The Honorary Minister for Agriculture: Who are "they"? Did they advocate a decrease in the price of eggs?

Hon. G. BENNETTS: I have not suggested that at all. Eggs are not in short supply at present and this is a time when the price to the consumer could be reviewed.

The Honorary Minister for Agriculture: Who told you they were over-supplied now?

Hon. G. BENNETTS: I do not know. In the month of May eggs are in short supply; but now that fowls are laying, the price of eggs should be reduced. If my information is correct, this is the month in which large supplies are coming forward. If we take notice of the suppliers, eggs will always be in short supply as their desire is to keep the price up. There is another matter that affects the local consumer. Big ships leaving the State take away hundreds of cases of eggs produced in this State, and this tends to curtail supplies for local consumers. I do not know whether the eggs exported from this State are sold cheaper in the other States than here, but 3s. 10d. per dozen is a high price for eggs; it is almost 4d. per egg. I do not know how people can live on the wages they are receiving today.

The Honorary Minister for Agriculture: Do you mean the poultry farmers or the people who eat the eggs?

Hon. G. BENNETTS: The consumers. We were told that if we voted "No" at the prices referendum, there would be no increase in prices, yet eggs are nearly 4d. each.

The Honorary Minister for Agriculture: Do you know who fixes the price of eggs?

Hon. G. BENNETTS: The board.

The Honorary Minister for Agriculture: Do you know there are three consumer-representatives on the board?

Hon. G. BENNETTS: Yes.

The Honorary Minister for Agriculture: Then you have every chance.

Hon. G. BENNETTS: That is all I have to say on the Bill. I think the proposed amendments are desirable, but I would like the board to consider the matters I have brought forward this afternoon. If something can be done regarding meatmeal, every effort should be made to do it.

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

BILLS (2)—FIRST READING.

1. Government Employees (Promotions Appeal Board) Act Amendment.
2. Public Service Appeal Board Act Amendment (No. 2).

Received from the Assembly.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. H. S. W. Parker—Metropolitan-Suburban) I move—

That the House at its rising adjourn till 2.15 p.m. tomorrow.

Question put and passed.

House adjourned at 5.5 p.m.

Legislative Assembly.

Wednesday, 13th July, 1949.

CONTENTS.

CONTENTS—continued.

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

QUESTIONS.

RAILWAYS.

(a) As to Employees Penalised.

Mr. KELLY asked the Minister for Railways:

(1) How many guards, head shunters, and shunters were employed in the W.A.G.R. in the following districts, controlled by the District Traffic Superintendents at (a) Geraldton; (b) Northam; (c) Narrogin; (d) Merredin; (e) Bunbury and (f) Metropolitan Area, in the years ending the 30th June, 1947, 1948 and 1949?

(2) How many guards, head shunters, and shunters were dismissed, regressed, and fined in those years, in those areas in each district controlled by those District Traffic Superintendents?

(3) What was the total amount of fines in each area in those years?

The MINISTER replied:

	METROPOLITAN. Year ended 30th June—			CENTRAL NORTHAM. Year ended 30th June—			MERREDIN. Year ended 30th June—			NARROGIN. Year ended 30th June—			BUNBURY. Year ended 30th June—			GERALDTON. Year ended 30th June—		
	1947.	1948.	1949.	1947.	1948.	1949.	1947.	1948.	1949.	1947.	1948.	1949.	1947.	1948.	1949.	1947.	1948.	1949.
									NUMBER EMPLOYED.									
Guards	163	166	171	55	62	62	56	58	63	59	67	70	72	76	80	27	27	29
Head Shunters	61	56	54	7	5	9	8	11	8	8	5	7	15	13	13	5	4	4
Shunters	92	93	90	12	13	14	12	16	13	12	12	14	31	36	30	0	6	7
									PUNISHMENTS.*									
Guards—																		
Dismissed												1				1		
Regressed				1				8	1			2				1	1	
Fined	12	22	16	15	16	30	23	66	65	8	8	10	16	17	18	2	9	9
Head Shunters—																		
Dismissed								1						1				
Regressed									7	1	2	6	9	10	11		2	1
Fined	14	12	11	7	4	10	21	14	9									
Shunters—																		
Dismissed	1	1	1						1						1			
Regressed	1	1	2			1	1		1		1		4	6	8	3		2
Fined	13	19	13	2	1	4	1	14	9									
									TOTAL FINES.									
	£18	£39	£32	£4	£13	£23	£18	£56	£49	£5	£10	£9	£12	£17	£17	£3	£5	£11

* Fines, etc., are not inflicted by the District Officers, but the facts are submitted to the Central Administration which deals with each case and, where considered desirable, awards punishment according to the circumstances.

(b) *As to Camps for Permanent Way Employees.*

Mr. BRADY asked the Minister for Railways:

(1) Is it a fact that 100 prefabricated camps are awaiting transport from West Midland to permanent way gangs?

(2) If not 100, how many are ready and will they be sent to gangs as protection from weather during this winter?

The MINISTER replied:

(1) There are 75 tent frames at West Midland which have been constructed for the accommodation of displaced persons who will be employed in permanent way gangs. It is expected that they will be utilised within the next three or four weeks.

(2) Answered by No. 1.

(c) *As to Port Hedland-Marble Bar Line.*

Mr. RODOREDA asked the Minister for the North-West:

As it is evident from work proceeding in the locality that the Marble Bar-Port Hedland railway is to be pulled up, when will the Government publicly make known its intention?

The MINISTER replied:

An all-weather road is now being constructed, and if this proves capable of handling all traffic satisfactorily consideration will then be given to the question of closing the railway, as recommended by a majority of a committee which inquired into the matter.

NORTH-WEST SHIPPING SERVICE.

As to Permit to Blue Funnel Line.

Mr. RODOREDA asked the Minister for the North-West:

(1) Is it a fact that a special permit has to be obtained for each vessel of the Blue Funnel Line for each separate trip to trade on the North-West coast?

(2) If this is so, and as a permit is granted, as he has stated, whenever applied for, what is the reason why an open permit cannot be granted, so that the company could fix a schedule in advance?

The MINISTER replied:

(1) Yes.

(2) Coastal trading is carried on under an agreement signed in 1938 between the State Government and the Holt Line and no request has been received from the latter for a greater volume of coastal traffic. There is great doubt that Blue Funnel vessels could load any additional coastal cargo without jeopardising the export trade as all available space on those vessels is already used for coastal ports.

If an application is received from the company for an open permit, it will receive consideration.

UNITED BUS SERVICE.

As to Picking up Passengers on Nedlands Run.

Mr. GRAHAM asked the Minister for Transport:

(1) Is he aware that United buses on the Nedlands run are not picking up passengers along that part of the route traversed by the Subiaco bus service?

(2) If not, will he make inquiries?

(3) Who is responsible for this position?

(4) Will he arrange for this practice to be terminated—

(a) during the present crisis;

(b) for the future generally?

The MINISTER replied:

(1) Yes.

(2) Answered by No. 1.

(3) Under the State Transport Co-ordination Act consideration must be given to existing services in the granting of new licenses.

(4) The position is being watched and future arrangements will be considered as soon as conditions return to normal.

STATE ELECTRICITY COMMISSION

As to Classification Rights of Staff.

Mr. SHEARN asked the Minister for Works:

(1) Why were members of the staff of the State Electricity Commission who were taken over from the City of Perth Electricity & Gas Department granted long service leave privileges from the 20th December, 1948, but denied their classification rights until the 1st July, 1949?

(2) In view of the fact that the General Manager (Mr. F. C. Edmondson) received an increase in salary of £500 per annum

from the time of his appointment to the Commission, why the differential treatment of the staff concerned?

(3) Will he take action to have the matter reviewed?

The MINISTER replied:

(1) and (2) The hon. member has been misinformed. The position is not as set out in the question.

(3) Answered by (1) and (2).

SUPERPHOSPHATE.

As to Orders and Deliveries.

Mr. KELLY asked the Minister for Lands:

(1) What quantity of super. was ordered up to the 31st August, 1948 for delivery between the 1st September and the 31st December, 1948?

(2) Of this quantity what amount was delivered by—

(a) Railways;

(b) Road transport

within the specified period?

The MINISTER replied:

(1) 7,469 tons.

(2) (a) 83,945 tons. This includes the 7,469 tons ordered up to the 31st August, 1948, plus a proportion of the orders lodged after the 31st August, 1948, for delivery up to the 31st December, 1948.

(b) Nil.

COMPREHENSIVE WATER SCHEME.

As to Steel Sheets for Pipe-Making.

Mr. PERKINS asked the Minister for Water Supply:

(1) What tonnage of sheet steel for making water pipes has arrived in the State since the 1st January?

(2) What part of this tonnage has been allocated to tenderers for rolling of pipe for Kodj Kodjin and Bruce Rock portions of the comprehensive water scheme?

(3) On what portion or portions of the water scheme is it proposed to use the pipes made from the balance of the tonnage mentioned in question (1)—

(a) new construction;

(b) repairs to existing mains?

The MINISTER replied:

(1) 866 tons, of which 517 tons were ordered early in 1948 for jobs then in hand.

(2) As a 12 inch main requires approximately 50 tons per mile, and as the B.H.P. quota to the State cannot be increased for some time, it is impracticable to allocate the balance of 349 tons over all the sections of the scheme. Therefore tenders are now being called for 1,000 tons of steel plate from overseá for the manufacture of pipes for the northern section of the comprehensive scheme, including the Kodj Kodjin and Bruce Rock portions of the scheme.

(3) The balance of 349 tons will be part of that to be utilised for the manufacture of pipes for the Wellington-Great Southern main.

For the information of the hon. member I might add that the Kodj Kodjin and Bruce Rock portions of the scheme will receive priority when tenders are received.

ELECTRICITY SUPPLIES.

As to Use of Oil Fuel, East Perth.

Hon. E. NULSEN asked the Minister for Works:

(1) Did he notice in "The Sunday Times" of the 10th July, 1949, Mr. Winsor's comment that the railway power-houses at White Bay, Ultimo, and Newcastle, were using oil to supplement coal?

(2) Has any consideration been given to converting at least one of the big boilers at East Perth power-house from coal-burning to oil-burning, which would produce sufficient power for lighting homes and current for other domestic amenities?

(3) Has not initiative been lacking in not attempting to ease the disabilities caused through lack of electricity, particularly in homes during the night-time?

(4) If so, why?

The MINISTER replied:

(1) Yes.

(2) Yes.

(3) No.

(4) Answered by (3).

TIMBER INDUSTRY.

As to Amenities for Workers.

Mr. REYNOLDS (without notice) asked the Minister for Forests:

Has anything further been done regarding the introduction of an amenity fund for all timber workers?

The MINISTER replied:

I have studied the report of the conference called by the Conservator of Forests of representatives of the Timber Workers' Union and the sawmillers' interests and I hope to advance the matter to the stage of a further conference in the near future.

COAL.

As to Black Diamond Open-cut Supplies.

Hon. A. R. G. HAWKE (without notice) asked the Minister representing the Minister for Mines:

Would the Minister lay upon the Table of the House a copy of the agreement made between the Government and the Amalgamated Collieries Ltd. covering the supply of coal by the company to the Government from the Black Diamond open-cut?

The MINISTER FOR HOUSING replied:

I will communicate with the Minister for Mines and give the hon. member an answer tomorrow.

COAL STRIKE.

(*a*) *As to State Government's Intervention.*

Mr. GRAHAM (without notice) asked the Premier:

Yesterday I asked a question of the Premier seeking information as to where the Government derived its power or authority to intervene for the re-inclusion of a penalty clause in the coalmine workers' award. In reply he gave me the reasons for the Government's intervention. What I sought and what I desire now is an answer to my question, namely, "From where does the Government derive the power or authority to intervene on this matter?"

The PREMIER replied:

My reply is much the same as I gave to the hon. member yesterday, and that is that the intervention is made in the general interests of the people of Western Australia.

(*b*) *As to Standing-down of Housing Employees.*

Mr. REYNOLDS (without notice) asked the Minister for Housing:

Has anything further been done regarding the men employed by the Public Works Department at Belmont who were to be suspended on account of the power cut?

The MINISTER replied:

Not specifically, but the Housing Commission representatives, the chairman and the secretary, and myself, met representatives of the building industry yesterday to discuss the best possible means of maintaining the building programme and employment in the industry and the Commission is at present considering every possible means of achieving this end.

(*c*) *As to Situation at Collie.*

Mr. GRAHAM (without notice) asked the Premier:

Can he inform the House as to the position, on the latest information available, of the strike situation at Collie and the likelihood or possibility of a resumption of work in the near future?

The PREMIER replied:

The matter is in the hands of the Coal Tribunal and I am unable to give the hon. member any further information.

(*d*) *As to Old Women's Home.*

Mr. FOX (without notice) asked the Premier:

(1) Has he noticed in the Press a report that the inmates of the Old Women's Home have no light and are unable to listen to the radio programmes?

(2) Considering their age and the service they have rendered to the country, would he consider removing the electric light plant to the Old Women's Home from Parliament House and assembling Parliament in the day time in order to give the old ladies the amenities to which they are entitled?

The PREMIER replied:

(1) and (2) I did see the report as mentioned by the member for South Fremantle and I would be prepared to do everything that is possible to add to the comfort of those old people. However, I do not think it is necessary to remove the plant from Parliament House because I think that other arrangements could possibly be made.

(e) *As to Road Transport of Housing Timber.*

Mr. REYNOLDS (without notice) asked the Minister for Housing:

Has anything further been done regarding the use of motor trucks at Carlisle State Sawmill for the transport of timber from the mill to Perth during the shortage of railway trucks resulting from the coal restrictions?

The MINISTER replied:

The matter of utilising large diesel-powered trucks for the transport of timber from the mill to the metropolitan area and metropolitan timber yards has been the subject of consideration by the Commission. The Principal Architect, who is the vice-chairman, in particular has been going into that matter with a view to judging the practicability of some such organisation if the present stoppage should continue any appreciable time further.

PRIVILEGE.

Statement by Mr. Speaker.

Mr. SPEAKER: A question of privilege was raised by the Leader of the Opposition in which he complained that in a column headed "This Week in Parliament," the writer accused the Leader of the Opposition of quoting personal memoranda pencilled by the Minister for Housing on papers made available to him (Hon. F. J. S. Wise). I have perused the papers in question and find there are no memoranda pencilled thereon. But the Leader of the Opposition wished to be generous and, while the writer was mistaken in his assertion, it is with regret I notice that the column "This Week in Parliament" no longer appears, and trust that this is only temporary. If it re-appears, I feel sure that the error referred to by the Leader of the Opposition will be corrected.

BILL—WORKERS' COMPENSATION ACT AMENDMENT (No. 2).

Introduced by the Minister for Education and read a first time.

BILLS (2)—THIRD READING.

1, Government Employees (Promotions Appeal Board) Act Amendment.

