

**HON. L. CRAIG** (South-West) [5.28]: I also wish to congratulate Perth people on the Metropolitan Markets. One morning I attended them at the same time as Sir Hal Colebatch, and was most agreeably surprised, especially by the display of vegetables. However, I rose to mention the fact that the Metropolitan Markets exist partly as a taxing machine. I understand that interest and sinking fund are charged, and that Consolidated Revenue benefits to some extent from the rents received by the Market Trust. That does not seem to be quite fair. In my opinion, profits on a public utility of this kind, where so much money is required for development, should be carried to a reserve fund for future extension of the markets. I do not know how the Market Trust views the matter, but I think its members rather agree with me that the money should be available for improving the facilities at the markets, and should not be used as a means to provide funds for Consolidated Revenue. However, that is the policy of the Government, and I suppose it cannot be changed. I trust, however, that it will not be extended too far. Utilities of this nature should be able to accumulate what funds they can for the purposes of the future. Either that, or the rents charged to the tenants should be reduced.

**HON. L. B. BOLTON** (Metropolitan) [5.29]: I am indeed pleased to support this small measure, and to offer my congratulations on the excellent work done by the Market Trust, and on the foresight it has displayed in making reservations. I was especially pleased to hear the remarks of Sir Hal Colebatch, who has had opportunities of seeing markets in other parts of the world. I too have travelled a little, and inspected the markets in most of the countries which I visited. When in India some years ago I had some highly interesting experiences when visiting markets there. I came back feeling even at that time that Western Australia had reason to be proud of the marketing facilities offered to the people here. I congratulate the trust on the excellent work it is doing. I hope, however, that the reservations may not prove sufficient, that our population will so grow that we shall find even more land is required than that which is now reserved.

Question put and passed.

Bill read a second time.

*In Committee.*

Bill passed through Committee without debate, reported without amendment and the report adopted.

*House adjourned at 5.32 p.m.*

## Legislative Assembly.

*Thursday, 3rd October, 1940.*

	PAGE
Bills: Bills of Sale Act Amendment, 3B. ....	1094
Traffic Act Amendment, 2B., Com. report ....	1094
Reserves (Government Domain), returned .....	1183
State Transport Co-ordination Act Amendment, returned .....	1133
Petroleum Act Amendment, returned .....	1133
Main Roads Act Amendment, 2B., Com. report ....	1133

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

### BILL—BILLS OF SALE ACT AMENDMENT.

Read a third time and transmitted to the Council.

### BILL—TRAFFIC ACT AMENDMENT.

*Second Reading.*

Debate resumed from the 26th September.

**MR. DONEY** (Williams-Narrogin) [4.34]: The Minister in charge of this highly important Bill has been wise enough to rub off a few of its rougher edges, and do a deal of shrewd repair work, before submitting it to the House. But if it is not precisely the same Bill as was submitted before, it remains in essence the same Bill. However, it looks far more reasonable than it was at its last appearance.

The Minister for Works: You are more reasonable now.

**MR. DONEY**: I do not know that that necessarily follows. I hope I am always reasonable so far as a Bill I am discussing will permit me to be. The measure now looks

more reasonable; it has a more specific tenure, a tenure running concurrently with the Federal Aid Roads Agreement. Then again, the amount of money which the Bill proposes should go into the Treasury is decreased by 25 per cent. That also is an improvement. So far as the principle and the intention and, to a large degree, the effect of the Bill go, however, it remains unchanged. Consequently to me, and I suppose also to the local governing bodies that are concerned, it is just about as unpalatable as it was a year ago. The Premier, in launching his Estimates, and of course speaking prospectively upon this legislation that is now before the House, described it as a war emergency measure. I do not think the hon. gentleman was justified in doing that. Anyway, I disagree with that description. There are Bills which can be thus described, and again Bills which certainly cannot be. There is never any need to make mistakes in regard to such matters, because the line of demarcation between the two classes of Bills is plainly apparent. In my opinion, thus to describe the Bill is to say that its passing is nationally necessary, and that it ought not to be obstructed.

The Premier: From the financial standpoint its passage is essential.

Mr. DONEY: From the aspect of finance, the position in respect of the Bill is precisely the same as it was a year or more ago, when that particular excuse, or shall I say reason, was not advanced. This is in no sense a war emergency measure. Its effect, as the Premier himself must admit, in no way applies to the course or conduct of the war. Not one single aspect of the war, in fact, prompted the Premier to decide to have the measure brought down.

The Premier: But the war upsets our finances, and that is why we need this Bill.

Mr. DONEY: War upsets things in every direction, but one does not for that reason call this type of measure a war emergency measure. As I understand this Bill, it had its genesis in a report of the Commonwealth Grants Commission some two or three years ago, when war emergency legislation, as we know it to-day, was not thought of. This is just an ordinary, conventional, everyday sort of Bill. Anyhow, it is plainly ridiculous to pretend that an attempt by the Government to transfer traffic fees from the local governing bodies to Consolidated Revenue is a matter of emergency created by the war.

The Premier: We have a duty to finance the country and to try to balance the Budget.

Mr. DONEY: I am under the impression that I have already answered that point. I consider, too, that had it been a war emergency measure, the Minister in charge of the Bill would certainly have made that plain. It will be recalled that in a speech lasting one and a half hours—and a very fine speech, too, as the House agrees—not a single reference to the war was made. Surely, if this were a war emergency Bill the Minister would have concluded his remarks by stating that its operation was intended to be for the currency of the war and the customary six months thereafter.

The Minister for Works: I knew you would realise that we were in difficulties owing to the war.

Mr. DONEY: I recognise plainly that this is not a war emergency measure. I think the Premier voiced certain objections to members in general, and members of another place in particular, seeking the advice of local governing bodies as to the effect that this measure, if enacted, will have.

The Premier: No.

Mr. DONEY: Particularly did the hon. gentleman object to members seeking those views before the Bill was presented to the House.

The Premier: Some members committed themselves to vote against the Bill before it was actually introduced.

Mr. DONEY: The Premier is not in a position to say that they have done so. However, that is common both to the Government side and to the Opposition side. If the matter was discussed before it was brought here, then the fault—if fault there be—was certainly that of the Government; because the Premier knows very well that certain Ministers made it plain to local governing bodies sitting in conference just what the contents of the Bill would be. This arouses their interest, with the result of which the Premier complains. Personally, I consider local governing bodies should be free to give expression to their views; I do not agree that there should be any attempt at suppression of views either of those bodies or of other bodies that may be termed in any sense representative. I seek the views of the associations to which such bodies belong. I ascertain their views as expressed at conferences. It so happens that I did not discuss this matter before-

band; it was after the Bill had been submitted to the House. I had intended at the outset of my remarks to compliment the Minister upon the clear manner in which he explained the rather involved figures that bear on road construction finance in this State. I formed the impression while the Minister was speaking that the figures were well worth putting on one side for future reference. I do not say the Minister was complete in his remarks, although I must admit that he amply covered all questions arising or likely to arise under the Bill, with one exception.

Hon. C. G. Latham: The Minister is a good thought-reader.

Mr. DONEY: Yes. That might be implied from what I have just said. It so happens that the question upon which he did not touch was the most important of all. It is the question of who ultimately would bear the expense; that is to say, who ultimately would be debited with the £75,000, or whatever the amount may be, that will be recouped to the metropolitan governing bodies as an offset to their loss of 75 per cent. of the traffic fees which will go to the Treasury? The rural mind is focussed on that one point, namely, who meets the debt, and I hope the Minister, when he replies—as I trust he will—will be explicit with respect thereto. It so happens that while the Minister was extremely communicative with regard to other points, when he reached this important point he seemed to be exceedingly forgetful. Early in the Minister's speech he drew a deduction from the fact that municipal rating in Melbourne, Sydney and Brisbane was higher than in Perth. The average rate of those three towns is 44s. 6d., as against 32s. 5d. for Perth. The deduction drawn was that Perth should increase its rates to a figure approaching that of the Eastern capital cities and thus lessen its dependence upon traffic fees for road construction expenses, besides freeing a portion of those fees for the purpose of servicing the Government's loan expenditure upon roads. At the moment I do not care to say whether that deduction is fair. I am inclined to think that it is not. Members will agree that there are certain urban communities which, on a per capita basis, are richer than others. It is probable that Melbourne, Sydney and Brisbane are more

opulent communities than is Perth and consequently far more easily able to stand up against the rating that the Minister seems to think is desirable. I recall this, too, that the Premier, during his Budget remarks, said that we in this State were almost the highest taxed of all the States. If that means anything at all, it certainly means that we are correspondingly entitled to lighter municipal rating. The Minister might agree with this contention; that the extravagant control—there is no doubt on the point—of municipalities in the bigger cities in the Eastern States is responsible for a large part of the high rates to which he referred. If the Minister is convinced, as he certainly seems to be, that Perth rates should be materially increased, I wonder why he has not the courage of his convictions and does not tell the local governing bodies so. The Minister will admit that he drew a deduction, and having done so, proceeded to ignore it.

The Minister for Works: You have drawn a wrong conclusion. Everything is taken into account by the Grants Commission. The Commission drew attention to the fact that we have a low rate and that the Commonwealth must take that fact into consideration in allocating the grant to the State.

Mr. DONEY: I quite realise that and it is all very fine; but I have already given the Minister three or four reasons why the rating in our capital city should be less than the rating in the capital cities of the Eastern States.

The Minister for Works: You should put that up to the Grants Commission.

Mr. DONEY: My complaint against the Minister is that, having intimated that there should be a higher rate for Perth, he proceeds to tell the world at large that he intends to discipline the metropolitan area by taking 75 per cent. of its traffic fees into general revenue. Nevertheless, he says the local governing bodies are not to worry over that. Bad as it may seem, there will be absolutely no diminution in the amount—he tells them soothingly—that they will have to spend. That result I may explain will be achieved not by imposing a penalty upon the metropolitan area, but upon the country districts. I imagine hon. members are aware that the Federal aid roads fund, is divided in this way: 91 per cent. for the construction

and maintenance of country roads, and 9 per cent. only for the construction of roads in the metropolitan area. It is just at this point that the Bill displays two of its weaknesses.

The Premier: There are no weaknesses in the Bill. The point is that we have spent a large amount of loan money on country roads.

Mr. DONEY: The reason for having done so is that the expenditure was more necessary in the country than in the metropolitan area.

The Premier: We have spent about £10,000,000 in the last ten years on country roads. We spent £1,000,000 on them last year.

Mr. DONEY: That statement is not in accord with the figures supplied by the Minister, who is more likely to be up to date in that respect than is the Premier. I was going to point out two weaknesses of the Bill. The first is that the amount that would be returned to the metropolitan bodies would ordinarily be set aside for expenditure on country roads, and the other is that the Federal aid roads fund is specifically intended for the maintenance and construction of roads in the country and, of course, in the metropolitan area, and certainly not for providing revenue. Most members regard this Bill as circumventing the intention of the Federal Aid Roads Agreement. It plainly contravenes the spirit of the agreement, and I should like the Minister, when he replies, to deal with that point. What the Government is really proposing is to borrow £75,000, £100,000, or whatever the amount might be, from the metropolitan local governing bodies and use the country road funds in due course to pay that debt. No one can tell me that is the proper way to do it.

The Premier: We have spent 90 per cent. of the money in the country.

Mr. DONEY: The roads in the country compared with those in the metropolitan area are as ten to one in point of expenditure necessarily involved. The net result is that the metropolitan local bodies need suffer not at all. The Minister has plainly told us that in regard to the amount at their disposal, there will be no diminution. Yet despite that statement, the Minister said two or three times that no reasonable grounds existed for any apprehension on the part of the country road boards as to

the amount to be made available for expenditure upon roads. The Premier, too, said that no fear need be entertained that the country roads would suffer under the new method. To me the fact is as plain as a pikestaff that £75,000 or so will come from the country and cannot possibly come from any other source. The comparison and the deduction drawn by the Minister as between the City of Perth and the Eastern States capitals therefore signify nothing at all.

The Premier: But road construction is being financed out of loan funds.

Mr. DONEY: What has that to do with the question? If that is the best explanation, it is a very poor one. I hope that the Minister for Works has a better one to offer.

The Premier: That is a fact.

Mr. DONEY: The Minister made it plain that after thus deciding to reduce expenditure on country roads by £75,000 by the passing of this Bill and the complementary measure—the Main Roads Act Amendment Bill—the amount spent on roads generally will be not less than formerly.

The Minister for Works: Where do you think the money for the deficit came from?

Mr. DONEY: That is not the point; the Minister brings up another point in which I am not interested at the moment.

The Minister for Works: The money was used to finance the deficit instead of works.

Mr. DONEY: I agree with that.

The Minister for Works: And the country suffered.

Mr. DONEY: It is futile to claim that after taking £75,000 from the road funds, the former amount will still be available. Any member must disagree with that statement. Whatever amount is paid out of the traffic fees to the Treasury, that much less will be available to spend on roads. There can be no two opinions about that. I point out also that this decision to try to extract large sums of money from the road fund comes at a most inopportune time.

The Premier: After £6,000,000 or £7,000,000 has been spent on the roads?

Mr. DONEY: That is not the point.

The Premier: It is the point.

Mr. DONEY: It is not. Petrol rationing will certainly have the effect of very considerably reducing the revenue from traffic fees and, for the same reason, the proceeds of the petrol tax will be lessened to a great degree. By the same token, petrol rationing

will have the effect of lessening the Federal aid roads fund and may even halve it, so that instead of the £800,000 or thereabouts available in the last few years, that amount might easily fall to £400,000.

The Premier: For the same reason, there will be less traffic on the roads and less expenditure will be necessary.

Mr. DONEY: The fact of there being less traffic on the roads will certainly have an easing effect on road surfaces, but the erosive effect of the rains and the winds will be as before. This additional very heavy charge is proposed at a time when the Civil Defence (Emergency Powers) Bill submitted by the Minister for Mines three weeks ago is imposing other heavy financial burdens upon local governing bodies, both municipalities and road boards. A point worth noting is that the proposal comes at a time when our roads should be kept in absolutely tip-top condition, because as the Minister will agree, after what we have read in the newspapers during the last fortnight, it is conceivable that events might so shape themselves that our roads will be congested with military traffic of a very heavy type. For this if no other reason, there could not be a more inopportune time to launch this particular charge. I understand, too, that the funds now being spent on roads, both from the Federal aid roads fund and the loan fund, go very largely in the payment of relief workers, and everybody must realise that if there is going to be any restriction in the funds usually made available for that purpose through existing channels, a similar amount will have to be provided from some other source.

The Premier: Thank goodness the unemployment figures are coming down!

Mr. DONEY: From that statement I gather that the Premier knows more than the House knows. I do not think we have received such an impression so far. However, I may not be allowed to deal with that matter under this Bill.

The Premier: You will be told when the Estimates are being discussed.

Mr. DONEY: If the Speaker would permit me to reply, we have gathered from the discussion on the Estimates that in 1938, roughly 6,000 men were receiving unemployment relief and that last year—

Mr. SPEAKER: The hon. member is now getting away from the Bill.

Mr. DONEY: That is the fault of the Premier. There are members in this Chamber who argue that it means an extremely generous attitude on the part of the metropolitan area towards the country—and the Premier seems to share this view—when the metropolitan area allows to the country 91 per cent. of the Federal aid roads money, retaining only 9 per cent. for itself. The Minister for Works is aware, as are most of us, that the local governing bodies of the metropolitan area have nothing whatever to do with the basis of distribution. I have only to mention, as the member for Greenough indicated by interjection, that the ratio is determined under the Federal Aid Roads Agreement by the area and population factors. For the benefit of the Premier, I point out that the 91 per cent goes to the country roads because of the greater needs of the country, owing to its vastly greater area and vastly greater length of roads. Any less favourable ratio would react just as much to the detriment of the metropolitan area as it would to the detriment of the rural areas.

The Premier: Why point that out to me when the Government does give 91 per cent. to the country?

Mr. DONEY: I point that out in answer to those who say that the country receives 91 per cent. as an act of generosity.

The Minister for Works: The country does not get 91 per cent. because of area.

Mr. DONEY: I was not suggesting such a thing.

The Minister for Works: The country is getting a big concession.

Mr. DONEY: The Grants Commission recognises, as we do, that no other governing unit of Empire carries so big a per capita responsibility in the matter of road construction as does Western Australia. Western Australian lands are not uniformly productive. There are good patches separated from other good patches by arid regions, scrub and sand plains and rock, etc. Expensive roads have to be constructed through those useless patches, and it is natural that they should yield no return to the local authorities. The House will realise that the Kimberley's, the North-West, the Northern and Eastern Goldfields, the Great Southern, the far South-West and the several wheat provinces all have to be connected up with each other by roads that have to traverse useless patches, and con-

needed with the metropolitan area as well. That is a very costly work, but it is essential to the prosperity of the State that such work should receive our constant attention. It would be dangerous to tamper with it, particularly in the manner set out in the Bill. The measure contains one merit, namely, that if enacted it will have a beneficial effect upon the deficit. The Premier made it plain that if he taps this new source of revenue represented by the traffic fees, and by that means reduces his deficit, the Grants Commission will be inclined to be more generous towards him. It probably strikes some people that if the Premier reduces his deficit by that or any other means, the Grants Commission is likely to decide that he stands that much less in need of relief. I think I have said sufficient to indicate the same hostility towards the Bill as I displayed last year. I think that hostility is shared by members on this side of the House, and will be shared by members opposite if they have any regard for the finances and well being of the several local governing bodies within their electorates.

