action by the sale of land. If they had that power of realising on the land when rates were year after year unpaid, no doubt the trouble to which the member for Perth has drawn attention would have been obviated, and municipalities would not have found it necessary to make frequent transfers from one account to another, transfers which they have made legally, but by compelling all owners of land, unimproved or improved, to pay up their rates they would have been enabled to balance accounts. I hope if the House desires an investigation that it will make that investigation take the practical form of an investigation by auditors rather than an investigation by a select committee. A select committee cannot proceed to all our municipalities, and if

if does it is not a suitable body to inspect books and take evidence of an entirely technical description, as the evidence taken by a select committee, to be of any value, would need to be. On the other hand if it is proposed that the select committee should merely get any balance-sheets of different municipalities for the last six years and examine them and then bring up a report based merely on the examination of the statements of account, that work could be done much more satisfactorily, expeditiously and simply by an auditor; and the appointment of a select committee to do it is merely taking the most clumsy method that could be adopted of carrying it out. An expert accountant could in very much less time than a select committee bring up a satisfactory report for explanation to the Treasurer after examination of those balance-sheets. If, however, there is going to be an inquiry at all I hope it will go somewhat farther than a mere examination of the statements of accounts as submitted by the different municipalities to the ratepayers. I hope it will be an inquiry to investigate the books and not merely the public statements of the municipal bodies; because after all these public statements may not in all cases agree with the books. [*Mr. H. Brown:* That is a strong charge to make.] I am not making a charge, but merely saying that the statements may not in all cases agree with the books. There is no charge in that. It is a mere assertion of a possibility. I am speaking particularly as representative of two municipalities who are quite prepared to challenge an investigation of their books and they only want the other municipalities to undergo the same investigation. This is one of those matters that might satisfactorily be referred to auditors rather than to a select committee.

Mr. W. C. ANGWIN (East Fremantle): The hon. member for Perth in presenting his motion to the House has cast many slurs on those who have been taking part in municipal government throughout the State. In fact his

main object has been to point out that those who have managed municipalities in the past have been deliberately endeavouring to swindle the Treasury by contraventions of the provisions of the Act. As one who has taken a little interest in municipal government I am quite prepared for any examination that might be made in regard to the municipality with which I have been associated. The member for Perth has already received the balance-sheets from that particular municipality and I believe is perfectly satisfied with what he has seen. I agree with the member for Subiaco (Mr. Daglish) that it is a matter of impossibility for a select committee to go into this question and ascertain whether the Government subsidy has been overpaid or not. In regard to the transfers which are made, some municipalities pay the whole of their rates as they are collected into one account and then eventually take out the health rates and other rates and pay them to their proper accounts. Many municipalities keep their health and municipal accounts distinct, and consequently it is shown at the bank that overdrafts have been allowed instead of the system being adopted of health accounts being paid out of the general municipal funds. If the Government will appoint auditors for the purpose of going into the question, this system would be preferred not only by members of the House, but also by every person who has been connected with municipal government. [*The Treasurer:* It will cost a few hundred pounds.] For some years past the municipal conferences have been advocating the appointment of a Government auditor to go through municipal accounts and none would welcome such an appointment more than those connected with municipal government. This is the only method that can be adopted for the purpose of proving whether the Government have paid larger subsidies to the municipalities than the latter were entitled to. To appoint a select committee, unless it is empowered to appoint auditors to go into the question, would be merely a waste of time. The only thing the committee could do, if it is

not intended that they should act as auditors themselves, is to take the evidence of municipal officers. By asking these officials questions no proof can be obtained of any attempt to defraud the Government. If a municipality lays itself out deliberately to collect from the Government subsidies to which it is not entitled it is acting in a fraudulent manner, and it cannot be expected that the town clerk who has advised his municipal council to act in that manner would give evidence showing that an attempt had been made to defraud the Government. The only method to be adopted to prove whether the assertions of the member for Perth are correct is to appoint a Government auditor. Although the hon. member has referred so much to Fremantle, I am afraid, if the statement he has made is correct as to municipalities in general, that the Fremantle municipalities have been very slow. I believe that those who have been elected to carry out municipal government have tried their best to work honestly with the Government, and have not endeavoured to defraud the State. Auditors for the municipalities are elected by the ratepayers, and many of these officials are careful to see that nothing is done in contravention of the Act. There may be a few cases—it is not a question of thousands of pounds as has been suggested—in which minor items have been overlooked, but a Government auditor would find these out. Take the case of a small municipality which has a town clerk also acting in the position of secretary of the local board of health. A very small portion of his time is taken up in health matters, and it is therefore almost an impossibility to ascertain the exact amount of his salary that should be debited to health account. The majority of municipalities pay their health officers from a separate account, and this is shown in the balance-sheets. I hope the Government will, instead of having a select committee, appoint auditors to go into the question properly.