2, Public Service Appeal Board Act Amendment (No. 2).

Transmitted to the Council.

MOTION—TRANSPORT.

As to Vote of Censure on Minister.

MR. MARSHALL (Murchison) [4.52]: I move—

That in the opinion of the House, the Minister for Transport is deserving of the severest censure because of his improper conduct in the handling of the portfolio of transport generally, and particularly in regard to the stopping of the No. 7 tram service to Nedlands jetty, and other matters associated therewith.

I fully appreciate the responsibility a member takes in moving a motion worded as mine is. Such a motion contains an imputation, to say the least, that the Minister has behaved in an improper way in handling the portfolio that has been his responsibility since he took office. I repeat that I appreciate the seriousness of the motion, and assure the House that it gives me no satisfaction to have to move in this direction.

I feel that it would be much better for Parliament generally if we could find no such conduct in the administration of portfolios as we find in the administration of that of transport. I have been a member of this Chamber for a considerable number of years and on very few occasions have motions of this sort been moved. The reason for this, I believe, is that Ministers are usually very careful in the decisions they make in the course of administering their various portfolios, realising that when they were sworn in they took an oath to do all manner of things according to the laws and usages of the realm. Apart from the oath they take, they must in no circumstances be a party to evading the effect of any law they are called upon to administer. All decisions made by them, either in writing or orally, should be strictly in conformity with the law which they have sworn to administer without fear or favour, without affection or ill-will.

I consider that the Minister for Transport has departed from that principle, to which Ministers are careful strictly to adhere, but whether he did so in ignorance of the law, or whether he acted deliberately, knowing that he was departing from the law, only a discussion on my motion will show. That the Minister did depart from his oath, I believe, is without any doubt whatever. I have before me a copy of the oath taken by the Minister when he was sworn in. It reads—

I,.....swear that I will well and truly serve our Sovereign Lord the King, His Heirs and Successors, in the office of.....and I will do right to all manner of people after the laws and usages of this realm without fear or favour, affection or ill-will.

The Minister took the oath that in no circumstances would he favour any person, but would adhere strictly to the laws and usages of the realm. I do not expect to have any difficulty whatever in showing that the Minister did forsake both the principle and the oath. I know from experience that from time to time Ministers are obliged to do things that to them personally are distasteful. They do not favourably incline towards making a decision which the law obliges them to make, but, so far as I know, even though the duty be distasteful, no Minister has departed to the same extent from giving effect to the law as the Minister for Transport has done.

In the first place, I want it clearly understood that I am not bitterly opposed, as might be thought, to the stopping of the No. 7 tram. That is not the point at issue. We all know that when trams are used beyond a distance of two or two and a half miles they come a very slow and cumbersome means of transport. It is not about the stopping of the No. 7 tram that I am particularly hostile, but the methods the Minister used in effecting that stoppage. Those methods indicate quite clearly that there was some motive behind his action in eliminating the service. I am inclined to believe that undue pressure was brought to bear upon the Minister; that there was an ulterior motive impelling him to depart from the law for the correct administration of which he is responsible. I want that point clearly understood: that the stopping of the No. 7 tram service is not what I am hostile about, but rather the manner in which the Minister went about the job.

As I said at the beginning, it gives me no pleasure to have to submit this case; but I feel there is a responsibility on private members to see that, when a Minister breaks faith with the oath he took and does things contrary to the law, he is corrected or that the matter is given publicity. When a Minister in the administration of his portfolio departs from the oath he took or from the laws by which he should be guided, and these facts receive publicity, it is little wonder that the members of the public treat politicians with contempt and that departmental officers accept corrupt methods as being virtues and treat all with contempt.

From time to time in this House we have heard adverse criticism of bureaucratic officers who usurp the power of a Minister and do things for which they are not responsible to the public. We criticise them when they do things contrary to the law. But if a Minister is going to use departmental officers to escape the law and criticism by Parliament it will not be too long before the contempt which a great section of the community feels for politicians will be definitely aggravated. I suggest we are asking nothing too much from any Minister when we require that under all circumstances, no matter what they may be, he shall administer his office strictly in accordance with the laws upon which he adjudicates.

I want now to refer to what the Minister did. I suggest that even the newest members of this Chamber are fully aware of certain facts. Even late-comers will know that if two laws overlap, or conflict, or deal specifically with the one subject, the latest will always take precedence. The last enactment is the one that prevails. If there is in existence what is known as a general law and also a particular law, the particular law prevails. These facts are well known to every member. If there is a provision in an Act that conflicts with another provision in the same Act, the particular provision is the one that applies.

If I were to say that the Minister for Transport was not conversant with those facts I feel that I would be insulting his intelligence. I believe the Minister does know those facts. If he does not, he has learnt nothing in the long period in which he has been member for Pingelly. You, Mr. Speaker, know how frequently we have had to thrash these points out and have finally come to the conclusions I have just enunciated.

The Minister is now the supreme authority in relation to the State Transport Co-ordination Act, with one exception, which was specified only last session when the Act was amended. The exception, where the Minister has not complete control over the Transport Board, is where the Crown applies for a new license. I agree with the

Minister that in that case, and in that case only, he puts the sole responsibility on the Transport Board to decide the question, and that is quite right. Being a Minister of the Crown it would be rather objectionable for him, personally, to have to decide whether the Crown or a competing company should be the successful tenderer. So, when that amendment was introduced last session I offered no objection to it. But that is the only exception. Right throughout the State Transport Co-ordination Act, the Minister reigns supreme. He can accept the board's decision, or he can reject it. He can give instructions and directions, as he did on this occasion.

The Act contains only two provisions which deal with the subject matter of this motion, and they are Sections 10 and 11. Section 10 deals specifically with three points, firstly the granting of a new license, secondly giving the Transport Board power to inquire and investigate, and thirdly to take in under the law the transport services which were in existence prior to the introduction of the State Transport Co-ordination Act. They are the only three points dealt with in Section 10. Therefore, reviewing the matter now under consideration, that section could not have been resorted to by the Minister because the question of a new license was not involved. I emphasise that point. The Minister, therefore, had to resort to Section 11 to initiate the matter. There can be no doubt that he used that section because it deals specifically with the case under review, and no other section of the Act does. I need not quote from Section 10, because the three factors I have mentioned are the only ones involved, with this addition—may I correct myself?—that it gives the definition of a new license. I want to read one or two subsections of Section 11 to show conclusively that it is the section which the Minister used—

(1) On the direction of the Minister, the Board shall, or of its own volition may, inquire and report whether the services of any railway or part of a railway or any tramway, or part of a tramway, are adequate for the requirements of the district or area which such railway or tramway serves.

(2) If in the opinion of the Board the services of any railway or tramway as aforesaid are inadequate, and the requirements of the district are or can be better served by road and/or air transport, the Board may recommend the closure or partial suspension of service of the railway or tramway.

(3) Any such recommendation shall be put before Parliament for its sanction, or otherwise:

Provided that the Minister shall direct the Board to call tenders for road transport and/or air transport to serve the district or area served by the railway or tramway, and the result of such tenders shall be ascertained before the Bill for the closure is put before Parliament.

(4) In calling tenders, the Board shall frame such conditions as will insure that adequate provision is made for all the transport requirements of such district or area.

(5) No tender shall be accepted by the Minister until Parliament approves of the closure of the railway or tramway. On the acceptance of any tender by the Minister, the Board shall collect from the tenderer the sum or sums agreed upon, and such sum or sums shall be paid into the Treasury and used to liquidate the capital cost of the railway or tramway which has been closed. Any sum or sums received from any subsequent tenderer or tenderers shall be dealt with in like manner.

(6) The capital cost of any railway or tramway so closed, less the value of any material recovered, shall at once be deleted from the capital account of the Railway Department.

That is the only section the Minister could have used, and he used Subsection (1) because he directed the board to call for tenders. The reason I say the Minister used Section 11, and directed the board to call tenders, is because I have here a statement made by him in defence of his attitude. I might say it was an unfair way of doing it because it was made in defence of the Transport Board which had no jurisdiction other than that given to it by the Minister. It is subject to direction all the time. There was a time when it was supreme, but we altered that and gave the Minister full control. The other provisions in the Act are subject to the Minister, with the exception of when the Crown applies for a new license. Below the Minister's statement in the Press, from which I may quote later, there is a statement by the secretary of the Transport Board, Mr. Slater, and there has been no correction of it. It reads as follows:—

The State Transport Board had not recommended either the closure or partial closure of the tramway service to the Nedlands jetty, so that it was not necessary that Parliamentary consent be given before another service could be operated, the secretary of the board (Mr. G. Slater) said yesterday. The board had recognised the need for an improved service to meet the needs of residents of the Eastern Nedlands area about a year ago. Negotiations had been opened with the Tramway Department for a Government bus service

to operate. When no finality had been reached by the Tramway Department after many months the Government had directed that tenders be called.

There is no doubt about that. The Minister used Subsection (1) of Section 11 to initiate the changeover of this transport system. Having done that he departed from and ignored the rest of Section 11. It is here that I become particularly suspicious of the Minister's action, for the obvious reason that had he continued on to complete the changeover of the service according to law he would have had to do exactly what is provided for in the other subsections of Section 11. The Transport Board should then have recommended under this section, as I have no doubt it did, and it would not depart from the rest of the section without some interference. I know the members of the Transport Board, particularly the secretary and the chairman, and I do not think they would use a part of that law only and then recommend to the Minister that he take action under the Government Tramways Act, which has no reference to the matter at all. The Minister had no legal authority to use Section 3 (e) of that Act. That is a general law, placed on the statute book in 1912, 21 years before the State Transport Co-ordination Act came into existence.

The only legal way in which the Minister could have stopped that tram service was by applying the provisions of Section 11, to which I have referred, and that is why I made that point in opening my address. Recently I asked the Minister under what provisions of what Act he stopped the No. 7 tram service from running, and he replied that it was done under Section 3 (e) of the State Tramways Act of 1912, a law enacted 21 years before the State Transport Co-ordination Act became a statute. It was placed on the statute book only to get over such difficulties as we experienced in Colin-street and like instances where the Minister had power, by virtue of an Executive Council minute, to stop the service and pull up the line if so wished. The State Transport Co-ordination Act was placed on the statute book for the specific purpose of doing what the Minister did, but he used only part of it. Of course the Transport Board did not make any recommendations, for the obvious reason that, if it had, the Minister would have had to bring the matter before Parliament, and Parliament might have been critical of it, in the circumstances.

Another aspect is that had the Minister used Section 11 in full, this omnibus company would have had to pay a premium for the service it was running. The Minister sought to protect the company from that. He did not want the company to pay. This was a gift, and the only way in which it could be made a gift was by using a part only of Section 11 of the State Transport Co-ordination Act and then resorting to the State Tramways Act. It is little use the Minister saying that the Transport Board did not recommend. I know the board would have done its job according to law, because on every occasion when something arises under Section 10 or Section 11 the board makes its investigations and must report to the Minister. What would it report to the Minister? The board would report exactly what the secretary said in the Press, that the service was inadequate and that Section 11 of the State Transport Co-ordination Act applied.

If I judge the Minister wrongly he has only himself to blame. I would not insult his intelligence by saying he did not understand the legal position, and I know that the officers of the Transport Board would have advised him. They would never have let their Minister make such an obvious mistake, but would have warned him. Therefore if I have formed the opinion that some ulterior motive was the most prominent factor about the attitude and methods adopted by the Minister in stopping the No. 7 tram service, only he is to blame. I take no pride in making accusations against any member, much less against a Minister. I would rather not have the difficult task of presenting this case, which is difficult in the sense that I do not like making attacks of this kind on any member of this House unless his conduct is such as to warrant it. I say again that what the Minister did in this matter was most improper. It does not become the Minister for Transport, for I know him well. However, I feel that he was not fully responsible for it and I think undue pressure was brought to bear upon him and he could not resist.

Is it any wonder that members of what is known as the Country and Democratic League hestitate to merge with the Liberal Party? Just look at the position of the Minister for Transport! He represents a country district, not a city electorate, and yet these people could bring sufficient power or

pressure to bear upon him to force him to do what he has done. It has besmirched his character and reputation and it only goes to show what the supporters of the Liberal Party would do, and how they would ride rough-shod over country members, if they got them completely into their hands. I feel, although I am not too sure, as though there are a number of their political supporters pulling the strings and wires. The Premier some time ago visited the wireworks at Leederville and evidently found a good supply of wire.

The Premier: I wish there was.

Mr. MARSHALL: So do I, in one way, However, there is the position, quite obvious for anybody to see. Some undue pressure from some unknown source, was brought to bear and I am entitled to use my own judgment as to where it came from. I think there are politicians, members of the present Parliament, who would do anything to transfer from the State much of its transport and give it as a free gift to metropolitan omnibus companies. I really believe that and I feel that there are members of this Parliament who are members for that purpose only. So I say to the Minister that his conduct was most improper.

In the newspaper article, to which I have already referred, the Minister made mention of the Claremont—Waratah-avenue tramway service. That little spur line was put down as a feeder to the railways, years before road transport was considered to be a dangerous competitor to State-owned transport. By virtue of capitalising that particular spur line, we built up a community of people who began to inhabit an area served by the tramway service. That particular portion of the metropolitan area is a delightful spot and one of the prettiest in the city. The people who began to occupy the area had a service direct to the Claremont railway station and they could go either east or west according to the dictates of their consciences. It was a good service and that is why it was put there. However, when road transport came into being, the service had no further purpose because the people did not need to go to the Claremont railway station for transport to Perth and it was quicker, more comfortable and better for them to take a direct trip. I do not want to labour the point but the Minister, in this newspaper article, criticised some of the tramway officials for not having entered a protest when the Claremont—Waratah-avenue spur line was taken up or disbanded.

Apparently the Minister never gives any consideration to these matters before he makes such statements. Not only was there criticism of that action, but there was bitter criticism of it, notwithstanding the fact that the spur line had outlived its usefulness. It built up a community at a capital cost to the taxpayers and, as soon as the community was built up, in came private enterprise for a profitable investment. What the Minister of that day did, in connection with that spur line, was honourable. He behaved in an honourable way. What did he do? Did he do what the present Minister has done? No! He exercised all the provisions contained in the State Transport Co-ordination Act. He was a Labour Minister and he knew that he would be subject to severe and bitter criticism in this House, and he received it. His motion and his Bill were carried with the aid of the Opposition of that day whose policy, apparently, is to give away State assets. I wish to quote from 1934 "Hansard" No. 2 and though I do not intend to read very much of it, I want to show the Minister how courageous and honourable was the Minister for Transport in those days. He knew that he would be subject to severe censure from his own supporters. On page 1885 he moved this resolution—

> That this House endorses the recommendation of the Western Australian Transport Board for the closure of the tramway from the Claremont railway station to and including Waratah-avenue, and sanctions the closure of the said line.