**MR. McDONALD** (West Perth) [5.5]: When this Bill was previously before the House I voted against it, but on this occasion I have endeavoured to approach it with an open mind.

Mr. Doney: You did so last time.

Mr. McDONALD: Yes. Notwithstanding my adverse vote last time, I am again opening the door to giving the Bill any favourable consideration it deserves. Without recapitulating at any length the very good survey made by the Minister for Works, I find that the proposals affect the metropolitan area containing 24 local authorities, and indirectly affect the country area which embraces the rest of the territory of Western Australia. In the country area, I understand, the local authorities take their traffic fees direct from the owners of the vehicles. In the metropolitan area, under the Traffic Act, all traffic fees are paid into a pool. That money is divided in certain ways set out in the Act, and a certain part of it is distributed in a manner decided by the Minister between the 24 local authorities constituting the metropolitan area. On existing figures we may say, taking a round sum, that the local authorities of the metropolitan area divide between them about £100,000 per annum from traffic fees ob-

tained from the pool. The proposal in the Bill is that 25 per cent. of what the local authorities in the metropolitan area would normally draw from the pool under the existing law will still be paid to them. In other words, on existing figures, they would still get £25,000 per annum between them from the traffic pool. Under the Bill, the remainder of the £100,000, £75,000 a year which the metropolitan local authorities previously received will go to the Government, will be taken into Consolidated Revenue, and will to that extent improve the budgetary position. By the Bill the Government proposes that to the extent that the traffic fees are diverted to Consolidated Revenue, the local authorities shall be reimbursed out of the annual grant made to the Main Roads Fund. I have examined the position as disclosed in the Minister's speech. It seems to me that taking it by and large the local authorities in the metropolitan area will be in the same position they occupied before. They will not lose anything in the way of revenue. What they do not get by way of traffic fees, they will get by way of the Main Roads Fund granted to them directly as part of the revenue at their disposal as local authorities. The net effect of the proposal is to transfer, on present figures, £75,000 a year from the Main Roads Fund to Consolidated Revenue.

If the moneys granted under the Federal Aid Roads Agreement were granted without any restriction, there would be no objection to the whole of the amount received under that agreement, some £800,000, going directly into Consolidated Revenue. Under existing legislation, however, moneys derived through that agreement are trust moneys. They cannot be taken into Consolidated Revenue but must be maintained in a special fund and spent for the particular purpose for which, by law and agreement, they are earmarked, namely in connection with the roads of the State. The Government proposes by this Bill to obtain, in effect, a certain portion of the moneys which go into the Main Roads Fund by a process that may be quite in accordance with the law, and may perhaps have no objection to it from any other standpoint. Dealing first of all with the effects of this particular proposal, I again point out that local authorities in the metropolitan area will not under the proposal, as I understand it, suffer any loss of revenue. They will receive the same money as they

would have received in future years under existing legislation. Indirectly, however, some effect must be disclosed. We cannot take £75,000 a year from the Main Roads Fund and put it into Consolidated Revenue without someone going short of that amount. In other words, if we take that figure, the Main Roads Board will have £75,000 a year less to spend in its activities in connection with the roads of the State. The Main Roads Board, as I understand the position, does not spend any main roads money in the area vested in the Perth City Council. I have been so informed, and believe that to be correct. The Minister said that during the 10-year period up to 1939, 91 per cent. of the Main Roads Fund was spent in the country areas, and 9 per cent. in the metropolitan area, apparently in the metropolitan area outside that vested in the City Council. If, therefore, the Main Road Board in future has £75,000 a year—still using that as the figure to illustrate the reduction—less to spend, it must reduce expenditure. It may reduce that expenditure partly in the metropolitan area and partly in the country areas. It may cut it out entirely in the metropolitan area, and on the other hand it may make the whole reduction of £75,000 a year in the country areas. I should think, however, that the reduction would be spread over both the metropolitan and agricultural areas. The fact remains that with £75,000 a year less to spend the Main Roads Board must restrict the construction of new roads or reduce expenditure on maintenance or on improving existing roads. It must do that somewhere in the State, and will probably spread that reduction in its programme over the metropolitan area and country areas. It may not matter very much if that is done. It will be some deprivation to the State. Roads must still be maintained. There must be some programme of extension of roads that we have built in the past. It may not matter very much if there is that economy in construction. It may be that if certain roads are not maintained in the same way by the Main Roads Board, local authorities, particularly in the country, may be compelled to spend their own money to do what the Main Roads Board is not able to do by reason of the reduction in the funds at its disposal. Although the local authorities, as I have pointed out, are not to be any worse

off as regards revenue they receive in the metropolitan area, the State, and particularly the country areas, are to experience a reduction in the expenditure by the Main Roads Board.

Mr. Doney: On the basis of fair play, does not that disturb you somewhat?

Mr. McDONALD: It does, and I shall revert to that point.

The Premier: But it does not necessarily follow, because we have been spending loan funds on roads when and where necessary.

Mr. McDONALD: Yes. That may be so in fact, and no hardship to the local authorities may actually be involved through the reduction of funds that the Main Roads Board has to spend in the extension of roads and the maintenance of existing roads. Why has the Bill been introduced? The Minister explained that it was in recognition of certain observations by the Federal Grants Commission and particularly in recognition of some contained in the Commission's sixth report. There is no doubt that the proposals under discussion will improve the budgetary position of the State because of the transfer of money from the Main Roads Board account which has not heretofore gone into Consolidated Revenue, and the budgetary position will be improved to the extent of the amount so transferred. The sixth report of the Federal Grants Commission was referred to by the Minister who mentioned some statements that appear in Chapter 6 of that document. I do not propose to quote much from it, but in paragraph 191 the Commission says—

In the fifth report attention is drawn to the large amount of outstanding debts due to the Crown in South Australia, for unproductive loan expenditure in Western Australia and on railway and local government finance in Tasmania. A review of the accounts for 1937-38 leads us to believe that our criticism has not been adequately met, although in certain accounts an improvement is noticed. This year we feel impelled to direct attention to further matters relating to current policy.

There we see that the Federal Grants Commission has drawn attention to what is described as unproductive loan expenditure in Western Australia, and goes on to say that the criticism has not been adequately met although in certain accounts an improvement has been noticed. After the members of the Federal Commission have

drawn attention to that reflection upon our loan expenditure and have stated that the position has not yet been rectified fully, they then proceed to deal with another matter in paragraph 192, which the Minister read to the House. With the forbearance of members, I will quote two sentences from that paragraph because they are important. They are—

Notwithstanding the substantial increase in the Federal aid roads grant, three claimant States are spending large sums from loan funds on roads. Most of this expenditure is unproductive. Little or no attempt is made to recover even portion of the annual debt charges for local authorities, and in Western Australia and Tasmania no part of the motor taxation revenue is used to meet the annual debt charges on the loan liability for roads.

The Minister has explained to the House that there has been a total expenditure on roads from loan funds amounting to £3,600,000, on which the annual debt charges represent £163,000. It is that debt of £163,000 per year that is sticking in the throats of the members of the Federal Grants Commission.

The Premier: And is sticking there very hard indeed.

Mr. McDONALD: That is true.

The Premier: They comment on that matter again in their latest report.

Mr. McDONALD: And I shall refer to that phase later on.

The Minister for Works: The position is made all the harder for us.

Mr. McDONALD: The Commission says, with probably some justification, that when it comes to other than those constructed by the Main Roads Board, the responsibility for the financing of those roads should have been undertaken by local authorities and not by the main central authority—the State. In effect, the Commission says that the Government should not have spent money from loan funds on roads, and that if any section was to borrow money for road construction work, it should be the local authorities who should be prepared to pay the interest on the loan funds borrowed for the purpose of road construction. That contention does not appear to me to be illogical.

The Premier: The whole question is one of divided authority.

Mr. McDONALD: Yes. We have the local authorities and the central authority, and they should certainly have their respective

spheres. As I read the sixth report of the Federal Grants Commission wherein reference is made to the matter alluded to already by the Premier, the contention is that £3,600,000 has been raised by way of loan by the State for the purpose of building roads, and that that amount should have been raised by the local authorities. Furthermore, the Commission contends that instead of the interest on that amount being paid by the State, it should have been, and in the future should be, paid by the local authorities. I assume from what the Minister said in the course of his speech and from the terms of the report of the Grants Commission, that the local authorities are expected to do one of two things. Let me put the matter in another way. We are to say to the local authorities, "You assume the burden of the interest debt charge of £163,000 a year either wholly or in part. If you assume responsibility in whole or in part of that interest burden, you will have to raise the money with which to pay the interest charges by means of additional taxation from your ratepayers." As I read the report it means that instead of the taxpayers contributing to Consolidated Revenue the necessary funds to meet the interest charges, those charges are to be transferred to the ratepayers who will be expected to find the revenue through the local authorities. That would mean that the local authorities, taking them by and large, would need to increase the amount of rates that they levy on the ratepayers to meet their portion of the interest burden which they may take over from the State. But the Bill does not accomplish that end. It may be an act of generosity that the Bill, in effect, says to the local authorities that we are not going to cause them to impose any extra taxation on the ratepayers, because what they lose in traffic fees the State will make up from main road funds. But does the Commission mean that? That is one of the difficulties that confronts my acceptance of the Bill.

If we consider the question of the local authorities raising the additional money from ratepayers to enable them to meet their portion of the interest debt charges now resting on the Government, we meet with certain difficulties, because the expenditure of £3,600,000 has been spread, I presume, all over the State. Much of the money may have been spent in the territory of one local authority, and very little in that controlled by another local authority.



I have not the figures beside me, but it is conceivable that very little, for instance, was spent in the area controlled by the Perth City Council. If we are to call upon the local authorities to assume responsibility for the interest burden on the loan indebtedness for road construction, we cannot very well ask one local authority to contribute money with which to pay interest on money used for the construction of roads in the territory of another local authority. We cannot jumble all local authorities together, for that would have the effect of causing recrimination and discord. On the other hand, we might say to the Murray-Wellington and Harvey local authorities that £200,000 had been spent in their areas and that they would be expected to bear the interest burden on that amount, and we could say to the Kalgoorlie Road Board that £500,000 had been spent in its area and that it should assume responsibility for the interest on that amount. That is one of the difficulties that lie in the way of the transference of this interest burden. The problem is to transfer on what may be regarded as equitable and just terms and it may well mean that a local board in the country having already great difficulty in meeting current commitments may suddenly find itself saddled with a greatly added interest burden, while another local authority that may be in a far better position to undertake such a commitment, may not be confronted with that added financial burden. If we interpret the Federal Grants Commission's report as desiring the Government to transfer the £163,000 interest bill for road expenditure from loan, or even part of that amount, to local authorities, then we are met with difficulties that are not insuperable but are real. A perusal of Chapter 6 in the Grants Commission's sixth report discloses that the Commission deducted £22,000 from the grant recommended in that year and it has been suggested that if we pass the Bill we may secure release from that penalty. I am not by any means convinced on that point. First of all, I am not sure that the Bill gives effect to what the Commission wants, or, secondly, that the £22,000 penalty imposed relates necessarily to traffic fees. It relates to all matters mentioned in the chapter. One of the matters mentioned in the chapter is that the Commission is still not satisfied as to the State's activity with regard to unproductive loan

expenditure. In paragraph 204 appears the following:—

We think that in view of the considerations mentioned in this chapter we should make a general deduction from the grants of the three States.

Not in view of one consideration, but of all the considerations mentioned in the chapter, considerations dealing not only with traffic fees, but also with unproductive loan expenditure generally. We do not necessarily stand to secure a remission of this penalty by the passage of the Bill.

Hon. W. D. Johnson: We will get a percentage.

The Premier: We will. The Commission drew attention to the fact that we do not collect any of the fees and the other States do.

Mr. McDONALD: Yes, I did not read that particular part of the report because I did not want to take up any more of the time of the House than is necessary. The Minister referred to the fact that in Tasmania it was proposed to utilise part of the traffic fees in meeting interest on loan expenditure on roads and the Commission recommended that this State should follow the same practice. Up to a point the Bill provides for that, but the Commission did not say that the State, having taken traffic fees in order to meet interest on loan expenditure on roads, should reimburse the local authorities by dipping into the main roads grant. The view of the Commission may have been, as the Minister expressed it, that the ratio of local government taxation in this State is small compared with that in the non-claimant States whereas the ratio of taxation by the Government is now high in comparison with that in the other States. Consequently the Commissioners may well have said to themselves, "We cannot expect the State Government to increase taxation because State taxation is already as high as it should or as it fairly can be; but we can expect the local authorities to increase taxation because their ratio of taxation is low compared with that of the other States." The Commission may have intended to invite the State to pass portion of its commitments for interest on loan money spent on roads to the local authorities whose taxable capacity would allow them to take over that additional burden, but I desire to know whether the Bill really complies with the

suggestion of the Grants Commission. The report of the Commission should be the Treasurer's financial bible. Any suggestions or recommendations made by the Commission will carry great weight with me. If I thought the Commission was satisfied with the Bill and considered that it really fulfilled what the Commission had in mind, I would be prepared to view it with a very open mind, but I am not satisfied that the Commission would approve of it. We might pass it and then when the Commission comes here in a fortnight's time and we say, "Look at the good thing we have done," we might receive the reply, "That is not what we intended at all. That is a very easy way to secure revenue, namely, by taking part of the traffic fees from the local authorities and then dipping into the main roads fund to reimburse them."

Mr. Sampson: It is the old Robin Hood method.

Mr. McDONALD: The Bill may draw from the Grants Commission an unfavourable reflection, or it may be applauded, I do not know. I have carefully studied the text of the chapter referred to by the Minister, but, like other Biblical texts, it is capable of different interpretations and I have not been able, with any confidence, to read into the observations of the Grants Commission approval for this class of Bill.

Mr. Doney: You hold that it contravenes the spirit of the Federal Aid Roads Agreement?

Mr. McDONALD: I think there is room for that argument. I do not know whether I am in order in quoting from a report in the newspaper but I would like to draw attention to one portion of an extract from the seventh report of the Federal Grants Commission appearing in to-day's "West Australian." That report has been released, but copies have not yet reached this State.

The Premier: I received a copy a couple of days ago.

Mr. McDONALD: We have not had an opportunity of seeing it. A summary of the report was telegraphed from Canberra to the "West Australian" and portion of that summary reads as follows:—

In our last report we suggested that Western Australia should fall into line with the practice of other States by allocating part of motor taxation to meet interest and sinking

fund charges on road debt. In view of the very marked increases in motor taxation and Federal Aid Road payments, we believe that it should not be difficult to adopt the course suggested. The relief to State revenue would be about £130,000 per annum. In view of the possibility of reduced Federal Aid Road grants, we shall not make an adjustment this year to bring the West Australian Budget into line with that of other States. The position will, however, be reviewed next year.

The sentence to which I wish chiefly to refer is this—

In view of the very marked increase in motor taxation and Federal Aid Road payments we believe that it should not be difficult to adopt the course suggested.

That sentence appears to me to suggest that in view of the increase in the main road grants, local authorities would have to spend less money in their districts because the Main Roads Board would be spending more, and the local authorities having to spend less should be able from their revenue or from extra taxation of ratepayers, to make good the loss of traffic fees which the Government will have taken. That expression of opinion appears to me to be inconsistent with the proposal in the Bill that the transaction should be carried through by dipping into the main roads fund. I do not use the expression "dipping into the main roads fund" in any derogatory sense. I am referring to the transfer of part of the main road funds to the local authorities. The Grants Commission will be here on the 15th October, and I suggest that the Minister place before the Commission a copy of his Bill, together with a report of the debate showing the views of the different members. If the Commission declares that the Bill is in line with the suggestion it made, I for one will be prepared to give great weight to the measure since it would have thus been endorsed and recommended by the Commission. That should be easy of accomplishment. The Premier told us the other day that when in Melbourne he called upon the chairman of the Grants Commission and officers, and that in the course of discussion many misunderstandings were removed and relations were greatly improved. The Commission will be in Perth in a fortnight's time and the members could be shown the Bill, and if they assure us that it meets with their wishes, such an assurance will carry great weight.

The Minister for Works: I am afraid they will say it does not go far enough.

Mr. McDONALD: I am quite prepared to face the possibility of the Commission's saying, "You should not touch the main roads fund at all. What you collect in traffic fees should be at the cost of the local authorities." If they, as an authoritative body, believe that that is the proper thing for this State to do in order to adjust its finances, I would be prepared to give the proposal weighty consideration.

The Minister for Works: I do not think they would agree to the expending of £25,000 on main roads in the metropolitan area.