Mr. H. BROWN (in reply as mover): It is seldom that a motion of mine gets

such warm support as the present one has done from the Treasurer. All kinds of arguments have been used against the appointment of a committee. Primarily I want to find out from the books of the Treasury whether the Treasury officials are to blame or whether it is the Treasurers of the day. When Mr. Gardiner was in power as Treasurer, at the time he compelled the Perth municipality to refund £6,000 or £7,000 he informed me that distinct instructions had been given to the Under Treasurer to inspect from that date all balance-sheets from municipalities. We have heard it said by the Treasurer that although he pays thousands of pounds away in subsidies, amounting sometimes to as much as £130,000 a year, no attempt has been made by the Treasury to see whether they were paying a greater subsidy than was warranted. It would have been a simple matter to get each balance-sheet each year and find out whether the proportionate share of the subsidy was paid according to the rates collected. Some thousands of pounds could easily be found if a select committee were appointed, by merely examining the balance-sheets. Notwithstanding the fact that instructions, as I have said, were given by Mr. Gardiner, things are now worse than they ever were. More particularly is this the case with the Fremantle municipality, which has reduced its health rate from threepence to one penny and charged directly to general revenue sums amounting to between £1,200 and £1,300 a year. Northam was even worse than that, for it gained in 1905 or 1906 to the extent of over £2,500. Surely this House is desirous that the State should get reparation from these municipalities, and it is only to assist the Treasurer in getting in revenue that this motion is being brought up. The Treasurer has talked airily of finding some £20,000, but it must be remembered that that is nearly one-half what he expects to get from the land tax. [*The Treasurer: I expect to get £60,000 from the land tax.*] Surely not many Treasurers, especially in the impecunious state of the Treasury of Western Australia, would refuse to accept revenue. I am assisting him to get

revenue by this motion. The Government dealt with this question as far as the Perth municipality was concerned, and surely what is good enough for that is good enough for other municipalities as well. [*Mr. Angwin* : Perth did not strike a high enough rate.] Other municipalities have struck the full rate in order to get the higher subsidy, and transferred sums to the health and loan accounts. If this select committee is appointed, some £10,000 or £15,000 can be found out by merely obtaining the balance-sheets. There is no doubt as to the slack manner in which the auditing of the various municipalities is done. Auditors are sworn to carry out their audit according to the Act, but the facts that have been disclosed show that either few of the auditors have been doing their work correctly or they have passed the accounts knowing they were absolutely wrong. We have in the State at the present time an incorporated society of accountants, and it should be made compulsory for municipalities to have at least one competent auditor who should be a member or associate of that society. If that were done it would do much good. If we had the inquiry it would be found, I am sure, that many of the auditors would be compelled to admit that they had passed accounts knowing they were doing wrong. It would also be shown either that the Under Treasurer during the last six years has been sadly neglecting his duty, or that the Treasurers during that term knew very well what was going on and would not enforce a refund. In fact we have heard to-night from the Treasurer that it will practically ruin municipalities if they are asked to refund. Surely the refund could be spread over a number of years and no harm would result. I hope this motion, the only one on which I have had any help or assistance from the Government, will be carried.

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

Ayes	..	..	19
Noes	..	..	14

Majority for .. .. 5

AYES.  
Mr. Barnett  
Mr. Bath  
Mr. Bolton  
Mr. H. Brown  
Mr. Draper  
Mr. Hardwick  
Mr. Heitmann  
Mr. Holman  
Mr. Horan  
Mr. Hudson  
Mr. Scaddan  
Mr. Smith  
Mr. Stone  
Mr. Stuart  
Mr. Taylor  
Mr. Underwood  
Mr. Vervard  
Mr. F. Wilson  
Mr. Layman (Teller).

NOES.  
Mr. Angwin  
Mr. T. L. Brown  
Mr. Collier  
Mr. Cowcher  
Mr. Daglish  
Mr. Davies  
Mr. Hayward  
Mr. Johnson  
Mr. Male  
Mr. Mitchell  
Mr. Price  
Mr. Walker  
Mr. Ware  
Mr. Gordon (Teller).

