noxious weeds. True, the measure gives it power to serve notices on people and tell them what they should do, but in my opinion that is not enough. In the earnest hope that the Bill may be amended in Committee I support the second reading.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Nicholson in the Chair; the Honorary Minister in charge of the Bill.

Clauses 1 and 2-agreed to.

Clause 3—New Section: Minister may declare methods for destroying or preventing noxious weeds:

Hon. G. B. WOOD: I suggest that progress be reported so that an amendment to this clause may be drafted.

The HONORARY MINISTER: I have no objection.

Progress reported.

House adjourned at 10.7 p.m.

Legislative Assembly,

Wednesday, 1st November, 1939.

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

QUESTION—YOUTH EMPLOYMENT, TRAINING SCHEMES.

Mr. SAMPSON asked the Minister for Works: 1, Is he aware that, in at least four of the Eastern States, subsidised training schemes are operating and many lads are thereby given an opportunity to acquire vocational knowledge and to learn trades, thus assisting to remove the hopeless outlook on the part of the youths concerned? 2, In view of the limited opportunities for the training of youth in Western Australia will he give consideration to the subject, and make an aunouncement as to whether it is the intention of the Government to take action on a subsidised basis, along similar lines to those adopted in the Eastern States, viz., Commonwealth plus State Government assistance and, if so, when?

The MINISTER FOR WORKS replied: 1, Yes. 2, It is considered that the extensions already made, together with the extensions to the Perth Technical College will, when completed, provide greatly increased facilities for the training of the youth of both sexes.

QUESTION—RAILWAYS, WORKING COST OF LOCOMOTIVES.

Mr. STYANTS asked the Minister for Railways: What are the factors taken into consideration when estimating the cost of working a locomotive?

The MINISTER FOR RAILWAYS replied: Drivers, firemen, cleaners and other running shed employees' wages. Fuel and water, etc., costs. Costs of repairs at depots and workshops.

STORED WHEAT SELECT COMMITTEE.

Extension of Time.

MR. BOYLE (Avon) [4.32]: I move— That the time for bringing up the report of the select committee be extended for two weeks.

The committee is making excellent progress, but we have a mass of material to examine and ask the indulgence of the House for a further two weeks.

Question put and passed.

BILL—SUPERANNUATION AND FAMILY BENEFITS ACT AMENDMENT.

Introduced by the Premier and read a first time.

BILL—DAIRY INDUSTRY ACT AMENDMENT.

Read a third time and transmitted to the Council.

BILL—DENTISTS.

Third Reading.

THE MINISTER FOR MINES (Hon. A. H. Panton—Leederville) [4.34]; I move—
That the Bill be now read a third time.

HON. W. D. JOHNSON (Guildford-Midland) [4.35]: The Bill that was reported is not the same as the Bill originally introduced. It is a departure from standards I have always upheld. There is a long history associated with this legislation. For several years an attempt has been made to remedy the failure of Parliament to protect the dental profession. Before 1921, I was approached, as were other members of Parliament, to take action to protect the profession against methods that were degrading it without at the same time adequately protecting

the public. The difficulty then was to devise means of doing this. Parliament failed in 1921 to do what it set out to do, namely, to clean up the profession and put a stop to shoddy practices then being indulged in. The effect of the action taken was to provide for the admission to the profession of certain unregistered men, but that did not protect the profession against the introduction of others. The result is that other people have since been added to the list of unregistered persons, and quite a number of them, under the title of assistants, are covered by the Bill now before us. Unregistered men cannot legally engage in the profession, but we know they do work in the profession under covera sort of stool pigeon affair-in such a way as to be protected against a real breach of the law. Nevertheless the unregistered man is outside the pale. In his desire to establish himself he has tried to have legislation passed to enable him to enter the profession as others did under the 1921 Act.

The late Mr. Munsie took an active interest in this matter, and he and I discussed it on many occasions. Our principal object was to maintain that which we both recognised as established industrial standards. Even for assistants in the profession we did not desire to introduce principles that we would not tolerate in regard to industrial activities generally, particularly in the case of trades and callings that necessitated the serving of an apprenticeship. In this State we have been able to maintain a standard of industrial practices that cusures a better class of workmanship generally speaking than is found in other parts of Australia. This is demonstrated by the large number of men, particularly from our workshops, who have served their apprenticeship under rigid conditions. The standards have ensured that the apprentices shall be correctly taught, that they are examined as time goes on, and that at the conclusion of their term they are either excluded from the trade or calling or are certified as competent tradesmen. In Western Australia there are two types in the profession—the skilled tradesman and the apprentice. Here we have no half-way house, which is represented by the improver. That type of individual is engaged in trades and callings in other parts of Australia, but in this State we have set up industrial standards that make such an intrusion impossible. Fortunately, that is so. The admiristrators of the Arbitration Court have sub-

scribed to that policy because they require efficiency and, therefore, I suggest that the improvers are comparable to the assistants that are provided for in the Bill. The Arbitration Court has specified, as it were, our industrial standards. In those circumstances, whenever I have been approached, as I have been on occasions, with the object of providing for those assistants, I have always pointed out that I, as a Labour representative, and one particularly interested in the industrial side of Labour's activities-I am a tradesman myself and am able the better to appreciate the dangers of practices of such a nature-I have always rigidly refused to take part in any movement that would tend to reduce our industrial standards. Quite recently a Bill dealing with the registration of engineers was before Parliament, and I welcomed that measure because it subscribed to efficiency, to perfect training, to the trades union movement being placed in a position to guarantee to the employers a supply of qualified men recognised, as the result of examinations, to be thoroughly competent.

Mr. Sampson: The Bill provides for the examination of assistants,

Hon. W. D. JOHNSON: I am coming to that point. Together with other members, I have been canvassed regarding this particular Bill. On this occasion I again realised the dangers with which the profession was threatened. To my mind, they are more acute now than ever before, and God knows it has had a very trying time. Degrading influences have been associated with it for many years past, and it is deplorable to think that the status of highly qualified men, who are outstanding as dental surgeons, is discounted because of their associations in Western Australia. They are not registered here as in other parts. They are circumscribed by the local diploma that limits their operations and, as it were, places them in a lower standard than applies to the profession in other parts of Australia.

The Premier: That does not hurt them so long as they stop here.

Hon. W. D. JOHNSON: They do not always wish to stop here; and even so, why should our dentists be regarded as on a lower standard? Why should Western Australian dentists be in a water-tight compartment? Why should they be regarded as something lower in status than their fellow dentists in other parts of the Common-

wealth? We have our own University, but why should our standards be lower here than elsewhere in Australia?

Mr. Sampson: Are you sure that is the position?

Hon. W. D. JOHNSON: The present situation implies lower standards, lower status and decreased efficiency. Prominent members of the profession have been worried about the situation for years past, and outstanding men practising dentistry in our midst-we have many that can be placed in that category-have worked incessantly, some of them even before 1921, in an endeavour to raise the profession in Western Australia to a standard comparable with that enjoyed in the Eastern States. have endeavoured, generally speaking, to elevate the profession so that our dentists can demonstrate to the world that the Western Australian standard of dentistry is high. Although our workmanship and dentistry, generally speaking, is on a high plane, the fact remains that that standard is not recognised elsewhere, and those associated with the profession here are regarded as unqualified compared with their fellow dentists in other parts. Many conferences have been held and attempts made to achieve reciprocity as between the States, but that has not been possible for Western Australia because of the extent to which unregistered dentists have been permitted to practise. The fact that we have no law to prevent those men from doing so has militated against reciprocity. In the dental profession we have not the safeguards that apply in the medical profession, in which no unqualified man is permitted to practise. Then the advent of refugees constituted another factor, and that represents a very serious menace, particularly to those engaged in the profession. To such an extent has this factor become apparent that it is now essential to do something thoroughly and quickly. The refugee problem tended to make the position of those engaged in the profession absolutely impossible. With that in mind, leaders of the dental profession, men whom I hold in the highest regard, approached me on the matter, knowing that I was interested and that I had in the past been the stumbling block preventing the passage of desired legislation. They asked me to realise the seriousness of the position and to assist in . securing satisfactory legislative protection

for them. I outlined to them what I required. I wanted something rigid, something definite. I desired a proper cleaning up of the whole situation. I wanted existing conditions to be rectified and to raise the profession to a standard of efficiency that all associated with it should desire it to attain. The Bill, as originally submitted to us for consideration, provided for a number of matters that the measure, as reported, does not contain. One outstanding point relates to the cheap-jack advertisements that appear from day to day, advertisements that are essentially degrading.

The Premier: That was included in the Bill as introduced.

Hon. W. D. JOHNSON: That is what I am indicating to the House. I maintain that it is necessary to clean up the position regarding cheap-jack advertisements. That is an outstanding necessity. When I discussed the drain of the Bill, provision to deal with advertisements was included. Then, again, I suggested that an educational provision should be embodied in the Bill so that improvers or assistants-the men who at present are outside the profession and yet practising-should attain a certain standard of education. Parliament would then have the assurance that the profession took a serious view of the need for the protection of the public. I stressed that we should provide a code, or method of educating those would-be dentists, perhaps not up to the standard of the fully qualified men already in the profession, but nevertheless education that would elevate the unregistered man and the improver, as I describe him, and provide those people with an opportunity, over a given term, attain something like adequate qualifications. In other words, they had not served their apprenticeship. I did not want them to be introduced as improvers, and I required—as I thought Parliament, and especially the Labour members would require-that there should be some means of protecting the general public; some kind of examination by means of which the public would be guaranteed that the profession within itself would try to elevate the outsiders and give them the opportunity to do better work. That was all right until the amendments were intro-One amendment, to which I took strong exception, was submitted from the Opposition benches, and dealt with the right to put up the name. I wanted some guarantee that over a period the improvers or assistants would not have public recognition. That was what was provided in the Bill. There was a guarantee in the Bill that, for a period, they would not be recognised in the profession, and during that period they would have the assistance of members of the profession to enable them to qualify. But an amendment slipped in. It was moved from the Opposition benches, and unfortunately the Minister agreed to it.

Mr. Patrick: You divided the House, did you not?

Hon. W. D. JOHNSON: Yes.

Mr. Sampson: How did the amendment slip in, then?

Hon, W. D. JOHNSON: The hon, member has been here long enough to know that if the Leader of the Opposition and the Minister agree, the rank and file have not much chance.

Mr. Stubbs: That is not correct.

Hon, W. D. JOHNSON: This is the standard of members on that side of the House. This is what they are after. Nobody knows more than does the hon, member the value of the improver in industry. We have been fighting the efforts of men in the industry to introduce this provision. The honmember has not been backward in this regard. He would like to have the improver introduced. He does not want a standard of apprenticeship. I can quite understand the attitude of the hon, member and others on that side of the House who do not comprehend or value high industrial standards, and do not realise what they mean to this country. Our industrial standards of efficiency are high compared with those in other parts, but the standard of this profession was low and we wanted to elevate it to one comparable with the standard achieved in other industries and professions. I was astounded when I examined the Bill to find that the provisions relating to advertising had been deleted. Why the Government deleted them I do not know, but that was a distinct weakening of the measure to which I would never have agreed. I very much regret that those provisions were omitted. To make the position worse, the Leader of the Opposition introduced further amendments to perpetuate the cheap-jack advertisements I have already referred to; not only to give them the right to continue, but to per-That amendment also was petuate them. agreed to by the Minister.

The Minister for Health: Why not say, by the House?

Hon. W. D. JOHNSON: When the Government introduces a Bill, I am a Government supporter, and when a Minister sticks to his Bill, I stick to the Minister. When a Minister agrees to an amendment from the other side of the House, I immediately realise that I have not any protection at all, because the combination of votes is definitely against me. I have noticed in recent times a tendency for the Government to introduce measures and to depart from them after the second reading stage by introducing vital amendments that alter the principles.

Hon, C. G. Latham: Do you suggest that Parliament should not have some say in these matters

Hon. W. D. JOHNSON: I believe Parliament has the final decision.

Hon. C. G. Latham: That is all right, then. Hon. W. D. JOHNSON: But I also recognise that the Labour movement has a majority in this House, and that we have to view these matters from the point of view of Labour policy. When we consider Bills of this kind we have to be particularly careful, and exercise sound judgment so that we will not give an opportunity for actions that will have a weakening effect on those standards to which I have already referred.

I have spoken in this way because I desire to put myself right in regard to this I wanted to help. I took part in Bill. framing a Bill that would have been effective. The Bill introduced was not the one I helped to frame, though I was prepared to accept it. But now the Bill has passed the second reading and committee stages and it contains certain weaknesses that, to my mind, make it dangerous to Labour policy, and at the same time will not proteet the public and the profession in the manner desired. We have reached the third reading stage. All I have done is to express my views so that they may be recorded in "Hansard." That is all I need. I cannot do anything else at the moment, but I did want to explain exactly where I stood. and the part I had played over the years in regard to this matter. A Bill of thiskind, though not as effective as the present one, has been on the stocks for years, and its presentation has always been delayed because of the difficulty of overcoming the system of improvership to which I have made reference. I hope the Bill will be rejected by another place. I have never relied on another place—I know better than that—but on this occasion I am doing so. After all, this is not a recognised trades union Bill; it is not a strong Labour Party Bill. I hold very definite views, being a tradesman. There are not many men on the Labour side of the House who have served their aprenticeship as tradesmen. If they had, they would know exactly what it means.

Mr. Needham interjected.

Hon. W. D. JOHNSON: It has something to do with the hon, member.

Mr. SPEAKER: Order!

Hon. W. D. JOHNSON: The hon. mcmber worked as a boilermaker's helper.

Mr. SPEAKER: Order! The member for Perth is not mentioned in the Bill.

Hon. W. D. JOHNSON: I know he is not. I am giving an illustration of exactly how the improver system operates. The hon. member worked in a calling against some of the leading tradesmen of the world, but he is not a tradesman.

Mr. Needbam interjected.

Hon, W. D. JOHNSON: The hon, member never claimed to be, because—

Mr. SPEANER: Order! I think the hon, member had better discuss the Bill.

Hon. W. D. JOHNSON: All I want the hon, member to do with regard to this Bill is to practise what he preaches in other places. It is all very well to say not to be personal, but I want to expose things of this kind as weaknesses that are dangerous. I have expressed my views and have got them recorded. I leave it at that, and other members can please themselves what they do.

MR, SAMPSON (Swan) [5.0]: I consider that the comments made by the hon. member at this juncture are quite unjustified. The hon, member was present during the other stages of the Bill and had ample opportunity to speak and, if necessary raise ob-Personally I regard the measure jections. as an excellent one-one calculated to assist a body of men who are in a very difficult position. I recall that when I had the honour of being Colonial Secretary, this question was discussed on various occasions, and I was very anxious that consideration should be given to enable the men who were qualified, subject to examination-this Bill provides

for examination—to carry on their work as assistants.

Mr. J. Hegney: How long ago was that?

Mr. SAMPSON: That was in 1922, 1923 and part of 1924. The same need for extending consideration to those engaged in this skilled calling applies today.

Hon. W. D. Johnson: Why should you want to amend in 1922 a measure that was passed in 1921?