Mr. McDONALD: The Minister says he does not think they would agree to that. I should like a definite statement that they would not. Fortunately the Commission will be visiting Perth in time to consider the Bill and remove any doubts that members might have.

The Minister for Works interjected.

Mr. McDONALD: I suggest that the Minister supplies members of the Commission with copies of the Bill and the "Hansard" reports of the debates and asks whether this legislation would carry into effect what was recommended in the sixth report. They could answer yes or no.

The Premier: Or whether, if this legislation is passed, it will obviate the criticism that has been levelled against the State.

Mr. McDONALD: I have one more observation to make. There is a proposal to provide a safeguard for the local authorities. If the annual grants to the main roads fund cease, then the local authorities will revert to the position they occupy to-day and resume their right to portion of the traffic fees in the same manner as if this Bill had not been passed. The last clause of the Bill provides that the measure shall continue in operation only during certain eventualities, namely, during such time as the Federal Aid Roads Agreement or any new agreement which may hereafter be made amending or in substitution of the present agreement continues in operation. That is a vague clause. I should prefer to see the intention expressed in this way, namely, that if the money from the main roads fund shall not be available to pay to the authorities of the metropolitan area the amounts they would otherwise receive from the traffic fees, then they shall be entitled to claim their share of the traffic fees. That would make the intention quite clear, and would remove any pos-

sibility of the agreement having force, but on a basis under which the money was diverted to some other purpose, in which event there would be no money available to reimburse the local authorities the amounts they would lose in traffic fees. If the Bill is approved, that clause should be amended to make the position of the local authorities quite clear.

The Minister for Works interjected.

Mr. McDONALD: Undoubtedly that is what the Minister means, but I am not sure that in all eventualities the Bill would carry it out. The clause might be reconsidered and the Minister's amendment expressed in a form which cannot possibly miscarry. That is my attitude to the Bill, and I hope the Minister will be able to give an assurance along the lines I have suggested. The whole existence of the Bill rests upon the recommendations of the Grants Commission, and I should like to know whether it meets with the views of the Commission.

**HON. C. G. LATHAM** (York) [5.48]:

Last session I opposed a somewhat similar Bill. However, I admit that there is a distinct difference between the effect of this measure and that of the Bill of last year. I intend to oppose this Bill, but for reasons different from those I directed against the measure of last year. This Bill, like many others, is entirely wrapped up with a piece of complementary legislation. I do not propose to speak on both, and I hope I shall be allowed to refer to the other measure in order to avoid occupying time needlessly. This Bill, in common with the one last year, throws the financial responsibility on to country road boards inasmuch as the amount of money that will be obtained from the main roads fund will necessitate depriving the country of the £75,000 needed to recoup the amount taken from traffic fees.

There are two points to be borne in mind. I wish to warn the representatives of metropolitan authorities that under statute they are now entitled to all the revenue from traffic fees less 10 per cent., the cost of administration, 10 per cent., and 20 per cent. of the remaining portion, plus £2,000 paid to the King's Park Board, and this continues until such time as the law is altered. The whole of that money is entirely theirs. There is going to be a falling off of revenue from traffic fees—the amount has declined this year—because fewer cars will be

licensed. I do not wish to be accused of pessimism, but I believe that petrol rationing and the probability of motorists experiencing difficulty in getting sufficient petrol will result in the revenue being considerably reduced. That, however, will not affect the Government in any way. The revenue may be slightly reduced.

Mr. J. Hegney: That may cause a reaction against the traffic fees that are charged.

Hon. C. G. LATHAM: And also against the local authorities. Their 25 per cent. will be considerably reduced. They will be giving away something to which they have a legal right, and which they may never regain. If the Bill is passed in its present form, so long as an agreement exists, it does not matter how unfavourable it is, the local authorities will still receive certain moneys, namely, one-fourth of the total amount collected from the traffic fees, and they will also receive an amount equivalent to the full sum, namely, three-quarters, received from the petrol tax. But there may not be a petrol tax, or it may be so small that they will receive only a proportion of what they draw now, and the country may be deprived of any revenue from that source. I am looking ahead. I know the difficulty there will be to obtain sufficient revenue either from loan funds or from any other source. I say that advisedly. The Federal Government in the near future may have to increase its expenditure enormously. Naturally it will look around to see where it can obtain additional revenue. Last year this State received about £800,000 from the petrol tax. It seems to me a very easy method of adding £2,000,000 or £3,000,000 to the Federal revenue. We have to face facts. The Government may say that having faced the facts it will hand back the traffic fees to the local authorities.

The Minister for Works: The law provides for that.

Hon. C. G. LATHAM: To a certain extent it does.

The Minister for Works: To the fullest extent.

Hon. C. G. LATHAM: The revenue from the petrol tax may be so small that the money available from it will be insufficient. We never know to what extent revenue from that source may be reduced.

Hon. W. D. Johnson: You read the worst into it.

Hon. C. G. LATHAM: I have to read the worst into it. The Minister told the House he considers that the money should not be used for the building of footpaths, the payment of halls, etc., and said that the local authorities would have 25 per cent. of the traffic fees with which to pay interest on money they had already borrowed.

The Minister for Works: I did not say that, but that they would have a free hand with the £25,000.

Hon. C. G. LATHAM: That money will be used for administrative expenses, the building of footpaths, the upkeep of buildings, etc., but what about the country districts? Suppose the amount was halved. That would mean the expenditure of less revenue in the country districts.

The Minister for Works: The country districts were deprived of the money last year.

Hon. C. G. LATHAM: They were not.

The Minister for Works: They were deprived of £45,000.

Hon. C. G. LATHAM: It was not taken out of the petrol tax.

The Minister for Works: It came from loan funds.

Hon. C. G. LATHAM: It was taken out of revenue.

The Minister for Works: Out of loan funds.

Hon. C. G. LATHAM: That may have been so temporarily.

Hon. W. D. Johnson: When will the money be restored?

Hon. C. G. LATHAM: Sometimes it is restored. There was a slight surplus a little while ago.

Hon. W. D. Johnson: Are you trying to estimate what the Federal aid roads grant will be?

Hon. C. G. LATHAM: Possibly under the present administration, because of its wild and extravagant expenditure, the money will never be paid back.

Hon. W. D. Johnson: From loan funds?

Hon. C. G. LATHAM: I do not say from loan funds. Public works cost far more than they ought to cost. Let me examine the position to indicate why this State received such a large sum from the Federal tax. It was received because we have such a large area and such a scattered population to look after. We must have some means whereby we can construct the roads that are necessary for the carriage of produce to the market. The

Grants Commission must be made aware of that fact. When we make a comparison between the expenditure in this State and that incurred in the other States, we find we stand very well in the matter of road construction out of loan funds.

The Minister for Works: That is the only revenue we get from the Nullabor Plains.

Hon. C. G. LATHAM: Not from that source. Western Australia represents one-third of the continent.

The Minister for Works: It is a question of area.

Hon. C. G. LATHAM: If we exclude the Nullabor Plains there is still the entire area along the coast from Wyndham to Esperance.

The Minister for Works: The Commission takes into consideration the area of the State.

Hon. C. G. LATHAM: The Minister may like to be frivolous over this matter. If the area were taken fully into consideration we would get much more money. The Commission realises that we have a large area, and that we have to construct many more miles of road per head of the population than is the case in the Eastern States. It is interesting to read the report that appears in this morning's newspaper under the heading of "Adjustments on account of the severity of taxation," as coming from the Grants Commission. The following appeared in the newspaper:—

The commission, after considering a number of factors, added £269,000 to Western Australia's grant and £86,000 to Tasmania's grant and reduced South Australia's by £63,000. The commission made allowances of £30,000 for South Australia and £20,000 each for Western Australia and Tasmania for economy of expenditure and for the general overhead costs in the three States.

The figures arrived at by the commission were tabulated as follows:—

	South Aust. £000.	West. Aust. £000.	Tas. £000.
Amount necessary to bring comparable deficit to normal standard ..	1,050	489	266
Adjustments for—			
Costs of administration ..	+30	+20	+20
Scale of social services ..	—7	—129	—8
Severity of taxation ..	—63	+269	+80
	1,010	649	364

The Commission made some reference to taxation, but as that has already been dealt with by the member for West Perth (Mr. McDonald) I will not repeat it. If the Commission fully appreciated the point it would agree that it was not justified in asking the local authorities to forego their revenue. Let members consider the City of Perth, the increased development that is taking place in the heart of the city, the new works that are going on, the new streets and footpaths. The municipality has so much to do that we ought not to handicap it in any way. The Government states that it will recoup the local authorities for the money it is going to deprive them of. The whole principle is wrong. The more honest way would be for the Government to go straight to the Main Roads Board fund and take out of it the money it requires, and leave the local authorities that solid revenue which they already have. My fear this time is that we are unloading responsibility from the city on to the country districts. In the past the country districts have had the benefit of that additional expenditure of which they are to be deprived in future. I am not sure how the Treasurer will get on as regards loan funds; probably none may be available.

The Minister for Works: Will not Main Roads Board funds be available?

Hon. C. G. LATHAM: Let no mistake be made. I think my forecast will prove more accurate than that now submitted to the House. I do not like to be pessimistic, but I fail to see the Government this year getting anything like the revenue it has budgeted for. I only hope the Government will get it, which will mean our industries doing much better than seems likely. In view of the fact that the Grants Commission has already increased Western Australia's amount for this year by £55,000, the Treasurer might let the matter go for this year. He has additional money. It is hard to say what might happen next year. At present it does not do to look far ahead.

Hon. W. D. Johnson: We are now far ahead of the Federal Aid Roads Agreement.

Hon. C. G. LATHAM: The interjection of the hon. member surprises me. Last year he was opposing the agreement. The hon. member was one of the few Government

supporters who refused to support the proposal. It is interesting to note where the hon. gentleman's name appeared in the division list. This year he is very little concerned for the country people.

The Minister for Works: We shall not charge the country districts.

Hon. C. G. LATHAM: The Government will not have the money to expend. I do not know to what extent labouring men are dependent on the Government to-day for employment, but this was a valuable means of providing work for men who could not find it in other directions. The military authorities are absorbing numbers of men, and probably will absorb more. Therefore the call in that direction should not be on the Government; at least, I hope it will not. Again, the Government may be saved from expending money on roads primarily for the purpose of finding employment. Wherever it has been a Government responsibility to build roads, loan funds have been used for the purpose. This State and South Australia were getting into such difficulties on that account that they started a scheme of trying to make users of roads pay a little towards the upkeep. Western Australia introduced a petrol tax. South Australia also introduced one, which however, was found to be ultra vires the Federal Constitution. We have always charged the road users, but whether we have charged them fairly is a point on which there may be disagreement. Not only did we charge the landholder a municipal or road board rate, but also a license fee for the use of his car. If we took all these things into consideration, we might discover that landholders are finding all the money required. For a number of years very little in the way of loan funds has been spent in the metropolitan area. Probably the Canning-road was the last road to be built from loan funds. Most of the roads have been built out of license fees collected in the metropolitan area, supplemented by the Federal Aid Roads grant. I have watched the matter closely, and am of opinion that that is what has happened during the last eight years.

After all, one cannot expect the people who are all the time developing the country to pay sinking fund on all improvements effected for their benefit. Therefore such sinking funds have always been a charge

against the whole body of taxpayers. That is quite right, because, after all, the problem those people have, and will have for some considerable time, is to find sufficient revenue to maintain what is already established. This year, I fear they will be unable to do that. I am greatly concerned, because of the probable falling-off of revenue this year. The area on which money from this fund has been spent in years gone by is very large indeed. In order to maintain the roads which have been constructed, a considerable amount of money will be required—probably far more than local authorities will be able to furnish, even with recoups from the fund. I have always contended that when people go into the country and purchase land there from the Government, the money, instead of being paid into Consolidated Revenue, should be used to pay for the non-revenue-producing roads and railways and other conveniences. That course has never yet been followed in Western Australia, but even now it is not too late to do that. In years gone by this State went so far as to repurchase land from loan funds and subdivide it and sell it, and then pay the purchase moneys into Consolidated Revenue.

The Premier: We do not do that.

Hon. C. G. LATHAM: Loan funds have always been used in that way.

Mr. Rodoreda: And paid back into revenue?

Hon. C. G. LATHAM: That procedure has been adopted for many years past.

The Premier: It has been stopped during the last four or five years.

Hon. C. G. LATHAM: Is that so?

The Premier: Yes, and the Federal Grants Commission commended the Government on its reorganisation.

Hon. C. G. LATHAM: If I went into the matter carefully, I think I could show that money received from sales in connection with the repurchased estates has gone into Consolidated Revenue.

The Premier: Not into Consolidated Revenue now. There was £30,000 that went into the funds of the Agricultural Land Purchase Account.

Hon. C. G. LATHAM: I will try to balance up the figures when I go into them. I know there used to be the old Sale of Property Trust Account and that was availed

of when loan funds were taken for certain purposes. Those funds were paid into revenue.

Mr. Rodoreda: That was in the bad old days.

Hon. C. G. LATHAM: That was not so long ago. I am aware that that procedure has been stopped since the advent of the Federal Grants Commission. There is no doubt that money has been used from loan funds in various directions and the returns paid into Consolidated Revenue. That procedure is definitely wrong, and I still contend that when agricultural land is sold the money should be earmarked for use in connection with services that are necessary to people in the country areas.

The Premier: I hope you will always adhere to that.

Hon. C. G. LATHAM: It is not a matter of taxation when the Treasurer can seek the sanction of the House to deprive the local authorities of money to which they are legally entitled, and at the same time say that there will be a recoup from the petrol tax. That reminds me of the procedure adopted when a special tax was introduced to provide for hospital requirements. We took that money and made it available to the hospitals and saved Consolidated Revenue that expenditure. I would remind members of what was contended by the then Opposition. The contention was that it would have been far better to have taken the money straight out of main road funds and paid it to the Government to meet the interest on money expended on roads already constructed.

The Premier: That would be all right if we could do so, but it would not be legal.

Hon. C. G. LATHAM: Even now I am afraid that the members of the Federal Grants Commission have no appreciation of the difficulties confronting the people in Western Australia. It is quite all right to leave Melbourne and take a flying trip to the West, only to return to Melbourne and there write up a report. That is one thing, but it is quite a different matter to live here in the North-West or in the agricultural areas, thereby getting to know all the disabilities that have to be suffered. If money were not spent on the construction of main roads through the country districts, the difficulties of the people there would be correspondingly increased. The Grants Commis-

sion does not advocate what the Premier has suggested. The Commission has not advocated paying money to the local authorities in the metropolitan area. All the Commission says is that as so much money has to be found, in order that interest may be paid on loan funds already spent on road construction, the traffic fees might be taken for that purpose. It is quite easy to say that, but with a new country such as Western Australia the resultant disabilities may be imagined. We hope to build up a large population here, but not much encouragement is lent to that objective if we are to deprive country folk of some of the advantages already provided to enable them to carry on their industry.

The Premier: We have tried to assist them in that direction.

Hon. C. G. LATHAM: I recognise that there is a slight improvement in the Bill compared with that of last year. The financial obligations upon local authorities remain. They will receive a recoup to the extent of the money they would be entitled to from traffic fees. I was amused to learn that the Minister had tried to clear up a misunderstanding that had caused worry to country local authorities and that he had assured them that the Government did not intend to deprive them of their traffic fees. The Minister may be sorry that he made that statement because there is nothing to prevent him from introducing legislation next year making the present arrangement apply to local authorities outside the metropolitan area.

The Premier: They could not stand it.

Hon. C. G. LATHAM: They could stand it just as the metropolitan local authorities can stand it by getting a recoup from main road funds.

The Premier: Some local authorities get all their revenue from traffic fees.

Hon. C. G. LATHAM: Not in the country districts.

The Premier: Yes.

Hon. C. G. LATHAM: I am prepared to admit that in the South-West, where road districts include large areas of forest country or Crown lands with comparatively few farms, that may be so. Take the agricultural areas.

The Premier: The local authorities there cannot collect their rates.

Hon. C. G. LATHAM: I know that many local authorities will be deprived of a considerable proportion of their revenue because the people cannot pay their rates.

*Sitting suspended from 6.15 to 7.30 p.m.*

Hon. C. G. LATHAM: I have very little to add. I have pointed out, as clearly as I can, that the metropolitan local authorities have little to lose; but that they will not have the right to spend the money as they think fit. They will have to obtain the approval of the Commissioner of Main Roads before they can receive the money from the Government, and that approval must be obtained after the authorities have spent the money. That is an interference which local authorities will resent. I could not imagine our State Government wanting the Federal Government to interfere in the expenditure of the Federal aid roads fund. Year after year the State has resented such interference, until now we have almost a free hand. Those who will suffer most, if the Bill passes, are the people in the country, because at least £75,000 less money will be spent in the country districts on roads. The Treasurer will receive the benefit of that money. A shorter cut would be to take the money from the Federal aid roads fund and pay it direct to the Treasurer, letting him do with it what he likes. I desire to be consistent, and hope the second reading will not pass.