Question thus passed.

Ballot taken, and a select committee appointed comprising Mr. Brebber, Mr. Heitmann, Mr. Layman, Mr. Stuart, and the mover.

*As to Select Committees Travelling.*

Mr. H. BROWN: I move—

*That the committee have power to call for persons and papers, to move from place to place, and to sit during such hours as the House is not in session; to report on the 10th October.*

Mr. Speaker: Before putting the motion, I feel it incumbent on me to say it is becoming very common to make motions that committees shall have leave to move from place to place. This practice is by no means common elsewhere; and it is my duty to draw the attention of the House to the demands which travelling committees make on the staff, as well as to the cost. With the cost of course I am not concerned, but it is nevertheless my duty to point it out. At any rate, it is necessary that the staff should be protected.

Mr. H. Brown: The words of the motion are the usual formula. I have no objection to withdrawing that portion giving leave to move from place to place.

Mr. Taylor: Before the motion is put, I should like to point out that the object of the committee is to ascertain what municipalities have done with their money, and it will be necessary for the committee to visit at least some municipalities to search for financial discrepancies. While I have been a member of this House permission has been freely granted to committees to sit at various places where information contemplated

by the resolutions appointing them was obtainable. I hold that there will in this case be a necessity to visit not perhaps outlying municipalities but some of the larger centres, and I think the Treasurer will bear me out that the committee should have full power to travel.

*The Treasurer:* I think it will perhaps be necessary for the committee to have this power, but I hope it will be used with discretion. I do not think the committee will be able to go to every municipality and to examine the accounts. I take it the committee will examine balance-sheets, obtain a general indication of how things stand, and probably ask the Government to appoint auditors to investigate the accounts in detail.

*Mr. Speaker:* My only desire was to point out to the House that the practice is not common elsewhere, and that the staff, especially the *Hansard* staff, are now worked very hard. As an hon. member (Mr. Taylor) says, committees have frequently travelled: but they have not travelled in former years, except on very rare occasions.

Question put and passed.

## BILL—FREMANTLE DOCK.

### *Proposal for Construction.*

#### *Second Reading moved.*

The MINISTER FOR WORKS (Hon. J. Price) in moving the second reading said: It will be remembered that last year, when the amendment of the Fremantle Harbour Trust Bill was introduced, the Bill contained provisions enabling the trust to construct a dock; and it became manifest during the debates on the Bill that in the opinion of the Legislature it was desirable that a work of this description should be constructed by the Government. The main object of the Government is to get a dock built at the port of Fremantle: and while personally I think the Fremantle Harbour Trust is as good a body to build that structure as any other that we can select, still, in deference to the general wish expressed by the House, the Government undertook last session that during the recess certain investigations as to sites should be made, and that in due

course they would be prepared to construct the work. In performance of that promise this Bill is before the House. I will not weary members with detail, for the question has been before Parliament for many years; there has been a considerable number of discussions and debates on the subject; and last session, when the Harbour Trust Bill was under consideration, what I venture to think cogent reasons for this work were submitted. Looking over the files relating to the Fremantle dock the first reference I find is in 1895, when Mr. C. Y. O'Connor, then Engineer-in-Chief, asked Mr. Dillon Bell, Engineer for Harbours and Rivers, to suggest a site for a dock at Fremantle. Strange to say, at that date Mr. Dillon Bell suggested Rous Head, just inside the breakwater, the site of the dock to be athwart the stream, or at the angle between Victoria Quay as then proposed and Arthur's Head. The latter position, I may explain, is practically opposite the site which has now been selected by the Government. With reference to Arthur's Head Mr. O'Connor wrote:—

"The site would in some respects be a convenient one, but I rather doubt if the situation of the entrance gate would not be too much exposed in rough weather."

Probably the same remark would have applied at that time to the Rous Head site; but since that date the north mole has been extended some 1,350 feet, thus in the opinion of all shipping men rendering the entrance at the proposed Rous Head site absolutely sheltered and safe. In connection with the investigations made from time to time into this matter, Mr. Coode—of Coode, Son & Matthews, a firm of engineers eminent in respect of all works of this sort—writing to Mr. O'Connor, asks if there is any site under Arthur's Head on the river side for a slip or small graving dock. Constant investigations were going on during this period; and in 1896 Mr. Napier Bell recommends a site on the south side of the river just above the railway bridge, because here a dock might be built in solid limestone. He also comments favourably on the Rous Head site for a dock. In