Mr. SAMPSON: I wanted to give consideration to dentists' assistants. That is the particular point, and only because of the remarks of the hon, member have I risen to speak. I am convinced that he is taking a very unfair view of the measure. The Bill is designed to assist those who must depend upon Parliament to help them out of a very difficult position. So far as I am aware, this is not a party measure. I do not know that any particular blame can be levelled at the Leader of the Opposition or at any member of the Country Party or of the Labour Party. Surely we can consider these matters from the point of view of the welfare of those concerned without being prejudiced because of some party bias which the hon, member, at one stage of his remarks, suggested had influenced the Bill.

There is another matter to which I wish to refer, namely, the display of the name on the window or building. Why should it not be displayed? Surely if a person is qualified there is every justification for displaying the name. It is the business that does not display a name, I should imagine, that should be open to suspicion. I was pleased when the Leader of the Opposition took part in the discussion on that part of the Bill relating to the displaying of a name.

Hon, W. D. Johnson: Of course you would

Mr. SAMPSON: Yes, and I hope I always shall be.

Hon. W. D. Johnson interjected.

Mr. SPEAKER: Order! The hon, member for Guildford-Midland has already spoken.

Mr. SAMPSON: If the hon, member went into business, surely he would want to display his name, so that passers-by desirous of dealing with him would know whom to ask for. The displaying of the name would indicate that the hon, member was not ashamed to be known in the business.

Hon. W. D. Johnson: I was registered.

Mr. SAMPSON: What does that mean? If a man has the qualifications of a tradesman, that is what counts. If we debar every one who fails to hold some mythical certificate of examination, we shall be adopting a very harsh attitude to a large section of the community. A book that does not bear the name of the author is usually a disreputable work, and I shall not support any measure that proposes silence in this matter or the non-statement of a vital point such as the author of a book, the publisher of a newspaper, or the owner of a business. I did not speak on this Bill in the earlier stages because I thought the proposals were fair and proper, but I feel it only right to make a protest at this stage on account of the remarks of the hon, member. For that reason I have ventured to voice my opinion.

Question put and passed.

Bill read a third time and transmitted to the Council.

BILLS (3)-THIRD READING.

- 1. Dried Fruits Act Amendment.
- 2, Factories and Shops Act Amendment (No. 2).
- Transfer of Land Act Amendment.
 Transmitted to the Council.

BILL—GOVERNMENT RAILWAYS ACT AMENDMENT (No. 1).

Third Reading.

THE MINISTER FOR RAILWAYS (Hon. E. Nulsen—Kanowna) [5.6]: I move—

That the Bill be now read a third time.

MR. SAMPSON (Swan) [5.7]: When this Bill was being considered in Committee, I asked the Minister whether the Commissioner of Railways would make it a condition of leasing Government lands that rates should be paid by the lessees to the local authorities. I felt it was essential, if fair treatment was to be accorded to other people in business, that a lessee should pay his quota towards the cost of the services provided by the local authorities. I should be pleased to have some information from the Minister.

THE MINISTER FOR RAILWAYS (Hon. E. Nulsen-Kanowna-in reply) [5.8]: I have been in touch with the Deputy Commissioner of Railways and have discussed the position with him. He has informed me that all railway land lease-agreements contain a clause that the lessee shall pay all rates and taxes payable in respect of the land in question. In municipalities such rates and taxes are collected by the councils concerned from the lessee, but in road districts the boards have power to collect rates only from the owner of the land, and therefore cannot collect from the lessee. This is supported by the opinion of the Crown Sol-The Deputy Commissioner is quite icitor. sympathetic, but as the Act stands he does not know whether any agreement could be put into force if the lessee refused to pay the rates. An amendment of the Act would be necessary. I have consulted the Crown Law Department also and have received a similar ruling. I have been informed that the point has never been tested; if it was tested, we would have something definite to work on. Possibly a private person leasing railway land in a road district could not be compelled to pay the rates.

Mr. Sampson: The Deputy Commissioner of Railways is agreeable to making that provision in the leases?

Ston in pile leases:

The MINISTER FOR RAILWAYS: Yes. Question put and passed.

Bill read a third time and passed.

BILL-LAND ACT AMENDMENT.

Report of Committee adopted.

BILL-MUNICIPAL CORPORATIONS ACT AMENDMENT (No. 2.)

Second Reading.

THE MINISTER FOR WORKS (Hon. H. Millington—Mt. Hawthorn) [5.12] in moving the second reading said: This Bill proposes an amendment to paragraph (vii) of Subsection (4) of Section 111 of the Municipal Corporations Act, 1906-38, as reprinted. This was Section 110 of the amending Act of 1938 before the reprinting. The Bill proposes to correct an anomaly which is found to exist in cases where a municipal district is not divided into wards. There are seven such municipal districts in the State. The original section proved

workable where only two councillors were required, but the anomaly occurred where three or four councillors were to be elected, because, when counting for the candidates after the first two, the votes for the first candidate elected would be entirely disregarded, and only the second preference votes of the succeeding elected candidates would be distributed amongst the remainder. The amendment will allow of the whole of the preference votes being used right down to the count for the last candidate. This is the procedure now adopted in parliamentary elections such as for the Commonwealth Senate where there is more than one candidate to be elected.

Mr. Doney: Is it a precise copy of the Senate method?

The MINISTER FOR WORKS: same principle is adopted. This amendment was redrafted in collaboration with the Chief Electoral Officer of the State, who assures me that by substituting the proposed new paragraph (vii) for the old one, the provisions of Subsection (4) of Section 111 will be in order and quite clear. The urgency for the amendment is that it affects the count for the seven municipalities referred to, and the municipal elections take place on the fourth Saturday of this month. It will not be possible to count the votes directly unless the Bill is passed. That is nearly all I need say. We have now the assurances of the Solicitor General and the Chief Electoral Officer that the matter is in order and that under this measure it will be possible to count the votes correctly. In the absence of the amendment, however, that could not be done. Therefore the amendment is urgent. I move-

That the Bill be now read a second time.

On motion by Mr. Doney, debate adjourned.

BILL—WHEAT PRODUCTS (PRICES FIXATION) ACT AMENDMENT.

Returned from the Council without amendment.

LOAN ESTIMATES, 1939-40.

Message.

Message from the Lieut-Governor received and read transmitting the Loan Estimates for the year 1939-40 and recommending appropriation.

In Committee.

The House resolved into Committee to consider the Loan Estimates, Mr. Marshall in the Chair.

Vote-Departmental, £107,282:

THE PREMIER AND TREASURER (Hon. J. C. Willcock-Geraldton) [5.19]: In submitting the Loan Estimates for this financial year, I think I am safe in saying that the loan expenditure of a Government is a matter which deserves and requires most serious consideration. Indeed, it would be no exaggeration to say that the borrowing of money on behalf of a State, and the spending of that borrowed money, should be viewed with the same degree of seriousness as would be by a private individual the borrowing of money which must be repaid. No prudent and careful individual would borrow money unnecessarily; nor would he spend that money carelessly. He would endeavour to be satisfied that the borrowed money would give an adequate return, being spent on some tangible asset, and that the repayment of the loan was within his capacity. In my opinion, that should be the attitude of Government and Parliament relatively to the expenditure of loan money. I am afraid, however, that similar careful consideration is not always given to Government borrowing and spending. Just as a private individual who spent borrowed money foolishly would soon find himself in financial difficulties, so a Government pursuing a similar course finds itself in a like position, as also does the State.

In an ideal State the Government would not spend loan money except with the intention of providing assets for essential reproductive nature or requirements the expenditure in connection with which is too large to out of one year's revenue. The acquisition of essential requirements, however, which in themselves are not reproductive, has to be considered in the light of the ability of the State to make repayments at least during the life of the asset required. The difficulties created by unwise loan expenditure are obvious. If the objective on which the loan money is

spent is not in itself reproductive—that is, if it does not provide revenue sufficient to meet working expenses and provide a surplus to meet the loan charges on the borrowed money expended upon it-then the other revenue of the State has to meet any shortage. If such a policy is pursued, evidently too great a proportion of revenue will be absorbed in loan charges. Then, in order to meet this position, taxation has to be raised; and as there is a limit to the amount of tax which Governments can impose, the final result might well be that there would be insufficient revenue to provide for essential services. As I have already stated, under ideal conditions we would restrict our loan expenditure to the provision of reproductive assets.

However, we are not living in ideal conditions, and the facts that exist have to be faced. And the outstanding fact in this regard is that the Government has to endeavour to find work for approximately 7,000 men, who are dependent on the Government either for sustenance or relief work. Thus there is created a conflict between a natural desire to restrict loan expenditure and an abhorrence of keeping in idleness a large body of men who are willing and anxious to work and thus earn their own livelihood.

Mr. Doney: Where did the extra thousand unemployed come from? I thought the Minister for Works yesterday said 6,000.

The PREMIER: I am giving approximate figures.

Mr. Doney: So was the Minister for Works

The PREMIER: I said, approximately 7,000 men. I may add that the variation in the number of men so employed is as much as 700 or 800. At the end of July there were 500 more persons out of work than there were a month later.

Mr. Doney: But there is no material difference in the numbers as between to-day and vesterday.

The PREMIER: I do not know that the Minister for Works said yesterday that there were 6,001 or 6,002 persons unemployed; nor do I say now that there are 6,999. I say the figure is less than 7,000.

Mr. Doney: Now the Premier is quibbling. He said, approximately 7,000.

The PREMIER: There are nearly 6,000 of these men at work, and there are considerable numbers of men on sustenance,

though these are being rapidly brought back into work during this fortnight. figures do vary. If there is a week or two of fine weather and the crops indicate that they will require a considerable amount of casual labour to take them off, it might be that within the next two or three weeks we should have 600 or 700 men employed throughout the State in garnering the harvest. This, it is hoped would reduce the number of our unemployed by just that figure. The Northam Camp, for instance, made a difference of 200 to 300 men. I may say there are about 400 men employed on that work. And that is not the only work suddenly started by the Federal Government for men about to undergo military training. So that if my figures should be somewhat different from those of the Minister for Works, the difference is not such as to entitle the member for Williams-Narrogin (Mr. Doney), with a serious face, to charge me with quibbling. I hope the hon. member will now withdraw the imputation. I feel sure all hon members will agree with me that nothing can be more demoralising for any man than to find himself in the position of being continuously unemployed; and as a community can be no healthier than the individuals who make up the community, it might well be that failure to provide work for large sections of the community would ultimately undermine the social and economic health of the whole. As I have stated on previous occasions, I make no apology for the Government's action in borrowing money in order to finance public works with the object of relieving unemployment. Naturally, we all hope that the necessity for this action is a temporary phase; but unfortunately conditions in Western Australia have been peculiar.

The world-wide depression which began towards the end of 1929 and early in 1930 threw large numbers of men out of work. One of the decisions reached at the Premiers' Conference of 1930, which endeavoured to grapple with the problems arising from the depression, was that money should be made available in the first place by the Commonwealth Bank, through the issue of Treasury bills, to finance public works to provide employment. It was presumed that the advancing of that money would furnish an impetus to private enterprise, and that business would gradually recover. As regards Australia as a whole the

plan may be said in this respect to have In this State, nowever, been successful. just as things had reached the stage when it looked as though we were emerging from the worst of the depression, we were faced with one of the most prolonged droughts in Western Australia's history. The effect that drought was very quickly felt throughout the whole economic life of our Indeed, the effect of the drought was such that we actually suffered from another depression; and though unemployment decreased as compared with what it had been in the depth of the depression, conditions were far from normal and the Govcumment had to face the necessity of continuing unemployment relief works. It may be said that the drought as affecting pastoral and agricultural industries tended over a period of four years.

Mr. Stubbs: Seven years in some districts.

The PREMIER: It was highly unfortunate for the State that coincidentally with the expenditure of loan money which would have made business conditions in Western Australia better, we should have suffered this disastrous drought. I have never either neglected nor hesitated to say that coincidentally with that state of climatic conditions and its effect on the pastoral and agricultural industries, we were extremely fortunate by reason of the goldmining industry expanding rapidly and so providing ployment for-I venture a figure again, though it may be challenged—an extra 10,000 men. In spite of that fact, while the number of unemployed quickly decreased, it was necessary for the Government to continue the expenditure of money on public works to keep numerous men in employment in this part of the State. need for that relief has continued now for a period of nine years; will readily be understood, difficulties are now appearing which were not apparthe beginning of the period. During the last two or three years we have experienced great difficulty in absorbing in employment large numbers of men without correspondingly increasing amounts available from loan. There is only a limited amount of loan money available, and the Government has to spread that money as far as possible over those requiring work. Although in a young State like ours much development work still remains to be done, not

all these requirements provide work absorbing large numbers of men; hence it has been necessary from time to time to set aside most desirable work for work which is less desirable, but which absorbs more labour. With the passing of each year the difficulty of finding good labour absorbing jobs is becoming more pronounced, and an increasing proportion of our loan money has to be expended on the purchase of material or in directions other than in payment of wages. This naturally has the effect of reducing the amount of work which the Government can provide. War conditions have not so far provided any easement, because the men who have been put out of work as a result of war conditions have not been and cannot be absorbed by other industries, as there are so few in this State that are carrying out work of national importance. In this respect the Eastern States have a big advantage over us. With the expenditure of substantial sums by the Commonwealth on defence, and the absence from industry of a large number of men undergoing military training, it is inevitable that the demand for labour will increase; indeed it is probable that in Victoria and New South Wales the unemployment problem will almost completely disappear.

Mr. Patrick: Victoria says the position is worse.

The PREMIER: We saw in the Press only this morning that tens of thousands of suits of clothes, hats, overcoats, rugs and socks were being manufactured in New South Wales and Victoria. All these articles are above the normal requirements. In addition, there is tremendous activity in those States as the result of the expenditure of not hundreds or thousands, but millions, of pounds for defence purposes. How would Western Australia flourish if that money were being spent here!

Mr. Sampson: There is not much of that money coming to Western Australia.

The PREMIER: No. There has been some defence expenditure here, resulting in a slight casement.

Hon. C. G. Latham: The work carried out at Northam was nearly all labour.

The PREMIER: Yes. It decreased the number of unemployed from 7,000 to 6,600 in one week.

Hon, C. G. Latham: And there was the work done at Rottnest.

The PREMIER: Yes. I am informed—and members will be gratified to hear it—that the Albany Woollen Mills have received orders for all the blankets they can manufacture until the end of next year. That will mean increased employment, and the money which the workers will earn will circulate in the State. Industrially, our State is not at all comparable to the States of New South Wales and Victoria.

Complaints have been received by the Government from people on sustenance. They say it is very difficult for them, after having obtained work in the country, again to secure employment on what are termed relief works. These workers need not have any hesitation now about accepting work in the country, because a much more liberal policy will be adopted towards them. When this policy becomes generally known there will be no hesitation on the part of people capable of doing work in the agricultural districts in accepting such employment during the busy times which must ensue about a fortnight hence and continue until Christmas or January.

In considering the loan requirements for this financial year, many desirable requests have had to be set aside. I do not desire to criticise extravagant requests made by some of the States for loan moneys. Some of the States seem to ask for a great deal in the expectation of getting part.

Hon, C. G. Latham: I think we do better because we have not any semi-Governmental borrowing going on.