Mr. Withers: Consistency is not always reason.

The Premier: The Leader of the Opposition is impossible.

Hon. C. G. LATHAM: I may be. It is just as well for some members to be impossible, otherwise the Government would be permitted to have its own sweet will. It is seldom right and on this occasion it is wrong. The Government should not adopt this method of raising money. The tax is an unfair one. It will be levied on a section of the community, the motorists in the metropolitan area. If we must have a tax to make up the deficiency between revenue and expenditure, let all the people be taxed. The Treasurer is continually giving away revenue; he releases many taxpayers who could pay small amounts which, in the aggregate, would more than equal this sum. Then he says to

the motorists, "Because you own motor cars, we intend to make you pay the deficiency." That is both unfair and improper.

MR. SAMPSON (Swan) [7.34]: The ground traversed by speakers to-night leaves but little for me to say. Nevertheless, I am associated with a local authority and have been also associated with the Road Board Association of Western Australia for some years. I therefore desire to make a few remarks on the Bill. Unquestionably, the position of metropolitan local authorities will be less satisfactory should this Bill become an Act. Local authorities generally are confronted with difficult problems and carry heavy responsibilities. Transport by road is increasing, and the immense distances in our State make the problem of road transport a difficult one for our local governing bodies. License fees are exceptionally high, thus saddling motor vehicle owners with an unduly heavy expense. They have, however, raised but little objection, because they realise that the fees which they pay afford local authorities an opportunity to carry out the work of construction and maintenance of roads which otherwise could not be done. Motorists would, I feel certain, have objected long ago to the high fees imposed but for the fact that they were paid to local authorities.

Mr. Rodoreda: Where did you get that idea?

Mr. SAMPSON: It is not necessary to go far to get that idea. The hon. member who travels to and from the North-West knows that great advantage has resulted from the imposition upon motorists of these high license fees. In the Bill before us, the Minister really draws a line of demarcation between the metropolis and the country. He is not justified in doing so. I am aware that 25 per cent. of the fees will be paid to the local governing authorities without question; but nevertheless there are other conditions which will add to the problems of those authorities. There is the question of obtaining the approval of the Commissioner of Main Roads to any work done. Again, as members well know, when once a payment reaches the Government it is by no means an easy matter to secure a refund. The Minister has given an assurance—something almost in the nature of a bribe—that



if the Bill is passed no measure will be introduced for the purpose of collecting traffic fees paid outside the metropolitan area.

The Minister for Works: If you cannot be accurate, be decent.

Mr. SAMPSON: I submit I am both.

The Minister for Works: You mentioned bribes. You have not read the Bill.

Mr. SAMPSON: Certainly I have.

The Minister for Works: You have not.

Mr. SAMPSON: The Minister has given an assurance that he will not introduce a Bill for the purpose of collecting license fees paid outside the metropolitan area. What does that mean except that the authorities outside the metropolitan area need have no fear? So the metropolitan authorities, in a sense, are to be thrown to the wolves in order to secure the passage of the Bill. I was present the other day at the biennial conference of the Road Board Association of Western Australia, and I listened to the speech delivered by the Minister, who is the Honorary President of the Association, when he opened the conference. The Minister explained his wishes very clearly, and said in the course of his remarks—

Bearing in mind the generous treatment country districts have been afforded in connection with the distribution of the Federal Aid Roads funds, it was difficult to understand the action of local authorities in joining with the metropolitan local governing bodies in their opposition to the proposals contained in the Bills.

That seems to me to be a very enticing statement, but it did not meet with approval, as I will show. When the Minister had concluded his speech a vote of thanks was moved by Mr. J. A. Maisey, the chairman of the Dowerin Road Board, who said—

I wish to move a vote of thanks to the Minister for declaring the conference open. Undoubtedly road development has increased considerably through the assistance of the Public Works Department and the Main Roads Board. In regard to traffic fees we may not always have a sympathetic Minister and some future Minister may extend the present proposals to country districts. Therefore, I think we must continue to support the opposition of the metropolitan boards to the proposed legislation.

The motion was seconded, and it is reported that the vote of thanks was carried with acclamation. At a later stage of the proceedings on the same day another motion was carried which had been agreed to some weeks earlier at the Eastern Districts conference held at Merredin.

The Minister for Mines: That was in connection with last year's Bill, was it not?

Mr. SAMPSON: It might also have been carried last year. Perhaps the Minister has some special information. If it was carried last year, I conclude that further consideration led to a confirmation of the decision previously reached.

The Minister for Mines: I am asking whether you are reading from a report of last year's conference.

Mr. SAMPSON: No. This is a report of this year's conference. The following motion was submitted by a representative of Mukinbudin:—

That conference directs all Parliamentary representatives to oppose any move to permit the State Government to collect all traffic fees.

Mr. Calder, who moved the motion, said—

Mr. Millington gave us an assurance this morning that country districts will not be affected by the Government's proposals to collect traffic fees. Nevertheless we in the country districts are apprehensive that a precedent will be created and sooner or later a move will be made to extend the collections to the country.

Continuing and, as the Minister will agree, expressing himself in the most courteous manner, the speaker said, "Mr. Millington will not always be the responsible Minister"—

Hon. C. G. Latham: They were afraid of a change of Government!

Mr. SAMPSON: The speaker said—

Mr. Millington will not always be the responsible Minister and any future Government might take the action we fear. These traffic fees are the lifeblood of a number of smaller country road boards.

The motion was seconded, and Mr. Knuckey (Armada-Kelmscott) said—

I think that independently of the motion we should carry a motion against any of the metropolitan traffic fees being taken into Consolidated Revenue by the Government.

Undoubtedly that was very much to the point.

Hon. W. D. Johnson: That is about last year's Bill?

Mr. SAMPSON: This is a report of the Road Board conference which took place on the 7th, 8th and 9th August of this year.

Hon. W. D. Johnson: That was before they had seen the Bill; they did not know what was in it.

Mr. SAMPSON: I have already told the House that the Minister very fully explained to this year's conference the Bill he pro-

posed to introduce. In fact, the report contains over a column of his explanation. Out of consideration for the House I will not read it, but I hope the hon. member will do so, because it is important that he should be in touch with current matters. After the motion had been seconded and reference had been made to the importance of conserving all metropolitan traffic fees, Mr. Calder of Mukinbudin, amended the motion to read as follows:—

Conference directs all Parliamentary representatives to oppose any move to permit the State Government to take any traffic fees into Consolidated Revenue.

The motion as amended was carried unanimously.

The Minister for Mines: What is the document you are reading from?

Mr. SAMPSON: These are the minutes of the Road Board Association conference. As the Minister for Mines should know, when a motion is carried unanimously, that means that all present have voted in favour of it.

The Minister for Mines: No! That is certainly news to me!

Mr. SAMPSON: While they acknowledged the courtesy of the Minister and were delighted to see him at the conference they were not prepared to support the proposed Bill.

The Minister for Mines: You have your orders!

Mr. SAMPSON: I cannot find any local authority in favour of any variation in the payment of traffic fees. I can find nowhere any desire that those fees should be paid into Consolidated Revenue.

Hon. C. G. Latham: It is always too risky.

Mr. SAMPSON: There is wonderful unanimity on this point.

The Minister for Lands: That means they all voted for it.

Mr. SAMPSON: I have explained that, as I would to a child, but I will repeat myself if the Minister so desires. If the Bill is passed, the metropolitan local authorities will suffer, but the Minister says, "No, they will get their 25 per cent., and later on, all being well, the work having been satisfactorily carried out and the Commissioner for Main Roads recommending, the other 75 per cent. will be paid over." At present no difficulty is experienced by the local authorities, in respect to the expenditure of traffic fees. They are untrammelled. Those of us who are associated with local authorities, as many

members are, are aware of the grave difficulties that arise from non-payment and the long delays that so frequently follow requests for payment. The local authorities are wise in standing together. Members of the road board conference, who very properly extended a kind and generous reception to the Minister, realised that they would be best off as they are. So the instruction to members from the local authorities throughout the State is, "Hands off the traffic fees." I hope the Minister will not persist in this endeavour. Local authorities very generously relieve the Government of many difficulties. There is not a local authority in Western Australia that is not doing its best to further the development of the State. The money received from traffic fees makes road board and municipal government possible. I remember the occasion last session, when the member for Williams-Narrogin was speaking on a somewhat similar Bill, a statement by him that it was a rather shabby thing to do. I do not know that I would be wrong if I used the same term.

The Minister for Mines: I did not know he would use language like that.

Mr. SAMPSON: He did, and no one took exception to it; the words appear in "Hansard." If the Bill be passed, local governing authorities will be reduced to a state of mendicancy. They will have to ask, and their requests will be subject to consideration. The money might be paid to them, but objections might be raised. Perhaps a secretary might overlook a particular feature affecting a road being constructed or repaired, and because of that the Commissioner of Main Roads might decide that he could not see his way clear to recommend payment. Even if he did recommend payment, who could say that the Government would be able to hand over the money? If the money were paid, would interest be refunded for the period of waiting? Why not leave well alone? The local authorities are helping the Premier greatly; they are helping in an honorary capacity and with great ability.

Mr. Marshall: What happens in those places where the local authorities do not collect the traffic fees?

Mr. SAMPSON: In those places the population is comparatively congested. The hon. member knows that when travelling

through his large district he has to traverse many miles of country that is unoccupied. He passes unutilised land through which roads must be constructed. Therefore special consideration should be given to a State of immense distances like Western Australia. Admittedly, the Premier has a difficult task, but who in these days has not? We are at one in that respect. The local authorities, working in an honorary capacity, devote a tremendous amount of time to their duties and are doing all in their power to assist the development of the State. In amplification of my answer to the member for Murchison, in recent months several local authorities have had occasion to take action to sell land in order to recover rates that have been owing for more than five years, and the money secured in many instances has been insufficient to pay the rates.

The Premier: The valuations must have been very bad.

Mr. SAMPSON: They might have been bad; perhaps they were too high.

The Premier: Yes.

Mr. SAMPSON: I am inclined to think some of the valuations are too high. In some instances the land is of questionable value and the owners consider it to be not worth bothering about. A few weeks ago I was informed that a man had bought some land at one of these sales, but having viewed it, said it was not worth the title. He faded off the landscape, failed to complete the purchase, and the land remained unoccupied and in the name of the previous owner. Realisation at auction sales often produces very poor returns. The reason for this is not far to seek. As the member for Murchison well knows, there is much land that is not worth the payment of rates. Still, roads have to be constructed past that land, and so the rates on property in this State, in many instances, are unduly high. Unfortunately, the whole of our land is not cultivable or workable in any way. Road boards, however, must do the best they can. They are wise to keep their valuations as low as possible. No one knows better than does the Minister that the valuations, generally speaking, are determined by another authority, the Land Taxation Department. When those valuations have been adopted by local authorities, their former assessments have often been found to be far in excess of those by the Land Taxation Department officers, who are experts. I hope

there will be no interference with local authorities and that they will be permitted to continue the work they are doing. Without traffic fees they cannot continue that work, and any action that will have the effect of imposing conditions on the receipt of traffic fees will be very much to the disadvantage of the boards and consequently to the State.

HON. W. D. JOHNSON (Guildford-Midland) [7.59]: It is true that a Bill of this kind received consideration last session. It is equally true that I said on the second reading that unless certain things were done and certain assurances given, I would not support the measure. The statement has been made, much to the delight of the member for Avon (Mr. Boyle), that I spoke one way and voted another.

Mr. Boyle: I did not say that.

Hon. W. D. JOHNSON: But the hon. member grinned all over his face when it was said.

Mr. Sampson: That showed his sense of humour.

Hon. W. D. JOHNSON: The position is that I appealed to the Minister to make certain amendments, or provide a guarantee to the local governing authorities by altering the wording of the measure. The Minister gave that assurance—it is true it was not in the Bill—but I accepted his word and supported the Bill in anticipation of the amendment being put in subsequently, as it was.

Hon. C. G. Latham: Was that before or after your meeting at Bassendean?

Hon. W. D. JOHNSON: I will explain that. It is interesting to compare the conditions then with the conditions to-day. When the Bill was first launched, in conjunction with the member for Middle Swan (Mr. J. Hegney) I called a meeting of local governing bodies in my district as well as that of Middle Swan. At that conference we explained the Bill and analysed it. The local authorities rightly expressed fears that the measure would not operate exactly as the Minister said it would, and they wanted more definite safeguards or amendments that would really express what we said the Minister intended. It was made clear that unless the Bill was amended the member for Middle Swan and I would oppose it. The Minister, however, made the alterations, in the way we suggested.

Mr. Patrick: An amendment which made no difference to the position.

Hon. W. D. JOHNSON: The amendment was made on the lines suggested by the local authorities. It was not exactly what they wanted, but it provided a reasonable measure of safeguard such as they required. I voted for the second reading of the Bill, and in Committee the safeguard was inserted. As a result of the conference, the special difficulty concerning the limitation of the first Bill that was introduced, in respect of the meeting of interest on loan rates and the need for a certain amount of free money being made available to meet the special circumstances of the local governing bodies, was emphasised. Although the Minister did put a provision in the last Bill he did not include the liberal provision in this Bill, which lays down that 25 per cent. of the money shall be free money, not necessarily spent on roads as the £75,000 would have to be, but be made available to the local governing bodies as free money. In this regard the member for Swan (Mr. Sampson) said that road boards were untrammelled with respect to traffic fees to-day. That is not correct. They cannot spend traffic fees as they like. They have to spend them on roads, but it is true that a sympathetic Labour Government has allowed them latitude in the expenditure. It has not strictly enforced the conditions, which however, are definite that the traffic fees must be spent on roads.

Mr. Sampson: That is what the road boards are for.

Hon. W. D. JOHNSON: This provision does not apply to country road boards; it applies only to the metropolitan area. The amount of money it was estimated would be required, namely 25 per cent., will be made available to the local governing bodies for general purposes. As pointed out by the member for West Perth (Mr. McDonald) the legislation is really the outcome of the investigations and observations of the Grants Commission. That body realised that we had a different system of raising revenue in this State, and of utilising that revenue, from that which exists in the other States. In other parts of Australia revenue, known here as traffic fees, is Government revenue. In this State the circumstances at the time permitted the granting to local governing bodies of this income to increase their revenue. The Grants Commission has drawn attention to that fact.

True, it has not dictated this Bill, but it is equally sound to say that it has influenced the measure. It conveyed that we have to make alterations to meet its desires, otherwise it could bring a little pressure to bear from the grants point of view. It is just as well to mention that this is another indication of the encroachment upon the administration of State affairs, a subject to which I have referred over and over again. Not only have we a Loan Council directing us in matters of finance, but we have a Grants Commission multiplying that sort of thing. It is clear that an endeavour is being made to reach a uniform basis, and to unify payments for social services and all the activities of State Governments. Slowly but surely this sort of thing is expanding and extending. Control by the central body is increasing every month and every year to the detriment of the scope under the control of State Parliaments.

Hon. C. G. Latham: That is exactly what the State Parliament is going to do with the local authorities under this Bill.

Hon. W. D. JOHNSON: That is not correct. It is what the Opposition has read into the Bill. The Opposition is there for that purpose. I have sat in opposition—a long time ago—and enjoyed being there because one is then irresponsible. I am not referring to the member for East Perth because he is on no bench. Those associated with the Opposition parties have to put the worst construction on Government legislation. They have to read into it what is not there, and endeavour to impress their constituents with the idea that the Government is catering for the metropolitan area to the detriment and danger of country road boards. Of course that is not so, but it is politics. That does not worry me because I know the people are tired of that kind of politics, and do not take much notice of it. They say we talk with our tongues in our cheeks, and that they do not know when we are serious, or, when we are analysing a Bill, whether we are correctly interpreting it or not. They do not know whether we are reading into it things that are not there, and tickling the palates of our constituents rather than analysing a measure from the point of view of the interests of the State. This Bill will have no effect upon country road boards. I understand the point of view of

members in Opposition, that because we take £75,000 from the Federal aid roads grant, there will be £75,000 less for the administration of those who have been spending the grant. However, as the Premier by interjection pointed out, we have always had to supplement the Federal aid roads grant. In this State we have never been able to manage with an expenditure on roads limited to the amount of that grant. It has always been added to, and it will continue to be added to providing there are roads upon which expenditure is necessary. It is just as well to point out that for three years now there has been great difficulty in finding the kind of road—main road, not lateral or subsidiary road—that really comes within the scope of expenditure of the Federal aid roads grant. We have spent an enormous amount of money in this country on roads. In no part of Australia are there better roads than in Western Australia.

Hon. C. G. Latham: There should not be too much skiting about them, though.

Hon. W. D. JOHNSON: Those roads extend over enormous distances, right up into the Roebourne electorate and the Pilbara electorate.

Mr. Marshall: Do not say they are too good, though!

Hon. W. D. JOHNSON: The fact is that they are negotiable by car at a fairly quick rate.

Mr. Marshall: That is right. Sixty miles an hour!