1898 Mr. Bell writes that he still believes in the safety of the Rous Head site, or the south side near the railway bridge. Apparently those were the two sites which he favoured for a dock at Fremantle. In August, 1903, the then Minister for Works, replying to a question by Mr. Higham, whether Arthur's Head had been thoroughly tested by boring—I presume as a possible site—stated that no thorough test had been applied, and therefore no correlative results were then obtainable. That statement applied equally to the Rous Head site. Neither the Arthur's Head nor the Rous Head site had been thoroughly tested by boring with a view to ascertaining the nature of the foundations. I do not mean to say that no boring had ever taken place. Spasmodic boring had taken place practically all over the river. Then in 1904 Mr. Keele, the New South Wales Engineer for Harbours and Rivers, was invited by the then Government to come to this State to investigate the question. After a very exhaustive examination of the river he recommended Butler's Hump, in Freshwater Bay, as a site for a graving dock. Then we come to April, 1904, when Mr. Dillon Bell suggested another site, in Rocky Bay. In December, 1904, Mr. Palmer, then Engineer-in-Chief, stated he preferred the south side of the river between the bridges. That was one of the sites favoured by Mr. Napier Bell. At the same time, Mr. Palmer states that though in many ways the harbour entrance seems a right place for the dock, yet instances Melbourne, where two private docks do a thriving trade while the fine Government dock at the entrance does little, as a proof that the dock should be up stream; in my opinion an unconvincing reason. In other respects, but for this dock at Melbourne which is up stream and does a bigger business, he seems to think the site should be somewhere near the mouth of the river. As a matter of fact, the main sites which have been selected and the actual cost of the structures on those sites are as follow: South side of the river—Mr. Palmer's scheme, to some extent endorsed by Mr. Napier Bell, estimated cost of structure, £450,000. Rocky

Bay—estimated cost, with the necessary dredging and alterations to the railway bridges and so on, £625,000. Butler's Hump, Freshwater Bay—site selected by Mr. Keele, £1,460,000. Rous Head—the site selected recently by Mr. Thompson, £285,000.

*Mr. Angwin:* The dock is not of the same size in each case.

The MINISTER FOR WORKS: There are some variations in the sizes. In the course of the investigations the merits of a floating dock were discussed, and in 1904 Mr. Palmer strongly recommended that a floating dock be built. I should like to point out again that up to the present year, no complete test had been made by exhaustive boring of the sites at Rous Head or Arthur's Head. I have not the slightest doubt that one of the objects which induced Mr. Palmer in 1904 to recommend a floating dock was to reduce the cost. But Mr. Keele in the course of his report says it is very noticeable that large floating docks are only used where there is a difficulty in obtaining a suitable site for a graving dock. As illustrating this I may point out that in 1901 the Wellington Harbour Board, having had the question of a dock prominently before them, passed the following resolution:—

"That the engineer (Mr. William Ferguson) be instructed to proceed to Great Britain and elsewhere, with a view to obtaining the fullest and most up-to-date information respecting dry docks, floating docks, and all other contrivances for docking and repairing vessels."

His report states that—

"In compliance with these resolutions arrangements were made by which your engineer left New Zealand in March and returned thereto in December, 1900, having proceeded to Great Britain by way of North America, returning by Australia. During his absence he inspected numerous stone, concrete, and wooden graving docks in the various ports he visited, amongst which may be mentioned the graving docks at San Francisco, Mare Island, Newport, News, Baltimore, Philadel-

phia, Brooklyn, Buffalo, Point Levis at Quebec; on the Thames, Chatham; Dublin, Liverpool, Birkenhead, Manchester, Barrow; on the Clyde and on the Tyne; Southampton, Portsmouth, Cardiff, Barry, Devonport, in Great Britain; at Melbourne and Sydney in Australia. He also inspected various kinds of lifting and floating docks at San Francisco, Baltimore, Brooklyn, Manchester, Barrow, North Shields, Cardiff, Avonmouth, Hamburg, Copenhagen and Stettin."

As a result of the exhaustive inquiries he made into the relative value of floating and graving docks he came to this conclusion. Speaking of his own port of Wellington, he said:—

"It therefore becomes a comparison between a concrete graving dock capable of taking a vessel of 650 feet in length, under conditions of deep draught, at a cost of £250,000, as compared with a floating graving dock capable of dealing with any of the ocean steamers now visiting the port under conditions of moderate draught, at a cost of £250,000, or 10 per cent. less in first cost. Against this saving in first cost there would have to be provided for a higher rate of depreciation on the steel structure and on the concrete structure; and the cost of thorough cleaning and painting of the floating dock would have to be provided for once in three years."