The PREMIER: Yes. We did have one or two items for semi-Governmental works, but we were asked to delete them. This we did, and on that account were able to obtain a reasonable allocation. I think our requests were reduced by only ten per cent.; but the requests of some other States were reduced by 50 per cent. It was indicated last January that loan requirements for semi-Governmental borrowings on behalf of all the States reached a total of £23,000,000 or £24.000,000. This was reduced by the Loan Council to £8,500,000. Peorle in Western Australia will no doubt be pleased to learn that semi-Governmental borrowing, which has assumed tremendous proportions, is now to be checked. These borrowings, it will be recalled, have been much criticised in Western Australia, so members will no doubt be pleased to learn that the problem has been grappled with. These borrowings will not now absorb nearly as much of Australia's available resources as they did some 12 or 18 months ago. If other States care to reduce their borrowing programmes in order to obtain other money for semi-Governmental purposes, they may do so, but unless the States do that, their semi-Governmental borrowings will be restricted to an amount which will not interfere seriously with the borrowings by the Commonwealth and the States for purely Government works.

Members are aware that the Commonwealth Government has invited me to attend a meeting of the Loan Council to be held at Canberra this month. I have already received a letter from the Prime Minister asking me to endeavour by every means possible to reduce the amount of money this State may require; but I have put forward a very modest request, and because the other States are undoubtedly receiving considerable benefit from the expenditure of defence moneys within their borders, if there is to be a reduction in the amount of loan moneys available for the States, I think the States receiving the benefit should have their borrowings reduced. It is absolutely necessary for us to continue to provide work for our unemployed.

The Commonwealth Government has indicated its intention to go on to the loan market; and defence expenditure does not come within the purview of the Loan Coun-The Commonwealth Government's intention is to approach the loan market for a loan of £10,000,000 this year. I understand its total requirements amount to about £41,100,000. It is apparent, therefore, that Australia will be severely strained to provide capital for loan works. Although such formidable inroads are being made on money available for investment, it must be remembered that some of that money will again become available for investment. The Commonwealth Government has seen fit to create a board that will deal with new issues of capital. I feel confident that that board will restrict the investment of capital to undertakings of a useful character and helpful to the economic life of Austra-I feel sure the board will refuse to allow the raising of money for purely speculative purposes, or even for luxuries.

Mr. Lambert: Will that apply to mining?

The PREMIER: No. It is always hoped that the expenditure on mining will result in the production of gold. That is very important so far as the economic position of Australia is concerned. For the next year or two, however, if the war should unfortunately continue so long, I am of opinion that the board I mention would not allow the investment of capital in the erection of palatial picture theatres, such as have been creeted during the past few years.

Member: Will each State have a representative on the board?

The PREMIER: No. It is purely a Commonwealth board. Should it become necessary for the board to seek the advice of the States, no doubt the States will have the opportunity to tender it. I think the board will outline a broad policy, under which the capital resources of Australia will be devoted to defence requirements and the prosecution of the war, not—as I have said—to speculative enterprises or to what I might term luxury expenditure.

Mr. Lambert: The Commonwealth is finding half a million for the Sydney Post Office. That work should be postponed.

The PREMIER: I do not know whether the hon, member is aware that during the last 15 years the business at the Sydney Post Office has trebled itself. Thus one would think it was about time that something was done to cope with that growth of work. It is an undertaking, too, that I should not think anyone would object to see put in hand.

Mr. Styants: That work was put in hand before the declaration of war.

The PREMIER: While I do not think we should discuss the Commonwealth policy in regard to expenditure on public works, from my own experience I know that it has been necessary for some time to provide additional accommodation at the Sydney Post Office.

Another feature which has a very important bearing on the stability of Government finance and which I think is frequently overlooked is the work of the National Debt Commission. As members are aware, all new debt floated has to bear sinking fund at the rate of 10s. per cent., half being provided by the States and half by the Commonwealth. The Commonwealth, of course, provides its own sinking fund for the loans it raises. The total contributions to the sink-

ing fund are now in the vicinity of £6,000,000 per annum, and this money is employed by the National Debt Commission to purchase Government stock on the market. The effect of the Commission's work is twofold. tends to keep in circulation money that would otherwise be tied up in Government stocks. making it available for further investment, if required, and at the same time tends to keep the price of Commonwealth stocks at a fairly level figure. Though there has been a tendency for interest rates to rise, I am hopeful that the next loan floated will carry interest somewhat less than 4 per cent. There is no doubt that a high interest rate is unhealthy, and I was pleased to note from a Press report that in Great Britain there was a tendency to return to cheaper money. Every endeavour will be made for that condition to obtain in Australia so that all loans may be floated at reasonable prices.

Hon. C. G. Latham: A law should be passed to prohibit more than 5 per cent. being charged.

The PREMIER: 1 am inclined to agree with the hon, member. At this time last year we had a tremendous obligation to meet in Australia, the conversion of £70,000,000 odd. The conversion was carried out at a little less than the original rate of interest, I think £3 17s. 6d., a shade under par. That was not a small undertaking. I am hoping that the standard then set will continue. At any rate, every effort will be made by all to endeavour to maintain that rate.

Hon. C. G. Latham: A fair amount of that sum was underwritten.

The PREMIER: That does not matter. The holders in Australia—the amount, I think, was £50,000,000—were prepared to accept the conversion rate, which was a little less than par. If we can maintain that standard in troublous times, we can accomplish excellent work for the people of Australia.

I wish to turn now to consideration of the public debt. At the 30th June last it stood at £95,472,600, which represented an indebtedness per head of the population of £204 11s. 9d. The figures showing the in-

crease in the public debt in the last financial year are as under:—

	£
Net debt at 30th June, 1938 Sinking fund	93,404,730 307,211
Gross debt at 30th June, 1938	93,711,941
Less adjustment of liability, May, 1938, loan	4,290
From flotations during year Western Australia received— C'wealth Feb. 1939 loan 924,760 May 1939 , 667,000 Domestic ruising . 292,855 Expenses of conversion loan	93,707,651
ury bills 445,000	2,346,936
Redemptions during year	96,054,587 581,987
Gross public debt, 30th June, 1939 Sinking fund	95,472,600 359,65 6

Net public debt, 30th June, 1939 . . £95,112,944

These figures of public debt include an amount of £9,303,014 of short-term or floating debt. This floating debt represents an indebtedness which existed in London when the loan market there was closed and loans could not be floated to redcem the bank overdrafts and temporary accommodation which had been provided. The amount owing in London is £2,998,014. The balance of the floating debt, namely £6,305,000, represents Treasury bills issued in Australia. There are now no new issues of Treasury Bills except those granted to the Commonwealth Bank in return for temperary accommodation for revenue purposes. bills have to be redeemed in the year in which they are issued. There is thus no increase in the total amount of Australian Treasury bills from year to year. happens is that a loan closes, we spend money and then perhaps another loan is not floated in time. In the interval, until the next loan money is provided, Treasury bills are issued by the Commonwealth Bank, and they are always redeemed from the next loan raised. In that way, there is no increased amount owing by the State on account of Treasury bills.

The increase of £445,000 which appears in the figures I have already quoted relating to the public debt, were bills re-issued dur-

ing the year which at the beginning of the financial year had been temporarily cancelled through the flotation of a loan. The procedure adopted by the Loan Council is to cancel temporarily Treasury bills when a loan is floated, and re-issue the bills as the loan money is drawn by the States. If this were not done, the States would have to pay interest on the Treasury bills, in addition to paying interest on the loan floated while the money was still lying the Commonwealth Bank. During the last financial year the Loan Council negotiated the conversion loan of a large section of the internal debt. The result of that conversion is well known to members, and there is no need for me to explain in detail the effect of it. The 4 per cent. loan was converted to one of 31/s per cent, at par. The amount held by this State in that loan was £2,906,938 15s. 1d., comprising £114,930 3 per cent. stock, and £2,792,008 15s. 1d. of 4 per cent. stock, and £462,972 10s. of £4 13s. per cent. stock. Of that debt £151,002 10s. was redeemed from the sinking fund, and the balance has now been converted to new stock As a result of the of 3% per cent. at par. conversion, a slight saving of interest will be enjoyed. I cannot give the exact amount, but it is gratifying to know that the position is improving.

I turn now to a review of last year's expenditure and the estimate of the expenditure this year. The estimated expenditure this year as compared with the actual expenditure of 1938-39 is as follows:-

1,698,111 	2,210,863
_	
33,748	31,903
	352,678
	979.659
172,327	196,500
41,385	59.000
871,143	1,040,000
83,912	91,500
	332,000
103,104	107,282
£	£
1938-9.	1939-40.
Actual	Estimate
	1938-9. £ 103,104 218,352 83,912 871,143 41,385 172,327 174,140 33,748

Although it would appear from these figures that we have available for works this year £513,000 more than we had in 1938-39, that is not the case. The estimated additional funds that it is hoped will be available amount to £305,000. The increase of £513,000 is made up as follows:--

	£
Difference between Loan Council	
approval for 1939-40 and amount	
received in 1938-39	116,000
Difference between deficit 1938-39	-
and estimated deficit for 1939-40	189,000
Estimated additional funds	£305,000

Whether circumstances will enable us to realise a deficit of £30,000, we cannot tell. Last year the deficit was £220,000, whereas this year we have budgeted for a £30,000 deficit. If that be realised, it will mean decreased expenditure from Loan Funds of about £189,000, for deficits come out of Loan Funds.

I will give the Committee figures with regard to Railways. Tramways, Electricity Supply and Ferries. The expenditure last year was £218,352, and the provision this year is £332,000, an increase of £113,648. The expenditure on additions and improvements to opened railways in 1938-39 was £167,667. The principal works consisted of deviations, regrading and reballasting of different sections, with a view to decreasing costs and increasing loadings. The construction of new dams and improvements to existing supplies were carried out, and mechanical coaling plants were installed at various centres. Other works consisted of the construction of stockyards, and the construction and strengthening of bridges. Particulars of the various works appear in the Commissioner's report, which has been placed on the Table of the House The provision for railways for the current year, namely, £225,000. is for works of a nature similar to those that were carried out last year, namely, ballasting, regrading, improvements to and strengthening of bridges, etc. The strengthening of bridges on main lines is necessary for the carrying of the heavier rolling stock now in use and under construction; and a progressive programme of strengthening has been in hand for some time. This work is necessary so that heavier locomotives and trains may pass safely over the bridges. The increasing number of stock in agricultural districts necessitates the provision of new trucking vards at several sidings where such facilities are not now available, and the enlargement and improvement of existing yards at a number of places. The replacement of the existing coaling facilities with modern coal-handling plants will expedite the loading of engines and effect economy in handling and maintenance costs. The proposed regrading and deviations will render it possible to haul heavier loads, with consequent economy.

Provision has also been made for additions to and the equipment of the Midland Junction Workshops. This is necessary for dealing efficiently and economically with the many works now carried out there.

Last year the expenditure on rolling stock was £25,000. That included expenditure on the construction of locomotives, wagons, and the super-heating of locomotives. For the continuance of the programme £60,000 has been set apart. This will include the superheating of ten locomotives, and the commencement of the construction of ten new "S" class locomotives. These will be of an improved type with greater haulage capacity than is possessed by any of the existing stock, and will be required to cope with present and prospective demands of traffic. I think these engines will have the largest tractive power of any locomotive in Western Australia. It is pleasing to know that all these locomotives will be manufactured almost entirely at the Midland Junction Workshops, thus providing work for our skilled employees, and rendering it unnecessary to send money out of the country.

Mr. North: Are they for goods traffic?

The PREMIER: Yes. The passenger type of engines is at present up to date. The expenditure on tramways last year was £8,000, and represented the balance required in connection with the new trolley buses. An amount of £1,000 has been provided this year for minor works.

Mr. Cross: Have you put anything down for trolley buses for South Perth?

The PREMIER: I am sorry to say there is no sum on the Loan Estimates to cover such an item.

Hon. C. G. Latham: He is not entitled to them because of all the bridges he has had built in his electorate.

The PREMIER: Apropos of the trolley bus service, may I say that five new buses were placed in commission last February. The chassis were imported from England and the bodies manufactured and fitted at Midland Junction Workshops. The operations for the year resulted in a surplus of

£7,668 after providing interest, compared with £1,136 for 1937-38. Last year £15,000 was provided to meet commitments in connection with the new "B" electricity station It is not expected that further funds will be required for this purpose. The £45,000 set aside for the current year is to carry out extensions to the system to meet the demand for current. This expenditure will be highly reproductive and will also meet a long-standing need.

Hon. C. G. Latham: I hope the current will go to Roleystone.

The PREMIER: I know that the member for the district, which includes Roleystone, is extremely anxious with regard to this expenditure. I am pleased that the Government was able out of a comparatively small amount of loan money to set apart £45,000 for the extension of electric current. Many places have been crying out for this for many years. Most members will agree that the use of electric power by the settlers leads to greater production with consequent benefit to the State as a whole.

For ferries the sum of £5,000 has been set aside. This is for the purchase of a new launch for the South Perth services.

Mr. Cross: That item has been on the Estimates ten times already.

The PREMIER: And it is on again this year.

Hon. C. G. Latham: We have not yet got the Loan Funds.

The PREMIER: The programme is in anticipation of our getting the money.

Hon. C. G. Latham: If you do not get it, cut out the ferries first.

The PREMIER: The expenditure last year on harbours and rivers was £83.912, and the provision this year is for £91,500, an increase of £7,588. During the year the North Wharf reconstruction work and the addition of 120 ft, to the Woodman's Point explosives jetty were completed. Dredging at the eastern end of the harbour was proceeded with, and the bellmouthing of the entrance channel was commenced. At Bunbury additions and improvements to the wheat bulk handling terminal were carried In connection with Swan River improvements the following works were prowith: - Up-river ceeded scheme. Perth, levelling and walling; similar work along the Riverside Drive and the South Perth foreshore; and the Dalkeith-Nedlands-Subiaco reclamation and walling were completed. In the North-West the principal work consisted of repairs to the foreshore at Port Hedland, consequent upon the havoc caused by the cyclone. This work will be completed during the current year. The bell-mouth dredging will be continued, as will also be the extension of Victoria Quay and the necessary dredging. The Swan River reclamation works will be continued.

With regard to water supplies, sewerage, irrigation and drainage works throughout the State, the expenditure last year was £871,143, and the amount provided for the current year is £1,040,000, an increase of £168,857. The town water supply works last year consisted mainly of boring at Wicherina Reservoir and reconditioning and relaying the town mains in the northern end of the Geraldton townsite.

Hon. C. G. Latham: How is the artesian bore getting on?

The PREMIER: Not very well, but we have a lot of material on hand and we expect the work to be carried out very soon. For the information of the member for Williams-Narrogin (Mr. Doney), I point out that improvements are being made to the Narrogin water supply, including the waterproofing of 50 acres of catchment area. According to the engineers, Narrogin will now possess an ample water supply. I hope their prognostications will prove correct. Provision is also made for the construction of a water supply at Brunswick for town and railway purposes. The reconditioning of the Geraldton town mains will be completed this year, and we are providing for additions and improvements for town water supplies and catchment areas generally.