Hon. C. G. Latham: We still want such a road going through to Bruce Rock.

Hon. W. D. JOHNSON: The road to Bruce Rock is one of the best country roads we have.

Hon. C. G. Latham: You cannot have travelled over it for some time.

Hon. W. D. JOHNSON: One of the fastest trips I have made was when I left Perth to go to my farm at Bruce Rock, a distance of 160 miles, and did it in three hours. I admit that there were no traffic cops on the road, and that I had to slacken up when going through Sawyers Valley; but the slackening was for only a brief space. As I say, I was able to do the journey in three hours. The member for York (Hon. C. G. Latham) does it in pretty nearly that time.

Hon. C. G. Latham: Nothing of the sort.

Mr. Patrick: The Leader of the Opposition is a very slow person.

Hon. W. D. JOHNSON: There are numerous things in which the hon. gentleman is slow. He is very slow in the uptake as regards politics.

Hon. C. G. Latham: But solid though!

Hon. W. D. JOHNSON: When it comes to motor traffic, however, the hon. member is very fast indeed. Still, the fact remains that if one can do 160 miles in three hours on a road, there is not much wrong with that road. And so it is right through. Go from here to Pemberton, and there is a good road all the way, macadamised for the greatest part of the journey. To disregard the wonderful results which the country districts have obtained from the Federal aid roads grant would be wrong. Enormous amounts of loan funds have been added to the grant and spent on the unproductive work of road-mending and road-making. Therefore we have been fairly liberal, more liberal than any other Australian State. I have seen a bit of Australia, though not all of it; but visitors to Western Australia from elsewhere in the Commonwealth tell me that our country roads are superior to country roads elsewhere at similar distances from the capital city.

Mr. Sampson: That is absolutely wrong.

Hon. W. D. JOHNSON: We have to appreciate what has been done in this respect. I want country members to be grateful for what their electorates have received in the shape of wonderfully good roads, and for the consideration extended to those electorates by a highly sympathetic Government. But while country members are talking of roads and trying to read into the discussion a danger to the best interests of country local governing bodies, they forget that there is another side to the question. That is my point of view.

Mr. Doney: You are taking a vastly different view from that which you took last year.

Hon. W. D. JOHNSON: Of course, seeing that this Bill is utterly different. In point of fact, the present Bill is exactly the Bill which the local governing bodies requested at the conference to which I have referred. I am grateful to the Government for the introduction of a measure which gives me the opportunity to go back to my people and tell them that we have been able to secure that little guarantee of free money which is provided in the Bill.

There is one other point I desire to touch upon. I want Opposition mem-

bers to realise those important figures which were quoted more especially by the Leader of the Opposition. This legislation is influenced by the Grants Commission. That Commission puts its finger on the weakness and, one might say, the recklessness of State Governments. The Commission drew attention to the fact that in respect of expenditure on social services South Australia had to be reduced by £7,000 and Western Australia by £129,000.

Hon. C. G. Latham: And the Commission excesses our amount because we have heavy taxation.

Hon. W. D. JOHNSON: There are certain reasons for that, but the fact remains that we were penalised in the ratio of £129,000 to £7,000 in the case of South Australia and £8,000 in that of Tasmania. I ask those members to have some sympathy with people in this State who desire assistance. We distribute an enormous amount of money to help those in indigent circumstances, and others requiring aid. There is no part of Australia where so much social consideration is extended to the people throughout the State. Country members have over and over again expressed their gratitude for the consideration granted to persons in their electorates requiring help. But those members must realise that they cannot have it both ways. If we are going to perpetuate that practice, disregarding the Grants Commission and refusing to bring Western Australia into line with the Eastern States, the Commission will penalise us more—not £129,000 to £8,000 or £7,000, but even more heavily; or the very least the Commission will do will be to maintain penalisation at that rate until we get into accord with what is considered sound finance and utilise traffic fees for the general needs of government as practised in other parts of Australia. The Federal aid roads grant is to be used for the purposes of roads. I opposed a Bill like this on a previous occasion because it did not contain safeguards, and especially in view of the difficulty local governing bodies had to get in money in time to meet certain current expenses which they usually met from the grant. The practice was not altogether legal, but local governing bodies did use grant funds in that way, without much protest from the Government. So long as local governing bodies did not go too far in that regard, the matter was overlooked. However, entirely to cut out the

practice of using grant money to tide over the interval between rates coming in and work having been done, especially to tide over payment of interest due on loans, would result in great inconvenience. The Government says that now there will be a certain percentage of free money available to those local governing bodies to carry them through those special circumstances.

Mr. Doney: What about adjustment on account of severity of taxation?

Hon. W. D. JOHNSON: The Bill has nothing to do with taxation. I would not object to the hon. member using that argument if it were relevant. However, it is not relevant to my point. My point is that we have to adjust our finances, that we have to put ourselves on a basis more uniform with what obtains in the Eastern States. If we disregard this indication we shall be tackled in regard to our social services. I know that while members opposite talk about roads and bridges, they have yet a good deal of sympathy for the people resident in their districts and do not want money taken from those who can least afford to lose it in order that local governing bodies may have more funds to spend on roads and bridges. It will make no difference from the point of view of the country districts; but if we disregard the indication conveyed to us by the Federal Grants Commission, it will make a difference to people in the country districts, those people who are indigent or in needy circumstances. I definitely support the second reading of the Bill. The member for West Perth (Mr. McDonald) doubted whether the measure would fit in with the general provisions of the Federal Aid Roads Agreement. That agreement, however, which was endorsed by legislation in 1936, the last time the agreement was renewed, included amended provisions which set out very definitely that the funds so provided had to be spent on roads and the maintenance of roads. So long as we spend that money on roads, we comply to the fullest extent with the spirit and letter of the agreement. True, it would be wrong to say that the 25 per cent. to which I have already referred, could come from Federal Aid Roads Agreement funds, but the Minister has provided against that, and has made it quite clear that the money to be transferred to the local governing bodies must be spent on roads.

Hon. C. G. Latham: The original agreement provided it could be spent in the city or in the towns.

Hon. W. D. JOHNSON: I have been referring to the latest agreement which liberalised the provisions regarding expenditure as compared with those contained in the earlier agreement. I shall say little more, except to assure the House that there is no danger of anything happening regarding this legislation that will affect the finances of the State, the income from the Federal Aid Roads Agreement or the funds of local governing bodies—unless special circumstances arise. We live in an age when special circumstances, particularly those of a financial character, may arise. Regardless of whether the Bill had been introduced or passed, it is quite possible that in the future we may have to make drastic alterations. I hope that course will not become necessary, but it would be wrong to say that future possibilities regarding income and expenditure will be undermined by the passing of the Bill. Special circumstances of the hour may create that danger, and most decidedly there is that danger. On the other hand, members should not say that that danger will be avoided if we do not pass the legislation, or that it will be aggravated if we do pass it. The Bill will have no bearing on general conditions, owing to the disastrous times through which we are passing. The issue is purely a matter of local adjustment, and, in effect, what is proposed is the taking of money from one pocket and putting the equivalent into the other pocket. Whether those provisions will continue will depend upon the future. Even if the Government agreed that the arrangement would continue, the necessity may arise to review it, and Parliament may have to assist in effecting that review. Thus it is useless to make any declaration regarding the future. We must meet special circumstances as they arise. Future Parliaments will have to meet the needs of local governing bodies should difficulties arise. If the Federal Aid Roads Agreement never produced for us £1,000,000, we know that in one year it did reach over £900,000.

Hon. C. G. Latham: No.

The Premier: That included all expenditure on roads.

Hon. W. D. JOHNSON: I appreciate that that amount included Federal aid road money plus loan funds. At any rate, the

expenditure did reach a very large sum. We may not be able to continue at that level. If we cannot, we shall have to adjust the position; if any such adjustment has to be made, we must all be in it. No one section must carry the effect of the adjustment. At the same time, we must not make any inroads upon the social services before we adjust other phases that will assist us to avoid doing what no one would relish doing. Do not let us be forced to do that. Rather let us accept the suggestions of the Federal Grants Commission and adjust the position. Let us pray that it will not become necessary to meet the disaster that Opposition members try to make out will occur if the Bill is passed. Their representations were purely political, and party political at that.

Hon. N. Keenan: Nonsense!

Hon. W. D. JOHNSON: They were.

Hon. N. Keenan: No one suggested that.

Hon. W. D. JOHNSON: I heard two speeches, and each indicated that the passage of the Bill would do an injury to local governing bodies in the country districts.

Mr. Seward: As undoubtedly it must do.

Hon. W. D. JOHNSON: It will do nothing of the sort.

Mr. Doney: If you can say that, it shows you do not understand the position.

Hon. W. D. JOHNSON: I repeat that it will do nothing of the kind. Money will have to be taken out of loan funds to meet the requirements of the times, just as has been done for years past.

Mr. McDonald: That is just what the Federal Grants Commission condemns!

Hon. W. D. JOHNSON: Exactly; and we have to face that position for the time being. We will have to pass through some difficult times, like those with which we are confronted to-day, and some further adjustments may be necessary. Let us make them with the fixed idea of retaining our social services.

Mr. Doney: You should re-read your speech of last year.

Hon. W. D. JOHNSON: I do not know that any member can charge me with inconsistency.

Mr. Sampson: Not for one moment.

Mr. SPEAKER: Order!

Hon. W. D. JOHNSON: If I have one fault that is urged against me, it is that I am too rigid in my views and do not change.

Hon. C. G. Latham: If I could only see myself as others see me!

Hon. W. D. JOHNSON: Now members opposite are trying to charge me with inconsistency regarding the Bill—

Mr. Sampson: God forbid!

Hon. W. D. JOHNSON: —by referring to my attitude on another measure, which was not the same Bill at all.

Mr. Patrick: The principle was the same.

Hon. W. D. JOHNSON: I certainly spoke against the Bill that was presented last year and by so doing, rendered a service to members of the Opposition. The speech I made last year influenced the institution of reforms in this matter. All that has been accomplished was the result of my attack upon last year's Bill.

Mr. Patrick: The Minister will appreciate that.

The Minister for Mines: Mukinbudin ought to know about this!

Hon. W. D. JOHNSON: Owing to my former attitude, members opposite should realise that Parliament has now before it a better Bill than the previous measure.

MR. BOYLE (Avon) [8.30]: I oppose the Bill, because to my mind the principles involved in the Bill of last year are not in any way altered by it. The Minister certainly has met the local governing bodies with an offer of 25 per cent. of the pooled fees.

The Premier: Would not you say he met their objections?

Mr. BOYLE: No. He did not do so, because there is an objection of 75 per cent. that he has not met. I refer to the fees that will be taken away from the local authorities. The member for Guildford-Midland (Hon. W. D. Johnson) mentioned that I had agreed with a remark made by the Leader of the Opposition with regard to his attitude towards a Bill which he claimed is not similar to the Bill introduced last year.

Hon. W. D. Johnson: No—a proposed amendment.

Mr. BOYLE: The arguments used by the hon. member last year are comparable with the arguments that he should have used on this Bill, but did not.

Hon. W. D. Johnson: No.

Mr. BOYLE: I will quote the hon. member's remarks from "Hansard," 1939, page 1656—

If, as the member for Nedlands (Hon. N. Keenan) claims, the money is to be taken from

one fund and recouped from another, I do not know that any great economic advantage will accrue to the State.

To-night the hon. member is arguing directly against that statement. He has altered his views, and I do not blame him for doing so.

Hon. W. D. Johnson: You had better read on.

Mr. BOYLE: The hon. member is entitled to change his views, but not to say that those views were uttered, or might have been uttered, in support of a Bill wholly dissimilar from the Bill introduced last year. Continuing my quotation of the hon. member's speech—

Now let me ask, what effect will the taking of the amount of the Federal Aid Roads Grant and the giving of it to the local governing bodies have on expenditure in the country? If it is going to reduce that expenditure, we shall have difficulty with our unemployed. I know it is reasonable to assume that the pressure of unemployment will be reduced, but it is not right to anticipate this in our legislation. We need to be sure that there will be no relaxing of the efforts to provide work for those who are unemployed or are likely to become unemployed, or to see that they do not suffer as a result of this arrangement. This proposal does affect the local governing bodies. Some of them have scratched a little out of traffic fees; some of them have made a little profit from the retailing of electric current and have obtained money in various ways.

Hon. W. D. Johnson: The 25 per cent.!

Mr. BOYLE: The hon. member continued—

The whole of the money they got, generally speaking, has been pooled, and the expenditure has been allotted, and where they could save money they used it to improve the parks and reserves.

The hon. member was quite right. I agree with every word that he uttered on the Bill introduced last year. The effect of the expenditure of the money in the country has been to relieve the metropolitan area and the Government of the employment within the metropolitan area of quite 4,000 men. Those men to-day are employed on public works in the country; and no doubt the 91 per cent. of the Federal aid roads money to which the Minister referred as having been spent on country roads is correct. But the Minister did not mention that 4,000 to 5,000 men from the metropolitan area are employed on country roads. Where else could they be employed?

The Premier: Not 4,000 on country roads. The number is not more than 2,000.



Mr. BOYLE: I disagree with the Premier. There are 7,000 relief workers.

The Premier: No, the figure is 2,000.

Mr. BOYLE: It is strange that when moving among the gangs engaged in country road-making, I find that about 80 per cent. of the men come from the metropolitan area.

The Premier: You are not correct in your figures. The number is not 4,000, but 2,000.

Mr. BOYLE: I presume I can accept the number as being 2,000.

The Premier: It is no use quoting incorrect figures.

Mr. BOYLE: The Premier is always correcting me. This money expended in the country—as the member for Guildford-Midland said last year, but not this year—will affect employment in country areas.

Hon. W. D. Johnson: I do not think it will.

Mr. BOYLE: Continuing my quotation from the speech made last year by the member for Guildford-Midland—

It is all very well for the Commonwealth Grants Commission to bring this matter forward. The commission views figures not faces.

Probably when the hon. member viewed my face, it had a grin on it. He is therefore consistent in following his argument. Continuing—

We have to realise what benefits are being derived from the work of the various bodies elected to serve the best interests of the citizens. The Commission does not come into contact with that sort of thing; that is not its job. Its job is to take figures and endeavour to justify its existence by getting Western Australia to balance the Budget. The sooner we declare that we cannot balance the Budget under the existing economic pressure, the better pleased I shall be. It is all very fine to balance the Budget if everyone is contributing equally.

I quote this in order to show that I am in perfect agreement with the arguments advanced by the member for Guildford-Midland last year.

Hon. W. D. Johnson: On a different Bill.

Mr. BOYLE: Different only in respect to the amount that is to be returned.

Mr. Rodoreda: That is what the dispute is about.

Mr. BOYLE: This year provision is made for the retention by the local authorities of 25 per cent. of the amount of the fees collected; but no such provision was made in last year's Bill.

Hon. W. D. Johnson: That is why I fought the Bill last year. I secured this year the provision to which the hon. member refers.

Mr. BOYLE: This Bill appears to me to be the thin end of the wedge. The member for Guildford-Midland said to-night that some members are speaking with their tongue in their cheek in order to please the local governing bodies. So different are the actual facts that I need only quote two telegrams received by me to-day. I was present at a conference of the Eastern District Ward of the Road Board Association; 27 boards were represented. I did not make a speech.

Hon. W. D. Johnson: They got circulars.

Mr. BOYLE: They got more than circulars. The Honorary Minister, Mr. Gray, who is also Minister for Employment, attended the conference and put up an excellent case for the Government.

Hon. W. D. Johnson: Circulars were sent from another place, too.

Mr. BOYLE: That was carrying the war into the enemy's camp. Now we are accused of coming to this Chamber to put up arguments against Bills of this type in order to please country residents, arguments of city versus country or something of that kind.

Hon. W. D. Johnson: No, roads versus social services.

Mr. BOYLE: I received the following wire from Nungarin:—

Request you strongly oppose Bill altering local authority licensing finance extension to country boards considered inevitable with very serious consequences here.

From the Merredin Road Board I received the following telegram:—

My board urges you to continue strenuous opposition to Traffic Fees Bill. Keep Government hands off local government revenue.

The Minister, in his able speech—I read it carefully—pointed out the influence of the traffic license fees in three divisions of the State as compared with the ordinary revenue of the board. He quoted, I think, the Northern district, where the ordinary revenue was £51,000—I am giving round figures—and the license fees £45,000. The most notable point the Minister made was in respect of the goldfields areas, where there is a prosperous community and revenue from rates is not hard to secure. Nevertheless we find that in those areas £18,000 is received from license fees as against £8,000 from ordinary rating.

Mr. Rodoreda: The Bill will not alter that position.

Mr. BOYLE: The Minister said that in his second reading speech. He pointed out that if any extension of the principal to country districts were to be made, another Bill would have to be passed by this House and the Legislative Council. When the traffic fees pool was inaugurated an implied promise was made to the metropolitan local governing bodies who now find that it is to be broken. The Bill will vary the conditions of an implied contract with the local governing bodies in the metropolitan area. What guarantee have we, what guarantee can the Government give that a similar Bill will not be introduced in a few years' time designed to take into Consolidated Revenue the traffic fees of the whole of Western Australia?