He goes on to say:—

"These reasons have decided the engineer to recommend the board that if they have determined to construct a dock for ocean steamers it ought to be of the graving dock type."

I venture to say whatever investigation members may make they will find that wherever room exists—and when I speak of room I mean the necessary area for buildings and such like surrounding the dock—and where suitable foundations are found a graving dock is invariably preferred to the floating type. At Durban for instance, a port which has 50 per cent. more tonnage going into it than has Fremantle, a few years ago a floating dock was constructed. That dock answered every expectation and was put to

the fullest use, in fact it became inadequate for the requirements of the port, and quite recently it was determined to supplement the docking accommodation of the port by building another dock. On this occasion, however, the Durban authorities chose a graving dock as the type to be built. I had an opportunity of seeing a letter which the secretary of the Fremantle Harbour Trust received from Mr. Mills, secretary to the Port Advisory Board at Durban, wherein this remark occurs:—

"It often happens that if we had two docks we could fill them both at the same time. The floating dock is regarded as one of our most valuable assets, not perhaps as a direct contributor to revenue, but as an indispensable item of a well-equipped port. A graving dock is a component of a comprehensive plan of harbour development that is being worked to with due regard to trade requirements."

It is very evident that in so far as at a port like Durban, which one may well compare in many respects with Fremantle, one dock has proved insufficient and the harbour authorities have embarked on the enterprise of constructing a graving dock, it should give us a fairly safe lead as to what dock we should choose. In addition to that, in considering the respective merits of a graving dock as against a floating dock, I think the economic side of the question should to a large extent be considered. The estimated cost of a graving dock is £285,000. [*Member:* Phew!] The estimated expenditure outside the State for freight, machinery and cement would be £71,250, or 25 per cent. of the cost; while the estimated expenditure within the State, principally for labour and material, would be £213,750, or 75 per cent. of the cost. In connection with a floating dock of equal capacity the estimated expenditure outside the State for material, machinery and freight would be £100,000, or 66 per cent. of the cost; the estimated expenditure within the State, principally for labour in erection, dredging and mooring jetty, would be £50,000, or 33 per cent. of the cost. Given two docks of the same size for a



graving dock, £213,750, or 75 per cent., would be expended inside the State, while for a floating dock £50,000, or 33 per cent. of the total cost, would be expended in the State. I venture to think that if we take the State as a whole—the people and the Government—it is an economic gain to build a graving dock, for this reason, that while the Government may spend say £285,000 on a graving dock, thus spending the sum of £130,000 more than would be spent on a floating dock, yet £213,750 of that money remains actually in the State, circulates in the State, and from time to time is adding its quota as it passes in circulation among the people to the Government revenue; whereas, on the other hand, in the case of a floating dock, only £50,000 would remain here as against £100,000 that would be sent away and absolutely lost to the community. In looking up this matter one can see that Sir John Forrest was always absolutely convinced, when the trade of the port was considerably less than it is now, that a dock was a necessity for Fremantle. In 1896, when he took up the proposal, there were only 680,000 tons of shipping using the port of Fremantle, whereas last year the figures were 1,564,337 tons of shipping using the port. Sir John Forrest made provision on his Loan Bill about that date for £142,000 for a structure of this kind. Owing to the exigencies of the time certain of these moneys were re-appropriated, but in connection with that loan authorisation £59,000 still remains for expenditure on a work of this description. Time after time the House has indicated that it viewed a proposition of this nature favourably. On the 10th October, 1900, the House carried this resolution:—

“That in the opinion of this House it is to the best interests of the Colony that the construction of a dry dock at Fremantle should be taken in hand as soon as possible.”