On metropolitan water supply the expenditure during the year was £124,269. The principal works were:-Progress with construction of Canning Dam, relaying 24in. main along Stirling Highway, laying 30in. main along Cambridge-street, Wembley, and reconditioning the hills mains. During the year considerable progress was made with the construction of the Canning Dam, the wall of which has reached an average height of 185 ft. above the bed of the stream. capacity The present storage 10,000,000,000 gallons. Should the present rate of progress be maintained, the dam will be finished by the end of the current financial year. We shall soon have to look for other jobs for our people, for this particular one has been the means of employing a great many persons. A sum of £155,000 has been placed on the Estimates for the completion of this work, the continuation of the reconditioning of hills mains, and an extension of the water supply system to North Beach. If the people of North Beach are prepared to stand up to their obligations, the Government is prepared to advance money to carry out this necessary work in their salubrious centre.

The expenditure under the heading of Metropolitan Sewerage and Drainage last year was £329,329, and the provision this year is £275,000, a decrease of £54,329. This work is nearing completion and has also proved particularly useful in finding employment for our people. During the year the reticulation of areas south of the river was continued. Progress was made with the sewering of Bayswater, Bassendean and Guildford, and further reticulation in the Claremont-Cottesloe area. drain from Swan Lake to the river to serve the area in the vicinity of the Bayswater recreation reserve was completed. will be continued in connection with the Bayswater, Bassendean and Guildford sewerage, and additional areas in the Claremont-Cotesloe, South Perth and Maylands districts, as well as on the North Perth and Maylands stormwater drainage.

The expenditure on Goldfields Water Supply last year was £211,695, and provision has been made this year for £265,000, an increase of £53,305. The major works carried out last year were-Renovations of main conduit; cement lining of reticulation mains at various centres; purchase of and laying of new pipes for main conduit: and repairs and extensions to branch mains. It is proposed this year to make further progress with improvements to and reconditioning the main conduit, and the cement lining of reticulation mains will be continued. Other proposed works include the reticulation of Kellerberrin, Tammin and Darlington, and additional storage capacity at various centres.

On water supplies in other goldfields the expenditure last year was £8,564 and the provision for the current year is £9,000. The work in these districts is of a minor nature, consisting chiefly of improvements to reticulations and extensions and the provision of meters. The expenditure last year on water supplies, irrigation and drainage in agricultural areas was £149,852 and this

year £290,000 will be spent, an increase of £140,148. The expenditure last year was in respect of irrigation, channel lining and drainage in the Collie, Harvey and Waroona irrigation areas, the completion of Gavan's gully and comprehensive drainage scheme: the commencement of the construction of the Samson's Brook dam for irrigation purposes; and roofing and improvements to and construction of tanks in agricultural areas generally.

Sitting suspended from 6.15 to 7.30 p.m.

The PREMIER: Prior to the tea suspension I was dealing with irrigation work proposals for the South-West. Provision is made in these Estimates for work of that nature. The construction of the Samson's Brook Dam will be continued, and a commencement made with the construction of the Stirling Dam. The Samson's Brook Dam, which will have a storage capacity of 1,800,000,000 gallons, will provide for the irrigation of further areas in the Waroona flats. The work, estimated to take two years to complete, will provide employment for about 110 men. The Stirling Dam, situated about 10 miles east of Harvey, will have a storage capacity of 12,000, 000,000 gallons. This will provide for the irrigation of areas in the Harvey and Waroona districts not served by existing schemes. The work will occupy three or four years, and will provide employment for an average of about 250 men.

With regard to the development of the goldfields, last year's expenditure £41,385. The provision on the Estimates is £59,000, an increase of £17,615. previously, last year the expenditure was principally for assistance to prospectors, erection of, and improvements to, State batteries, and loans under the Mining Development Act. This year's provision is for Expenditure purposes. 1938-39 on assistance to prospectors was £31,390, of which £4,439 was repaid by those assisted. During the six years the scheme has been in operation, the Government has advanced £130,376 and repayments bave totalled £23,203. The Minister for Mines, when dealing with the Estimates for his department, will be able to tell members increase has been effected what the production of gold since the scheme was inaugurated. The assistance given

in the past has been supplemented Commonwealth grants, from source £3,170 was expended last year. The total Commonwealth assistance to the 30th June last amounted to £80,904. Unfortunately for Western Australia that assistance has now ceased; and all future payments, apart from repayments by those whom the Government has helped, will have to be met from General Loan Fund. For the current year, £36,000 is provided for the purpose. Expenditure on State batteries last year included provision for a new 5-head battery at Marble Bar, and the conversion of the Boogardic Battery from a 5 to a 10-head plant.

As regards development of agriculture, forestry and so forth, last year's expenditure aggregated £172,327, and this year's provision is £196,500, an increase of £24,173. In connection with abattoirs, the expenditure last year was £1,818. The provision this year is £4,500, and the principal work to be undertaken will be the erection of cattle yards at Robb's Jetty. Expenditure under the heading "Development of Agriculture" was principally for reconditioning and clearing vacant holdings, and for clearing operations at Wooroloo Sanatorium and Whitby Falls farm. The expenditure last year was £94,258, and £103,000 has been provided for the continuation of this work during the current year.

An amount of £15,000 is provided for assistance to secondary industries, in furtherance of the Government's policy to extend those industries. Each application for assistance will be thoroughly investigated by the Department of Industries, and subsequently will have to run the gauntlet of examination by the Treasury officials before any advance is made. The chief method by which such secondary industries have been assisted has not been by direct application of loan funds. Usually, for comparatively small additions or extensions to increase production, the State Government is asked to guarantee overdrafts. Several guarantees of that nature have been furnished in respect of undertakings all of which appear to be sound investments, with more than ordinary prospects of success.

Hon. C. G. Latham: Are you referring to past years?

The PREMIER: No, to the present. Hon. C. G. Latham: In the past many proved failures. The PREMIER: I am talking about establishing secondary industries.

Hon. C. G. Latham: I had in mind several that were assisted in the past, but failed.

The PREMIER: The expenditure of money as the result of Government guarantees has created much employment and increased production of wealth. presents one of the directions in which I am told, when application is made for assistance, that the indirect benefit will more than compensate for the money advanced. We are endeavouring to secure not only indirect but also direct benefit to the State by the establishment of industries, and by assistance to existing undertakings to enable them to increase production, so that they can meet the financial obligations undertaken on their behalf by the Treasury through guaranteed overdrafts.

It may be that some industries may need direct advances of money from the Government. Should that position arise and it be deemed necessary to advance money in order to increase secondary industrial production, the Government will not hesitate to advance loan funds; but in such cases there must be more than ordinary prospeets of success. There will be many applications, and all must be combed out and searchingly investigated to justify the advancement of funds from loan sources. If some small assistance is required, the better way would possibly be to provide money direct from revenue, rather than resort to the use of loan funds.

Hon, C. G. Latham: You could not do that if similar businesses already existed within the State.

The PREMIER: No. Such assistance would be for the establishment of new businesses or to enable existing concerns to expand their operations. For instance, some are producing in a comparatively small way, and can cater for, say, 10 per cent. of the requirements of the State. If. by expenditure of a little more capital, such undertakings could cope with 15 or 25 per cent. of the State's capacity to absorb their products, the Government would feel justified in rendering that assistance to place the undertakings on a better basis. Last vear's expenditure on forestry undertakings was £74.108, and for this year £70,000 is provided. The work consists of regenerating cut-over forests, the extension of fire control organisations to protect virgin stands of karri and jarrah, and the extension of mallet and pine plantations, with the consequent employment of approximately 280 men.

Under the heading of "Roads and bridges, public buildings, etc.," excluding an amount of £117,678-which represented a recoup of expenditure last year charged to suspense account as there was not sufficient loan authorisation-£150,000 of new money is provided. Approximately half this amount will be utilised in assisting local authorities under the scheme whereby the Government provides labour, and local authorities provide materials, for road works. vear's expenditure on public buildings was £100,140. The principal items were in respect of the balance of the Government's portion of the provision for the Infectious Diseases Hospital, for schools generally, including provision for commitments, Mental Hospital additions, and a grant to the Hospital Fund towards meeting the cost of construction of the King Edward Memorial Hospital and the Kalgoorlie Hospital. An amount of £85,000 is provided this year to carry out works of a similar nature. will be noticed that £5,000 has been provided for water supplies and buildings on native stations; the purchase of, and reconditioning of, native settlements, and additions and improvements to native hospitals. In order to complete Cave House and make essential additions and improvements to State Hotels, £7,000 is provided.

No provision has been made for additional capital for the Workers' Homes During the life of the last Parliament, legislation was passed enabling the board to make its own aprangements for borrowings. It is expected that an advantageous arrangement will be made by the board with the Superannuation Board, which will have funds for in-The Workers' Homes Board. vestment. now having independent borrowing powers, proposes to exercise them by borrowing from the Superannuation Fund. As a result, the board's activities will be largely increased.

Mr. Doney: Will they take all the money available in that fund?

The PREMIER: No. The Superannuation Fund will have about £100,000 paid in annually, and during the first year or two almost the whole of the repayments will be available for investment. The Workers'

Homes Board has always provided an excellent return on money invested. It has carried on successfully, and a large amount should become available from the Superannuation Fund, in addition to the £60,000 spent annually by the Workers' Homes Board from repayments on account of homes purchased.

That completes my review of our loan undertakings. It discloses an earnest endeavour to meet the State's requirements and to provide those services that are necessary for the attainment of a fuller economic life. As I stated in my opening remarks, the Government views the expenditure of loan money as a serious responsibility, and these Estimates have been framed with a clear conception of that responsibility. Consideration of many of our requirements must inevitably be postponed, owing partly to limitation of loan money available, but more particularly to the Government's resolve to ao first things first. The Government realises that many facilities remain to be provided -more schools, more hospitals, better accommodation in our mental homes, and hosts of other needs. We cannot meet all these requirements immediately; but what we can do, and are doing, is to meet the more pressing ones, within the limits of our loan funds. If we continue that policy wisely, we shall provide for the comfort and advancement of our people, and at the same time live within our means-which in my opinion is the essence of good government.

Progress reported.

BILL—TRAFFIC ACT AMENDMENT. (No. 2.)

Second Reading.

Debate resumed from the previous day.

HON. W. D. JOHNSON (Guildford-Midland) [7.45]: It is difficult to make up one's mind as to exactly where this legislation will ultimately land the local governing bodies. Other considerations also give concern. The position is that the Government, unable to take money from the Federal Aid Roads allowance into general revenue, has been spending, in addition to that revenue—revenue in the sense that it is free from hability in the way of interest—considerable sums of money from local funds on exactly

the same activity. That has been done because of the need for absorbing unemployed. Both in the House and elsewhere I have spoken against the policy adopted. I pointed out that we were overdoing work on roads, while not doing sufficient in other directions. I know that we can spend the maximum amount on roads and a comparatively small amount on other works, but my point has been that we should utilise every possible shilling of expenditure on other works, and particularly on re-grading and equipping the railway system so that it may more successfully compete with traffic on main roads constructed alongside railway lines. means the regular expenditure on this State asset would be reduced, whereas roads are of no direct pecuniary benefit to the State.

The Premier: Our scope in that direction is becoming limited.

Hon. W. D. JOHNSON: I know the Government has spent a good deal, and I commend it for what has been done. The result is being reaped to-day. Undoubtedly transport costs are down as a result of the regrading that has been done, and improvements effected in load capacity on some grades which formerly were particularly expensive to operate.

Hon. C. G. Latham: Do you say that was the cause of the increased expenditure last year?

Hon. W. D. JOHNSON: No. It would not be increased expenditure, because it is really revenue expenditure; but it has resulted in greater earnings.

Hon. C. G. Latham: It has not shown much effect on the year's operations.

The Premier: Had it not been for the extra £200,000 incurred as a result of an increase in the basic wage, the return would have been bigger.

Hon. W. D. JOHNSON: Unquestionably. The position is that the Government has spent so much of the loan funds on road construction—not a reproductive work—that the interest burden is becoming difficult to carry. The struggle to balance the Budget has been going on for years. As a matter of lact, it began with the advent of the Loan Conneil.

Hon. C. G. Latham: Not until then?

Hon. W. D. JOHNSON: Up till then we had control. If we failed to balance the Budget, we failed because of our incapacity to control the economic affairs of the State; but after the formation of the Loan Council our capacity in that direction was considerably reduced. I was afraid of the suggestion for Loan Council control. I opposed it, and voted against it, because I could not see daylight. I did not see how we could continue to develop when the Loan Council conditions were so hard to understand and appreciate. The years that have passed have demonstrated that no one was able to perceive at the time exactly what development would occur. Now it is clear that the development has always been in the direction of assisting the Commonwealth and hampering the operations of this State.

The Premier: The Loan Council was forced on the States under duress.

Hon. W. D. JOHNSON: The matter was submitted to the people, of course.

Hon. C. G. Latham: It was submitted to this House, and I think you supported it.

Hon. W. D. JOHNSON: I did not. the non, member will look up the debate, he will find that I did one of the things then that I seem often to do. I elected to be the only member on the Government side of the House to speak and vote against the proposal. I did so because I could not see exactly where we would land. This measure is the result of the That council Council's activities. has so operated as to strengthen the central States of New South Wales and Victoria and proportionately reduce the standing of Western Australia. As a result this State is feeling the pinch, and the struggle to balance the Budget is becoming severer as the years roll on. As the Loan Council grows stronger in administration, so this State will become weaker. Realising the progress it was making in restricting the control of Western Australia by the Western Australian people, the council appointed a Disabilities Commission whose purpose is to serve as a buffer between the Government, or the Parliament, of Western Australia and the Commonwealth. The Disabilities Commission is the kind of body gradually but surely to reorganise or restrict the economic administration of this State and fit it in more evenly and more satisfactorily with the Commonwealth while arousing the least possible opposition on the part of the Western Australian people. The Commission seeks all the time to regulate matters towards the one end of effecting unification. If we do not balance the Budget, or endeavour to do so in the way the Commission

suggests, we lose money because the Commission penalises us for ignoring its representations.

The Bill is the result of an intimation by the Disabilities Commission to the effect that Western Australia was not observing a unified system in the utilisation of these funds. We were expending them differently from the other States, and the Commission indicated that its aim was to try to secure a uniform system in all the States for the use of the license fees that are the subjectmatter of the Bill. The object of the measure is to enable the Government to take these license fees into revenue-as is, generally speaking, done in the Eastern Statesand then to pay under the Federal Aid Roads agreement the amount that is required by local governing bodies for road purposes. To visualise what will be the result is difficult. 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. If we could guarantee to the local governing hodies that their losses license fces would be recouped by grant from the Federal Aid Roads Fund. there would scarcely be much objection to the measure. But, as was the case with the Loan Council, we cannot understand exactly what will happen, since this Bill depends definitely on the Bill that follows it, and that subsequent Bill-which has such a great influence on the discussion of, and on one's position in regard to, this measure, is woefully indefinite. True, it conveys that a recoup is to be made, but the fact is not set out in definite language. Again, we have to appreciate that probably there are difficulties looming in the distance which will make it hard for the Government to carry out any definite undertaking it may give by way of an amendment to this measure, that would express its intention more definite language.

Mr. Doney: It means that less Federal Aid money will be spent on country roads. That is all.