Mr. Rodoreda: Wait until that is done before you argue about it.

Mr. BOYLE: I do not think it is wise to wait. It is wiser to prevent the principle being introduced in the first place. The Grants Commission's report mentions that local governing bodies will have to increase their local rates. Ratepayers of the City of Perth are aware that the rates are from 10 to 12 per cent. of the gross revenues of the properties in the metropolitan area; that is, outside the centre of the city. Local governing bodies in the country areas cannot stand any further taxation nor do I think that people in the metropolitan area can do so. It is all very well for the Grants Commission to say these things. I agree with what the member for Guildford-Midland (Hon. W. D. Johnson) said last year—and with his utterances to-night in that respect—that the Grants Commission is merely endeavouring to bring about a form of unification. The Minister mentioned in his second reading speech that the Commission's views had an influence on the formulation of the Bill. Throughout Australia to-day the Grants Commission is endeavouring to effect a system of financial unification and we should resist that tendency. The amount Western Australia will receive from the Grants Commission this year is £650,000. We are entitled to more. I sympathise with the Minister's endeavour to obtain more revenue, but I assure him that this measure is viewed with alarm in the country districts. It is felt that if

legislation of this kind, to apply to the metropolitan area, is agreed to, the exigencies of the moment may impel the Treasurer of a future day to reach further out. Today I received a paper circulated in the Koorda district containing the balance sheet of the local road board. This indicates that £515 was received from ordinary rates and £1,250 from license fees. There are 127 road boards in Western Australia. Of those, 47 are situated in the wheat belt and not one of them can continue without receiving the full license fees revenue it obtains to-day.

Hon. W. D. Johnson: How much will they lose as a result of this Bill?

Mr. BOYLE: Nothing.

Hon. W. D. Johnson: Then why weep about it?

Mr. BOYLE: I am not weeping about it. I am weeping for the local governing bodies of the metropolitan area; but there will be some wailing in the country districts if this measure is passed.

Mr. Rodoreda: How much will the metropolitan governing bodies lose?

Mr. BOYLE: They will lose the difference between what they are receiving and the 25 per cent. the Government proposes to give them.

Hon. W. D. Johnson: They will get the same amount.

Mr. BOYLE: There is a catch in it as the member for West Perth (Mr. McDonald) pointed out. The money will be reimbursed from the Main Roads Fund and that will come back on the country areas because that fund will obviously decrease. Revenue will be seriously diminished as a result of petrol rationing and the use of producer gas. Consequently the Main Roads Fund would diminish to a far greater extent than the metropolitan traffic fees. I believe that two-thirds of the licensed vehicles in Western Australia are within the metropolitan area.

Mr. J. Hegney: If people cannot get petrol they will not run their cars.

Mr. BOYLE: They will obtain their rations. Some of us have been treated magnificently. I have 22 gallons a month.

Mr. J. H. Smith: I have not.

Mr. J. Hegney: How did you get that?

Mr. BOYLE: I must have a friend at court.

Mr. Watts: The member for Avon goes into the scrub more than the member for Middle Swan.

Mr. BOYLE: I regret having to oppose the Bill, but I cannot see that the practice permitted by the Bill will not spread. I realise the difficulties of the Treasurer, but if we permit interference with the present revenue of the local governing bodies in the metropolitan area the principle will be extended later on outside that area.

**MR. J. HEGNEY** (Middle Swan) [8.48]: I propose to support the Bill. When a similar measure was introduced last session the local governing bodies contended they would be deprived of revenue, but that fear is not founded on fact. I have made inquiries from road boards in my territory. I suggested to the chairman of one road board that if the measure were passed the board would be prevented from using license fees for the payment of interest and sinking fund on loans it had raised. He informed me, however, that a loan rate was fixed for the repayment of borrowed money and the traffic fees were consequently not used for that purpose. The money received from traffic fees is spent on the roads. Therefore the measure will not affect the board.

When the Minister was explaining the details of the proposals, he told us that many local authorities, after receiving traffic fees, did not expend on roads the full amount received. This indicated that they used the money for purposes other than for roads. Members well know that the purpose of the Traffic Act under which the fees are collected and distributed to the local authorities is that the money shall be spent on roads, but certain local authorities take the fees into revenue and expend the money as they think fit. Since the criticism on last year's measure, this Bill clarifies the position of the metropolitan local governing bodies. The measure definitely sets out what they are to receive and the conditions under which the money will be paid. I do not think that local bodies in the metropolitan area need have any fear that they will not receive the amount of money they would get if the Bill was not passed. From the point of view of their receiving an equivalent sum, there will be no difficulty.

For several years, substantial sums have been made available to local authorities in

the metropolis and in country areas for road construction. I voted against the Bill of last session because I was not thoroughly satisfied that the interests of the local bodies in my district were being safeguarded. I am now satisfied that the Treasurer is honestly endeavouring to straighten out the finances of the State and bring about budget equilibrium. He is making this effort in the best interests of the State. We have been given to understand that, because we have not adjusted our finances or made an attempt to meet the criticism levelled at our methods, we are losing at least £25,000 on the Commonwealth grant to the State. By this Bill provision is made for portion of the traffic fees to be taken into revenue to meet interest and sinking fund on loan funds spent on roads, the total of which is almost £1,000,000. The traffic fees to be retained will pay interest and sinking fund on some of that money and assist the Treasurer to adjust the financial position.

I shall not attempt to cover the ground traversed by other members, but the member for Avon (Mr. Boyle) raised a point towards the close of his speech. He asked what guarantee the Government could give that a similar Bill would not be introduced next year or later authorising the taking of all the traffic fees, and he suggested that the present proposal was a variation of a contract. Bills are frequently introduced to vary existing conditions. The income tax law is varied from time to time in order that higher or lower rates of taxation might be imposed.

Mr. Boyle: Only one party is concerned there.

Mr. J. HEGNEY: I think there are two parties.

Mr. Withers: What about the rural relief fund measure?

Mr. J. HEGNEY: Two parties are interested in the taxation rates, the Taxation Department and the earner of income. From year to year taxpayers do not know the extent to which they will be mulct in taxation. An argument of that kind is not sound. Nobody would contend that the Traffic Act should be immutable. Taking the long view, the time has arrived when some of the traffic fees must be taken into revenue in order that they might be utilised more equitably. This would have to be done regardless of the party that might be in office. Perhaps some

of the money could wisely be used for increasing educational facilities or extending social services.

The Commonwealth Government, collects the petrol tax, pays the greater proportion of the proceeds into revenue and spends the money on its own services. To the States it distributes, under the Federal Aid Roads Agreement, a certain amount to be utilised as provided in the agreement. This Parliament cannot decree what any Government next year or in five or ten years might do with the fees collected from traffic licenses. It might decide that the roads were in eminently good order and required no more than a little maintenance, and that more money must be made available for building up citizenship and improving the schools in the metropolitan and country districts. The Treasurer has not sufficient revenue to provide these facilities as he would like to do. As the object of the Bill is to improve the financial stability of the State, it is a wise measure. Provision is made for the local authorities to receive the amount of money they would have got if the Bill had not been passed.

Mr. Doney: Did you say you voted against the Bill of last year?

Mr. J. HEGNEY: Yes.

Mr. Doney: I do not know how you did it. You were not in the House.

Mr. J. HEGNEY: This Bill, however, provides that 25 per cent. of the traffic fees may be taken into revenue and used for any purpose desired by the local authority.

Mr. Patrick: You did not vote against the second reading last year.

Mr. J. HEGNEY: The previous Bill did not make the point clear; it set out that the money had to be spent on roads. Some local governing bodies felt apprehension on the score that they would not be able to use traffic fees in payment of interest and sinking fund on loans raised for their districts. Most of the local bodies resented the criticism that they were using traffic fees in payment of interest and sinking fund on such loans. I have discussed this matter with representatives of road boards in my electorate. They were apprehensive whether the Government intended to take away their traffic fees. I assured them that so far as I knew that would not be so. I believe the Premier and Minister for Works, in submitting the measure to Parliament, are sincere in their desire to assist all concerned,

and that there is no ulterior motive behind the Bill. The local authorities will receive the same amount as they had previously. The metropolitan area is certainly safeguarded in that direction. If any incoming Government desired to vary the law it would be at liberty to bring down a Bill to that effect. The Government of the day has given its word, and has submitted its proposals, which are now under discussion. The measure will take a certain amount of revenue from country road boards as set out in the Bill.

Mr. Doney: It amounts to nine-tenths.

Mr. J. HEGNEY: It amounts to three-quarters, according to the Bill. I remind the hon. member that the preponderance of main road money has been spent in the country districts. The Minister said that represented 91 per cent. The Government has been very generous to the country districts.

Mr. Doney: They have had only their just due.

Mr. J. HEGNEY: It has also made available a reservoir of labour to country road boards, thus assisting them in the construction of public works. That is an offset against the amount that may be lost under this adjustment, which the Government requires to make to improve the financial position of the State. It is true that from time to time and each year loan funds are also spent on roads. As pointed out by the Minister, 97 per cent. of the loan funds spent on roads has been expended outside the metropolitan area. The sole object of this Bill is to take into revenue a certain amount of traffic fees to assist in meeting the interest and sinking fund on loan moneys spent on non-reproductive works, with a view to adjusting the State's finances. If the finances are not sound, that will be reflected throughout the country, and will affect both metropolitan and country local authorities. The Premier has pointed out that when he has attended conferences in the Eastern States he has been urged to do his utmost to adjust the finances, particularly during war time, when all the resources of the Commonwealth are needed in the life and death struggle in which the country is engaged. It has been argued by many that the Commonwealth may vary the Federal Aid Roads Agreement, may want to take into revenue the lion's share of the income, and

that consequently a lesser amount will be available for expenditure on roads in this State. The Bill provides that, should such a thing happen, the position obtaining prior to its introduction will be reverted to. If the money received under the agreement should be reduced to negligible proportions, and the needs of the Commonwealth for the defence of the country become so urgent that an amendment to the agreement is rendered necessary, any Government in office will have to face the facts and deal with the finances of the State from that viewpoint. If the position becomes as desperate as that all our talk on this Bill will be of little avail. Representing as I do a metropolitan constituency, I am satisfied that the Premier is honest in his intention to adjust the finances, that there is no ulterior motive behind the Bill, and that it does not seek to deprive the local authorities of one penny. Their interests are safeguarded by the two co-related Bills, and for the reasons I have expressed, I support the second reading.

**MRS. CARDELL-OLIVER** (Subiaco) [9.6]: I have listened to so many speeches on the subject that I feel a little dazed. I have no mandate from the municipal council in my electorate either to support the Bill or to oppose it, but, acting on my own initiative, I shall vote against the second reading.

**Mr. J. Hegney**: You would not like to get a mandate.

**Mrs. CARDELL-OLIVER**: If the Government intends to take this money away from local authorities, and restore it to them by other means, it seems to me that there must be a catch somewhere. I have ascertained that if the Bill is passed it will mean the imposition, in my district, of an extra shilling in the pound in the rating. I have that information on unimpeachable authority.

*[The Deputy Speaker took the Chair.]*

**Mr. Cross**: Who is your authority?

**Mrs. CARDELL-OLIVER**: I have also ascertained in other districts that the Bill will mean an increase of amounts varying from 6d. in the pound upwards. If the Government must have this money it will be better for it to tax the people so that the burden may fall evenly upon everyone in the State, rather than that it should deprive

metropolitan local authorities. There is another reason for my opposition to the Bill. Nearly all metropolitan authorities give considerable sums of money to charities.

**Mr. Cross**: Does not that also apply to country districts?

**Mrs. CARDELL-OLIVER**: The mayors of municipal councils with whom I have spoken have informed me they will no longer be able to give those amounts, or any amounts of money to charity should this Bill be passed.

**Mr. Cross**: Did they give them out of the traffic fees?

**The DEPUTY SPEAKER**: Order!

**Mrs. CARDELL-OLIVER**: If the hon. member would listen instead of interjecting, he would know that I did not say the councils gave the money out of traffic fees, but merely that money was given to charities by these councils.

**Mr. Cross**: From the 3 per cents.?

**Mrs. CARDELL-OLIVER**: I did not say that. I said the money was given by the councils.

**The DEPUTY SPEAKER**: Order! If the hon. member will address the Chair, she will not find herself in such difficulties.

**Mrs. CARDELL-OLIVER**: I should like to read a letter that was sent to me by the chairman of the South Perth Road Board.

**Mr. Sampson**: That is getting nearer home.

**Mrs. CARDELL-OLIVER**: The letter reads:—

Re traffic fees: The position as I see it from a practical point of view is that the Government is taking something to which it is not entitled. There is no law saying the fees belong to the Government; indeed, the effect is the opposite, as, apart from main roads, which, as you know, is a Commonwealth grant, the State Government does not assist in building roads at all in the metropolitan area or any other area known to me, whereas the local bodies tax themselves up to as high as 1s. 1d. in the pound to construct roads. Admittedly, some of these fees are spent in footpath work, for the reason of safety first both for the motor driver and the pedestrian. As roads are extended by traffic fees plus road board and municipal fees, we try and keep pace by building paths with them for the safety of both.

In my board's area we tax ourselves 7½d. to 8½d. in the pound to raise our money for this work, and others tax themselves more than that. I think Neillands has one ward taxed 1s. 1d., but I am not too clear.

The Government say we will be recompensed out of the petrol tax, but this will be a much more unknown quantity than the reduced amount expected in traffic fees. Thus we run

a big risk of losing fully 75 per cent. of our income from the traffic fee source.

To make this up means one of two things; namely, tax further in rates, or dismiss men. Both are obnoxious at present, more particularly the latter, as men cannot find work if put off from the local governing body, and these men have been working for years in these positions and are acquiring their own homes. I feel at the moment no local body will increase rates, but they will let work wait.

We feel that once these fees go to the Government, they will never be returned to us. Here are our men giving up hours, and in some cases days, of work for our suburbs free, and doing the minor work of Government, which Government is paid for every service rendered, and then we get our fees fleeced to, as they say, help them balance the Budget.

You may see a brief interview of mine in tomorrow, Tuesday's, paper touching on one or two points of interest.

For us to get the amount back, if taken, we would have to raise our rates 6d. in the pound.

In addition to all this we budgeted for the 12 months' work, and based such work on the old fees less a 20 per cent. reduction for loss in car registrations; and if these fees do not materialise, then off go the men and our budgeting goes by the board.

That council would have to raise its rate by 6d. A member of the North Fremantle Council informed me that his council would have to increase its rate by 6d. if the Bill became an Act. In Subiaco, I understand, the increase would be 1s. in the pound. Those suburban municipalities cannot do without this money; and although the Government has said that it will give the money back, I fear that certainly in regard to Subiaco, and probably in regard to other suburban areas where roads are in fair condition, it will be found extremely difficult to get anything whatever back. As I said before, the Government has given no guarantee to pay the amounts now spent by the suburbs in charity if it takes away these fees from the councils.

Mr. Cross: Are the councils going to spend the 3 per cent. on roads?

Mrs. CARDELL-OLIVER: They may have to.

Mr. Cross: That will be a change.

Mrs. CARDELL-OLIVER: Probably what will happen will be the dismissal of men. The councils could not possibly continue contributing to milk funds and kindergarten clinics and various other charities. If the Government intends to go on with the Bill—I presume it does—the Minister should give a guarantee that the charitable institutions I have mentioned will be reimbursed for the money which they can no longer obtain from

the municipalities. The reason I oppose the Bill in the main is that it would increase rates in most areas. Further, at present I would rather trust the local governing bodies than trust the Government.

Mr. Withers: That is a reflection on yourself.

Mrs. CARDELL-OLIVER: I feel that members of local governing bodies have a yearly interest in their suburbs; at the end of a year they are liable to be turned out. On the other hand, we are here for three years. Therefore I would sooner trust the members of local governing bodies to spend what money they have than let the Government have that money and spend it. Accordingly, I am against the Bill.

MR. SHEARN (Maylands) [9.17]: I have deliberately waited until most other members have spoken, because, so far as I am aware, apart from myself there is possibly only one other member of this Chamber who is also a member of a local governing body. I may be wrong, but I believe myself to be right.

Hon. C. G. Latham: There are two here on this side.

Mr. SHEARN: I wanted to hear what all members not connected with local government authorities had to say, so that I might confirm, or otherwise, the considered opinion I have arrived at, and learn whether the criticisms raised have any substance. Had that been the case, I would have been happy, as on other occasions, and as is necessary in this House as in any other Assembly, to make my opinion subject to amendment or alteration. But the more I have heard this evening, the more certain have I become that the criticisms are based upon presumption or false premises. I feel that hon. members have to some extent paid too much regard to their own particular districts. I plead guilty to having done the same on many subjects. However, in this case we are discussing not a matter of State Government policy but a matter arising out of comments on our justifiable claims upon Federal revenue, in accordance with the Commonwealth Grants Commission's recommendation. This evening I have not heard one member question the statement that the Commission's attitude has been one of condemnation of this State's failure to place itself in alignment with what are termed non-claimant States. In

common with other members, I do not for a moment agree that the conclusions which have been reached regarding the financial position of Western Australia are correct. For the present, however, we are compelled to be subjected to whatever the Commission's decision may mean to Western Australia; that is, so long as the Commission operates and so long as the Loan Council continues to function. The result is we must bear in mind the recommendations and observations of the Commission.