That was carried without a division, and I am glad that in the debate on that dock two of my colleagues, the Minister for Mines and the Treasurer, were strong supporters of the motion. It is rather interesting to note that at the time that

motion was carried there were four vessels in Fremantle harbour that would have been only too glad to use a dock if one existed. I refer to the “Canada,” the “Socotra,” the “Euphrates” and “Luna.” Since that date I do not think it is any exaggeration, in fact I am well within the mark when I say that scores of vessels have visited this port and have required docking here. I think it was on the 7th July the steamer “Kolya” struck a rock coming round from Robb’s Jetty and had to be patched up under most difficult circumstances to get her round to Sydney for repairs. I was on board her a couple of months ago and shipping men were estimating what the necessary repairs would amount to; and the amount ranged from £3,000 to £7,000. She was patched up and sent round to Sydney, and has not yet gone into commission. To-day the s.s. “Mildura,” which went ashore up the coast, is expected to be floated off, and there is not the slightest doubt that the only way of dealing with her will be to tow her half round the coast of Australia to a dock on the other side. Captain Arundel, surveyor to the Marine Underwriters’ Association, wrote to me on the question of a dock some three or four months ago. I read this letter in the House during the course of the Address-in-Reply, but it may again be brought before the notice of members. He wrote as follows:—

“I am in a position to state authoritatively that a considerable number of vessels trading to Western Australian ports where I have had business relations with them have required dry docking, both sailers and steamers. When Millars’ Karri & Jarrah, Ltd., insured their outward cargo in W.A. insurance offices I had to survey and grant certificates to all sailing vessels loading at Fremantle, Bunbury and Rockingham, and I frequently met masters of vessels who would have docked their vessels had a dock been available, not on account of accidents but simply to clean and examine the vessel’s bottom. There are vessels which discharge at Fremantle, and have to load at Newcastle, N.S.W. Some of these require docking, and

have to pay all the extra expenses of entering Sydney to dock. Again, I have known vessels in a partly disabled condition pass Western Australia and make the most convenient port in the Eastern States where a dock is available."

I notice that in one of the debates in this House, Mr. Connor, who was then member for Kimberley, stated that on several occasions, a vessel which had been under charter to his firm had been sent to the Eastern States to be docked, and that the expense had been some thousands of pounds. In the United Kingdom a dock is provided, if we take the average, for every 180,000 tons of shipping using a port, and on the continent of Europe one dock is provided for every 300,000 tons using a port. There is one factor which may very fairly be taken into consideration in connection with this question. Up to the present the trade of the port of Fremantle or of the whole of Western Australia has, to a very large extent, been an import trade. We have had practically little or no back loading, but the time is now close at hand when a large export trade will spring up. I have entered into communication with the Agricultural Department to find out the quantity of wheat likely to be exported this year from Western Australia, a result of the agricultural development of this State. I find that there is an area of something like 400,000 acres under wheat this year, and the Minister for Agriculture informs me that the crop from 75,000 acres will be sufficient to supply the chaff required by the State. That leaves 325,000 acres to be harvested in the shape of grain. It is admitted on all hands that at the present moment we appear likely to have a considerably better average yield than last year. If we take the average at 13 bushels, that means there will be a yield of 4,225,000 bushels of wheat. The requirements of the State may be put down at 2,220,000 bushels, and that leaves a surplus of some 2,000,000 bushels for export. [Mr. Scaddan: Will you put the surplus in the dock?] I hope the hon. member will treat the subject seriously. I am trying to point out, and I shall point out, that

if we want ships to come here, either to bring goods at a low rate or to take them away at a low rate, we must give the vessels every facility of a first-class port. It is well within the bounds of probability that the export of wheat this coming season will be something like 2,000,000 bushels. If so, that means that 54,000 tons of wheat will be exported. These figures are not my own, but have, after mature consideration, been given me by my colleague, the Minister for Agriculture. The present state of affairs with regard to the export of wheat has been brought about by the amount of new land under cultivation. This is a constantly increasing factor. Previously to the last 12 months, about 750,000 acres of land were cleared here; during the last 12 months 250,000 acres, in addition, have been cleared, and that means that each year 125,000 more acres will be under crop, thus adding to the quota of wheat being exported. As land settlement goes on, so this increase is likely to take place, until in the near future we will have a large export in wheat alone. Then, again, the Government contemplate erecting freezing works and cold storage for the shipment of lambs and frozen produce to Europe. All these factors mean building up a big export trade, and one that wants fostering. It can only be fostered by way of cheap and reasonable freights. If we are to obtain reasonable and cheap freights we must have every facility for shipping. It must be manifest that as the equipment of a port progresses, so the freights are correspondingly lower. The building of Fremantle harbour has resulted in a saving of something like 6s. a ton on all goods landed at Fremantle. On the quantity of cargo coming in this year, the charges will be £179,000 less than the charges on a similar quantity, had it come in before the harbour was built—[Mr. Collier: What causes that?] The fact that there is no lighterage. Undoubtedly, as the harbour has improved, there has been a decrease in the rates of freight to the harbour. Take, for instance, a country like New Zealand with its one thousand miles of coast line. There are four good graving docks at the different ports