The Minister for Transport in those days was the Hon. J. C. Willcock and on page 1886—I recommend to the Minister for Transport that he should read this debate—he stated—

> The board reported that, after having made exhaustive inquiries, it was of opinion that the services of the tramway which is operating between the Claremont railway station and Waratah-avenue are more or less inadequate for the requirements of the district, and that these could be better served by motor omnibus transport. The Act provides that on receipt of a recommendation of the board, the Minister may direct it to call tenders. That has been done. The result of the tenders must be ascertained before the recommendation can be submitted to Parliament. No tender can be accepted without parliamentary approval.

Further down there is an interjection—

Mr. Marshall: Who takes over this liability in the event of a change being made?

The Minister's reply was as follows:—

The successful tenderer puts up a certain amount and that amount is paid into Consolidated Revenue. That goes towards liquidating the liability.

Did the present Minister for Transport do that with this particular tramway service? Of course he did not. See the difference in the honourable action of the Minister of that day. He brought the matter to Parliament. The Transport Board had to report to the present Minister and if he was true to his oath, he should have confined all his activities to Section 11 of the State Transport Co-ordination Act. Even if the board did not recommend to the present Minister that the line be partly or wholly closed, the Minister had supreme power by virtue of his own amending Bill. He is not now subject to a decision of the Transport Board, as was the Minister in those days. The Act was amended last year and it gave the Minister supreme power. It was within his jurisdiction to have used his own initiative and acted accordingly. But, did the Minister do that? I can only come to the conclusion, therefore, that the Minister did not desire to bring this subject before Parliament at all for some reason best known to himself. He had no desire to force this company to pay anything whatever as recompense for a lucrative gift, in the circumstances, to it. Consequently, he has never used that part of Section 11.

If the Minister had no power under the State Transport Co-ordination Act to have the No. 7 tram service stopped, I would have had no argument to offer against him, but the Minister did not use that Act. Instead, he resorted to the Government Tramways Act, which is 21 years older than the State Transport Co-ordination Act. Much has been said from time to time on State-owned transport, and the Minister referred in his statement—it was a clever little jibe at the Leader of the Opposition—to the fact that the No. 7 tramway service was losing money. That is news to me, because every time I tried to obtain sectional costs, they were always denied me. I was told that no sectional costs were kept. However, I will accept the Minister's statement that the service was showing a loss. But why was it showing a loss? It was because the capital cost of installing the service was its responsibility. What would happen to these transport services, privately-owned or any other bus service, that ran in competition with the tramways, trolley-buses and Government omnibuses, if they had to provide their own roads, the same as we have to do for tramways, trolley-buses and railways?

If the privately-owned omnibus companies had to build their own roads and then maintain them, would they be able to compete, on the present rate of fares charged by them, with Government services? Of course they would not. What they do is to wait until the State has expended millions of pounds in the provision of transport, the pioneering of centres and developing them, the building and maintenance of roads, and then they impudently suggest that they should step into the picture and be permitted to run a profitable transport service on those conditions. That is quite a good proposition. Let us hear no more about the successful competition of privately-owned transport! Let privately-owned road transport pay all the costs involved in the establishment of a transport service and then see what their charges will be and whether they will show a loss or otherwise. They would not last 12 months if those obligations were thrust upon them. But they impudently suggest that the taxpayers should provide and maintain the roads and then make up the deficit on the State-owned transport at the end of the year.

The taxpayers' money is to be almost given away to provide lucrative investments for private-owned transport systems. I venture to say that most of us could get along fairly well in life if we could get some other body or institution to pay about two-thirds of our cost of living. We also would show a profit at the end of the year, and that is what the Government is doing for privately-owned transport in this State. In comparing State-owned transport with privately-owned services, I have yet to know why the Arbitration Court always grants greater concessions to private companies than it does to Government-owned transport. But, apart from what the Arbitration Court does, look at the concessions that are given to the employees of State-owned transport compared with those granted by a privately-owned system.

Mr. SPEAKER: Order! The hon. member is discussing the question very distantly. The motion is really on the alleged improper conduct of the Minister on various matters. Can the hon. member connect his remarks with that?

Mr. MARSHALL: The motion is worded to deal with transport generally, but in particular I am now making a comparison because the Minister referred, in his own statement in the Press, to the fact that the No. 7 tramway service was unprofitable. That is why I gave the reasons why it is profitable now, operating under the present company. Therefore, it is no use the Minister putting that up as an argument. The fact is that the Minister made a blunder and he made it, I repeat, because it was not of his own volition. He was obliged to take this step as a result of outside pressure being brought to bear upon him. What would be the position if this or any other Government treated this particular company in the same fashion as the Minister treated his own transport system?

Let us assume that we took over the United Bus Co., granted no compensation whatsoever to it for the capital cost expended for its transport system and gave it nothing at all to make good the actual out-of-pocket expenses. What a terrific out-cry there would be in this House if that were done by some Ministry. What an out-cry there would have been had he said, "I do not care about the United Bus Service. I am taking it over and do not intend to pay compensation for the loss of captial invested." Having regard to depreciation, the company would have been entitled to some compensation. The Tramway Department, received nothing, and the money invested in that service is now a liability on the taxpayers while the interest payments will continue in perpetuity. This represents very unfair competition; it is also very unfair treatment of the taxpayers.

I could go on quoting instances of all sorts of concessions that have been granted by the Minister for Transport. Concessions are even being granted to industries which are now in a most prosperous condition compared with the time when the concessions were granted, but they are still being enjoyed. We shall have something to say on that aspect before the session ends.

Another remarkable fact is that recently the Minister permitted an increase in the fares charged by private companies. This appeals to me as being most favourable consideration. As the former Minister for Transport, I know that the Prices Commissioner proposed to take action to reduce the fares because of the colossal reserves these companies had built up during the war period when, of course, there was no possibility of making replacements. I suggest that all those reserves have not been exhausted or that the companies operating in and around the city have not reached the danger point as regards their reserves.

But this excuse has been advanced and has influenced the Minister to the detriment of patrons in the metropolitan area. I feel that outside influence has been brought to bear on the Minister because of the short space of time that has elapsed between the time when a reduction of fares was being considered and the time when fares were increased. In view of my knowledge of the situation, I say there was no justification for the increase.

The secretary of the Transport Board, in a statement published in the Press, pointed out that it was negotiating with the Tramway Department for a bus service to be instituted in lieu of or in conjunction with the No. 7 tram service. As the Tramway Department, along with private companies, submitted a tender for the bus service, it is clear beyond any shadow of doubt that the department had the busses to give the service. On the other hand, the Minister had to wait until the company got busses from the Eastern States before it could commence the service, and this despite the fact that it was not a new service but merely an adjunct to an existing service. All it amounted to was a deviation from one road to another. Yet the company had to wait to get busses from the Eastern States before it could institute this subsidiary service.

Surely the Minister could have given more favourable consideration to the taxpayers! Surely it would not have been asking too much to permit the department to continue the service with busses or with both busses and trams! There would have been no harm in having busses running in addition to trams because this has been done for many years.

Parlour coaches and busses as well as trams have been passing to and fro for years. Instead of co-ordinating the traffic, the Minister has caused it to become disjointed. That is the position he has created. Any person who requires to go to the football ground at Subiaco, to St. John of God Hospital or to Wembley now has to travel from Nedlands right into Perth and out again. That is the Minister's idea of co-ordination.

Hon. A. H. Panton: There is no bus running to St. John of God Hospital now.

Mr. MARSHALL: No, but people used to be able to leave the tram at Hay-street, and walk across Axon-street Bridge to the hospital. Under the new service, they have to travel right into Perth and out again. The same applies to a Nedlands resident wishing to go to the football ground; he has either to go into Perth and take another conveyance out, or walk a considerable distance.

Mr. Bovell: With the old tram system, it might have been quicker to do that.

Mr. MARSHALL: I am not arguing about that, Mary.

Mr. SPEAKER: Order!

Hon. J. T. Tonkin: It might be quicker, but it would not be cheaper.

Mr. MARSHALL: The present fare from Nedlands Jetty is 4d. for a mile or a little more. However, cheapness is not the point I am making. To enable people to do the complete journey without interruption is to co-ordinate traffic, but that cannot be said of the present disjointed service. If any difficulty existed previously, it could easily have been overcome by the Tramway Department. However, the Minister seemingly had made up his mind and failed to do right by all the people as he was required by his oath to do. The very least he could have done in the circumstances was to persevere with the Tramway Department.

I have observed that there has been a colossal addition to the number of bus services operating in the metropolitan area. Speaking from memory, I believe that the total at the 1st April, 1947, was 34, since which 17 new ones have been started.

Hon. F. J. S. Wise: They must almost be running up and down every street.

Mr. MARSHALL: I believe that four of the new ones are State-owned. The other 13, which is nearly 50 per cent. of the total, have been started since the present Government took office, and all those services just pass around and about the railway and tramway systems of the metropolitan area. This amounts to body-snatching or white-anting the State-owned transport. Those services run out no distance and are constantly undermining the possibility of the State-owned transport making a profit. It is little wonder that the State services show losses. Nowhere else in Australia have private bus services had the deal they are getting here. In many of the other States they have been taken completely off the road, while some are semi-government owned. But here they have a free hand, and the Minister says, "It is a matter of my Party's policy." I tell the Minister that if he, in order to give effect to his Party's policy, breaks the law he will find himself in deep water. Little wonder that the State-owned transport system shows a loss when it is submerged, hemmed in, clouded over and cloaked by private companies which take all the traffic away from it! There are 17 more private services operating now than on the 1st April, 1947.

Hon. A. R. G. Hawke: Did the Minister not resist some of these companies for a time?

Mr. MARSHALL: I have no knowledge of that. I should like to hear the member for Victoria Park on this subject. I understand there are several hundred tramway employees living in his electorate. What do they think about this whittling away of State-owned transport? The private services are sucking the lifeblood out of it. We find them crossing over tramlines and running parallel with them and thus white-anting the State-owned transport and depriving it of every opportunity to make a success. I put it to the House that the Minister departed from the law, the only law which would have protected him. I consider he has done a grave wrong in the way he handled this matter.

I repeat that I am not hostile to the stopping of the No. 7 tram, but I am exceedingly hostile to the subtle and improper moves which the Minister made to give that route to a private company. I am particularly bitter about that. The Transport

Board will have little respect for that action because unquestionably Section 3 (e) of the Government Tramways Act should not have been used. The Minister made that point clear when he answered the question and said that he had resorted to Section 3, paragraph (e) of the Government Tramways Act, 1912. He was hard-pressed to find a logical reason for saying that he was lawfully justified in the method he adopted to institute this service. I want the Minister to give State-owned transport a little more sympathy and privately-owned companies a little less. I suggest that he should call tenders for the tramway system and sell it; he will find plenty of buyers at valuation, because the community has been built up and the business is there.

There is no pioneering to be done. These people wait for the taxpayers to be charged with the cost of constructing roads, railways and tramways, as well as overhead wires for trolley-buses. When the community has been built up, these people come in and force the taxpayers to pay the deficit on State-owned transport which the taxpayers must maintain. What a rotten situation to find ourselves in! No other State permits it. I have no objection to a transport service owned by a company or a person running on some route which is not competing with State-owned transport as we saw at Claremont in the early days. We cannot get rid of the capitalisation of the State-owned transport; that will be a liability on the taxpayer in perpetuity and interest will continue to be paid on it for all time. Surely the Minister should give that phase some consideration and take such steps as will justify him in changing his views, so that we can liquidate some of the liabilities and pay the interest bill in full rather than call on taxpayers who seldom or never use the system to pay the interest.

That is my case. I say the Minister in doing what he did acted illegally, and if some person lodged an injunction against him in this matter he would find himself defeated at law. I appeal to the Minister not to be so vicious in his treatment of State-owned transport but to look at it from the point of view that it is a liability on the taxpayers, to protect whom is his responsibility.

MR. NEEDHAM (Perth) [6.8]: I listened attentively to the speech of the member for Murchison when he addressed himself to the motion standing in his name on the notice paper, a motion that is worded very seriously and in a most unusual fashion. I realise that the hon. member was fully seized of his responsibility in putting such a motion on the notice paper and addressing himself to it as he did. During his speech he traversed much ground in connection with our transport system and insisted that in the administration of that system things were not as they should be. I thought I would have a few words on this matter before the Minister speaks.

Like the member for Murchison, I am not very much concerned about the actual closing of the No. 7 tramway route; but, also like him, I am concerned about the procedure adopted in connection with that closure. Speaking of the tramway system generally, I realise that the day is not far distant when more than the No. 7 route will have to be closed in and around the metropolitan area. I am aware that in sections of this city the congestion of tramcars and vehicles has reached a very dangerous stage, and I would not be surprised to see some alterations made in the near future with a view to relieving that congestion.

I further realise that living in the motor age as we are, for us the day of fixed transport has gone; and for that reason I am not surprised at or concerned about the closure of any particular tramway route, provided that the transport service that takes its place is conducted in the right way and that the procedure laid down by Parliament is followed. I begin to realise, however, that in the change that has taken place in this particular route, the Government has implemented its particular policy of encouraging private enterprise. I have no quarrel with that either. I believe that the Government of any country should carry out the policy it put before the people; and I know that the encouragement of private enterprise is a principal feature of the policy of the parties occupying the Treasury bench in this Parliament.

But there again I contend that they should not enact any portion of that policy contrary to the laws of the country; and, before the member for Murchison delivered his

address, I had my own ideas so far as this particular route is concerned, and considered that the law had not been complied with in any way at all. I look upon the change in the route and the closing of the tramway and the handing over of the service to a private bus company as being simply a concession to a private company that should not have been granted. We must not forget that the State-owned tramway pioneered this route. Forty years ago that route was established through the Nedlands district and I understand that the service has been run at a profit. The Minister may have another opinion. Then after the service has been run at a profit and met the needs of the district for many years, a private company steps in to reap the benefits obtained by State-owned transport.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. NEEDHAM: There are one or two phases of this question not dealt with by the member for Murchison, to which I direct the attention of the Minister and the House. The first is in connection with the Bell report. I understand that Mr. Bell was retained by the Government to inquire into transport matters. I believe that he is a man of very high repute in transport work. His services have been availed of in different parts of the world. He came to this State at the request of the Government. It is natural that he should make a report to the Government, and it is also natural to expect that the report would have been published, but so far I have not seen anything of it. If the Minister did not err in any other way, he certainly erred in not publishing the report of Mr. Bell. I do not know why it has not been published. Is it because it was not just on the lines that the Minister or the Government required? Is it that in the report Mr. Bell condemned the private bus operations in this State? If he did, he had good cause for his condemnation.