Hon. C. G. Latham: I do not think we have any right to do any such thing. We represent the people; the Commission represents no one.

Mr. SHEARN: In Western Australia we are suffering very greatly from the application of Federal policy, but we have to discuss the conditions as we find them to-day. Those conditions show that we are suffering as a result of the basis arrived at by the Federal Grants Commission through the Loan Council. To those who disagree with my suggestion, I would say, particularly to the member for Guildford-Midland (Hon. W. D. Johnson), that we must view the position clearly. The member for Guildford-Midland said that Opposition members were in the House to speak in opposition to Government measures. He said he knew that was so, because he had been through the experience himself. I can assure him that the attitude and outlook of the Opposition of to-day is on a much higher plane than that. No member of the present Opposition has taken his seat in the House with any intention other than that of rendering assistance to the Government and certainly not to pursue the course suggested, and no doubt practised in the past by the member for Guildford-Midland. When he refers to members of the Opposition in such terms, he should remember that at least they can be consistent. For my part, it would not take me half an hour to explain away an attitude formerly diametrically opposed to that which I now adopt. I am at least in the happy position of being able to speak consistently and without my tongue in any cheek.

As a member of a local governing authority, I intend to vote for the second reading of the Bill with a full recognition of what I am doing. I followed closely the

speech of the Minister when introducing the legislation and I took the trouble to secure a copy of his statement, which I made available to the local authority with which I am connected and asked that body to advise me of its views as I was here to represent my constituents in this matter, through that body. In consequence, I have been informed by that local authority that, despite the fact that it has not secured the return of anything like the amount of the traffic fees collected within its boundaries, it realised that the Commissioner of Main Roads and those associated with him had endeavoured to provide a fair return in view of all the circumstances. There was one point only regarding which there was some measure of disapproval. I have re-read the Bill, and I drew the conclusion from the speech of the Minister that he agreed it was merely fair that money spent on footpaths, crosswalks and other similar work, all of which was not only necessary but represented a material factor in safeguarding life and limb, should also be covered in returns made to the local authority. If I am wrong in my assumption, I expect the Minister to tell me what is really the position. I have assured my local authority, based on the assumption that my view is correct, that it can expect to secure a recoup of money so spent. I frankly admit that the board with which I am associated has been an offender in this respect, but certainly not a major offender. I refer to local authorities in the metropolitan area—I know nothing of the conditions in the country areas, and so I shall not presume to speak about them—when I say it has been suggested that a number of local governing bodies have flagrantly broken the spirit of the Act. The money under consideration is derived from the users of motor vehicles within the State. What would be the position if that section of the community said that, in view of the disregard of the spirit of the Act and the abuse of powers by local authorities, the time had arrived when the amount of license fees should be reviewed.

Mr. Cross: And it should be, too.

Mr. SHEARN: What sort of an argument could these people submit? They could say that the money was taken from them for the upkeep of roads, but that the local authorities were not using it for that purpose. It could be shown that the money was for the use of local authorities generally and that money that should be derived from revenue

sources only had been relieved from funds contributed by them both as ratepayers and taxpayers. Consequently, I suggest that the motoring section could present a very good case for a review of license fees. In fact, I assert that that is an imminent possibility.

I remind members that we have a responsibility that goes beyond mere parochialism. Doubtless it is well that members should do what they can to safeguard the interests of their local governing authorities, and as one who for many years has been a member of a local governing body, I fully appreciate that fact. On the other hand, I realise that the time has arrived when we must recognise that many of the arguments we have heard to-night, while all very well in other times, must be considered out of place now and in the future. Whatever action may be taken regarding necessary adjustments under the Act, we must face the situation squarely and, if necessary, recognise that alterations effected have been totally inadequate. If it is necessary for further alterations to be made, let us face the position as we find it. That is only our plain duty. I say that, while fully aware of the responsibilities I must accept as a member of a local governing authority. We must deal with the position without a parochial outlook and consider the facts as we find them. Obviously that is our task and it is a national responsibility. It may be asked what the position will be if the present or future Governments fail to honour their promises. We have the word "guarantee" used frequently, but what guarantee could be given beyond that already indicated by the Minister? He has told us in plain language that each local authority will receive not less than it has been accustomed to get during the operation of the present Act.

Mr. Doney: No one questions that the local authorities in the metropolitan area will get that consideration.

Mr. SHEARN: We have had the Minister's assurance.

Hon. C. G. Latham: I think you are wrong. He said he would give back what they were entitled to receive out of the traffic fees.

Mr. SHEARN: I am concerned with the substance and not with the actual words used by the Minister. The substance of the Minister's statement was that no local authority would get less in the aggregate than it receives to-day provided—which is an important point—that the local authority could satisfy him that it had legitimately spent the

money to which it laid claim. That attitude, in my opinion, certainly has merit. Members who have spoken against the Bill will agree with me that there are some districts within the metropolitan area where all the developmental road work has long since been completed. Nevertheless one has only to look at the other side of the road, so to speak, to appreciate that a new district is opening out where people are anxious to get into their homes and to have decent amenities provided for them. Many such local authorities have been forced, in consequence, to make the necessary provision for development from revenue paid directly by those people. The result is that their rates are out of all proportion compared with those levied in contiguous districts where lower rates apply because the local authorities there are using money—if not directly, at least indirectly—for the purpose of relieving their ratepayers at the expense of those residing in adjacent areas. However much that may displease some people, I at all events am trying to face facts. I am not offering any opposition to the measure. The Government has always had my support in any proposal that I consider merits it. Whether it pleases or displeases anyone on this occasion, I propose to support the Minister and to wait until he introduces the legislation it is suggested he may bring forward later with regard to country districts. I shall then listen to the arguments which may be adduced by members representing the interests concerned. I am not in agreement with the statement made by the member for Guildford-Midland that members in Opposition simply oppose Government measures because they are in Opposition. That is not my attitude to-night.

Hon. W. D. Johnson: But you do not do that; you are not in Opposition.

Mr. SHEARN: As I said, I support the Bill. I am prepared to trust the Government to that extent.

**THE MINISTER FOR WORKS** (Hon. H. Millington—Mt. Hawthorn—in reply) [9.31]: I am rather pleased at the reception accorded the Bill. Before I deal with specific objections raised by members, I desire to make it clear that the main objection to the measure introduced last session—an objection that I consider was legitimate—has been met. The first objection was to the



duration of the term of the Bill. The term now coincides with that of the Federal Aid Roads Agreement. Consequently, if no money is received for that fund from the Federal Government, this Bill, if it becomes an Act, will automatically cease to operate. The objection was raised that, because of the war, the Federal Government might cancel the agreement during the war period. I cannot of course say whether all agreements between Federal and State authorities will lapse on account of the war.

Hon. C. G. Latham: Necessity knows no law!

The MINISTER FOR WORKS: As I say, that objection has been met. If the Bill is not explicit on the point, then it may be amended in Committee. I desire it to be made absolutely clear that if the State does not receive money under the Federal Aid Roads Agreement, then this measure will cease to operate. If the provision is not clear enough, I will have it altered in such a way that hon. members will be satisfied with it.

Mr. Doney: I propose to move an amendment upon the point under discussion.

The MINISTER FOR WORKS: The hon. member may tie it up as much as he possibly can.

The DEPUTY SPEAKER: Order! The hon. member may move his amendment in the Committee stage.

The MINISTER FOR WORKS: I think he is getting in rather early. I met all the local governing bodies last year—I have met only some members of the executive of the governing bodies this year—and they stated that, owing to the restrictions contained in the Federal Aid Roads Agreement, they would be unable to spend the money legitimately in certain directions. I had to admit the correctness of their statement. Therefore this year we have made provision that 25 per cent. of the traffic fees will be returned to the local governing bodies. I am informed by the Under Secretary, as well as by the officers of the local governing bodies, that this amount, if returned, would be sufficient to pay interest on road loans. That is the point. Under the Federal Aid Roads Agreement, the money could not be used legitimately in that way, and the Commissioner of Main Roads would not give a certificate if money were so expended. That objection has now been met. The 25 per cent. is not

to be regarded as an arbitrary figure, however. Interest on loans may be paid from traffic fees, if this measure passes.

As to the 75 per cent. which would come from the Federal aid roads grant, every one of the local authorities has assured me that it would have no difficulty in spending that amount legitimately on roads. Therefore the Commissioner of Main Roads will be able to give a certificate that it is so spent. That point is cleared up, too, although not quite to the satisfaction of all members. I would like to secure complete satisfaction on the point.

Hon. C. G. Latham: Does a road include a footpath?

The MINISTER FOR WORKS: Yes. In any case, the Commissioner of Main Roads has a discretion. Not only may the money derived from the extra halfpenny passed in 1937 be used for the construction, reconstruction and maintenance of roads, but for other works connected with transport. For instance, the money could be used—as I have stated—for lining roads and other purposes.

*[Mr. Speaker took the Chair.]*

Hon. C. G. Latham: Would a footpath be included under "transport"?

The MINISTER FOR WORKS: The expression used is "other works connected with transport."

Hon. C. G. Latham: The only chance would be if the pedestrian used a perambulator.

The MINISTER FOR WORKS: But the local authorities will receive the 25 per cent. that I mentioned, so no difficulty will arise over the matter. They will have no difficulty now in spending money legitimately on such works.

Hon. C. G. Latham: They will spend the money all right.

The MINISTER FOR WORKS: They will spend it legitimately, as they are doing to-day. The next point raised was whether the Commissioner would be empowered to make progress payments. That difficulty can be surmounted. I am assured by the Commissioner and the Under Secretary that there will be no trouble on that score. Dealing with the formula, members are no doubt aware that the Bill does not contain a formula. That was devised by the Public Works Department. Roughly, the allocation is made on the basis of population and

length of constructed roads. On one or two occasions complaints were made by the local authorities and the Under Secretary suggested that if they were dissatisfied, they themselves could make the allocation. However, they all agreed that the formula provided for a fair allocation and we have had no complaints since; although at times, when certain local authorities were not entitled to receive all the money under the formula, an alteration was made which they accepted. Those authorities could not comply with the formula under the present system of distribution and consequently the amounts were altered. Even local authorities that have suffered in this way are satisfied with the fairness of the formula.

Mr. Doney: When did you have that understanding with them?

The MINISTER FOR WORKS: The formula has been in operation for a number of years. I think the late Mr. W. J. George was the first to introduce it. It has been altered slightly from year to year, and the present formula meets with the approval of the recipients of the money. That is all we have to trouble about. Roughly, the municipality of Perth will receive 25 per cent., and the balance will be distributed among the poor relations of the Perth City Council. Those were the real valid objections.

Mr. Doney: But what about the other big objection?

The MINISTER FOR WORKS: What is that?

Mr. Doney: Who pays it ultimately?

The MINISTER FOR WORKS: I will come to that in a moment.

Mr. Doney: I thought you had finished.

The MINISTER FOR WORKS: I am speaking now of the objections that have been raised, and I contend that the Bill is different from and less objectionable to the local authorities—and, I think, to this House—than was last year's measure. It must be admitted that we have endeavoured fairly to meet the objections raised. The hon. member desires to know who is to be eventually debited with the 75 per cent. That is quite a legitimate question.

Mr. Doney: I do not want to know; I already know. I want to hear what you have to say.

The MINISTER FOR WORKS: I will tell the hon. member what happened last year. Is that what the hon. member wants to know?

Mr. Doney: No.

The MINISTER FOR WORKS: Sometimes we have to speak in parables. Here is one. Last year the Premier budgeted for £123,000 from traffic fees. The Bill providing for that was rejected in another place. I am not offering any comment about that. But that £123,000 was lost to revenue. Eventually there was a deficit. The two poles refused to meet to the extent of £146,000. Had that £123,000 been taken into revenue the deficit would have been only £23,000. That is the difference made by the rejection of the Bill. So an additional amount of £123,000 of loan funds had to be used to meet the deficit with the result that it was not spent on works. To the question who eventually pays, I reply that the money quite definitely comes from loan funds, which we do not desire to be the case.

Mr. Doney: I do not think you can deceive yourself in that way.

The MINISTER FOR WORKS: We do not desire that these loan funds should be used to fill that gap, but that is where the money comes from.

Mr. Doney: That is not the answer.

The MINISTER FOR WORKS: That is the correct answer.

Mr. Doney: No, it is not.

Mr. SPEAKER: Order!

Mr. Doney: Who is to say that that £123,000 would have been spent on roads?

The MINISTER FOR WORKS: The hon. member wants me to say now that had that £123,000 not been needed to make up the deficit it would have been spent on roads.

Mr. Doney: No, I do not.

The MINISTER FOR WORKS: That money would have been spent on works.

Mr. Doney: I know.

The MINISTER FOR WORKS: I could say—but it would not be fair to do so—that the money would have been spent on roads. I assume a portion of it would have been so spent.

Mr. Doney: It might have been.

The MINISTER FOR WORKS: I have had a request from Katanning for the expenditure of money to provide for a water supply in that district. Only to-day I received a similar request from Pingelly. But if the Treasurer has to use this money for revenue purposes, I cannot get it from him for legitimate works of that description. There would have been no difficulty last year in spending this money quite legitimately for

works in the country for which loans are raised; for loans are not specifically raised to meet deficits.

Mr. Doney: You know that £75,000 would have been lost to the roads.

The MINISTER FOR WORKS: How does the hon. member know that?

Mr. SPEAKER: Order! This cross-examination must cease.

The MINISTER FOR WORKS: Last year £123,000 of loan money went into revenue instead of into works, and still £1,000,000 was spent on roads. In the previous year another £1,000,000 was so spent.

Mr. Doney: We are not disputing that.

The MINISTER FOR WORKS: The hon. member seems hard to please. I do not think the roads have been starved.

Mr. Doney: I am not even saying that.

The MINISTER FOR WORKS: Eight hundred thousand pounds odd was spent in this way from the petrol fund and an amount of £118,000 was spent on the co-operative scheme under which the Government found men to do work for the country road boards. That came out of loan money.

Mr. Doney: You are answering questions that have not been put to you.

Mr. SPEAKER: I must ask the member for Williams-Narrogin to keep order.

The MINISTER FOR WORKS: The hon. member said that this measure was unpardonable and asked questions which I am answering.

Mr. Doney: No, you are not.

The MINISTER FOR WORKS: The hon. member said that I drew a wrong inference from certain figures. I said that attention had been drawn by the Grants Commission to the fact that the rate of tax in the three contributing States was higher than that in the claimant States. It must be remembered that the Grants Commission has to satisfy not only the three claimant States but also the three contributing States. Where does the hon. member think the money comes from? Does he think that New South Wales, Victoria and Queensland will for one moment continue paying grants to the other States if they are not satisfied with the way in which those States are being governed? I agree that the Commission's investigations have had a salutary effect upon the finances of the recipient States. There has been a close stock-taking each year and, with all due

respect to my colleague the Premier, I consider that has been good for Western Australia. Whether we agree with the findings of the Commission or not we must admit that there was never such an examination into State finances as has been instituted by that body. It is better than any Royal Commission. Its inquiries are periodical and have had the effect of revealing the weaknesses in the financial administration of the different States. That in itself almost justifies the appointment of the Commission, irrespective of the financial benefit that has been derived. What I set out to show was that in examining the taxation imposed by local authorities the Commission discovered that it was lighter in the three claimant States than in the contributing States. I did not set out to show, as was suggested by the hon. member, that any local authority should increase its rates. I did not mention such a thing, and no such inference can be drawn from my remarks. The investigations of the Commission indicated that although holding out its hands to the Eastern States for assistance, Western Australia is taxed to a lesser extent for local government purposes than are those other States. That is what it proved, nothing more and nothing less.

The interesting part of the discussion was the item mentioned by the member for West Perth (Mr. McDonald). I think he gave an effective survey of the Bill and of the position. He wanted to know whether this Bill would supply a satisfactory reply to the Grants Commission. That is a very pertinent question. Members of the Commission say that in Western Australia and Tasmania no part of the motor taxation revenue is used to meet the annual debt charges on the loan liability for roads. This Bill meets the objection. The reason we propose to take this money is that if it is paid into revenue, it can then be used to meet the loan liability on the road debt, which has been stated to exceed £3,000,000 and the annual interest charge on which is £163,000. Therefore it is quite legitimate to say that, whereas the money cannot be paid under the Federal Aid Roads Agreement in respect of loans from those funds, it can legitimately be paid and is paid in other States of Australia out of traffic fees. If that were not so, the money could be taken straight into revenue, as suggested by the Leader of the Opposition. That

cannot be done, but we can meet the position in this way, because the money would be used for a purpose set out in the agreement—road work—and the traffic fees we propose to take can legitimately be used to pay interest on road loans. That is what we desire to do. I think it is very appropriate that portion of the traffic fees should be used to service the road loans. Even the local authorities believe in that. This is why we propose to allow them the 25 per cent. They desire to use it for interest payment on loans raised for the construction of roads in the metropolitan area, and we say just as legitimately that we want some of the money to pay interest on loans for roads constructed throughout the State.