there. They recognise in New Zealand that although a dock in itself may not be a strictly paying item—I am not going to argue that the Fremantle dock will pay, although a fair revenue may be expected—the indirect advantages in working a port through its being more advantageous for owners to send vessels there, are considerable, as lower freights are induced. For instance, if anything goes wrong with a mail steamer or to any other vessel coming to Fremantle, a very long and risky voyage, in a vessel in a damaged condition, has to be undertaken. That must tell when the rates of freight to a port are being considered. Although a direct gain in the shape of revenue from the construction of the dock may be small, the indirect gain by reason of the reduction of freights to the port is a very considerable item to every individual in the State. The site selected for the Fremantle dock is practically exactly over the present slip. The advantages offering there are that there is smooth water for an entrance, and no difficulty with foundations. Borings which we have made have shown that very satisfactory and reasonable foundations exist there, and I venture to say that this fact completely alters the whole aspect of the question. Up to the present time it has always been assumed that sites below the railway bridges were not at all suitable, and that the building of a graving dock would have to be above the railway bridges. In that case there would have been not only the actual cost of the dock, but a very large additional expenditure in the way of altering the railways, and also in dredging the river. The advantage of this site is that the dock can be built with a double end. Almost all modern graving docks where the site lends itself to the class of structure, are built with double ends. The area available at Rous Head is 15 acres, so that there is no difficulty as to room for the necessary workshops. The adoption of this site will not interfere with harbour extension up the river. The present proposal is to build the first section of a double-ended dock, 557 feet long and 100 feet wide, with a depth of 33 feet over the sill. Ultimately a second section

can be added, giving a dock of 300 feet long, or if the centre is removed, one huge dock of 850 feet long by 100 feet wide. The present proposal is for a dock 557 feet long and 100 feet wide. In order that members may see what kind of vessels a dock like this will accommodate, I will give dimensions. The "Moldavia," one of the largest P. & O. liners, is 520 feet long with 58 feet beam; the "Himalaya," 466 feet long and 52 feet beam; the "Omrah," 491 feet long and 52 feet beam; the "Orontes," 514 feet long and 58 feet beam; and the "Euryalus"—I think that was the flagship on the Australian station at one time—440 feet long and 70 feet beam. So that the first section will accommodate nearly all the vessels trading in Australian waters.

*Mr. Bath:* Will it accommodate vessels like the White Star liners at present trading to Albany?

THE MINISTER FOR WORKS: I do not think it would be quite long enough, but I could not get the length of those vessels authoritatively. May I be permitted to point out that I am no recent convert, by reason of being in the Ministry, to the construction of a dock at Fremantle. Ever since I have been in public life I have always urged the necessity for a structure of this nature if the port of Fremantle is to be considered a first-class port. And I want members to bear this in mind, if we can get Fremantle regarded by the shipping world and shipowners as a first-class port—and there is not the slightest possibility of that being the case if a dock does not exist there—it will make all the difference in the freights charged to the port. May I say that after my first entry into Parliament, in conjunction with others I brought this question prominently before the then Premier, Mr. Rason, and convinced him of the necessity for this work. I also want members to bear in mind that we are situated 2,000 miles from docking accommodation of any sort whatever. If time permitted I could give to the House the names of vessels with the descriptions of what occurred to them, that have visited this port within the last five or six years and have had to

go elsewhere at great expense for docking accommodation. Then again the geographical position of Fremantle lends itself to the provision for docking accommodation. Fremantle is in the south-western quarter of Western Australia and in the track of one of the great ocean routes of the world, and a prominent shipping man informed me that many vessels pass by our shores going east or north for docking accommodation, which given facilities would call here—vessels something has happened to on the long journey and it is necessary that they should enter a dock. There is one class of vessel that can never take a charter to Western Australia, and perhaps this is a rather serious matter. There is a certain class of vessel under Lloyd's rules which has to go into dock at stated intervals, that at certain periods can only take charters to parts of the world where the vessel can find docking facility. Also in so far as these vessels are concerned, if they are any way near the time when they must go into dock they cannot take a charter to Western Australia. And these vessels form a large proportion of the tramp steamers and sailing vessels. I venture to think that the present is an opportune time for carrying out this work. There is not the slightest doubt that within, I will say, a year or two's time the work is bound to come. At the present time the work will find useful and profitable employment for a large amount of labour. I hope members will consider the matter quite apart from the party question; I do not want it to take that aspect. I do not want to go back to the past, but if the matter is referred to, in my reply I shall be able to deal with that question. If the past is referred to it will not be any fault of mine.