It would be of great assistance to members if, even at this late stage, the Government, through the Minister, either tabled the report or had it published in the Press. It is not at all in accord with proper practice, when a Government requests an eminent man in his profession, to inquire into certain matters—the inquiry naturally costing money—to keep the report to itself and not let the public know what it contains. I hope the Minister, when he speaks on the motion, will explain why Mr. Bell's report has not been published. If it is published, I venture to say it will be seen that the attitude adopted by the Minister has been rightly condemned by the member for Murchison. The hon. member, in the course of his speech, referred to Section 11 of the State Transport Co-ordination Act. That section is most emphatic as to the procedure to be adopted by the Minister. Subsection (2) provides—

> The board may recommend the closure or partial suspension of service of the railway or tramway.

Then Subsection (3) goes on to state—

> Any such recommendation shall be put before Parliament for its sanction or otherwise.

That is plain language, and also very emphatic. It is not optional on the part of the Minister or the Transport Board to seek approval for the closure of a railway or tramway, but mandatory. The proviso goes on—

> Provided that the Minister shall direct the Board to call tenders for road transport and/or air transport to serve the district or area served by the railway or tramway, and the result of such tenders shall be ascertained before the Bill for the closure is put before Parliament.

Is it any wonder that the member for Murchison laid emphasis on that feature of the legislation governing our Transport Board? There is the kernel of the whole situation. He quoted a previous occasion where a Minister for Railways did consult Parliament before closing a tramway route. But on this occasion, not only was Parliament not consulted, but a tender was called for and given by the Tramway Department, and was rejected. I say that the action of the Transport Board and the Minister, insofar as there was non-compliance with the State Transport Co-ordination Act, is not valid.

We cannot allow a practice of this kind to pass unnoticed, or without comment. After all, the laws are there, and every man and woman in the country is subject to them. We look to the Minister who, for the time being is administering the laws, to carry them out to the letter. Like the member for Murchison, I do not know whether the Minister's actions were due to indifference, disregard for the law, or ignorance. I do not think the Minister himself would wilfully flout the law of this Parliament.

I am under the impression that he has been badly advised in connection with the closing of the No. 7 tram route. I wish to draw the attention of the Minister to another phase. The Tramway Department purchased special busses last year to replace the trams on the No. 7 route, and equipped them with signs for the Nedlands route. That department, which is completely controlled by the Minister, was ready for the change-over.

The officers of the department realised that buses would be of more service to the people in that part of the metropolitan area than would fixed transport, as represented by tram cars. The department went to the expense of purchasing the busses and fitting them out for that route. I would like the Minister to tell the House what has become of those busses, what was their cost and why they were not used on the No. 7 route instead of its being handed over to a private company. Those are questions that I hope the Minister will answer when speaking to this motion. I understand that the Minister was fully aware of what was going on, because he gave his approval to the conversion of the No. 7 tram route to bus operation. He must, therefore, have known of the purchase of these busses and of their being equipped for that route. Before Christmas of 1948, the Tramway Department had drawn up a scale of fares and a time schedule for this new bus route. Despite all that preparation and expenditure of money, the Minister coolly flouted all that had been done and handed the route over to a private company.

As has been pointed out by the member for Murchison, the State Transport Co-ordination Act Amendment Act gives the Transport Board full power and control over the Tramway Department, and I cannot understand why, when the department was ready for the change-over from tram cars to busses on this route, the Minister, instead of exercising his authority and allowing that to be done, took th eopposite action and handed the whole service over to private enterprise, particularly in view of the fact that a considerable time had to elapse before the United Bus Co. could bring the necessary busses from the Eastern States. That is a phase of the matter that the Minister might explain to the House. His own department was ready and willing to take over without any loss of time, but the United Bus Co. held the business up for a considerable period. I would like to know why the Transport Board knocked back the tender of the Tramway Department. It would be interesting to hear the Minister explain that.

The Tramway Department was ready not only with its scale of fares and time schedule, but also to provide cheaper fares and better travelling conditions. I am given to understand that an anomaly exists with regard to the fares on this route, inasmuch as one can travel from Subiaco to the City for 11d. as against 1s. if going from the City to Subiaco. The difference in the fare is only 1d., but it shows the anomaly of the situation. Then there is the fact that we had the responsible Minister making one statement to the public and the secretary of the department making another. That was dealt with by the member for Murchison and I will not elaborate further on the subject, except to say that something must have gone wrong, somewhere and somehow, when two such responsible men made conflicting statements. That is another reason why the Minister should give the House full information in this regard, and I hope he will be able to explain the whole position satisfactorily.

On motion by the Minister for Transport, debate adjourned.

MOTION—LAND SALES CONTROL.

To Inquire by Select Committee.

HON. F. J. S. WISE (Gascoyne) [7.48]: I move—

> That a Select Committee be appointed to inquire into and report upon the practices obtaining in connection with transactions taking place which are covered by the Land Sales Control Act, No. 4 of 1948, and make recommendations to amend the Act to assist the administration in overcoming "blackmarketing."

I feel, Mr. Speaker, that the motion is explicit. As will be noticed, it is framed to present to the House the opportunity of giving consideration to the limitations imposed on the administration by certain weaknesses in the Act that I think must be acknowledged. Those weaknesses, in a general way, have tended to assist in bringing about the unsatisfactory position now obtaining. Blackmarketing is rampant and is the rule, rather than the exception, as I feel confident I can prove to the House.

Without casting any slur at all on any individual or any particular section of the community, and without even hinting at names under privilege of Parliament, I am sure I can give the House sufficient reason to justify the appointment of a Select Committee. I believe that a committee of inquiry, under such circumstances, is the place for any disclosures of that kind to be made, if they should be made. The words, "The practices obtaining in connection with transactions" make it sufficiently wide to give every opportunity to have ventilated the aspects which are so freely commented upon and criticised, and also to give a Select Committee the opportunity of making recommendations to this House as to any amendments to the law which might be deemed necessary.

I realise that controls of all kinds are irksome and that they immediately bring about attempts at evasions. I further believe that if controls are unfair and impose on an individual, or any section of the community, a disadvantage in any transaction, then such controls invite malpractices. That might be the position in this case. It may be that the very structure of the Act, and the regulations under it, are not only irksome in their application but may also be unfair in their incidence and effect when the law is applied. The parent Act provides for the control of land sales with certain exceptions. So far as the influence of the Act is concerned, it now applies to residential properties and farm lands. Later I will attempt to show, I think conclusively, why controls should not be removed at least from one of those sections.

In giving effect to the law under an Act of this kind, it is necessary to have a formula or a system in order to fix the prices that will operate. If the formula is unreal or impracticable then the Act, in that regard, needs amending. If controls thereby are unworkable or are impracticable and do not achieve the results that are intended, then that Act should be examined thoroughly by an authority competent to do so and to make recommendations in regard to the appropriate amendments. Because of circumstances obtaining today it is almost impossible to buy a residential property at a price which is not in excess of the Treasury valuation—in other words at a black-market price. The demands for homes is such, particularly where there is vacant possession, that premiums are asked in almost every case where the sale of a residential property is effected.

Whether we deal loosely or rigidly with the term "black market price," it means, in this connection, any price which is paid or received by a purchaser or vendor and which is above the Treasury valuation. It is no secret that almost every property advertised in "The West Australian" has a price asked for it above the Treasury valuation and above the valuation provided for in this Act. I can give this House examples of the experiences of many people and, without any endeavour to weary it by any repetition of experiences and occurrences, I will cite the cases of one or two well known and respected people who, to my knowledge, have been seeking a home.

First of all I take the case of a young married couple. The husband is a returned soldier and the couple have been married since the war ended and now have a small family. They are typical home lovers and are anxious to live in a home of their own and have a larger family. For many months they have been answering every advertisement in the Press and they have been approaching almost every land agent in an endeavour to find a home. They have little chance of having a house constructed, in view of their existing circumstances, and have very little capital, but they are typical of thousands of young couples where either the husband or wife has served in the Armed Forces during the war years. What are their prospects and their experiences? In this particular instance the young couple have made inquiries from at least 25 land agents. I know that one of those 25, at least, refused to have anything to do with any black market transaction. That land agent, to whom I will refer later, finds himself with a dwindling business. Few people approach him to procure a home for them because the vendors do not submit their cases to him.

There are many land agents who are decent enough to explain to all inquirers that the Treasury price is so much, but the owner is asking so much more. They explain further that although the transaction on paper will be at the Treasury valuation

there is no chance of doing business at that price and it is a matter which must be discussed between the intending purchaser and the vendor. I would like to instance several cases that have been brought to me and they are cases which can be substantiated. I make no reference to any name or to any person because at this stage it would be unfair. However, I can assure the House that every one of these cases, and cases similar to them, will be mentioned by the dozen if this Select Committee is appointed.

I will deal firstly with the case of a War Service home, still uncompleted, which is in the hands of an agent in this city for sale at £3,000. The cost price of the construction, through the Housing Commission, is approximately £2,000. The person to whom the home has been granted will never live in it and does not intend to. When the price was queried by the prospective purchaser he was told that it was certainly not worth £3,000 but to have a look at it and make an offer. The prospective purchaser made an offer of £2,750 which was laughed at by the person for whom the home is being built. He said, "I will get my price." A further case of a house in a northern suburb for which the sub-Treasury valuation is £1,700 was inspected by a friend of mine and it was offered to him for £3,500. He ridiculed the price and was told that he need not worry and that they would get that price. The house has been sold and now has new occupants.

There is the case of a house at Cottesloe which is over 30 years old and of four rooms, for which £2,750 was asked. Its value is £1,500 and its original cost was about £1,000, but it has changed hands recently. Within the precincts of this House there is someone in the service of the community who could tell of the case of a home that was being sold and of the insistence that its contents be paid for at £750. The prospective purchaser did not want the contents but he desperately needed the home and he purchased it. He submitted all its contents to an auctioneer for sale and he received not much over £100 for them. I know of a case where a friend of mine, in visiting someone well known to me, was carefully steered away from a few sticks in a vase inside the door, and was told, "Do not tread on that, that is the most valuable aspidistra in the world. Do not touch it!" My friend said, "What do you mean?" and he was informed, "That is the most valuable aspidistra in the world; it cost me £250."

I am sure the Minister has heard of pot plants being paid for at two or three hundred pounds each. The purchasers were informed that they were something special but probably they were the most common geraniums. So desperate is the plight of people who, in their hundreds, are seeking vacant possession! Many of the advertisements of homes for sale with their contents will not bear any examination. Absolute proof will be forthcoming on cases such as I have mentioned. Many illustrations could be given but I do not intend to deal with specific instances which have been mentioned and hinted at in this Chamber. Cases of homes valued at two and three thousand pounds which actually changed hands at £6,000! Members may know of one that I have heard of in the hills which is a most serious case. The transaction took place at thousands of pounds above the Treasury valuation. Agents in their business do not hestitate to show homeseekers the prospects they have on their books and they make no secret and have no hesitation in saying, "The sub-Treasury price is so-and-so, but this is what is being asked; this is the price that will be received."

Mr. Cornell: Do they not charge extra commission on black market transactions?

Hon. F. J. S. WISE: I have no idea how they conduct their business but I do know that high premiums, if we care to call them so, are being paid for vacant possession. There are many examples in many suburbs where houses can be bought today but they are occupied. They are houses which can be bought at very little over the Treasury valuation, for a slight premium above such valuation, but vacant possession cannot be obtained. The house is bought as an investment and the present tenant is taken with the house as the one who shall be paying rent. These houses are not changing hands, but if the prospect were one for vacant possession there would be a premium of anything from £200 to £1,500 above Treasury valuation to be paid by the prospective purchaser. I think, too, that it must be stressed that the land agents are in a very unenviable position because of the circumstances. There are many people who have battened on to that well-conducted profession, who

are quite unscrupulous in their dealings, and who have only appeared since price control was first imposed.

I know of a case, and one that can be proved, where the agent advertised a house, with vacant possession, and asked £1,200 as the price. Quite by accident the intending purchaser met the owner and asked him if he did not think the price was far too high. The owner said, "Well, I would be satisfied with £50 less, say, £1,050." The agent was insisting that £1,200 was the bedrock price and when approached would not go on with the deal at any figure under that value. I repeat that it is not fair to the established house agent in this city that such conditions do obtain with those who, as I have stated, have battened on to that profession since controls were introduced.

One of the effects, and maybe one of the worst effects, of what may be termed the unreal aspect of land sales control could be instanced in the cases of elderly people, who, live in large homes where families have been reared but who cannot afford to sell in order to live in smaller places. There are many honest and sincere people unwilling to share a home with others but anxious to sell a large home if they could receive honourably a higher valuation than the sub-Treasury will allow under the existing formula. There are many houses in suburban areas occupied by elderly couples and many occupied by elderly ladies, widows, who cannot afford to sell under present conditions. If they did sell, then, in order to get a price commensurate with replacement value, they must deal in blackmarket fashion.

If the fixed values that obtain today are unreal or unrelated to actual values of replacement, we are ignoring one of the basic principles in buying and selling, namely, that the demand ultimately creates supply. This position is vital to thousands of young married couples who have but a few hundred pounds. These young married people with their few hundred pounds, instead of having sufficient to pay a deposit on a home as they formerly could, have barely enough to bridge the gap between the sub-Treasury valuation and the black market demand. I submit that they are entitled to expect much more than that.

I know of cases where fathers well in their fifties have had to commence again by remortgaging the old home to meet the market price created by the increased demand, which is a price not allowed by the sub-Treasury. The position of such people is bordering on the desperate. What are they to do? Are we to say that they are criminals because, as home-lovers, they are anxious to commence homes of their own and yet are forced under existing conditions to pay premiums above real values?

It is important to direct the attention of the House to the fact that very cautious and conservative investors, such as insurance and trustee companies, who must be cautious in the investment of the funds they control and must have a capacity to earn an anticipated interest rate, are prepared, in many instances, to lend their clients sums in excess of sub-Treasury valuations. Formerly it was almost a rule with such companies as the A.M.P. Society to advance up to 80 per cent., but today, while still advancing up to 80 per cent.—I do not know whether this applies to the A.M.P. Society—they are doing so on their own valuations.

There is something wrong in the limitation imposed by the law that is insufficient to meet the existing demand, and we have reached a stage when we might well wonder whether the values are unreal and whether the formula applied to valuations is satisfactorily related to the conditions of today. Although it would be possible for me to give specific instances and quote names of persons, I repeat that, for the purpose of stating my case, such action is quite unnecessary and would be distinctly unfair.

Let us look at the structure of the Act and see how unfair it is to the administrator, to the Government and to the officers implementing the decisions. I mentioned in a debate on another Bill the other evening that it was quite unfair for the person designated the controller to have vested in him the authority he possesses—authority which gives him an opportunity of entirely ignoring a valuer's recommendation and of acting upon his own opinion, at his own discretion and on his own judgment. If such a person were of doubtful probity, the position would be very unsatisfactory indeed. But what a stress and responsibility to place on such a person! He has the opportunity of varying a valuer's decision to the extent of thousands of pounds in the approved purchase price. There have been some tre-

mendous discrepancies between the price received and the valuer's recommendation—discrepancies as wide apart as £2,500 and £5,000. I repeat that this section of the Act urgently needs attention to meet an unsatisfactory and what could be an unsavoury position so far as the controller is concerned.