Hon. W. D. JOHNSON: I will come to that in a moment. The Government cannot give any definite guarantee because revenue may not be forthcoming on account of developments resulting in a reduction of the amount of the Federal road tax. It has been said that no provision has been made

for the payment of interest on loan funds expended on the construction of roads undertaken to relieve unemployment. Unemployment has resulted in a huge expenditure on roads because the construction of roads is the simplest way of affording relief to the workless. But it is not altogether fair to put the matter in that way, because we passed a Financial Emergency Act for the purpose of meeting the interest liability on expenditure from loan funds used for the relief of unemployment. The Disabilities Commission should take into account the fact that we did pass financial emergency legislation to meet the then existing unemployment problem and the financial emergency tax was a contribution towards the interest payment on the loan money so expended.

 ${f I}$ must have a definite assurance from the Minister in regard to the next Bill. If the Minister cannot, in his reply to the debate on this measure, give to the local governing bodies a definite assurance-and agree to make that assurance very definite in the Bill-that they will be recouped for the license fees surrendered. I shall not be able to vote for the Bill, all the local governing bodies in my electorate being opposed to it. I would not mind if I felt that it was necessary to do this. I might have been influenced by the local governing bodies had they been favourable to the proposal but, being unconvinced myself and having their pronounced opposition also, I have to be extremely careful.

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 the traffic fees; some of them have made a little profit from the retailing of electric current and have obtained money in various ways. 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.

Take my own electorate: Let us start at Bassendean where we have a road board outstanding for its administration. The auditors are always commending Bassendean for its economical administration and wise expenditure. The board has used all sources of revenue to help to make roads, and many miles of roads have been built during the period that traffle foes have been available. board has constructed footpaths and has provided open spaces, lung areas, where the people can go and participate in all kinds of games. Bassendean is outstanding in that respect. Then cross the bridge to Guildford. Those who have seen Stirling Square, with its roses, and the wonderful results obtained not only in that park but in other little parks in the municipality will appreciate the part that sort of thing plays in the standard of life as distinct from the standard of living. When we have local governing bodies that study the health of the people and give them plenty of open spaces, lawns and gardens, shade trees and sports facilities, we have citizenship elevated.

Mr. Withers: That is the citizens' right.

Hon. W. D. JOHNSON: Those parks are beauty spots. In London I saw huge areas of beautiful parks enclosed with stone walls seven feet high that ran for miles and one had to stand in a car and peep over the wall to see what was inside. In the Old Land the days of using stone walls for enclosing parks are passing. We have never had them in We have gradually but surely Australia. realised the advantage of giving everyone an opportunity to enjoy leisure periods in surroundings that are calculated to elevate and strengthen the moral character. We must be careful or that standard of life will be reduced. We must be careful not to prevent the local governing bodies from doing what they have been doing. If they are to be subjected to control to the extent this measure will impose, there is no possibility of our visualising exactly what the effect will be.

Let me speak of Midland. Members who have passed through that town must have realised the great improvement in appearance and the spectacular results that have been obtained by wise expenditure.

Mr. Doney: There is no doubt about that. Hon. W. D. JOHNSON: The improvement during the last five years has been striking.

Hon. N. Keenan: Which part of Midland? Hon, W. D. JOHNSON: Right in the centre of the town; I am referring to the parks and gardens, and the open spaces available to all. People can go there and enjoy the surroundings of attractive gardens, lie on the lawns and partake of a luxury that was the monopoly of a few people before we had such civic administration. Recently I walked through the streets of Midland and was impressed by the fact that all the citizens had become more interested in their homes and gardens. There has been a marked improvement in citizenship and civic pride. ratepayers are trying to follow the lead of the city fathers by improving their homes, and Midland to-day affords a striking instance of the effect of a good example in creating central gardens and open spaces where the people can enjoy themselves. Children return home and speak of the joy they experience from the lawns and flowers, and so the influence for good continues. We should realise what all this means and appreciate that this Bill possibly represents a definite reduction of advantages of that kind.

It is all very well for the Commonwealth Grants Commission to bring this matter for-The commission views figures, not ward. faces. Our job is to view faces. 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.

Hon, C. G. Latham: Hear! hear!

Hon, W. D. JOHNSON: But I object to the workers' always contributing the maximum amount. The halancing of the budget is part-time work. Consider what the worker has contributed by working half-time instead of full-time. Put it into figures, and we realise who it is that is contributing to the economic difficulties of the State. The worker is doing that directly, because he is not using his labour time to the extent he is justified in doing.

Mr. SPEAKER: Will the hon. member connect his remarks with the Bill?

Hon. W. D. JOHNSON: Yes. The Minister has made very clear that this Bill is to assist the Government in balancing the budget—to pay interest charges in such a way that the budget will be balanced. I am simply pointing out what the balancing of the budget means to the workers and the people generally. I do not want the budget balanced by administration of this kind. I want to see the problem tackled in another way. I know of many other ways, and though I am not always right, I do express my views. For instance, I am not satisfied that we were wise in regard to the gold tax, and I said so.

Mr. SPEAKER: The hon, member is not in order in discussing the gold tax.

Hon. W. D. JOHNSON: Except that the Government wishes to balance the budget. Surely we are not to be so limited in debate that we cannot suggest another way of balancing the budget than the way proposed by the Government. If you, Sir, limit me to destructive criticism, that is not what I have been educated to in this House. My experience has been that when a member uses destructive arguments, he should follow them up by giving constructive ideas. I think it wrong to limit one's right in that way.

Mr. SPEAKER: I think you have been given plenty of latitude.

Hon. W. D. JOHNSON: Naturally J accept your ruling, but I do ask you to consider that this Bill was introduced for the purpose of balancing the budget. The Minister was most definite on that point. I say there are other ways of balancing the budget. However, I shall not go further than to remark that I have advocated other ways and that I do not want this way. I want to try to help the Government, but I will not agree to the transfer of this money as suggested unless I get a guarantee more pronounced than the other measure affords that the local governing bodies will not suffer as a consequence. I thought we would have received the result of the deputation that waited on the Minister to-day.

Mr. Cross: Not too many members were invited.

Hon. W. D. JOHNSON: I do not know of any member who was present.

Hon. C. G. Latham: As a matter of fact, you are responsible for the bringing down of this Bill.

Hon. W. D. JOHNSON: I understand that the member for Maylands (Mr. Shearn) was concerned in arranging the deputation from local governing bodies to discuss the matter with the Minister. 1 understand that the deputation did meet the Minister and did discuss the subject with him. but we have no knowledge as to whether any understanding was arrived at. For my part. I find the position to-night just the same as it was when I consulted the local governing bodies in my electorate. A great deal will depend on the Minister's reply. If as the result of the conference with the local governing bodies he has been able to come to an understanding with them, that will help us materially.

Mr. Cross: They have always had a good crack of the whip from the present Minister.

Hon. W. D. JOHNSON: That is no argument in favour of this Bill. All Governments, and particularly the present Labour Government as well as past Labour Governments, have done much for the local governing bodies. I have made it quite clear that I acknowledge that fact. All the great improvement in my electorate has taken place during the past six or seven years. A policy of improvement has been fostered and encouraged. I have been member for the district for 30 years.

Hon, C. G. Latham: You did have leave of absence for a while.

Hon. W. D. JOHNSON: Yes. I may have failed in my representation, but I will give credit to the present Government for having encouraged local governing bodies to extend in the way I have mentioned to-night.

Hon. C. G. Latham: I should think most of the credit would go to the Midland Junction District Council.

Hon. W. D. JOHNSON: One can encourage, and one can discourage. This measure might discourage. In the past the Government's administration has encouraged local governing bodies in their good work. It is not often that I am, as it were, undecided as to what I shall do. It all depends on the second Bill. If I could get a more pronounced declaration regarding that—I do not like that word "bonus" in the Bill—I would probably know my course of action. However, so much depends on the next Bill

that I suggest to the Minister it would be wise for him to make clear what is intended under the next Bill, for on that measure my vote on this measure will depend. I do not know that it would not be wise to postpone the second reading of this Bill until we have got on with the second reading of the other Bill, when the whole position could be clarified, and be better understood than we understand it to-day. Our misunderstanding is reflected in the position of the local governing bodies. If they understood definitely what is in the Government's mind, they would view the matter differently.

Mr. Cross: They have no objection to make.

Hon. W. D. JOHNSON: I trust that the next Bill will clarify the position, so that we can all get together and do something that will help the Government in its struggle to balance the Budget. It is a struggle. Western Australia's economic position causes grave auxiety. Administration is difficult, and I sympathise with Ministers in their troubles in that aspect. But I do not agree that when there is a liability to meet, it shall be met at the expense of the local governing bodies.

MR, NEEDHAM (Perth) [8.21]: sides following closely the speech of the Minister for Works when introducing the Bill, I have also read his utterance in "Hansard." Notwithstanding that, I am unable to say that I can support the measure in its present form. The Bill proposes to pay into Consolidated Revenue the balance of traffic fees from the metropolitan area for two or three years. In addressing myself to the measure I do not wish to adopt anvthing like a parochial attitude. As long as I have been in this Chamber I have endeavoured to keep away from that aspect, However, if the Bill becomes law I venture to say the Perth City Conneil and the ratepayers of the metropolitan area will be hit hard. The member for Guildford-Midland (Hon. W. D. Johnson) has put up a plea on behalf of the local governing bodies outside the metropolitan area; but I consider that, should the Bill become law, the Perth City Council will fare even worse than those local governing authorities. I understand that the fees we are now discussing, which were collected during the year 1937-38 in the metropolitan area, totalled £197,436. Out of that sum the Perth City Council received £26,830. The loss of that amount would be a serious matter for the Perth City Council, and also for the ratepayers who are represented by the members of that council. According to the Minister's statement, the proposal is to make certain payments for petrol tax revenue paid to the State by the Federal Government. I understand that Federal legislation dealing with payment of petrol tax will terminate in 1947. Despite the Minister's declaration, in his speech dealing with that aspect of petrol tax legislation, there is really no guarantee that in 1947 the petrol tax will be in existence. I acknowledge that one never knows what may happen.

Mr. Cross: There is no guarantee that license fees will not be cut in half then.

Mr. NEEDHAM: There is no guarantee that the Act will last until 1947. I do not think that because of war conditions the Federal Government would repudiate its contract in that regard. I feel no doubt that the legislation in question will last over the next seven or eight years, but we have to look further than that when considering a Bill of this kind. The Treasurer in his Budget speech, when dealing with class of legislation, told us that the local governing bodies would receive the equivalent of the amount they now receive, provided that certificates were presented showing the cost of reconstruction, construction, repairs and maintenance of roads during the year. Under those conditions local governing bodies may or may not receive the same amount of money-from the Federal tax fund and from Federal Aid Roads legislation—as they now receive from Even if they did, the metropolitan area again would suffer. I do not think the Perth City Council would receive some £26,000 as an equivalent from the fund of which the Treasurer spoke, because a statement has to be presented showing what has been done in the construction, reconstruction, maintenance and repair of roads.

Mr. Cross: Some roads in the city are a disgrace, too.

Hon. C. G. Latham: Not too many of them.

Mr. NEEDHAM: As regards Greater Porth, the roads are made, and that applies not only to Perth itself but also to the metropolitan area. They are kept in good condition, but many thousands of pounds have been borrowed in order to construct those roads: and there is still the liability

to pay interest and sinking fund on the money borrowed. These, the equivalent to which the Treasurer referred when introducing the Budget, would scarcely be applicable to the metropolitan area, unless some kind of adjustment were made. will at once be seen that there could really be no road construction policy in the metropolitan area, because in fact the roads are already there. There would be cost of maintenance and payment of interest and sinking fund on the capital expended. However, it is because of that phase of this legislation I am in doubt whether I shall vote for the second reading. Unless the Minister in his reply can assure the House that this equivalent will be met under the new conditions, I am greatly afraid I shall be compelled to oppose the second reading. A sum of £26,830, which was the Perth City Council's share during the last financial year, is equivalent to something like of 41/1d. What will happen if. assistance is taken away from the local governing authorities of the metropolitan area? They would perforce be compelled to increase rates. The Government of the State and the local governing authorities are catering for the same citizens. It is suggested that this legislation will save the ratepayer a certain amount of money, but I fear he will lose that amount in another Speaking as a citizen of Perth I do realise that if the work is to be continued in the way it has been carried on for many years, inevitably rates will have to be increased. So that if I save in one way, I lose in another. I do not want to see the rate increased, because it is already high enough —too high for many people.

In moving the second reading the Minister said that provision would be made in the Main Roads Act Amendment Bill for an equivalent in respect of construction, reconstruction, maintenance and repair of roads in the various districts. He pointed out the amount of money that had been spent from the Federal Aid Roads Grant, Of that the local totalled £5,650,189. governing authorities outside the metropolitan area received £5,154,450; whilst the authorities in the metropolitan area In other words, received £495,739. per cent of the Federal Aid Roads Grant was spent in country areas as against 9 per cent, spent in the metropolitan area. Minister went on to say that vehicles using petrol and licensed in the metropolitan area

would pay at least one-half of the tax; yet over a period of ten years 91 per cent, has been spent in the country and 9 per cent. in the metropolitan area. In view of the way in which the country districts have been favoured during the past ten years, I am very much afraid that the metropolitan area is in for a bad time. I do not desire to labour the question. I am not disposed for the moment to vote for the second reading, unless the Minister can give us some idea of the amount that will be substituted for the £26,830 paid to the Perth City Council. As regards other portions of the metropolitan area, members can speak for themselves. Greater Perth embraces North Perth, Victoria Park, Mt. Hawthorn, and Leederville. I am sure the taxpavers in those districts will not welcome legislation of this kind, as it means they will have to bear an increased burden to pay interest and sinking fund in respect of money borrowed for their splendid roads. I hope that when the Minister replies he will give us a little more information than we now have.

HON. C. G. LATHAM (York) [8.33]: I oppose the measure. I would like to be able to make up the mind of the hon, member who has just spoken; but my experience in this Chamber convinces me that members on this side of the House cannot do that, because members opposite always vote with the Government. I hope that will be some encouragement to the Minister to believe that he will get the Bill through.

Mr. Cross: Give us a lecture on solidarity. Hon. C. G. LATHAM: In reply to the interjection by the member for Canning (Mr. Cross), I charge him with being responsible for the Bill.

Mr. Cross: Do not be ridiculous.

Mr. SPEAKER: The hon, member is not in order in charging the member for Canning with anything.

Hon. C. G. LATHAM: I am not charging him with an offence; but I make this charge because, had it not been for the large sums of public money expended in the honmember's district upon unreproductive works, we would probably not have this Bill before us.

Mr. Cross: Do not be ridiculous.

Hon. C. G. LATHAM: Only the other day, before the Treasurer introduced his Budget, the member for Canning spoke of the large sums of money that were to be spent in his electorate.

Mr. SPEAKER: Is the member for Canning in this Bill?

Hon. C. G. LATHAM: No, but he is responsible for its introduction. The Government knew that after providing additional roads and bridges in the hon, member's district that it would have to make up the money from some other source. That, definitely, is the reason for this Bill. Money has been spent on beautifying the Swan River and that kind of thing. With the member for Guildford-Midland (Hon. W. D. Johnson) and the member for Perth (Mr. Needham), I believe this Bill will not provide one day's employment for the workers of the State. As a matter of fact, it will probably result in their losing work.