*Mr. Bath :* It was regarded more as an election question.

The MINISTER FOR WORKS : Even as an election question, that old question need not to be opened up. I do not want to go into the past. It was opened up by an unfortunate remark of an opponent of mine at his first meeting when addressing the electors when I stood for re-election as Minister.

*Mr. Bath :* I refer more particularly to 1904.

The MINISTER FOR WORKS : I do not think it was used then.

*Mr. Bath :* North Fremantle election.

The MINISTER FOR WORKS : I do not know anything about that. If it was used as a party question in 1904, I know nothing about it. Whichever side may have used it as a party question, I think at the present moment that aspect of the case may be dropped, and that the work should simply be considered from this point of view : is such a structure justified ? is now a favourable time for building it ? and is the site selected by the Government a reasonable and proper one ?

*Mr. Bolton :* The answer is "yes" to all those questions. Will that settle it ?

The MINISTER : I want members to regard it from that point of view. Mr. Thompson has carefully gone over the sites, and after considering them all and the amount involved he has come to the conclusion that the site at Rous Head is the most satisfactory.

*Mr. Bolton :* And he is a very good judge, too.

*Mr. Angwin :* It is a matter of opinion.

The MINISTER : I suppose there is a good deal to be urged in favour of all the sites.

*Mr. Bath :* What about East Fremantle ?

The MINISTER : Probably the member for East Fremantle would prefer to have the dock there. If all sites were equal I would rather see the dock at Arthur's Head, in my constituency. I want to see members treat the matter from the point of view as to what is best for the community generally. Members must recognise that if this work is carried out it can only lead to one thing, to the port of Fremantle becoming a port of first consequence, and some diminution of the freights which everybody will share in must be the result of the construction of the dock.

*Mr. Bolton :* Would you not say something in reference to what has been said in the Federal House ?

The MINISTER : I beg to move the second reading of the Bill.

On motion by *Mr. Bolton*, debate adjourned.

### ADJOURNMENT.

The House adjourned at half past 10 o'clock, until the next day.

## Legislative Council,

*Wednesday, 11th September, 1907.*

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The **PRESIDENT** took the Chair at 4.30 o'clock p.m.

Prayers.

### QUESTION—CONDITIONAL PURCHASE RETURN.

**Hon. C. A. PIESSE** asked (without notice): When are we likely to get the return ordered by the House showing the amount owing by conditional purchase owners in the State?

The **COLONIAL SECRETARY**: I cannot answer the question without notice, but I think it was shown that it would take some three months to get out the return, because the figures have to be taken from books which are being used during the day, and the figures can be extracted only in the evening. I will get the information to-morrow.

### QUESTION — RAILWAY BRIDGES. FREMANTLE.

**Hon. M. L. MOSS** asked the Colonial Secretary: 1, On how many occasions

during the past 12 months has the Railway or other Government Department had inspections made of the two railway bridges at Fremantle? 2, What was the date of the last inspection? 3, Is the Government perfectly satisfied as to the stability for traffic of both these railway bridges?

The **COLONIAL SECRETARY** replied: 1, The bridges are inspected at least once a week, and in addition special inspections are made when circumstances render it necessary. 2, 9th September, 1907. 3, Yes.

### MOTION—RAILWAY OIL AND GREASE.

On motion by *Hon. M. L. Moss*, ordered: That all papers in connection with the supply of oil and grease to the Railway Department during the years 1904-5, 1905-6, and 1906-7 be laid upon the table of the House, the papers to particularly include those dealing with this matter and referred to in the speech of the Hon. the Colonial Secretary in this House on the amendment proposed by the *Hon. R. W. Pennefather* with reference to the appointment of a Royal Commission to inquire into the working of the Government Railways.

### MOTION—FEDERAL TARIFF. MOOJEBING TELEGRAM.

**Hon. W. MALEY** (South-East) moved—

*That a select committee be appointed, with power to call for the production of a certain telegram having reference to a public meeting at Moojebing from some person in Western Australia, with intent to mislead a Minister of the Commonwealth. Sir William Lyne; and with power to call for the production of any other papers consequent thereto.*

With respect to the publication of this alleged telegram in the *West Australian*, there seemed to be something extremely unusual about the method in which the telegram was despatched from Western Australia, and the way in which it was received back and found its way into