That continuance of control is necessary can be argued from more than one angle. If we consider the types of property still under control, which are residential and rural land, I firstly would say that it would be very unsound, unwise and improper, with the high prices of primary commodities, to relinquish control of rural land prices because this could cause a calamitous fall in investment prospects, as well as land values, immediately the price of primary products began to recede. If, at the moment, it were permitted that commodity prices could be translated into land values, the position would become very serious once those values fell substantially. As to residential properties, if we could present a formula which, by regulation or by insertion in the Act, could be satisfactorily implemented, it would be far better to retain control and ensure a system under which an equitable and real price was the one charged and paid, rather than have the high prices, which the exorbitant demand of today permits, becoming the market prices.

Indeed, there is another angle. Capital values are not only an indicator to the rent to be received, they are also the foundation upon which the assessment of rent rests. If we were to allow residential properties, because of the present demand and present circumstances, to get out of hand, it could affect not only home building costs and prices, and add to the worry of the Minister for Housing in that respect, but it could immediately affect the State basic wage. Therefore, that point has to be approached with great caution. Rather than relinquish controls, it would be far better to have a formula or a system which would result in a value relative to costs and to the age or depreciation of a property. There is no control over such transactions as the sale of the Bon Marche arcade; and it would be interesting if the Minister could give the House some advice as to whether sales of real estate which have taken place in this city in recent months were made at prices in any way comparable with the Valuer General's estimate. There is no control over the sale of such properties, but control of residential properties still remains and we are getting wide differences of opinion, not only between the purchaser and the vendor, but also between the valuer and the controller.

One channel that ought to be thoroughly investigated and explored is the basis of such values. At present, sales are approved on an increase over 1942 values, but 1942 in my view is a most inappropriate year as the datum peg for the fixation of values in this State. There was never at any stage of our history such a depreciation of values as obtained shortly after Japan entered the war and I therefore submit that the date line of February, 1942, is wholly inappropriate. That it is so is evidenced by the fact that already there has been approval firstly of a 15 per cent. increase above those values and more recently an increase of 32 per cent. above those values, provided the controller approves.

The Minister for Lands: Would you apply that opinion to rural land?

Hon. F. J. S. WISE: Not wholly, because the position is not comparable. There is so much allied to production value in that sense as against a recession in value due to the likelihood of invasion in 1942. The Act provides that the 1942 values shall apply, subject to variation by regulation.

The Minister for Lands: I only made the remark I did in case you were misunderstood.

Hon. F. J. S. WISE: I appreciate the Minister's interest in the point, but I would not equivocate for one moment in regard to the relinquishing of controls or the fixing of values when comparing urban with rural land. To return to my point that the 1942 valuations can be varied only by regulation or by direction of the Minister, I can find no regulation which has varied the 1942 values, and I am therefore bound to assume that there is a written or verbal direction by the Minister varying the 1942 base. I can find no regulation at all dealing with the approved variation which is used by the controller in his approval of transactions. I do not know whether the Minister has clearly in mind what the position is in that regard, but I think there is no regulation in existence on the point and consequently

he has, either verbally or in writing, given an instruction in that connection. But we do know that the controller varies his approvals, using as a standard 30 to 32 per cent. above the 1942 values.

The Minister is in an unnecessary as well as an unsatisfactory position owing to that authority being vested in an officer. It is quite unfair to both the Minister and the Government; and if there is no regulation, as I suspect is the case, I hope that immediately—even before such an inquiry as I am advocating is made—that position will be safeguarded by the Minister's instruction. I do not intend to argue the pros and cons, but merely to make the point. As was mentioned by a member in this Chamber the other evening, a point that has been given great consideration and thought by many members is that replacement costs, less depreciation, might be a very appropriate starting point. In such circumstances, however, it would be essential to fix a date line from which the system should commence, because values fluctuate violently and are increasing almost from day to day. It may be that the 1st January, 1949, would be the appropriate date for the current year's transactions, because the amendment would not be like the law of the Medes and Persians, unalterable; it would be something to be reviewed year by year and altered if necessary. Therefore, on the question of appropriate valuations there is a field which the proposed committee could quickly investigate and reach a decision on with the advice of sound authority.

I now come to another point in the existing law which is most unsatisfactory. I refer to penalties. The section dealing with penalties imposes upon the Attorney General—not upon the Minister in charge of the Act—the obligation to give his written consent to launch prosecutions. That is the only way they can start; it is the only way under the Act in which action can be set in motion. That, I submit, is unfair to the Minister in charge of the Act, to the Attorney General and to the Government. There are other groups of people affected adversely and seriously by this legislation.

The position of land agents may clearly be gauged by the comments I have already made. People who are anxious to do business on the basis of transactions being wholly above-board are finding their trade and business diminishing. It is a very wrong situation for them to find themselves in because of the law. But what of the lawyers? I would like to submit to the legal gentlemen of this House that it is distinctly unfair that the present law almost demands of them the making of contracts which they know contravene the law. This is the position in which legal people who deal with property transfers find themselves. Anxious not only to uphold the law but to give effect to it, they find themselves obliged, in the interests of the clients they serve, to be parties to contravention of the law, much against their desire and will. It is quite unfair to legal people who have to prepare documents knowing that to be the position.

We have the same situation with regard to bankers. Bankers know, in advising their clients what price should be paid for certain properties, of cheques that are drawn for large sums payable to the bearer, such sums being passed over in cash to the seller of properties, sums outside the contract prices specified in the agreements seen by the banks. Trustee companies and insurance companies are being adversely affected by the present situation. The Government itself is in a very unenviable position unless some attempt is made to amend this law; and in moving this motion I am actuated by a desire to see that if it is possible to amend the law to make it practicable in application, no matter how difficult such a proposal is, it should be faced.

I think it might be said to be an extremely difficult subject satisfactorily to amend; but there are people in this Chamber who have faced even greater difficulties than that one on Select Committees. When attempting to move, some years ago, from the opposite side of this House, in spite of the conflict of public opinion, for a committee of inquiry into a site for public buildings, I can recall being challenged that it would not be possible to select such a site because of the differences of opinion. The committee on that occasion had upon it all those members who had been hostile to the proposal presented to the then Government, but the evidence submitted succeeded in convincing them that the proposal was right, and a unanimous decision was reached. If we are prepared to face them, the most difficult proposals can meet with some success.

I am quite sure that the trend in public morality, the trend which this motion insists shall be the course that practice takes rather than the law demands is something the Government should not hesitate to acknowledge to be the position, and something which the Government should indeed whole-heartedly support. Irrespective of malpractices, which I have indicated are known to me, the frailties within the existing law are sufficient to justify the appointment of this Select Committee. It is quite unfair to have the present system obtaining, unfair to the Minister and to the Administration, and I can assure the Government that it is my intention to attempt to give to this House and to it the advice necessary and appropriate to the amendment of the law with a view to bringing about a discontinuance of the existing practices.

THE MINISTER FOR LANDS (Hon. L. Thorn—Toodyay) [8.35]: At the outset I would like to indicate to the House that the Government is quite agreeable to this motion being put into effect. I hope the House will agree to pass it tonight, because I feel that the Leader of the Opposition has taken on a pretty big task in endeavouring to collate evidence and present a report to this Chamber whereby he will be able to obtain information and recommendations that will probably be of assistance in putting a brake on the blackmarketing that is occurring today. In speaking on the Land Sales Control Bill, the Leader of the Opposition asked me if I would agree to hold up the passing of the measure. But I would suggest that, as it is a continuance Bill, he might agree that we should pass it and allow it to go to another place. I have the assurance of the Government that if we then feel that the suggestions made by the Select Committee will be helpful in this regard, appropriate legislation will be placed on the statute book.

The Leader of the Opposition has mentioned different methods adopted to effect sales on the black market. I have heard of many different methods. I had a young man in my office recently who told me he had been offered a house at a price considerably in excess of its true value, but he had to buy a block of land with it. The land went with the house and it had a 30ft. frontage, which is a pretty useless sort of block. He had to purchase that block at an excessive price to make up the amount required by the vendors. The Leader of the Opposition has mentioned pot plants and furniture coming into these transactions, and all these subterfuges are being adopted in order that very high prices may be obtained. I have been criticised to quite a considerable extent regarding my statement on blackmarketing.

Mr. Reynolds: The 5 per cent. is tickling you!

Mr. Marshall: You got more than a 5 per cent. tickle!

The MINISTER FOR LANDS: That may not be my own private opinion.

Mr. Styants: I am sure it is not!

Hon. F. J. S. Wise: You are not an innocent abroad.

The MINISTER FOR LANDS: But when a responsible Minister makes statements—

Hon. F. J. S. Wise: You said "responsible!"

The MINISTER FOR LANDS: — he must make his statements on information available.

Mr. Reynolds: Based on facts.

The MINISTER FOR LANDS: I think it will be admitted that all the statements made in this House regarding the percentage of blackmarketing—

Hon. F. J. S. Wise: I did not suggest one.

The MINISTER FOR LANDS: —have been based on guesswork. I remind the Leader of the Opposition that when speaking on the Land Sales Control Bill he said that if I placed a "9" in front of the "5" that would be nearer the mark.

Hon. F. J. S. Wise: I think that is right, too.

The MINISTER FOR LANDS: If that could be proved to be the position, the best thing we could do would be to throw the Act out the back door, because an Act that can do no better than that is not worthy of being on the statute book. I think that was just a remark from the Leader of the Opposition, because a lot of our transactions are in rural lands, and we know that blackmarketing is not so rampant there as it is in the sale of homes.

Hon. F. J. S. Wise: I was confining my remarks to residential premises.

The MINISTER FOR LANDS: I know that. I agree with the Leader of the Opposition that people are desperate and are very disappointed at not being able to acquire a home, either by way of building a new one or purchasing one already built. But we must realise that the people who pay exorbitant prices know that they are breaking the law, and that is the difficulty today. They, as well as the agent, are in the bag. They are subject to prosecution just the same as the agent. That is why the information is not forthcoming. All the information of such cases that I have received has come to hand too late. It is always six months after the offence has taken place and that, under our Justices Act, precludes action being taken.

Mr. Reynolds: Why not increase the period to 12 months?

The MINISTER FOR LANDS: I am hoping to hear from the hon. member later.

Hon. F. J. S. Wise: You are, or you are not, which?

The MINISTER FOR LANDS: It has been suggested that there could be an increase in the value of the old homes. I agree with that, because after all we must remember that the old residences are very substantially built.

Hon. F. J. S. Wise: It is all cock-eyed.

The MINISTER FOR LANDS: It is. The old residences should appreciate in value the same as the new ones.

Hon. A. H. Panton: Many of the old homes will see a number of the new ones out.

The MINISTER FOR LANDS: That is so. They are substantially built and more desirable. The costs of the new residences are continually increasing, and I say the value of the old residences also appreciates. I was approached recently by a deputation from the Real Estate Institute. That institute has been very helpful in making suggestions to overcome the difficulties experienced under this legislation.

Hon. F. J. S. Wise: It is very worried about the position.

The MINISTER FOR LANDS: Yes. I can support the remarks of the Leader of the Opposition, and I repeat that there are many honest people in the State. They are not all blackmarketers. We have many elderly people who are quite prepared to help by selling their homes if they could receive somewhere near their value. They absolutely refuse to blackmarket, and unless we are prepared to give them some increase they will just remain where they are. There are instances of elderly people—sometimes just one person—living in big homes that would probably easily accommodate a married couple with three or four children. Those old people are quite willing to help, but under the present conditions do not feel inclined to do so.

The Real Estate Institute suggested to me that, by regulation, we ease the values again from 10 to 15 per cent. As a matter of fact the suggestion was 10 per cent., but when Victoria dropped the control altogether I think it encouraged the local institute to ask for a little more. The Government is considering that aspect, and I was hoping that we would shortly come to some agreement, and that the regulations would be tabled in the House so that members would have a full opportunity of examining them and moving for their disallowance, if they thought it necessary, before the session ended. I am still hoping that that will be done.

Another aspect is that in relation to our new arrivals. The exchange is in their favour. People leaving the Old Country with £4,000 find, when they arrive in Western Australia, that it is worth £5,000, so that they have £1,000 to play with. Those people are prepared to pay the exorbitant prices demanded. When we discuss the question with them they say that even so the value is not above what obtains in the Old Country.

Hon. F. J. S. Wise: I think that well is drying up fast.

The MINISTER FOR LANDS: That may be so, but they do come here and, as I say, the exchange is favourable to them.

Mr. Reynolds: We should not be a party to their being robbed.

The MINISTER FOR LANDS: No.

Mr. Reynolds: Just because the exchange makes that difference is no reason why we should allow the land agents to rob them.

The MINISTER FOR LANDS: The member for Forrest has a Bill before the House, and he will be able to express his opinion a little later. While I am always glad to have his advice I think, on this occasion, I may be able to do without it.

Hon. F. J. S. Wise: Get your tongue out of your cheek!

The MINISTER FOR LANDS: Realising the position, I wrote to the controller early in the piece and instructed him to make full use of his panel. He has a very able panel to advise him on these matters of valuation and procedure. If he handles things off his own bat, and there is trouble afterwards, he will have only himself to blame. I also agree with the Leader of the Opposition that it would be a most unsound policy to increase the value of rural land to any extent, because primary products today are very high in price and if we reflect present-day values in the values of our rural lands our farming community, at a later date, when prices come down, will find itself in a very difficult position.

Mr. Styants: There would be a lot of bankrupts.

The MINISTER FOR LANDS: There is another aspect to it. I feel, as Minister in charge of Soldier Settlement, I have a duty there, and also to the State. The War Service Land Settlement Board is the biggest purchaser of rural properties today. I claim it is through the operations of the Soldier Settlement Scheme that rural land values are being made, and I suggest that the people who will be worst hit by any increases will be, in the first place, the soldier, and in the second, the State, because whatever price we pay for the land, the State has to bear two-fifths of the writing-down. I feel it is my duty to look after the interests of the State in general in that regard. If we pay high prices for land, that will go on to the cost of the property and, as members know, before a soldier settler signs his lease the property has to be priced at its true economic value, and the State has to bear two-fifths of any writing-down. For that reason I think rural land values must be controlled.

The Government will agree to the appointment of this committee of inquiry. From my own experience I know that the Leader of the Opposition and those associated with him on the committee will have a most difficult task. I wish them every success and assure them that, if they are able to get down to this problem and make to the Government suggestions that can be adopted and embraced in legislation, that will be done before this session ends.