Mr. Doney: It certainly will, if passed. Hon. C. G. LATHAM: The State has entered into an agreement with the Commonwealth Government which has about eight or nine years to run. Under that agreement the Federal Government has to return to the State a large sum of money annually from the petrol tax. The way in which that money is to be spent is clearly set out. Not much freedom is given to the Minister for Works in that respect; think the Minister will agree with that. The honest way to deal with this matter would be for the Government to approach the Federal Government and say, "We shall receive £800,000 this year. We are short of revenue; we want to take £150,000 of that money and pay it into revenue." That would be the honest course to pursue. Bill is merely a subterfuge; it is a roundabout way of achieving that object.

Hon. W. D. Johnson: It gets there just the same.

Hon. C. G. LATHAM: I quite agree. I desire to remind hon, members that we have already taken half of the traffic fees from the local authorities. That is provided by Section 30 of the Traffic Act. By this measure we propose to take the other half. The local authorities and their representatives should know that the authorities have statutory power to receive this money for all time, unless Parliament otherwise decides. The money is theirs by statute. If the Bill passes, notwithstanding the promise of the present Minister, any future Minister can give to the local authorities what he thinks fit out of the Federal Aid Roads Grant.

The Minister for Works: No.

Hon. C. G. LATHAM: The Minister does one thing now. In the second and third sessions of this Parliament he may spend all this money and leave nothing at all for the local authorities. I am particularly concerned about the country local authorities; the metropolitan authorities can be looked after by their representatives in this House. My great fear is that this Bill is merely a start. The country districts will be the next to suffer.

Mr. J. Hegney: They ought to be included.

Hon. C. G. LATHAM: The hon. member is probably right. We should not deal with the matter piecemeal. Not only the present Treasurer, but past Treasurers, have always looked with envy on the large sums of money that is paid from this source to local authorities. I ask members not to forget that it is the main revenue of local authorities.

Mr. Sampson: My word, it is.

Hon. C. G. LATHAM: With all due respect to hon, members, I contend the local authorities spend their money more wisely, more judiciously and with better results than we spend ours.

Members: No.

Hon. C. G. LATHAM: Yes. I give the local authorities that credit. I have always contended, even when I was a member of a Government and holding an important position, that this money should not be taken from the local authorities. opposite who have used local authorities as a stepping stone to Parliament know very well how important this money is to such authorities. That is my reason for opposing the measure. I suggest to the Minister that he withdraw the Bill and try to ascertain it' the revenue cannot be obtained from some other source. As I said, the Bill is merely a subterfuge, an unwise one, to divert Federal Aid Road money to revenue. I sincerely hope that members will not be deceived. I am sure hon, members have not studied the Traffic Act, and so I shall quote from Section 13-

All fees paid each year for licenses or transfers of licenses or registrations in the metropolitan area under this Act or any regulations—

(a) shall be paid into the Treusury to the credit of an account to be called the Metropolitan Traffic Trust Account.

That money shall first be chargeable with the costs of collection as certified by the Minister, and as to one-half of the net balance of the said fees there shall be deducted therefrom the cost incurred by the Minister under Section 86 of the Public Works Act. in any financial year, in repairing Perth-Fremantle-road from Ferdinandroad North Fremantle to bridge: roadway \mathbf{or} decking, exclusive the Perth Causeway; tramway, of roadway ordecking, exclusive of tramway, of the North Fremantle bridge; that portion of road, known as Guildfordroad, starting at the present north-east boundary of the City of Perth and proceeding thence along Roads Nos. 1448 and 2 to Johnson-street, along Johnson-street James along James-street street. to Meadows-street, along Meadows-street Swan-street, along Swan-street to race-road, along Terrace-road to Yorkroad No. 28, along York-road No. 28 to the present eastern boundary of the metropolitan area; that portion of the Perth Albanyroad No. 122 from the present boundary of the City of Perth to the junction with the Bunbury-road at the Old Narrogin Inn.

The Minister for Works: Where does the fund come from?

Hon. C. G. LATHAM: The traffic fees. The Minister for Works: You said the first half.

Hon. C. G. LATHAM: I said one-half.

The Minister for Works: You have skipped something: you cannot even read the Act.

Hon. C. G. LATHAM: The first charge

The Minister for Works: That is the collection; you have skipped the 22½ per cent. I think you had better read correctly if you quote the Act.

Hon. C. G. LATHAM: The Act states, "and as to one-half of the net balance, to deduct therefrom the costs incurred by the Minister under Section 86 of the Public Works Act." Then paragraph (c) of Subsection 2 of Section 13 provides—

The remaining half of the net balance of the said fees shall, together with any moneys remaining unexpended out of the said firstmentioned half of the net balance of the said fees, be annually paid to and divided amongst the local authorities of the districts and subdistricts comprised in the metropolitan area and the Board controlling Reserve A1720 (King's Park), in such shares and proportions as the Minister may determine.

Subsection 3 provides—

The warrant of the Minister shall be sufficient authority to the Colonial Treasurer to make any payment provided for by this section.

Subsection 4 provides—

The metropolitan area shall be prescribed by regulation.

Subsection 5 provides—

If money is appropriated by Parliament for construction, reconstruction, improvement, or widening of any main road within the metropolitan area which is not within the scope of the Federal Aid Roads Agreement Act, 1926, an amount sufficient to provide for interest and sinking fund on one-half of the amount so appropriated (but not to exceed nine per centum) shall be charged annually against the said one-half of the net balance of said fees, so far as the same shall be available after providing for the deductions aforesaid: Provided that the sum to be charged as aforesaid shall not exceed in any year onefifth of the net amount available for distribution under paragraph (c) of subsection (2).

That is the point the Minister wanted me to make, but he did not give me time. The Minister is too impatient.

The Minister for Works: It is from the 22½ per cent.

Hon. C. G. LATHAM: I remember very well when the Bill was introduced. then I supported the local authorities and fought against too much money being taken from them. I pointed out that this revenue was the most important revenue that the local authorities received. Once these moneys are taken away from the metropolitan local authorities, the country local authorities will have no chance of retaining their share. warn members that it is no use frittering away the revenue of local authorities. this money is to be taken from them, it should be replaced in some other way. There is nothing definite in the Bill. The matter is left to the whim or fancy of the Minister. We had better try to find some other way of making up the deficiency in the State revenue; it would be far better for us to say, "We will reduce—

Member: The three per cents.!

Hon. C. G. LATHAM: I am not too sure that the Minister could not spend this money, or at least some of it. on the railways.

Mr. North: On subways.

Hon. C. G. LATHAM: Much money has been spent in works around the city. ought to watch our expenditure in other directions. If the Government is so hard up or was hard up a little while ago, where did it get the money that it is spending on the Swan River improvement? Would it not be better to make the local authorities responsible for work of that kind? After all, it is not beautifying the city of Perth; it is beautifying the metropolitan area. The authorities should have been asked to raise a loan and provide interest and sinking fund. I have not forgotten that when we were in office how hard up we were. We did not know where to turn for ready cash. All this that the Government is now endeavouring to take is ready cash. With all the hardships that we had to face we never attempted to touch this money. I wonder that members opposite dare to allow this money to go.

The Minister for Works: You had a million and a half of loan money every year to spend.

Hon. C. G. LATHAM: The Government is expecting over £2,000,000 of loan money this year. It has had far more by way of loan funds in any three years than we ever had. Moreover, our revenue was down and the revenue of the present Government is buoyant. One tax alone is yielding no less than one and a quarter millions. Why not use some of that money? I have no wish to see the Government defeated on this Bill; I want it to exercise commonsense and withdraw the Bill because I should not like defeat to go the Government's way.

The Premier: Would you prefer increased taxation?

Hon. C. G. LATHAM: I wish the Premier would get that out of his mind. I told him the other day that he should engage three or four solid men who knew something about expenditure, and if he did so, a considerable saving would be effected. There is a lot of waste; I have not said where it is, but I know that the Premier is aware of it.

The Minister for Works: You want another Black Thursday!

Hon. C. G. LATHAM: A black Thursday on a revenue of over £11,000,000 and loan funds of £2,000,000? So much money has never before been heard of in the State. Not even when we were spending £4,000,000 a year from loan funds. So I hope members representing local authorities and the tax-

payers of the State will consider the position before they vote on the Bill.

The Premier: We represent the people of the State; not the local authorities.

Hon. C. G. LATHAM: We in this House are the people's representatives. My fear is that the taking of this money is merely a starting point, and if it proves a success I do not know what the next step may be. Perhaps the member for Canning will be made to suffer. He seems to be able to go about his electorate making all sorts of promises.

Mr. SPEAKER: The hon, member must not continue in that strain.

Hon. C. G. LATHAM: Why not? The hon, member has made promises that involve expenditure.

Mr. SPEAKER: The member for Canning's promises have nothing to do with the Bill.

Hon. C. G. LATHAM: May I ask whether the money is continually to be spent on roads? Is that not the reason for the introduction of the Bill? At the Cannington Show the other day the hon, member told the people that a new Causeway was to be built. Apparently the money for the building of that Causeway is to come from the traffic fees.

Mr. SPEAKER: The hon, member is not in order in discussing a statement made by the member for Canning.

Hon. C. G. LATHAM: I fully expected the Premier would tell us where the money for the building of the Causeway was to come from. Why should everything be given to the member for Canning? I think I have said enough to influence members to vote against the second reading.

MR. J. HEGNEY (Middle Swan) [8.51]: The reason for the introduction of the Bill is that loan funds have been spent on road construction in the State and the Treasurer is called upon to pay £147,000 in interest each year. During the last ten years no less a sum than £960,000 has been spent on our roads from loan funds and of that only £31,000 has been spent in the metropolitan area.

Mr. Doney: What has that to do with this question?

Mr. J. HEGNEY: That is the kernel of the whole matter. If any adjustment has to be made it should be made from the traffic fees obtained throughout the State, and not on a sectional basis. I do not see why the metropolitan area should have to bear the brunt of the charge in this connection, remembering that the greater part of the loan funds have been spent on country roads.

The Premier: No one will bear the brunt. Mr. J. HEGNEY: Having regard to the fact that only £31,000 has been spent in the metropolitan area during the last 10 years, I do not think the metropolitan area should be called upon to bear the brunt of the burden. There is another phase and that is the ten per cent, deductions and the 221/2 per cent. from the main roads trust account. That arrangement was contained in the Act introduced by Mr. Lindsay when Minister for Works and I think that only two Labour members supported the innovation, the member for Guildford-Midland and myself. The object was to permit the funds to be spent on certain works and that object has been carried out. The Minister had no authority to spend the fees on bridges in the metropolitan area and that was the reason for the amendment to the Act. Suppose we interfere with the 50 per cent. of the traffic fees distributed among the local authorities; what about the other 50 per cent.? It is not proposed to interfere with that at all. The Government should have amended the law to provide for the transfer of 50 per cent. to revenue as against taking it from the local authorities. I am apprehensive that the Government's proposal will affect employment in the areas of the local authorities,

The Premier: It will not.

Mr. J. HEGNEY: I am certain it will. The local authorities are also of the same belief. Further than that, it will affect the expenditure of the Federal Aid Roads money in the country to the extent of the amount taken into revenue, approximately £140,000. The Minister said that it was a small amount in comparison with what was spent from the Federal Aid Roads grant. I do not regard it as a small amount; I consider it is substantial, and its expenditure will provide a great deal of employment. I have attended a conference of local authorities in my area and know that the local bodies will spend the money they receive on roads and footways in their districts. The Premier, on the other hand, states that if the Bill is not passed he will be compelled to increase taxation. From my analysis of the position, if the Bill becomes law the local bodies will be forced to impose additional taxation in

their particular districts. I do not consider that the workers should have to submit to additional taxation for the construction of roads for the use of motorists. No one can deny that roads in the metropolitan area and throughout the State have been immeasurably improved in the last ten or fifteen years until now we have an excellent road system. This is due to the expenditure of money obtained largely from the fees paid by motorists. That revenue has been devoted to improving the roads in both the metropolitan area and the country districts. for helping the finances of the State the question of interest arises and the Treasurer wants his pound of flesh. But in my belief if the proposal is carried into effect, employment will be seriously affected. country districts substantial amounts have been collected by the local authorities by way of traffic fees. There should be one collecting authority and in this connection the Metropolitan Traffic Trust Fund will be affected because of the expenditure of loan money in the country. The Minister stated that in the past ten years £929,000 from the Traffic Trust Fund had been distributed amongst local authorities. This amount includes £409,000 remaining unexpended as set out under Subsection 2b of Section 13. In addition to the cost of collection, and the 221/2 per cent. transferred to the Main Roads Trust Account, we must take into consideration the expenditure on the Perth Causeway, £22,610; the Perth-Midland Junction-road via Belmont, £14,000; the Helena Bridge, etc., £15,000; River Swan River bridge, £22,730; the Bassendean bridge, £11,780; the Canning River bridge, £22,687; the Stirling-highway, £173,000—making a total of £283,414. unexpended balance distributed The local authorities for the past ten years £409,000, and the amount appropriated from the Main Roads Trust Account was £283,000; so that the total amount involved in ten years was £700,000. Had the Minister seen fit, he could have amended the law and paid that money into the Treasury. That would have meant the local authorities receiving a lesser amount than they did on the 50 per cent. basis. received the unexpended balance after money had been spent in certain specified ways. The Bill may prove fruitful of harm in the metropolitan area. When the matter was discussed some 15 or 20 years ago, at the time the control fund was inaugurated, a statement was made that the money would be used particularly for main roads and main thoroughfares, and not for subsidiary roads. To-day it is essential that subsidiary thoroughfares should be attended to properly. Nearly every house contains a motor garage, especially in the outer metropolitan Workers and others have between them scores of motor cars, which constantly use the subsidiary roads. Local authorities must use traffic fees to maintain and improve the feeder roads. They cannot do it by imposing additional rates and taxes. That is one reason why I shall vote against the Bill. No substantial case has been made out for it.

The Premier: How much worse off will the local authorities be?

Mr. J. HEGNEY: The proposals set out in the Bill are likely to be very harmful. Under it local authorities have no guarantee that they will receive any increase in fees, even though they may submit a certificate showing that they have spent certain sums on the reconstruction or maintenance of main roads.

The Premier: Is not the word of the Government worth anything?

The Minister for Works: The whole thing is set out in the Bill. The formula is the same as at present.

Mr. J. HEGNEY: It is very indefinite.

The Minister for Works: It is not indefinite.

Mr. J. HEGNEY: It is one of the reasons for the opposition of local authorities. They are very doubtful how long the scheme will continue. They are also apprehensive about the petrol tax proposals, because of the exigencies of war and the possibility that the Federal Government may require more money for defence purposes. They fear that the Federal Aid Roads Agreement may be varied after consultation with the State Governments.

The Premier: Oh no!

Mr. J. HEGNEY: We cannot say what may happen a few years ahead. Under the Traffic Act, local authorities were assured of receiving certain sums from year to year, provided the law was not amended. In the case of the Federal Aid Roads Agreement we have no guarantee that at the end of seven years it will be continued.