Mr. Patrick: Have not the local authorities to strike a loan rate under the Act?

The MINISTER FOR WORKS: Of course they have, but they still want portion of the traffic fees to pay the charges. I am not saying that they can; I am saying that they do. They admit they do. The member for Avon (Mr. Boyle) scented trouble straight away. He saw a deep-laid scheme to try this proposal on the town people first and then extend it to the country people. If all that is desired in the shape of a safeguard is not in the Bill, then the hon. member should put it there. I do not ask him to accept my assurance. The Premier has stated that we will not introduce a Bill to interfere with the traffic fees collected by country authorities. Would the hon. member like the task of introducing such a Bill after making that statement?

Mr. Doney: We have accepted your word.

The MINISTER FOR WORKS: I cannot help it if the hon. member does not; I can only give a plain assurance. As for taxing country road boards such as Mukinbudin, I would sooner introduce a Bill to tax old age pensioners. I would be just about as popular and would succeed in collecting just about as much revenue.

Mr. Boyle: Why sneer at the road boards?

The MINISTER FOR WORKS: Who is sneering?

Mr. Boyle: You are.

The MINISTER FOR WORKS: Why suggest that any sane man would think of taxing those boards? I know more about

their finances than does the hon. member. It is my business to know; the officers of the department know. We are perfectly well aware that the boards mentioned by the hon. member have great difficulty in carrying on, and it is a moot point whether the Government will not have to take over the responsibility of running some of those road boards. I supplied some information which the hon. member turned upside down. I said, taking the whole of the road boards, £165,000 was raised from traffic fees as against £126,000 from rates. Thus, taking the whole lot and not dealing with any individual road board, the collections from traffic fees exceed those from rates. In view of those figures, how could the country road boards exist if they were deprived of the traffic fees? Anyhow, who wants to take them? I think the hon. member may sleep comfortably in the belief that there will be no attempt by this Government or by any other sane Government to deprive the country road boards of traffic fees.

Mr. Doney: You are proposing to do it all the same, are you not?

The MINISTER FOR WORKS: I said no sane man would suggest it. The member for Subiaco (Mrs. Cardell-Oliver) gave us some information gleaned from the acting chairman of a road board across the river and some from North-East Fremantle. The effect of it was that if this Bill becomes law, local authorities will have to raise their rates by at least 1s. in the pound. Whoever said that? Did any sane person ever say it? Why raise the rates by a shilling in the pound when those local bodies will have the same amount of money to spend?

Mr. Doney: I am with you there.

The MINISTER FOR WORKS: I suggest that Mr. Vincent had better wake up and read the Bill instead of talking such drivel.

Mr. Doney: I think I am with you there.

The MINISTER FOR WORKS: If he read the Bill, he could rest assured that not one penny piece would be taken from South Perth. When he says that no roads have been built in the metropolitan area, the statement is incorrect. We have built quite a number of roads in his district. That district and Melville had the advantage of very considerable assistance under the co-operative scheme, for which they wrote very nice letters to the Government.

The question was raised as to why we receive this amount of money under the Federal Aid Roads Agreement. On considering the Act, I find that three-fifths of the amount is paid to us in respect of population and two-fifths in respect of area. That is why we receive such a good deal under the agreement. This is one agreement with which we are satisfied. I think it can be said that whereas Western Australia does get a concession because of its enormous areas, undoubtedly a larger proportion of the money is spent in the country districts. We believe that the strong should help the weak. Of those who find the money in Western Australia as petrol-tax payers, half are dwelling in the metropolitan area, and I think it will be found that of the license fees paid half is collected within the metropolitan area.

Mr. Patrick: Do not you think that people living there use the country roads?

The MINISTER FOR WORKS: The owner of a vehicle in the metropolitan area has never quibbled. Of the heavy tax that he pays over 90 per cent. is spent in the country. That is so in other parts of Australia. There is a disposition for the cities to help the country in respect to roads. That policy is followed here not only regarding the petrol tax, but in respect of loan moneys that are also spent on roads. I have been accused of building tourist roads in my own district. The road from North Beach (in the Toodyay district) to Cottesloe (which is outside my district) is a coastal road that has recently been constructed at the request of the military authorities, and is not a tourist road. Further round the coast other roads have been constructed adjacent to the sea at the request of the military authorities, but they have not been paid for by the Commonwealth Government. The cost has either been met out of loan funds or petrol money. Expenditure in the metropolitan area on roads has been either from loan funds or petrol money. I do not know whether we are to satisfy the people of the metropolitan area or those who live in the country. Of this, however, I am certain, that every one of the local authorities will receive in proportion exactly the same revenue from traffic fees under this arrangement next year as they have received this year. Whatever amount is collected from traffic fees will be paid to them from the petrol fund. I have been asked to give an assurance. Of what use would that be? It has to be placed in the Bill, which dir-

ects that the local authorities have to be reimbursed to the extent to which traffic fees are paid into Consolidated Revenue. Assurances have been asked for, and if they are not contained in the Bill they ought to be. The only assurance I gave was that the Government would not extend this proposal to the country districts. Having given that assurance, I hope, if I am here next year, the Premier will not ask me to introduce such a Bill. All the other assurances required are contained in the measure. This will not mean the raising of rates one penny in the pound, let alone one shilling. Only one reply can be made to those who say such a thing, namely, "it is simply a lie."

Mr. Doney: I did not put that up.

The MINISTER FOR WORKS: The great Mr. Burke replied in the same way, "There is only one reply to such a statement: it is a lie." For members to tell me if we pay out £75,000 and receive back £75,000 that means the necessary raising of rates to the extent of 1s. in the pound, is to mislead the people. It is just as well I should say that plainly. The Bill will not mean raising the rates in any of the 24 local authorities concerned in the measure. The proof of that is contained in the Bill. Those who have read the measure and attempted to understand it would not make such a statement. The responsible officers of the local authorities have not said that. It has been said only by those who desire to mislead the public.

Mr. Doney: Not to mislead them.

The MINISTER FOR WORKS: As for saying that if this Bill is passed local authorities will not be able to devote money to charity, my reply is that those people had better wake up otherwise the motorists will be on their tracks. Is it suggested that the motorists should pay especially high license fees to meet payments of that description, or should the money come out of general revenue that is contributed by the ratepayers? The heavy tax already paid by motorists should be devoted to roads. That was the only legitimate reason for imposing license fees. Those who use motor vehicles for commercial and other purposes are paying a tax of 1s. 2d. per gallon to the Commonwealth Government. That is a heavy charge. Members know what the license fee for the average car is, namely, from £6 to £8 a year. Motorists are justified in saying that the fees they pay should

be put into roads. As citizens they have to pay whatever other rates are imposed. Special rates should not be charged to motorists, as has been suggested by Mr. Vincent, so that the amounts may be paid to the infectious diseases hospital. Such amounts could not legitimately be paid out of traffic fees. They should be met either by a special tax, or out of the general revenue of local authorities. If people start talking like that it will not be long before motorists demand that these license fees, which amount to a tax, be decreased, and I would not mind giving them a hand if the fees were used for that purpose. It would not be a legitimate purpose. In the country there is no doubt about the money being spent on roads. Although local authorities in the country have the utmost difficulty the money is still raised to the extent to which the local people are able to find it for ordinary purposes. The justification for the Bill and the need for the money was contained in a speech delivered by the Premier when he brought down the Budget. We have a responsibility in that regard. The measure is a fair and legitimate one, and the Government is entitled to the money for the purposes I have outlined.

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

Ayes	..	..	..	23
Noes	..	..	..	15

Majority for	..	..	9
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## AYES.

Mr. Coverley	Mr. Nulsen
Mr. Cross	Mr. Panton
Mr. Fox	Mr. Rodoreda
Mr. J. Hegney	Mr. Shearn
Mr. W. Hegney	Mr. F. C. L. Smith
Mr. Holman	Mr. Tonkin
Mr. Johnson	Mr. Triat
Mr. Lambert	Mr. Willcock
Mr. Leahy	Mr. Wise
Mr. Marshall	Mr. Withers
Mr. Millington	Mr. Wilson
Mr. Needham	

(Teller.)

## NOES.

Mr. Berry	Mr. Patrick
Mr. Boyle	Mr. Sampson
Mrs. Cardell-Oliver	Mr. Seward
Mr. Hughes	Mr. J. H. Smith
Mr. Latham	Mr. Watts
Mr. McDonald	Mr. Willmott
Mr. McLarty	Mr. Doney
Mr. North	

(Teller.)

## PAIRS.

AYES.	NOES.
Mr. Collier	Mr. Keenan
Mr. Hawke	Mr. Hill
Mr. Raphael	Mr. Stubbs
Mr. Styants	Mr. Thorn

Question thus passed.

Bill read a second time.

## In Committee.

Mr. Marshall in the Chair; the Minister for Works in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Special appropriation of certain traffic license fees:

Mr. DONEY: I move an amendment—

That in line 3 of paragraph (b) the words "three-fourths" be struck out, and "one-half" inserted in lieu.

The Committee will recall the Minister's saying that he was not wedded to the retention of 25 per cent. by local governing bodies. The compromise my amendment suggests is so reasonable that I believe members will be anxious to embrace it. It allows the Government to retain the principle for which the Minister has been striving. I shall have a complementary amendment to move in paragraph (c). The present amendment will settle the point for members of whom we really do not know where they stand as to the Bill. I am glad to offer them a way out of their difficulty. The carrying of the amendment will relieve local governing bodies of a burden they cannot bear.

The MINISTER FOR WORKS: I expressed myself ready to consider representations from local governing authorities who could satisfy me that 25 per cent. of the traffic fees would be insufficient to pay interest on loans raised for roads. Responsible officers, however, tell me that 25 per cent. would be sufficient. Does the mover of the amendment suggest that local governing bodies require 25 per cent. of traffic fees to pay that interest?

Mr. Doney: No.

The MINISTER FOR WORKS: I must oppose the amendment.

Mr. DONEY: The Minister had that information in his possession at the time he conferred with local governing bodies, and he then indicated that he would consider a reasonable amendment.

Amendment put and negatived.

Clause put and passed.

Clause 4—Duration of this Act:

Mr. DONEY: I move an amendment—

That in lines 6 to 8 the words "and any agreement which may hereafter be made amending or in substitution of the said Federal Aid Roads Agreement" be struck out.

It will be remembered that the Minister's explanation regarding tenure had reference

only to the Federal Aid Roads Agreement as it stands; that is, until it expires. We were prepared to accept a tenure comparable to that of the agreement, because we know that the fund under that agreement is likely to be, for some little time anyhow, affluent enough to repay demands arising from the £75,000 recoup. We cannot draw that assurance from a substituted agreement. The petrol tax might be heavily reduced; and there is also this worse objection, that a new distribution would be on a purely population basis instead of a population plus area basis. If those things should take place—and changes happen quickly and unexpectedly in these times—we should find ourselves in an awkward position. I suggest that the Treasury would derive no benefit from these words if they remained, and that therefore they might as well be struck out.

**The MINISTER FOR WORKS:** I am afraid that the amendment, if agreed to, would mean that if any alteration were made during the term of the agreement, that would be the end of the legislation.

**Mr. Patrick:** It would run for the period of the present agreement.

**The MINISTER FOR WORKS:** The agreement is to continue till 1947. There might be a very slight amendment to it.

**The Premier:** One like we had before representing an alteration of one-twelfth of one-half-penny.

**Mr. Doney:** From my point of view the amendment is desirable.

**The MINISTER FOR WORKS:** The hon. member must realise that if the agreement is altered, the Bill goes by the board. I will certainly not accept an amendment which will have that effect. That would not suit me. What does the hon. member hope to gain? Parliament already has the right at any time to repeal an Act; if the legislation were found to operate detrimentally, it could be repealed. In the meantime, the Government proposes to give the Act a degree of permanency equivalent to that of the Federal Aid Roads Agreement. The only reason for the clause is to ensure that the money will be available in substitution for traffic fees that may be taken. Those affected are satisfied that they will receive payment so long as the agreement exists.

**Mr. McDONALD:** The amendment is not altogether suitable, for it may bear the construction that any variation in the agreement will automatically terminate the effect of the legislation. On the other hand, I do not regard the clause as satisfactory. For instance, one interpretation of it is that the new arrangement will apply so long as the existing agreement or any substituted agreement in modification of its terms is operative. An amending agreement might be arrived at under which the amount received from the petrol tax, or part of it, might be used for civil defence precautionary undertakings. That would divert money now used in the direction indicated by the Minister. I think that the clause could be amended with advantage. I have endeavoured to draft an amendment at short notice, but I am not satisfied with my effort. If the Minister cannot see his way clear to amend the clause at this juncture, perhaps he will undertake to secure an amendment in the Legislative Council.

**Mr. WATTS:** When first I saw the amendment submitted by the member for Williams-Narrogin, I was of opinion that it would satisfactorily provide for what was desired. Since hearing the Minister and the member for West Perth, I agree that the amendment could be greatly improved, and I feel sure the Minister will be prepared to give the matter further consideration. I have in mind circumstances that might arise if the agreement were altered, and it was decided that the amount of the petrol tax should be much reduced. Possibly the basis on which it was paid might be so varied that in the different circumstances then prevailing there would be a great reduction in the amount available. The Minister and the Premier would then agree that the basis on which the present Bill was founded had been substantially altered and it would necessitate the introduction of further legislation to give effect to the undertaking indicated by the Minister, when he said that it was intended that the Act should apply so long as the Federal Aid Roads Agreement continued at least substantially as it is to-day. I would like to see effect given to the intention of the member for Williams-Narrogin, in some other form so that if the agreement were substantially altered, the legislation would

have to be reconsidered. I hope the Minister will give consideration to that aspect.

The MINISTER FOR WORKS: I am prepared to receive an amendment from the member for West Perth and have it examined by the Crown Law Department. If necessary, the amendment could be inserted in the Bill by another place. My desire is to make sure that the money will be provided.

Amendment put and negatived.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

### BILLS (3)—RETURNED.

- 1, Reserves (Government Domain).  
With amendments.
- 2, State Transport Co-ordination Act Amendment.
- 3, Petroleum Act Amendment.  
Without amendment.

### BILL—MAIN ROADS ACT AMENDMENT.

#### *Second Reading.*

Order of the Day read for the resumption from the 26th September of the debate on the second reading.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Mr. Marshall in the Chair; the Minister for Works in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 31:

Mr. DONEY: I remind the Minister that an arrangement, similar to that made with respect to the Traffic Act Amendment Bill, relating to the Federal Aid Roads Agreement tenure, will have to be made in regard to this Bill. The two measures will then be in consonance on that point.

Clause put and passed.

Clause 3, Title—agreed to.

Bill reported without amendment and the report adopted.

*House adjourned at 10.36 p.m.*

## Legislative Council,

*Tuesday, 8th October, 1940.*

	PAGE
Motion: Rural relief, to inquire by joint committee	1133
Assent to Bill	1134
Bills: Electoral Act Amendment (No. 2), recom.	1134
Traffic Act Amendment, 1R.	1135
Main Roads Act Amendment, 1R.	1135
Income Tax (Rates for Deduction) Act Amendment, 3R., passed	1135
Metropolitan Market Trust (Land Revestment), 3R., passed	1135
Income Tax, 2R.	1135
Income Tax Assessment Act Amendment, 2R.	1141
Land Tax, 2R., Com. report	1145
Harbours and Jetties Act Amendment, 2R., Com. report	1146
Bills of Sale Act Amendment, 2R.	1148
Adjournment, special	1148

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

### MOTION—RURAL RELIEF.

*To Inquire by Joint Committee.*

HON. A. THOMSON (South-East)

[4.34]: I move—

That a message be transmitted to the Legislative Assembly requesting concurrence in a proposal that a joint committee consisting of three members of each House be appointed to inquire into and report upon such measures which may be necessary and/or desirable to relieve those engaged in the rural industry from their present financial handicaps and problems.

I hope the motion will be agreed to by this House and by the Government. The Federal Government views the position of those engaged in the rural industry throughout Australia with considerable alarm and the Federal Minister for Commerce has asked State Ministers for Agriculture to confer with him. In justice to the Minister for Lands in Western Australia (Hon. F. J. S. Wise), I consider that no individual occupying that post has ever had greater administrative responsibilities placed upon him than has Mr. Wise. We have had recent evidence of the success of the deliberations of a joint committee on a very debatable subject. That joint committee reached a unanimous decision on the matter under consideration and though hon. members exercised their right to disagree with some of the findings of the committee, there can be no doubt that its appointment was of great benefit. The solution of the problems facing the rural industry in this State requires the united effort of both Houses of Parlia-