MR. FOX (South Fremantle) [8.52]: I agree with some members that the Act is not worth the paper it is written on, but I would be sorry to see it discarded altogether. It requires stiffening in many respects. We are all aware that no reputable land agent would engage in blackmarketing, and we realise how difficult it is to obtain a conviction for blackmarketing. Usually there are only two people concerned in such a transaction and, while the buyer is anxious to secure a home, the seller is out to get as much as possible for the property and neither is prepared to say much about any blackmarketing involved. There is, however, one aspect that might be considered by the Select Committee. I refer to where a person has occupied a home for many years and has paid the rent regularly. In such a case the owner may decide to sell and give the tenant an option to purchase, though in many cases no such option is given.

I have in mind the case of a tenant who was given an option to purchase a small house in the Fremantle district. He had the house valued at £430 and the sub-treasury valued it at £420. The owner told the tenant he could have it for £700, and made the same proposition to someone else, also. The second party was told by the sub-Treasury that if he paid £700 for the property he would be prosecuted. Eventually the owner sold the house to still another person. It must be obvious to anyone that when a house has been valued by two valuers and the tenant does not secure the home, blackmarketing has entered into the transaction. This was a case where it would not have been hard to sheet home a charge of blackmarketing. Men have been convicted of many crimes on circumstantial evidence and I do not think it would do any harm to convict some of the blackmarketers on circumstantial evidence.

The Minister said that in most cases the trouble is that the department does not receive the information in time to institute prosecution. Under the Act the charge must be laid within six months of the offence being committed. I know of one glaring case of blackmarketing, where the solicitor for the client made application to the appropriate authorities for permission to prosecute, but that permission was withheld. That sort of thing is altogether wrong. In this case the application was made, in fact,

by a solicitor acting for the widow of the man against whom the blackmarketing had been practised. That solicitor thought he had a good case for prosecution, but wanted the proceedings instituted under the land sales control legislation. I have here some of the correspondence relating to this matter.

Earlier in the session, in answer to a question by me, the Attorney General said he considered that the information available was not sufficient to warrant a prosecution. I feel that was the wrong stand for the Attorney General to take. What would it matter to him whether the Crown Law authorities considered there was sufficient evidence or not? There was an equally competent solicitor who thought the evidence was sufficient, and in any case the Attorney General was not the proper person to arrive at a decision. The reasonable thing for him to have done would have been to give permission for the prosecution to go ahead and allow the magistrate to decide the matter. I have here a letter, dated the 25th January, 1949, and addressed to the Controller of Land Sales. It reads—

I have been instructed by my client to issue a writ against A claiming the sum of £3,150 being the sum which has been paid by the deceased to Mr. B for the property situate at X being the amount of the excess consideration over the consideration approved by you. Your file number for the dealing in question is LAM 730. In order to establish certain matters I will have to prosecute Mr. A under the Land Sales Control Act, 1948, and for this purpose I am now seeking your assistance. On the 24th of August, 1948, A and B agreed to sell and purchase respectively the abovementioned land for the sum of £4,800. The agreement was signed by both parties and it was written by Mr. D who was the agent who brought the parties together. One copy of the mentioned agreement was written by the son of the vendor. Present at the negotiations and the signing of the agreement at the abovementioned address were:—

1. The vendor.
2. The purchaser.
3. My client.
4. Twelve-year old son of the deceased and my said client.
5. The son of the vendor.
6. The agent.

To Mr. A the present tenant of the mentioned house the vendor stated that he would not vacate the house until he was paid in full by the deceased.

This man eventually got into such a financial position through mortgaging a property he was buying up in the hills that the worry drove him to suicide. The letter continues—

There is evidence to show that the property was offered for sale for £5,000 and that at this figure it would be a reasonable investment carrying over 5 per cent. the total weekly income being £6. My client knows that prior to purchasing the mentioned property the deceased had in his possession approximately £2,500. He subsequently purchased a vineyard at.....from the.....estate for £1,175 (your file No. 1735) and over the mentioned vineyard the Bank of New South Wales has a mortgage for £1,260. There is a sum of £400 owing to the Westralian Farmers Co-op. Ltd. which company has a lien over the crop. Simultaneously with the registration of the transfer of the mentioned.....property a mortgage for £1,500 was also registered in favour of..... Section 20 of the mentioned Act has given you power by order to require any person to furnish information to be verified by statutory declaration to you or to any other person as you may direct with respect to any act transaction matter or thing prohibited by the Act. I would be glad if you would kindly make an order that the following persons appear before you or the Crown Prosecutor in order to make a statement verified by statutory declaration:

Then it lists the names of five persons connected with the case. The letter then goes on to state—

. . . allegedly knows all the particulars from .....himself whom he has seen in connection with the arguments between my client and the deceased over his purchase of the Charles-street property at such an exorbitant price.....allegedly succeeded in obtaining from.....a reduction of the purchase price from £4,800 to £4,700.

After some argument, although the vendor wanted £4,800, he reduced it to £4,700. The letter then states—

I would be grateful indeed if you would assist my client in this matter and I would be only too pleased to furnish any further information you may require.

This matter is of an urgent nature as the time for taking proceedings expires on the 19th instant.

That is one instance where the Attorney General had the information in time and could have sanctioned a prosecution. The next letter was addressed to the Under Secretary for Law and it states—

I would be glad if you would kindly obtain from the Hon. the Attorney General his written consent for the prosecution by.....of..... widow of.....for an offence committed by

him against the Land Sales Control Act, 1948, which consent is required under Section 21 (2) of the mentioned Act.

For your information I enclose herewith a copy of my letter dated the 4th instant to the Controller of Land Sales in connection with this matter and I have just been advised by the Controller that he has acceded to my request regarding making orders for examination of the persons mentioned in my letter.

I would be glad to have the mentioned consent as soon as possible as six months' limit for making a complaint under the Justices Act will expire on the 19th instant.

Then follows a letter from the Under Secretary for Law—

I refer to your letter of the 28th April, 1949, and now desire to confirm the advice given you over the telephone to the effect that the Hon. Attorney General is not prepared to give his consent to the prosecution in this matter.

That was a flagrant case of blackmarketing, and I consider the Attorney General was wrong in refusing his consent to allow the solicitor to prosecute on behalf of his client. It would not have cost the Government anything and the person affected was quite prepared to pay the cost of the proceedings. I think the least the Attorney General could have done was to have given the solicitor an opportunity to proceed and not to have shown any mercy to the blackmarketer.

We all know how difficult it is to get a case and this one was most flagrant. The man blackmarketed to the extent of over £3,000, and the Attorney General sits idly by and does not give the lawyer an opportunity of going ahead with the matter and having it investigated by the court. Of course I understand that the widow of the deceased still has her remedy. She can prosecute the man in the civil court for the return of the money, but why should she be put to the expense of taking an action into the civil court? It might run her into hundreds of pounds. Although this couple had £2,500 in the bank and certain other property when the transaction commenced, they finished up with nothing. Consequently the only thing that is left for the widow of this unfortunate man is for her to claim the old-age pension.

I hope that if a Select Committee is appointed it will give consideration to claims such as I have mentioned, and where there is the slightest chance of securing a conviction the committee will make it possible, for those who are so vitally concerned, to receive the consent of the Attorney General and have the matter ventilated in the court.

MR. MANN (Beverley) [9.5]: I would not have spoken on this motion except for the remarks of the Minister for Lands. I agree that the appointment of a Select Committee to inquire into these activities is warranted, so far as metropolitan and suburban land sales are concerned. The Minister in speaking to the motion said that one of the reasons for control on farm lands was to enable the Soldier Settlement Scheme to proceed. I want to put the other side of the question to the House.

I know of an old couple who want to sell their property and they are permitted the 1942 valuation only. I can prove the circumstances of the case because I know the people concerned. Some people have been battling very hard for 40 or 50 years and they are forced to sell their properties for £2,000 or £3,000, and because of that they are denied the right of the old-age pension. I can quote a case at Greenhills. It is a property which is valued at £14,000 and has two adjoining farms at South Kauring. A farmer is prepared to pay £20,000 for that property for his two sons to work. They are both farmers. What right has the Government, or anyone else, to deny that man the right to buy the property at that figure? That is my objection to the Act.

I agree that speculating in farm lands should not be permitted, but no man will speculate with the price of materials, etc., in these days. I am quite satisfied that prices for primary products have reached their peak and that they will be coming down in the near future. The Prime Minister of Australia, and other well-informed people throughout the world, have stated that there is a depression coming and that there will be a fall in prices. The farmers learnt their lesson in 1929-1930 when they all lost heavily during the depression years, and with these big drops looming they are not going to buy at high prices unless they utilise the land themselves.

Why should the purchase of farms for the Soldier Settlement Scheme endanger the right of legitimate farmers to purchase properties? Why should a man who has spent many years on a property, and toiled

through the depression, be forced to sell at a lower price if he can sell it to a legitimate farmer for a higher price? It is a weird idea indeed, and that is the objection I have to the whole question of land sales control. I hope that if the Select Committee is appointed it will go into the whole question of land sales control, both suburban and country farmlands. And I hope that this Government which today is composed of half Country Party members—it is a mixed Government, I will admit—

Mr. Needham: Very mixed!

Mr. MANN: It consists of two definite and distinct Parties who are both opposed to socialisation.

Mr. Hoar: Whom do you represent?

Mr. MANN: I cannot see why the farmer should be controlled in his right to sell his own land. It is not a question of blackmarketing the land at all, and it is distinctly different from blackmarketing in the metropolitan area. Who is going to buy farm land today just to get a house to live in? People in the metropolitan area are forced to buy houses on the blackmarket because of the economic conditions existing, but that does not apply to rural areas. No man buys a farm just to live on but he buys it in order to make a living.

I know of many farmers who are anxious to buy properties for their sons. They have surplus cash and are prepared to pay the prices for the properties but are denied the right to purchase them. I believe that to be a wrong policy of the Government and I also consider it wrong that it should buy land for soldier settlement on a cheap, unimproved basis. By the time these farms have reached full carrying capacity all the improvements will have been made at an excessive cost. Farms that could be purchased, fully improved, for £6 or £7 an acre are not being purchased for soldier settlement but they are being bought at £3 an acre unimproved and it will eventually cost the soldier settler about £10 an acre, because of costly improvements, before the maximum carrying capacity is reached.

The policy is wrong. Properties can be purchased with all the fences erected, housing accommodation and sheds and are valued at about £6 an acre. By the time a man paid £3 an acre, plus the cost of production, it would cost him a total of £10 per acre, so on the basis of £10 per acre one can then get some impression of what farms are worth. It seems remarkable that those people should not have the right to purchase land. No-one should get the idea that farmers are prosperous. Many of them have not recovered from the depression. Even with the high prices existing today, they are not able to reduce their overdrafts as much as people imagine and they have to pay excessive taxation. Many farms today carry large overdrafts. So this idea, mentioned by the member for Forrest, of the glorious run of prosperity which farmers are enjoying, is all wrong.

Even the member for Murchison will agree that the economic conditions play a part in their affairs and his financial ideas are probably right. We will see what reply the Premier gives to the motion by the member for Murchison. I hope the Government will consider this matter very seriously. At the last conference held by the Country and Democratic League a motion was carried to the effect that farm land should be excluded from control. I am not conversant with the actual contents of the resolution, but I notice that the Press published a motion to that effect, and I hope the Government and the Minister will take notice of it because those farmers know the conditions appertaining to farm lands. I therefore sincerely hope that the Minister, when introducting legislation resulting from the report of this Select Committee, will have farm lands excluded from control.

MR. STYANTS (Kalgoorlie) [9.12]: I propose to support the motion for the appointment of a Select Committee to inquire into this matter, because I feel that merely to agree to a continuance of the land sales control legislation in this State would be farcical. I believe that because of the extent of what is known as blackmarketing, which has probably been brought about by the fantastic and unreal formula set by the Legislature in this State.

The Minister for Lands: It was set by the Commonwealth Government and we adopted it.

Mr. STYANTS: The Minister followed a bad example. It is a formula which instructs the land sales control officer that land is to be valued with a certain amount of latitude according to his own personal judgment. By

way of example, I would say that it has been and is still operating in much the same way as the unreal regulations for the control of prices of secondhand cars which set the year of the car model, irrespective of the mileage that it had travelled or the condition of it, as a basis upon which to determine the price. The trouble today is that the formula is being set out roughly on the 1942 values plus 15 per cent., to which is added another 15 per cent. or 32½ per cent. on the 1942 price.

I understand the method adopted to arrive at the 1942 valuation is to ascertain what was the building cost per square at that time. The floor area is determined and the 1942 value is based on that. If the house had been erected any length of time one per cent. was deducted for each year that the house had been erected. This works out at such a ridiculous figure for some of the houses that were built pre-war and which are of a much higher standard than houses that are being erected today, that it induces people, both the buyer and the seller, to go outside the law to effect a sale of the property. The system under which the land sales control operates is that the vendor and the seller each have to fill in a transfer form with which a valuation by a sworn valuer has to be submitted. If ever there was an unnecessary imposition upon the purchaser it is the fee that he is compelled to pay to the sworn valuer on a house worth say, £1,500 or £1,600—this would be the average price for a brick house now—which works out at approximately six guineas.

I am satisfied that in the majority of cases the only purpose to which that sworn valuation is put by the land sales control valuer is that it is used as a basis upon which he can start to tinker with the estimate set out in the sworn valuation. I have knowledge of at least one case where the valuer from the land sales control office did not even inspect the dwelling upon which he set a price. He did not even walk around the district or the house, let alone enter it to inspect its apartments. Yet the purchaser had to pay about £6 10s. for a sworn valuation of which no notice was taken. So it is a very haphazard and lackadaisical method adopted by the land sales control officers in the fixing of the valuation of a property that is up for sale. I think that the Select Committee might well consider the possibility of doing away with the necessity for a sworn valuation and adopting the New South Wales system where a sworn valuation is unnecessary and where one goes to what is known, not as the land sales office, but the Valuer General's Office which gives a valuation for only £2 10s.

I feel certain that the Minister does not honestly believe, and neither do the land sales control office people, that the real purchase price paid is the one that is agreed to by the parties and set by the land sales control office. I know of a number of cases where the parties, having submitted their documents to the land sales control office, for say, £2,000 for the sale of a property, have received notification from the land sales control officer that he considered the figure of £2,000 to be excessive and had set a figure of approximately £1,400. I do not think the Minister is so simple as to believe that the vendor of a property who has a willing and anxious purchaser at £2,000, would sell it for £1,400, as suggested by the land sales control office. Nevertheless, when the parties concerned put in the papers next week and agree to sell at £1,400, the Minister is not so unsophisticated as to believe that that is the price at which the property was sold. Is it likely that any owner of a property for which a purchaser is willing to pay £2,000, would sell at £1,400?