Hon. C. G. Latham: There may be ground for that if the war lasts a long time. Mr. J. HEGNEY: The local authorities will then be in great difficulties.

The Minister for Works: We have no guarantee that the present traffic fees will be continued.

Mr. J. HEGNEY: There is a possibility of traffic fees diminishing because of some new type of vehicle coming upon the road. Producer gas may supplant petrol because of difficulty in securing supplies of the latter commodity, with the result that license fees may diminish considerably. I view this as sectional legislation, and because of that I shall vote against the Bill.

MR. McLARTY (Murray-Wellington) [9.6]: I shall vote against the second reading of the Bill.

The Premier: You are generally a sensible man.

Mr. McLARTY: I thank the Premier for the compliment, but he cannot persuade me to vote for the measure.

The Premier: I thought that here we had at least some good sense.

Mr. McLARTY: I feel that what is being applied to the metropolitan area and to districts within the 20-mile limit may in future also be applied to country road boards. We can well imagine what the loss of traffic fees would mean to local authorities. True, the greater part of road board revenues comes from that source. Because they have been receiving this money, road boards have planned their works ahead. Some have adopted a ten-year programme, and have been encouraged in this by the Government. They would never have contemplated such programmes had they not felt assured of the traffic fees. I am equally sure that if they lost these fees, rates in country districts would increase largely.

Mr. Cross: Not if the boards received the same amount out of the petrol tax.

Mr. McLARTY: There is no certainty about that. The Premier, with all his good intentions, is not certain what he will be able to do in the future. Tonight, when bringing down the Loan Estimates, he was apprehensive as to whether he could obtain the money needed to carry out his loan programme this year. He will soon attend a Loan Council meeting, and there will probably have to fight for retention of the money already allotted to him. Some road boards in my district will be seriously affected by this measure, because they have planned ahead. Already some

the works have been carried out, and the local authorities have upon the traffic fees for payment of interest. The Bill will have a bad effect upon all local governing bodies, which provide a tremendous amount of employment. Each year they provide more and more, and are a great help to the Government. The measure will hinder them in many directions. They are constantly applying to the Minister for Works for money for this or that undertakingeven though they have been receiving the traffic fees-and they have found great difficulty in getting it. There are times when the Minister has had to refuse their requests, There is no parallel between local governing bodies in this State and those in the Eastern States.

The Premier: They are composed of the same sort of people.

Mr. McLARTY: No. In the Eastern States the districts are closely settled, and have been settled for many years. The roads there are already constructed. The position is vastly different in this State, where development is still in progress. This calls for expenditure of money on roads, and the demand is becoming more insistent. The same position does not apply to an equal extent in the Eastern States.

The Premier: In the Eastern States traffle on the roads has doubled in the last five years.

Mr. McLARTY: Over there roads are built, but here we have yet to build them.

The Premier: In the East they are building them still.

Mr. McLARTY: The Premier says the local governing bodies will not lose by this legislation. If they are not going to lose, I cannot follow why the Premier wants this money. Does he mean that he will pay it back to them again?

The Premier: From another source.

Mr. McLARTY: The same amount?

The Premier: Yes, if the money is spent in these directions.

Mr. McLARTY: I cannot see that the Premier will benefit by the Bill.

The Premier: The Minister has already given the reasons why the Government has brought it down.

The Minister for Works: I agree that people do not understand the difference between the two methods.

Mr. McLARTY: I listened to the speech made by the Minister and have since read it. I am not justified in supporting the Bill, and shall vote against the second reading.

MR. HILL (Albany) [9.11]: I felt inelined to support the second reading of the Bill until I heard the Minister for Works last night, and the Premier tonight. Both hon, gentlemen told us that road construction provided a very good means of finding work for the unemployed. I am in favour of road users for the paying I am not in favour οť their being taxed to provide work for the unemployed. That is a duty of the taxpayers as a whole. The Premier is looking into every avenue as a means of increasing taxation or bringing in additional revenue. I suggest that if 10 or 12 years ago the Government had studied the recommendations of Sir George Buchanan and of Federal Transport Committee, there would not have been any need to introduce this Bill. I wish to read extracts from both sets of recommendations. Paragraph 24 of the report on transport in Australia, by Sir George Buchanan, contains the following:-

The Commonwealth Government have long been alive to the necessity for co-ordinating the transport system, and the Prime Minister, in a speech made at Baechus Marsh in June, 1925, observed that his Ministry had come to the conclusion that the transport problem had become too vast to be handled by any single body or authority in Australia, and that all concerned—municipalities, shire councils, the States and the Commonwealth—must unite in formulating a plan which would proceed on a sound, comprehensive, and sane line of development.

Mr. Cross: What Prime Minister said that?

Mr. HILL: Mr. Stanley Bruce. Paragraph 33 says-

Throughout the world motor traffic has become an integral part of the transport system, either as an adjunct to or in competition with railways, and much money is being spent on feeder roads. In a new country it is a matter for consideration whether it would not be more economical to limit construction in the first instance to trunk lines of railway with feeder roads for motor traffic, rather than go to the expense of a number of branch railways which frequently do not pay their way; branch railways following as trade was established, and increased transport facilities were required.

Paragraph 34 says-

In 1923-24 there were 239,341 motor vehicles registered in Australia. Of these

over 30,000 were for commercial purposes, and the Prime Minister stated some months ago that with a view to the continuation of a progressive road policy for the furthering of Australia's rural development the Ministry proposed advancing the sum of £20,000,000 spread over ten years for the construction and maintenance of main roads. It must not be overlooked, however, that the advent of motor transport in competition with railways is providing a serious factor in railway economics. The problem, of course, is to work out a scheme of co-ordination whereby these two transport agencies can be made complementary to each other.

The recommendation made by the Commonwealth Transport Committee in 1929-30, under the heading of "Roads, and road services," is interesting. It was not until about 1933 we had a co-ordinated Transport Board in this State. The recommendations of the Federal committee are, therefore, particularly interesting at this stage. They provide one argument in support of the Bill. The paragraph I wish to quote is as follows:—

Main roads, i.e., roads gazetted as the main avenues of road communication, are at present financed partly from consolidated revenue, partly from the taxation of motor users, and partly from the taxation of local authorities. Developmental roads, i.e., roads for the development and assistance of rural areas, are financed from consolidated revenue with minor contributions by local authorities. Definite principles are required to be established which will—

- (i) Confine the road programme to economic needs.
- (ii) Secure that the revenue available may be used in a manner such as will render the most effective service.

16.—Recommendation.

To this end it is recommended that-

- (a) Main roads should in future be financed entirely from the taxation of road users and the contributions of local authorities, and any further loans for such roads advanced by State Treasurers be without charge on consolidated revenue; that wherever State legislation does not provide for this, consideration be given to the advisability of introducing amending legislation to give effect to this principle.
- (b) The Developmental Roads Fund should be confined to the assistance of roads not likely to shortly become main roads, and that any roads of a developmental character of value also as main roads, should be financed from the Main Roads Fund of each State.
- (c) Inquiry be made to ascertain the advisability of amending the Federal Aid Roads Agreement so as-
 - (i) To permit money granted by the Commonwealth to the States being used

for the maintenance as well as the reconstruction of roads.

(ii) To ascertain whether the contribution by the State of 15s. to the £ contributed by the Commonwealth is wholly to the advantage of all States; if not, to what rate this contribution might be amended and when such amendment might take effect.

It is a great pity that these recommendations were not adopted by the Premier when they were advanced in 1929. Then the recommendations continue—

(d) As it is considered that the most equitable form of motor vehicle taxation is a combination of vehicle and petrol tax, attempt should be made to bring about greater uniformity in systems of vehicle taxation among the States.

The motorist is taxed by means of the petrol tax to the extent of 81/4d. or 81/2d. per gallon, but only 3d. of that is used for road purposes. It is a recognised principle that the money derived from traffic licenses is. more or less, the property of the local governing authorities. Had all the expenditure been purely for the purpose of constructing roads, I would not object to the Bill, but a large proportion of it was devoted to the relief of unemployment. A few figures are interesting. Out of the £3,199,554 of loan funds spent on the roads, no less than £2,083,513 was spent by the Collier and Willcock Labour Governments, representing an average annual expenditure of £176,000. During their three years of office, the Mitchell-Latham Government spent £83,004, or an average of £26,668 per year.

Mr. Cross: They had all the men out of work then.

Mr. HILL: In my opinion, the Commonwealth Grants Commission is to be commended for the manner in which it has drawn the attention of the State to its expenditure of money on non-reproductive works. Loan funds so spent should be made to provide interest and sinking fund payments. Had favourable consideration been given to what was advocated 10 years ago, there would now be no need for the Bill under consideration. As road construction has contributed in a large measure towards the relief of unemployment, I consider there is no necessity for the Bill, and the interest on money used for road construction purposes should be taken from revenue and not from the motorists.

On motion by Mr. Tonkin, debate adjourned.

BILL-WAR FUNDS REGULATION.

In Committee.

Resumed from the 24th October. Mr. Marshall in the Chair; the Minister for Mines in charge of the Bill.

The CHAIRMAN: Progress was reported on Clause 2 "Interpretation," which had been amended.

Mr. WILSON: I have a number of amendments and I am at a loss to know just how to proceed.

The CHAIRMAN: The member for Collie has a number of amendments to Clause 3 and as the Minister and he are in agreement, as they have amendments much along the same lines, I shall take those amendments as agreed to and will put the clauses as though they had been amended. In the first place, Clause 2 as amended has not yet been agreed to, and I will put that clause first.

Clause, as amended, put and passed.

Clause 3-War funds:

The CHAIRMAN: In this clause and in the succeeding eight clauses the words "Chief Secretary" are to be considered as struck out and the word "Council" inserted in lieu. I shall put Clauses 3 to 10 inclusive as amended with the alteration I have indicated. Clause 11 will also be put in that form, but there is a further amendment to that clause.

Clauses 3 to 9, as amended, put and passed.

Clause 10-Audit of accounts:

Mr. McDONALD: The clause provides for an audit by the Auditor General or some other officer appointed by him for the purpose. Is it intended to retain the services of honorary auditors who have acted for many years on behalf of certain societies? One such official has held office for over 25 years. If his services were dispensed with, it would savour of a slight.

The MINISTER FOR MINES: The idea is that if the Auditor General is not satisfied with the auditor proposed, he may make some other appointment. Where the auditor has been entirely satisfactory, there will be no idea of altering the arrangement.

Clause, as consequentially amended, agreed to.

Clause 11-Regulations:

The CHAIRMAN: This clause is consequentially amended by striking out the

words "Chief Secretary" in line 2 of paragraph (b) of Subclause (1) and inserting the word "council" in lieu.

Mr. WILSON: I move an amendment-

That the following paragraph be added to Subclause (1):—"(c) To regulate the proceedings and provide for the carrying on of the functions of the council."

Amendment put and passed; the clause, as further amended, agreed to.

Clauses 12, 13-agreed to.

New clause:

Mr. WILSON: I move-

That a new clause, to stand as Clause 3, be inserted as follows:—

"3. (1) The Governor may appoint a council to be known as the War Funds Council of Western Australia which shall consist of six members. One member shall be the Chief Secretary, another member shall be a person who in the opinion of the Governor is representative of sporting bodies in the State, and the remaining members shall have been nominated as follows—

One member by the Employers' Federation of W.A.;

One member by the Australian Labour Party State Executive of W.A. Branch; One member by the Returned Sailors and Soldiers' Imperial League of Australia, W.A. Branch (Inc.); and

One member by the State School Teachers' Union of W.A. (Inc.).

(2) The Chief Secretary shall be the chairman of the council and the Governor may appoint another member to be vice-chairman thereof; and at all meetings of the council the chairman, or in his absence the vice-chairman, shall have a deliberative and, where the votes are equal, a casting vote.

(3) The council shall be a body corporate under the name of "The War Funds Council of Western Australia" and by that name shall have perpetual succession and a common seal and shall have power to hold real and personal property and to sue and be sued.

- (4) Any three members shall constitute a quorum of the council and whenever the members are not unanimous as to any matter, such matter shall be decided by the majority of votes, and the decision so arrived at shall be the decision of the council.
- (5) All courts, judges and persons acting judicially shall take judicial notice of the incorporation and of the common seal of the council when affixed to any deed, instrument or writing, and shall presume that such seal was properly affixed thereto; and such deed, instrument or writing, when sealed, whether such deed, instrument or writing is by law required to be sealed or not, shall be admissible in evidence for or against the council on the mere production thereof without any other or further proof of the making of such deed, instrument or writing.

- (6) The Governor may remove any member of the council other than the Chief Secretary, and may on such removal or on any vacancy from any cause occurring in the council fill any vacancy by the appointment of another person as a member but the place of any member appointed on the nomination of any body shall be filled only on the like nomination.
- (7) The council shall have the powers conferred on it by this Act, and may also deal with such matters relating to the present war as may be entrusted to it by the Governor.

(8) The Governor may on the termination of the present war, by notice in the 'Gazette,' dissolve the council.''

My amendment is not moved in any spirit of hostility to any organisation but from a desire to deal with the matter fairly. I know the trouble that was experienced during the 1914-18 war and that prompts me to be most careful concerning money that will be collected during the present conflict. My suggestion is that a council of five, apart from the Chief Secretary, shall be set up and I suggest that one member shall represent the business people or the employers, one the employees or the unionists, one the R.S.L. and the nurses' organisation, one the Teachers' Union—the teachers are in charge of the school children who raised a lot of money during the last war-and the fifth shall be the representative of sporting bodies. The sporting bodies can of course look after themselves, but my idea is to get them to look after something for us. I am not tied to any particular number. The number can be more or less than five, but must not be less than three. In 1915 an Act was passed for the appointment of a war fund council, but whereas I am asking for a council of only five members, with three to form a quorum, the war council of 1915 consisted of no less than 10 members. I have here an extract from the "Government Gazette" of the 10th December, 1915, giving the names of that council. When one reads the list he wonders why matters were not better managed. The extract is as follows:-

His Excellency the Governor in Executive Council has been pleased to appoint the following gentlemen as the War Council of Western Australia, under the provisions of "The War Council Act, 1915," namely:—

Hon. J. Seaddan, M.L.A.
Hon. Frank Wilson, M.L.A.
Mr. F. E. S. Willmott, M.L.A.
Mr. John Nicholson,
Mr. A. McCallum.
Hon. Dr. A. Saw, M.L.C.
Mr. C. J. Locke.

Mr. W. W. Garner. Mr. W. Burgess. Mr. A. McNeil.

And to appoint the Honourable John Scaddan, M.L.A., as Chairman and the Honourable Frank Wilson, M.L.A., as Vice-Chairman of the said Council.

(Signed) L. E. Shapeott (Secretary to the Premier).

· Mr. Seward: What were the functions of the council?

Mr. WILSON: To raise money. I think that three members of the proposed council should form a quorum. If there were fewer than three it would be a one-man job. We need on the council men representative of all callings. That is why I suggest that the members should include representatives of the Employers' Federation, the Australian Labour Party and the Returned Soldiers' League.

The MINISTER FOR MINES: I would like your ruling, Mr. Chairman, as to how this new clause is to be dealt with. If the whole eight subclauses are to be taken as one amendment, it will be difficult for me to deal with the amendments standing in my name on the notice paper. I desire to move several amendments to the proposed new clause.

The CHAIRMAN: The Minister can vote against the new clause with the intention of subsequently moving his own new clause.

The MINISTER FOR MINES: But suppose the new clause moved by the member for Collie is not voted out?

. The CHAIRMAN: In that case the Minister will be in a very unhappy position.

The MINISTER FOR MINES: I think it is rather a new idea to consider the whole eight subclauses of a proposed new clause as one amendment. There are three of the subclauses that I would like to amend.

The CHAIRMAN: I will take the subclauses seriatim in order to simplify matters.

Mr. DONEY: I am fully in accord with the principle of control. There was a great deal of wasted effort during the last war, and to prevent a recurrence of what happened then is essential. But I am not at all enamoured with the sources whence the member for Collie desires to draw his council. I know that the member is earnest over this matter and anxious to make a sound job of the Bill, but there is altogether too strong a political flavour about the proposed council. I have no objection to the

appointment of the Chief Secretary, and a good case can be made out for the inclusion of a member representative of the sporting bodies. But how the hon, member hopes to justify the appointment of representatives of the Australian Labour Party, the Employers' Federation, or the Teachers' Union puzzles me, though there might be circumstances in which a member of the Teachers' Union would be a fit and proper person for the job. In view of the wide field from which we have to draw representation there should be no need to have political representation which will only lead to a lot of trouble and misunderstanding. should like to see two members of the Returned Soldiers' League on the council, and one member representing war nurses. view of the hon, member's remarks about the Salvation Army, I cannot understand why he has not included a representative of that body. I do not know why the Minister should consider this a joke.

The Minister for Mines: Who said I considered it a joke? I do consider it a joke that the council should include a representative of a body that will be appealing.

Mr. DONEY: Members of almost every organisation in the State will be appealing.

The Minister for Mines: That is my objection.

Mr. DONEY: The Minister's objection is different from mine. Nevertheless my desire to see represented the bodies I have mentioned is still keen. I have an admiration for the Salvation Army. It was always well up to the front line and its coffee was always very hot. I remember, as will others in the House, that even if a man bad not the necessary two or three coppers, he was not allowed to go without coffee. I do not think any other body engaged in a similar activity could have the same pleasing things said about it. I hope the member for Collie will, of his own initiative, frame an amendment embodying the appointment of representatives of those organisations to which I have referred.

The MINISTER FOR MINES: On Thursday last the Committee decided upon the establishment of a war funds council. The only question arises as to the composition of that council. The member for Collie read out a list of members of the 1915 council, but it should be borne in mind that that council was appointed for the purpose of raising funds. This council will not

have the duty of raising funds; its duty will be to grant permission for that pur-Much has been said of what happened during the last war and so we have started early in order to control the raising of funds. This Bill provides for three essentials-to grant permission to raise funds, to deal with funds if the council is satisfied there has been mal-administration, and, if funds are held by various organisations when the war is over, to recommend how the funds shall be dealt with. is necessary for the reason that actuated the member for Collie in moving for the select committee on war funds. The funds then in hand were brought together and administered by a council consisting of Colonel Collett, Colonel Denton and the hon, member. When the present war ends, there will probably be a number of funds and we shall have provision to deal with them. My experience has been that a large, unwieldy committee is always a failure. have been asked how permission might be obtained. The Red Cross Society has something like 200 branches in this State and they are busy raising funds in various ways. Nobody has control. I am satisfied that a council of three would be sufficient. member for Williams-Narrogin quoted the Salvation Army. No one has a greater admiration for that organisation than I have, but it will be appealing for funds and will have to obtain permission. Surely there is no logic in having on the council a member of an organisation that has to obtain per-All that the council will have to mission. do for a considerable time will be to ensure that the people secking permits are reputable and are capable of doing the work. I suggest that the committee of three indicated in my amendment should be representative of Parliament. The Government has introduced the Bill, but Parliament must accept the responsibility for it. could not name a better committee than one consisting of the Chief Secretary, the Leader of the Opposition the Leader of Those the National Party. gentlemen would representative be the Government and of the three parties, and two of them are returned I would be prepared to go further and empower their nominees to act for them. There will be applications from people who wish to raise money by very small means. We do not need a committee such

as that proposed by the member for Collie. The work would have to be done promptly. The applicants would not want to wait for a week before a council meeting could be summoned. As money is to be raised, let us give the greatest facilities so long as proper safeguards are provided. To select a delegate from this and that organisation and particularly from the sporting bodies would be difficult. Recently I presided at a meeting convened in the interests of physical fitness and we had to elect a council, one member to be representative of sporting bodies. Even fishermen were brought in, because fishing was said to be a sport. Perhaps it affords training in patience, but I doubt whether it would further the cause of phys-Not one-third of the sporting ical fitness. bodies were represented. Who, I ask, would elect such a representative? Under the proposal of the member for Collie we would have nothing but chaos. The Chief Secretary's office has the organisation for dealing with these matters. If anyone wishes to conduct a Sunday picture show or Sunday sport for which an admission fee is charged, he must apply for permission and there is the organisation to deal with it. If a big council is set up, it will need a staff that will have to be paid. Who will pay it? Will the cost be a charge on the funds or on the Government? I move an amendment-

That Subclause 1 of the proposed New Clause 3 be struck out and the following inserted in lieu:—''(1) There is hereby established for the purposes of this Act a council to be known as 'The War Funds Council of Western Australia,' which shall consist of the Chief Secretary as chairman and two other members to be appointed by the Governor.''

Mr. SAMPSON: I oppose the Minister's amendment. The council proposed by the member for Collie would be honorary workers and no question of cost would arise. The Minister has suggested that the Leader of the Opposition and the Leader of the National Party be the two members to act with the Chief Secretary. The Minister could not have suggested two busier men, and their appointment would defeat the object of the council from the outset. I favour the proposal of the member for Collie, but I point out that in many instances one man would control the council.

The Minister for Mines: How?

Mr. SAMPSON: The proposal is that the Chief Secretary and one other member shall form a quorom. The Minister for Mines: We can amend that.

Mr. SAMPSON: But the Chief Secretary is to have a deliberate and a casting vote.

The CHAIRMAN: The questions of the voting and the quorum are not under discussion at present.

Mr. SAMPSON: I hope the member for Collie will persist in his amendments, which will provide an excellent council.

The PREMIER: The amendment of the member for Collie gets right away from the conception of the Bill as it stands. measure was introduced by the Government as a result of a conference of Premiers held in Canberra a few days after the war broke The member for Collie seems to think that the Council is one that would set about raising funds. That would be entirely against the principle of the Bill. The object of the Bill is to ensure that someone with all the authority of Government shall see that funds are used for the purpose for which they have been collected and established. If there is anyone using funds for his own benefit, the council would act as a policeman and make an investigation. During the last war hundreds of persons were supposed to be making their living out of collecting for war funds; and many of those allegations were correct. The Government's desire in introducing the Bill is that there shall be a proper organisation to supervise administration of war funds. There will be supervision over those funds when collected. If there is any allegation of misappropriation or maladministration of funds, such allegation would be referred to the council, a highly responsible body. If the council then considers that a fund is not being handled in the right way or not applied to the purpose for which it was established, it can ask the Auditor-General to make an investigation, and on receipt of his report take further action if necessary. I was surprised that the member for Collie thought the Bill would constitute a body to raise funds. proposed council, I repeat, would be there to police the administration. It would be impossible for one body to set out to raise funds, refusing permission to anybody else to do so. That would not be part of the council's duties. If, when the war is over, part of a fund remains, arrangements can be made to decide what shall be done with that The Bill makes it an offence for balance. any person to raise funds and misappropriate

them or misapply them, or charge 20 or 30 or 40 per cent. commission or expenses against the amount collected.

Mr. J. Hegney: The Bill would cut out many illegal sweeps.

The PREMIER: It would cut out anything that is wrong. Under it no organisation will be permitted to raise funds unless it is properly constituted. During the last war in many cases half of a fund that had been raised would be caten up in salaries, expenses and job-making. There is a feeling throughout Australia that these funds should be conducted in an honorary capacity, and that individuals should not be permitted, as during the last war, to make collections and get money out of them for themselves. If the Bill is passed, much more money will be collected for war funds, and these funds will be properly administered. I repeat, the proposed council will not raise funds, but will only see that funds are honestly collected and properly applied to the purposes for which they are raised.

Hon. C. G. LATHAM: I regard this matter as of such importance that I suggest the Minister for Mines, the member for Collie, the Leader of the National Party and I get together and see if we cannot arrive at some satisfactory arrangement. The proposed council is to look after the interests of the public who subscribe the moneys, and to see that the moneys are used as intended. There is much merit in the suggestion of the member for Collie, and it would be well for us to get together outside the Chamber, form our conclusions, and come back here and report them.

The MINISTER FOR MINES: I thank the Leader of the Opposition for his suggestion.

Progress reported.

BILL—LIFE ASSURANCE COMPANIES ACT AMENDMENT.

Council's Amendments.

Schedule of eight amendments made by the Council now considered.

In Committee.

Mr. J. Hegney in the Chair; the Minister for Labour in charge of the Bill.

No. 1. Clause 3—in proposed new section 33B:—Delete the words "and due notice has thereupon been given as provided for by

paragraph (a) of Subsection (1) of Section fifty-eight A of this Act and default has occurred as provided by paragraph (b) of the said subsection" wherever such words appear in paragraphs (a), (b), and (c) of the proposed new section.

The MINISTER FOR LABOUR: The object of the first six amendments proposed by the Council is to make unnecessary the issuing by assurance companies of notices regarding their intention to forfeit policies other than those for industrial assurance. As the Bill left this Chamber, it provided for notice of intention to forfeit applying to all classes of assurance policies. The Bill also deals with the surrender values and paid up policies as applying only to industrial policies and the Legislative Council accepted that phase, but objected to the provision regarding the issuing of notices of intention to for-The first six amendments are really consequential upon Amendment No. 6. which seeks to delete Clause 4 entirely. The protection provided in the Bill is regarded as necessary and I move-

That the amendment be not agreed to.

Mr. SEWARD: The Council's amendment is in keeping with one I moved in this Chamber. The Victorian Royal Commission considered there were two alternatives to adopt regarding the forfeiture of policies. The first was, as indicated in the first portion of the clause, that policies in force for less than a year could be forfeited if the premiums were unpaid for four weeks; if the policy had existed for a year, the premium could remain unpaid for eight weeks before the policy was forfeited; and if in existence for two years or more, forfeiture could be effected only after premiums had remained unpaid for 12 weeks.

Hon. W. D. Johnson: That applies to industrial policies.

Mr. SEWARD: Yes. That method has been adopted by the Irish Parliament and the Victorian Royal Commission favoured it. The other alternative was to compel companies, before forfeiting policies, to issue written notices to the holders. The former method was adopted as being less expensive to the companies and investigations showed that the proportion of policies forfeited, due to the ignorance of insurers regarding the conditions, to be negligible. The Council's amendment is reasonable.

Question put and passed; the Council's amendment not agreed to.

No. 2. Clause 3:—In proposed new section 33F:—Delete the words "Policy holder" in line 17, and substitute the words "holder of an industrial life assurance policy."

The MINISTER FOR LABOUR: The principle involved here is much the same as in the previous amendment. The object is to restrict the operations of Clause 3 to the holders of industrial life assurance policies only, whereas the underlying principle of the Bill is to apply that provision to the holders of all policies. I move—

That the amendment be not agreed to.

Question put and passed; the Council's amendment not agreed to.

No. 3. Clause 3—In proposed new section 33G:—Delete the words "and fifty-eight A" in lines 26 and 27, on page 5.

The MINISTER FOR LABOUR: This amendment is in anticipation of the Committee accepting a later amendment to delete Clause 4. In view of the previous decisions already arrived at by members, I move—

That the amendment be not agreed to.

Question put and passed; the Council's amendment not agreed to.

No. 4. Clause 3—In proposed new section 33G:—Insert the words "industrial life assurance" before the word "policies" in line 28.

The MINISTER FOR LABOUR: Here again the position is similar to that I have already indicated. I move—

That the amendment be not agreed to.

Question put and passed; the Council's amendment not agreed to.

No. 5. Clause 3—Insert a new section after proposed new section 33G, to stand as Section 33H, as follows:—"33H. Every industrial life assurance policy issued after the passing of this Act and every current and subsequent industrial premium receipt book shall have printed thereon in clear and legible type, a notification to the effect that the policy shall not become void for non-payment of premiums unless a premium has been overdue for at least four weeks or such longer period as may be provided by statute or by the company's regulations for the time being."

The MINISTER FOR LABOUR: The object of the amendment is to meet, in some small degree, the position that would exist

had the previous four amendments been accepted by members of this Chamber. If the Committee agreed to the other amendments made by the Council, it would agree to this one; but as it has disagreed with the other amendments, it must disagree with this one. I move—

That the amendment be not agreed to.

Question put and passed; the Council's amendment not agreed to.

No. 6. Clause 4-Delete.

The MINISTER FOR LABOUR: The Council proposes to delete a vital part of the Bill, dealing with industrial and other policies. I move—

That the amendment be not agreed to.

Question put and passed; the Council's amendment not agreed to.

No. 7. Clause 5-Delete.

The MINISTER FOR LABOUR: This clause is consequential on Clause 4. I move—
That the amendment be not agreed to.

Question put and passed; the Council's amendment not agreed to.

No. 8. Clause 6—In proposed new section 60A:—Insert after the word "otherwise" in line 13, page 7, the following words:—"unless such bond, guarantee, or other security be limited to cover the amount of cash shortages in such person's accounts, and losses sustained by the company through his fraud or misconduct."

The MINISTER FOR LABOUR: In other words, the company would be able to demand from an employee or a prospective employee a bond, guarantee or security from some other person guaranteeing the company, provided such bond, guarantee or security is limited to cover the amount of cash shortages in the employee's account and losses sustained by the company through the fraud or misconduct of the employee. The addition, in my opinion, makes the clause practically worthless, or of such little value as not to be worth persevering with. I move—

That the amendment be not agreed to.

Question put and passed; the Council's amendment not agreed to.

Resolutions reported and the report adopted.

A committee consisting of Mr. McDonald, Mr. Triat, and the Minister for Labour drew up reasons for not agreeing to the Council's amendments.

Reasons adopted and a message accordingly returned to the Council.

House adjourned at 10.37 p.m.

Legislative Council.

Thursday, 2nd November, 1939.

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

BILL—DEATH DUTIES (TAXING) ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. A. THOMSON (South-East) [4.35]: If we may judge the Government by its actions in exploring every possible avenue for extracting more money from the taxpayers, then certainly we can commend Ministers upon having exhausted every possible means of taxation that we can con-The Government has attempted to raid the local authorities by depriving them of traffic fees, and if that move is successful the effect will be to increase the financial burden upon local authorities who, in turn, will have to obtain more money from the people by means of increased rates. In one way it seems inevitable that the Government, having taxed the individual almost as soon as he is born, shall pursue him to the grave and finally extract increased revenue from his estate. The Bill contains provisions that will enable the Government to secure probate duty representing as much as 20 per