Many of the transactions by which properties change hands are designated as blackmarketing but they are not blackmarket deals at all. They are quite reasonable taking into consideration the replacement values of the properties concerned. If we take the pre-war price of a house as £1,200, and regard the place as having been built 15 years ago, the price, according to the formula set down by Parliament as an instruction to the land sales control office, would work out something like this: The value of the property in 1942 was £1,200. On account of the 15 years the property had been erected, a reduction of about £240 would be made, leaving the price at £960. Roughly speaking, they would allow an increase of 32½ per cent. Let us regard that as one-third, representing £400. Thus, the selling price at which the property could change hands would be about £1,360. Notwithstanding that, the replacement of the house would cost at least £2,200. That is the sort of thing that promotes black-

marketing. It is this ridiculous and unrealistic formula under which the land sales control people are supposed to assess the values of properties that causes the trouble.

The best basis I can think of for a formula would be the replacement value, less depreciation at a reasonable rate for the number of years that a building had been erected. The depreciation value should be on a proper basis and it should not be that merely because a house has been erected for 15 years, there would be the same amount of depreciation on it as would apply to another property. Do not let us countenance what frequently occurs when a land sales control officer does not even go within miles of a property to inspect it. We should see to it that a thorough inspection is undertaken. Personally, I think the New South Wales system is much the better for house valuations. A person may have paid £1,000 in pre-war days and could receive £2,000 for it now, provided the property had been kept in good order, and it would be quite worth the money. It might be quite correct to say that such a person had received double the amount he originally paid for the house, but actually, from the standpoint of the purchasing power of money, he would not have received any additional price for it at all. I reiterate that many prices paid that are regarded as in the nature of blackmarketing are not anything of the sort although they are illegal, being outside the law itself.

The reason why I support the appointment of a Select Committee to investigate this matter is that I believe that unjust and unreal propositions of this description induce a general contempt for the law, and that is bad for the community at large. I believe that if a committee were appointed and it went into the matter thoroughly, it would be able to fix upon a formula that would take into consideration the tremendously increased cost of building and the replacement value of the property to be sold. I believe also that it would be able to suggest amendments to the Act so as to do away with 90 per cent. of the deals that today take place outside the provisions of the existing law. I do not think that any such alteration would increase the price of properties, because I am satisfied that in a very large percentage of instances money is now being paid over in excess of the price fixed by the land sales control office. While they are illegal and outside the law today, I certainly believe the alterations I suggest would not bring about an increase in the price paid for properties, but would at least bring such deals within the scope of the law.

To indicate how unfair the present system is, I know of the case of a railwayman who paid £800 for a house in 1939. The value that would be set for the property now under the existing formula, which we have said must be observed by the land sales control office, would be in the vicinity of £1,050. The man I have in mind was transferred from the metropolitan area to a country depot. Before he attempted to sell his home in Perth, he made inquiries regarding the price he would be permitted to charge for the property. He found that it would cost him to replace his home something in the vicinity of £1,975. That is not an exaggerated case at all.

A house that cost £800 before the war would cost £1,700 or £1,800 to erect today. Despite that fact, we lay down the formula that must be adhered to under which an increase of 32½ per cent. is allowed on 1942 prices, less depreciation at 1 per cent. for each year the dwelling has been erected. Evidently some people are unsophisticated enough to believe that owners will sell properties on that basis. Surely it is too fantastic to contemplate. Nor do I believe what we hear about fantastic prices being paid by newcomers to the State. I know there are some instances, as quoted by the Leader of the Opposition, whereby the presence of furniture, valued at from £30 to £40, has enabled an additional £400 or £500 to be paid for premises, and these transactions are regarded as all right because ostensibly furnished premises have been purchased.

Under the law of New South Wales, that is not permitted. When a buyer is about to purchase a property, he must sign a statutory declaration to the effect that there is no ancillary agreement or contract in connection with the sale. This is another provision that a Select Committee might well consider having inserted in our legislation. I support the appointment of a Select Committee because I believe it will be able to frame recommendations that will make law-abiding citizens of many people who now desire to sell their properties whereas, if the law is not altered, they will probably sell outside the law. A general recognition

by the people that a law is undoubtedly bad has an adverse psychological effect on the community at large.

MR. SHEARN (Maylands) [9.32]: In order that the debate on this motion may not be unduly prolonged and that the Select Committee may commence its work at the earliest possible moment, I shall refrain from touching on various aspects to which I otherwise might have referred. I am glad that the Minister has so spontaneously accepted the motion. As has been indicated by other speakers, out of the recommendations of the Select Committee, there can emerge only fruitful results, and I make that statement with some little knowledge of the position.

Every member of this House, and indeed every member of the public who has any interest in real estate, will appreciate the fact that there is a large percentage—I would not venture an opinion as to what the figure might be—of what is termed blackmarketing transactions in real estate. Some stress has been laid on the point that real estate agents have been almost entirely associated with those transactions, but may I say that this idea is somewhat erroneous because any real estate agent or solicitor can say that almost daily people who have negotiated private sales make application for the completion of the necessary documents for registration in the Land Titles Office.

A large number of private sales are taking place under black market conditions. As the Leader of the Opposition said, the very formula which has been in existence since it was set up by the Commonwealth Government under the exigencies of war has been an invitation or temptation to some people to indulge in blackmarketing. I agree that the very premises on which the regulations were founded were unsound. They had no actual reality at all, and by this time they have become entirely unsuitable to meet the requirements of present-day conditions.

As a result of the Select Committee's investigations, there should be evidence to show how impossible of application the formula has become. I have the greatest possible admiration for the probity of the Controller and the officers associated with him. I have a full recognition of the skill and knowledge of those officers, but the general set-up under which they operate has made their task an almost impossible one. In relation to the selling price of a property today, if it is only 5s. above the figure assessed by the Controller, it is immediately regarded as a black market transaction. I know full well the position of the agents, and I am satisfied that had there been a more realistic approach to the question of the assessment of values, many of the blackmarketing transactions would not have occurred.

I say advisedly, too, that had the basis of prices been more realistic, it would have assisted in bringing on to the market a considerable number of homes so urgently required. On my own knowledge, I know there are many people who are so fearful of being tempted or induced to indulge in blackmarketing that they will not consider selling their properties. I know, too, that there are trustee companies and others who have refused to sell properties after they have had valuations submitted by competent men and have found that they must adhere to the formula.

At the time this formula was laid down, there were scores of people leaving the metropolitan area for country districts in order to avoid the risk of enemy invasion. I know of houses that were formerly let for about two guineas a week unfurnished and were let subsequently for two guineas a week fully furnished. This state of affairs was reflected in selling prices and, with the operation of the control regulations since that time, the same psychology of instability has continued to operate.

I feel sure that, when the Minister has the recommendations of the Select Committee before him, he will be able to evolve provisions that will make the existing Act workable. As to whether we are likely to achieve 100 per cent. elimination of blackmarketing is another matter, but I feel satisfied that the outcome of the inquiry will be at least to regularise and improve the position and that this in turn will bring in its train a greater respect for the law. Further, it will make valuers and others associated with real estate transactions much more satisfied about the situation and will help to produce a greater reality regarding this important matter than is possible at present. I think the committee will be given evidence that will suggest the need for seriously considering a formula which could be altered at suitable intervals to increase

values in such a way as ultimately to make them equal to present-day costs. That is the basis on which the matter should rest. I am delighted that the motion has been supported unanimously and I am sure that nothing but good can result from it.

MR. GRAHAM (East Perth) [9.41]: I desire to make a few observations. First, I consider the Leader of the Opposition should be complimented for taking the initiative in submitting this important matter to the House. I am pleased that the Government, through the Minister, has decided to accede to the terms of the motion. That indicates to me that the Minister does not place a great deal of reliance upon the estimate which he submitted to members only last week, namely, that only five per cent. of land sales transactions were conducted on the black market, because if that were in accordance with fact there would be no need for the searching inquiry which I am sure this committee will undertake. It occurs to me also that it is an admission on the part of the Government that the Act which it is seeking to continue is anything but satisfactory.

We have been asked to pass legislation to continue the operations of the Land Sales Control Act for a further period of 12 months; yet within a week or so the Government is admitting that the Act is so ineffective in serving the purpose for which it was framed that an inquiry is desirable with a view to drafting new legislation to control land sales. It was astounding to me to hear the Minister say—and expect us to believe—that reports which have been made of blackmarketing transactions have all been received too late for action to be taken against the offenders. You will recall, Sir, that last week I gave full particulars of various land transactions, stating the names and addresses of the parties, the property involved, the sums of money concerned and the dates of the various transactions.

This evening the member for South Fremantle has given another instance in which action could have been taken. It would appear that in these cases not that the legislation was at fault but that the Government itself deliberately sought a state of affairs where no action could be taken against the offenders. There is no gainsaying that statement, because had the Government or the department instituted proceedings on the available information then penalties sufficient to act as a deterrent would have been imposed. For some reason, however, the Government preferred to act otherwise; and whilst we have a Government that is displaying a tendency to protect the blackmarketeer then, no matter in what terms the legislation is framed, it will be useless if its object really is to control the price of land.

As has been mentioned by other members, the cause of the trouble is that the basis upon which land sales are permitted at present is artificially low. We all know that houses valued today in accordance with that formula would, under reasonable conditions, be permitted to be sold for, say £1,000, while at the same time the cost of replacing the house would be in the vicinity of £2,000 to £3,000. Because of that fact, no person with any business acumen would make a sacrifice by losing £2,000 on an ordinary home, unless he was unusually scrupulous. Therefore, the legislation is tempting the vendors and the purchasers, as well as the agents, to commit breaches of the Act. The Leader of the Opposition gave several illustrations of devices that were used in order to defeat the Act and the regulations made under it.

Only a few weeks ago a gentleman called to see me at Parliament House and said he was desirous of disposing of his house. The figure which he felt confident he would be allowed by the land sales control officer was far below what he thought he was entitled to receive. Accordingly, he placed a value of £1,000 on the family Bible. He informed me that he was not a student of the scriptures and that the Bible, in fact, was valueless to him. However, in order to defeat the foolish legislation in force, he could by adopting the device that he regarded the Bible as a family heirloom evade the provisions of the Act.

I understand that in Great Britain what are commonly known as conditional sales are unlawful; that is to say, if a property is offered for sale it is unlawful to attach conditions suggesting that items of furniture or adjacent vacant blocks of land should be sold with the property. Consideration should be given to a similar procedure here. In the electorate of East Perth, a very short time ago, a small block of land with a shack on it was sold for £250. The person who acquired the pro-

perty put some furniture in the shack and within a few weeks sold the house and furniture through an agent for £1,150. In Railway-road, Shenton Park, there is a house—I think it is the fourth from the Karrakatta Cemetery—in a very poor state of repair which was sold for £3,000; or, to be precise, the owner received £3,000, but the purchaser paid £3,200. Incidentally, this sale was effected by Mr. Kinleyside, the land agent whom I mentioned in respect of another case the other evening. It was only because the prosecution had proceeded to the stage that it was impossible to upset it that the property was not sold for £3,500.

Mr. Shearn: Is he a registered land agent?

Mr. GRAHAM: Yes. The position is that apart from the ordinary commission, that land agent, on the transaction I mentioned the other night and the one I am now quoting, received the difference between what was paid to the vendor and what the purchaser paid for the property. It has some repercussions too; because, instead of a commission which may be, say, £40 or £50 for a property of that value, which would be shown in returns and upon which taxation would be paid, in the case quoted the other night £360 was received by the land agent on the black market with no taxation whatsoever paid on it. In the case I have just instanced the sum of £200 was received, but unfortunately for the land agent he was denied £500 on the black market, accordingly saving taxation on that transaction.

This is a case merely of painting the lily, because the Leader of the Opposition was able to satisfy the Government that there was and is a necessity for the most searching inquiry. As a matter of fact, seeing that the Minister announced that the Government had agreed to this inquiry, it would appear that the Government itself is so dissatisfied with the legislation it is asking us to pass at present, that before hearing what the Leader of the Opposition had to say in support of his motion it had agreed that an inquiry should be held.

The Minister for Education: You arrived at the right conclusion but came by a very circuitous route.

Mr. GRAHAM: So long as I came to the right conclusion, that is the important thing. The point I desired to establish was that prosecutions have not been made under the provisions of what is a very faulty piece of legislation because of the action of the Government in blocking litigation on two occasions that have been mentioned by members in this House—and there may be more of them. I want to make some reference to the attitude of the Press in this matter. All members will agree that in any legislation in respect of which there have been underhand operations, it is exceedingly difficult to get persons to come forward and supply sufficient information to enable legal action to be taken.

Last week, however, I gave all particulars which were available to or easily ascertainable by the Government to demonstrate exactly what is occurring at the present time and the apathy of the Government in respect of it. The daily Press—"The West Australian" newspaper—was able to find sufficient space for such nonsense as the statement that only five per cent. of transactions are on the black market. But when a member was able to obtain all the relevant details regarding a blackmarketing case, there was not so much as a mention of the fact that those particulars had been brought forward, including an admission by the land agent himself and an acknowledgment by the land sales control officer that money had been paid. The paper might have had some reason for not desiring to mention the names of the individuals concerned, but there was not so much as a mention of the case.

Mr. Bovell: If the Press published what you said in this House they would need to conduct it in serial form.

Mr. GRAHAM: I sincerely hope that on those occasions when I speak I am able to make a far better contribution than is the member for Sussex.

Mr. Bovell: Yes, indulge in personalities. That is your usual style.

Mr. GRAHAM: I think, Mr. Speaker, that you will agree the member for Sussex was most impertinent in his interjection to me.

The Minister for Lands: What a shame!

Mr. SPEAKER: Interjections are disorderly.

Mr. GRAHAM: When we have what should be a responsible Press deliberately suppressing not a hypothetical case but the full facts in regard to a shocking state of

affairs in this country, then by its suppression of those facts it is actually condoning and encouraging the very thing we seek to overcome.

The Minister for Lands: They have always avoided scandal-mongering.

Mr. GRAHAM: That is a very trite and, shall I say, inane interjection, and one typical of the Minister.

The Minister for Lands: You will never be satisfied till you get a newspaper of your own.

Mr. GRAHAM: I will never be satisfied that the Minister or the Government is sincere with regard to its legislation if, when placed in possession of the facts, it deliberately delays action in order that no prosecution can be launched against offenders. I noticed that the Minister this evening was very careful not to make any reference to the case I mentioned the other night which was particularly pertinent to the motion before us. When we have the public Press adopting the attitude it has adopted, there is little hope of having effective legislation, or of demonstrating to the people that it is possible by devious means to ascertain what is occurring, and there may be less likelihood of others being found out when they are indulging in these black market deals. I would like to know the motives of "The West Australian" newspaper.

I want to make it perfectly clear that this is no complaint on my part regarding my being ignored by the newspaper. That is something which is its prerogative. But when it will not give space to a particular matter—nothing hearsay, no scandalising about it, but the true facts which can be and which were supported by official documents and records, all the evidence necessary—when it does not make even the barest mention of a matter such as that, irrespective of who the member might be that introduced it, I contend that what should be a responsible public organ is recreant to its trust, and by its suppression of important matters such as that is encouraging a continuation of what all of us, I should say, are seeking to overcome.

MR. CORNELL (Avon) [10.0]: The problem we are discussing this evening is not common to this State alone. It has Australia-wide implications, and I think members will agree that every State in the Commonwealth is facing the same problem.

Hon. F. J. S. Wise: There is no chance of the Select Committee visiting the other States because of that remark.

Mr. CORNELL: I realise that. Recently the press of the Real Estate Institute of New South Wales made a strong plea to the Government of that State for the relaxation of controls of real estate in order that the many hidden payments, settlements and contingent transactions that characterise dealings in real estate there would be enabled to see the light of day. There was a time when the term "blackmarket" carried with it a certain stigma with which certain people were loath to be associated. Today, however, morality seems to have taken unto itself a new look also, so that people now enter upon transactions involving black market dealings, with the same indifference and nonchalance as they patronise the S.P. bookmaker. The purchaser and the seller and in many cases the agent too, enter into a transaction knowing full well that it involves black market dealings. That does not in any way deter them.

It appears to me that we have now reached a stage when the dividing line between what is lawful and what is unlawful, instead of being clear and definite, is quite fluid and nebulous. It has been said that if a lot of people break the law it does not necessarily mean there is a decline in public morality. It is quite obvious, however, that with the continual and consistent breaking of one law, other laws usually fall, shall I say, into general disrepute. When a particular law and general custom drift apart, it is pertinent to ask whether the time has arrived for the custom to be altered to suit the law, or the law to be amended to suit the custom. That appears to be the stage we have reached in this State so far as real estate transactions are concerned. The question arising out of the large discrepancy in land transactions in this State, is one for serious consideration.

One of the main difficulties, and all members appreciate it, is that in keeping house values down to their 1942 level, it has not been possible to maintain the price of the new houses at a similar level. Roughly speaking, the price of houses, both weatherboard and brick, has practically doubled

since 1939. We have now reached the stage of an economic paradox where, when two similar houses, one built prior to 1942 and the other since, are put on the market at the same time, the purchaser is asked to pay £1,000 for the pre-war house, and £2,000 for the other. We all know that, because of the rubbishy building materials that go into houses these days, a modern home, although unoccupied, and constructed only a few months or weeks, is often not at all comparable with the house that was erected in 1939 or prior years.

Obviously the difficulty of controlling the price of new houses is due to the inability to control the price of the commodities involved in their construction. The sooner a formula based on the present cost of construction is adopted, and a reasonable rate of appreciation is allowed, the sooner we shall reach some sort of equilibrium in real estate transactions. There is another point too. Many buyers of houses are dependent on borrowings to finance their transactions. It is necessary for them to seek some sort of financial accommodation to carry out the purchases. Banks, insurance companies and other lending organisations obviously cannot recognise black market transactions. In advancing money to a purchaser they can only advance against the valuation of the controller of land sales. Obviously the amount they are prepared to lend on that basis is quite insufficient to enable many purchasers to acquire homes for themselves.

Another thing, too, is that with these contingent and hidden transactions it is quite impossible to assess what is the fair market value today. Those gentlemen who are skilled in the valuation of real estate freely admit that, owing to the black market racket, it is practically impossible to give a fair valuation of real estate in Western Australia today.

Hon. F. J. S. Wise: You do not think it is impossible to amend the law to correct that, do you?

Mr. CORNELL: Not at all. Another aspect of the black market in real estate that I wish to mention is that there are still some old-fashioned people who have a certain respect for the law. They steadfastly refuse to be parties to a black market transaction, and with equal certitude they decline to accept the valuation placed on their property by the controller of land sales. The effect is that the property does not come on to the market. I feel quite convinced that if there were relaxation of these controls, or if they were abolished altogether, many additional houses would find their way on to the real estate market. As we know, there has been a dropping of controls so far as certain business premises and vacant land are concerned.

I do not think there has been any untoward rise in the price of those properties since the dropping of the controls. Certain selected building blocks have, obviously, brought fancy prices, but prices paid for some of the more medium type of building allotments indicate a general levelling off. I do not think anyone can argue that the dropping of controls in connection with vacant land has been detrimental in any way. It has been suggested that the controls should be relaxed a little further and in that connection I quote Queensland where real estate has been decontrolled up to and including £3,000. This step was not a complete solution of the problem, and obviously did not do away with blackmarketing. I am afraid I made a mistake just now. Real estate in Queensland is controlled up to a value of £3,000, whereas anything over that figure is free from control. However, that does not do away with blackmarketing, as properties valued at £3,000 or less are still subject to control, and the possibility of blackmarketing in transactions in real estate in this category is apparent.

Another aspect of this question is that there is always a tendency for the man owning a property of marginal value to raise the price in an endeavour to edge it over the borderline and above the controlled limit, with a view to selling it without the necessity for obtaining Government consent to the transaction. The question of what form control should take will always be a matter for debate, but I am inclined towards the proposition that all real estate in the metropolitan area should be freed from control, as I believe that would do away with the blackmarketing that seems to have become part and parcel of nearly all real estate transactions in Western Australia. We must also bear in mind the bad effect of the time-wasting and red-tape involved in any form of control. I feel that the principal argument in favour of decontrolling real estate is that such action would do away with the

studied indifference that the majority of the people have today for the law. I support the motion.

THE MINISTER FOR HOUSING (Hon. R. R. McDonald—West Perth) [10.12]: Members will recollect that in September last year, on the cessation of Commonwealth Government control in this sphere, it was the view of this Government, and I think the general view, that to attain a rapid transition from Commonwealth to State control, and to prevent confusion, the regulations as they had obtained under Commonwealth jurisdiction should be transferred to State jurisdiction. That was the view then held, and I think it was the right view. Without venturing to forecast the decisions of the Select Committee, I believe it will find that on the whole the Act, as it now exists, is a fairly effective instrument. One has to bear in mind that this legislation operated under Commonwealth jurisdiction from the beginning of 1942 until September, 1948, a period of some six years. During those years it was amended from time to time, in the light of the experience of the Controller of Land Sales operating under the Commonwealth Government.

The Minister for Education: And blackmarketing had been rife.

The MINISTER FOR HOUSING: During that period there had been trouble with blackmarketing, as the Commonwealth Controller of Land Sales himself told me in Canberra last year. The fact that blackmarketing exists to some extent is no reason why every possible effort should not be made to attain its elimination. That is why we welcome the assistance of the Select Committee in this field. There are two classes of people who may infringe the intentions and provisions of this legislation. Firstly, there is the profiteering class that seeks to exploit the present situation, and for them I would have no mercy. Secondly, there is the class in respect of which the member for Kalgoorlie gave an illustration when he referred to the man who came to sell his house, which was built in 1939, and had to contrast the price he could get for it with the cost of a similar house built in the area to which he was moving. There is a class of people who are naturally lawabiding but feel that the limitations of the Act are so unfair that they are morally justified in going behind the legislation.

There is also the class mentioned by the Leader of the Opposition; people—sometimes young people—whose need and desire for their own home is so urgent and insistent that they feel themselves justified in paying more than the prescribed price in order to attain their objective. To this latter class I think we can extend a certain degree of understanding. As I see the matter, and in this respect I would welcome the views of the Select Committee, the main point for consideration will be the extent to which the base price should be increased. If we take the base price in 1939 and that in 1942, we can arrive at the same result in the terms of prices according to the amount of percentage increase allowed on the base price. That will be a most important avenue of consideration by the Select Committee. Other matters that have been referred to as being desirable to be inserted in this legislation are already there.

For example, it has been said that there should be provision that there shall be no ancillary contract having the effect of evading the intentions of the Act. That is already provided in Section 19 of the Act, and every person who applies for the fixation of a price under the form in the Schedule has to make a statutory declaration to the effect that there is no contract, ancillary to the main contract, the effect of which would be to evade the intention of the Act.

Mr. Graham: Is that a statutory declaration?

The MINISTER FOR HOUSING: Yes.

Hon. F. J. S. Wise: I think their value is becoming less.

The MINISTER FOR HOUSING: That is so, but they afford an additional remedy against the person who is careless in the terms that he uses in his declaration. The Government has not been unmindful of the need to increase the percentage on the base price. Under Commonwealth jurisdiction, which operated for six and a half years, the only increase made was, I think, a 15 per cent. increase on the base price in 1947. The Western Australian Parliament authorised State control of this legislation some nine or 10 months ago and when the State took over, the first thing that was done, through the Government and the Controller, was to grant an immediate increase of a

further 15 per cent. on the 115 per cent., thus raising the effective price some 32 per cent. above the base price.

The desirability of a still further increase, in the light of our experience after some nine or 10 months operation of the Act, is something of which the Government has not been unmindful. The first step was to ensure that the legislation would continue for reasons which were given by the Minister and the Leader of the Opposition. The continuation of the Bill, of course, is no bar to an amendment of the parent Act.

So we have legislation which was not the product of last year's Parliamentary consideration, but was the product of Commonwealth control over a period of six and a half years before it passed under State control. In the Act, I think, the Select Committee will have a basis on which to work and which will not be without its value. The deliberations of the committee, particularly on the point of the effective price to be permitted in the light of circumstances and the matters mentioned by the Leader of the Opposition and other speakers, will be the chief responsibility and the important contribution which the committee can make.

Question put and passed; the motion agreed to.

Select Committee Appointed.

On motion by Hon. F. J. S. Wise, a Select Committee appointed consisting of Messrs. Reynolds, Styants, Cornell, Bovell and the mover with power to call for persons and papers, to sit on days over which the House stands adjourned, and to move from place to place; to report on Wednesday, the 10th August.

MOTION—COAL MINE WORKERS (PENSIONS) ACT.

To Disallow Miners' Contribution Regulation.

MR. MAY (Collie) [10.22]: I move—

That new Regulation No. 27 made under the Coal Mine Workers (Pensions) Act, 1943-1948, published in the "Government Gazette" on the 28th January, 1949, and laid upon the Table of the House on the 15th June, 1949, be, and is hereby disallowed.

This particular regulation refers to the Coal Mine Workers (Pensions) Act Amendment, 1943-48, and amongst other things it sets out the method which is to be adopted in arriving at the amount of contribution to be made by the miners, and the employers. It is in connection with this method that I move my motion. When introducing the legislation last year the Minister said that in order to meet the liability for the increased amount, the contributions under the measure would be at the rate of 4s. per week for each miner. That is the amount being paid by miners in the other States. The men, apart from the employers, were quite happy about that because they were consulted about it and no quibble was raised. The new Regulation 27, however, makes the position much more drastic and is worded as follows:—

The basis upon which the contributions of individual mine workers shall be assessed for any period after the period ending on the thirtieth day of June, 1950, shall be as follows:—As soon as practicable after the estimate is obtained in pursuance of Section 21 of the Act, the Tribunal shall determine the average number of mine workers who were employed by all owners during the 12 months ended on the immediately preceding 31st day of December, or if then available the 12 months ended on the later 30th day of June.

Now I come to the part of the regulation which the miners feel was not proposed when the legislation was before the House last year. It reads—

The amount of the contributions payable under the Act by all mine workers during any period assessed under this regulation shall be divided by the said determined average number of mine workers, and the figure arrived at shall, subject to Regulation 28 (a), be the contribution payable by each individual mine worker during that period.

On the face of it, it looks quite a harmless little regulation to place on the Table of the House, but when we remember the information given by the Minister last year when introducing the amending Bill, we realise what the effect of the proposed method will be, as far as the miners are concerned. As an illustration it may be that we will find, after the actuary's next report, that the fund is £100,000 in arrears. The Government's contributions are fixed by legislation at £16,000 a year. I think that is correct.

The Minister for Housing: A maximum of £16,000.

Mr. MAY: If the proposal contained in this regulation is put into effect it will mean that the miners and the employers, on a one-third and two-third basis respectively, will have to meet the amount which the fund is

out of balance. That is tantamount to asking the men and the employers to give a blank cheque. We feel that there should be some better method adopted whereby any insolvency of the fund might be met. For a moment I do not suggest that an increase, both in the miners' and the employers' contribution, will be necessary after the next report by the actuary. But to say that the number of men employed in the industry should be divided into the amount of the balance in the fund to fix the contribution is rather drastic. That is the reason why I have brought this motion forward for the disallowance of the regulation.

If some method could be adopted whereby the men and employers—and I am speaking principally on behalf of the men—can enter into an arrangement similar to that which was made last year when the increased contributions were brought about, it would be all right. But to say that one has merely to arrive at the amount of contribution by the employers and employees by dividing the number of employees into the balance disclosed by the actuary is asking too much. That is the main point of this regulation to which objection is taken. I sincerely hope that the Minister will give consideration to some method of altering it so that it will be nearly comparable with the arrangement entered into between the Minister and the men prior to the introduction of the legislation last year.

On behalf of the men I appeal to the Minister either to amplify that regulation or to adopt some more moderate means of arriving at any solution which may be necessary to meet the deficiency of the fund. if such is revealed by the next actuarial report which will be made, in all probability, on the 30th June, 1950. I hope that the Minister in preference to passing the regulation will give consideration to amending it in some way whereby it will meet with the approval of those directly concerned.

On motion by the Minister for Housing, debate adjourned.

House adjourned at 10.35 p.m.

Legislative Council.

Thursday, 14th July, 1949.

CONTENTS.

The PRESIDENT took the Chair at 2.15 p.m., and read prayers.

BILL—TUBERCULOSIS (COMMONWEALTH AND STATE ARRANGEMENT).

Read *a* third time and *passed.*

BILL—SUPPLY (No. 3), £4,700,000.

Second Reading.

Debate resumed from the previous day.

HON. E. H. GRAY (West) [2.21]: I concur with the remarks made by Mr. Bennetts yesterday regarding the decision of the Government to continue the session from last year and not to adopt the usual procedure of having an official opening with a Speech from His Excellency the Governor. This gives members an opportunity to impress upon the people the great importance attached to both the Commonwealth and State Parliaments as regards protecting our democracy. Present-day troubles are attributable to the indifference of people and particularly the average young man and woman, to politics and the business of the organisations to which they belong. They just leave everything to luck as it were, with the result that things happen that absolutely stagger them later on. Generally speaking, it can be said to have been caused by the growing feeling—it was particularly apparent during the war period—of absolute indifference with respect to social welfare, politics and the doings of organisations to which most people belong.

The Address-in-reply debate affords members an opportunity to ventilate the requirements of their districts and constituents and, for that reason, is valuable. Western Australia is a very large State, and each member representing a Council province or an Assembly district, if he does his duty properly, is besieged with inquiries from all sorts of organisations, particularly