

people in that area are to have an argument of merit for the continuation of traffic upon the railway line in question.

In other words, the people in those areas cannot have it both ways. They cannot continue to have a reasonable railway service if they do not give to that service a reasonable measure of patronage. It is not a fair thing to expect the Railway Department to transport only the bulky portion of what they produce, and for those people to have transported by road that portion of their production which would be payable to the Railway Department, or to have those goods which they require to be brought back to the farm, brought back by road as against having them brought back by rail.

Mr. Nalder: There would be only a few isolated areas that would come within that category.

The TREASURER: I think that if the number of miles of railways in those areas were totalled up, it would come to a very considerable mileage because many of these railways run through districts which are not heavily settled. That, of course, is another angle to the problem. Many of our 4,000 miles of railway line pass through areas which could be far more developed, and naturally where a railway line passes through a country that is largely undeveloped, or not nearly as well developed as it could be or should be, the operation of that line is doomed to be uneconomical almost from the beginning.

No Government would wish to suspend traffic on a railway line, or to close down a line. There are many solid reasons why that should not be done. If I lived in a district and a railway line were to be closed down, I think I would feel, as a primary producer, that I was being deserted. I would feel that the importance of the district was being substantially reduced.

Mr. Ackland: And you would be justified.

The TREASURER: And I would feel that the future of the district was being imperilled to some extent and that its importance generally would decline. These considerations are important, I frankly acknowledge, but at the same time it is essential that people who have a railway service and who want to retain it because they value it and know what it means to their area, should give to that railway system the greatest amount of patronage that it is reasonably possible for them to give.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and transmitted to the Council.

House adjourned at 10.4 p.m.

Legislative Council

Wednesday 8th August, 1956.

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

QUESTIONS.

GERALDTON.

Menace of Sand Creep.

Hon. C. H. SIMPSON asked the Chief Secretary:

(1) Is he aware of the serious menace to the town of Geraldton being presented by the gradual sand creep threatening housing areas in the town?

(2) Will he inform the House what measures the Government is taking or proposes to take to deal with this problem?

The CHIEF SECRETARY replied:

(1) and (2) The Department of Agriculture is conducting trials on a small scale to determine the suitability of certain plants for preventing the movement of sand south of Geraldton. The responsibility for seeing that action is taken to deal with this problem appears to be that of the Geraldton Municipal Council, which has power under the Geraldton Sandhills Planting Act, 1872, and the Sand Drift Act, 1919, to require land-owners to take the necessary preventive measures.

ROADS.

Work on Great Eastern and Great Northern Highways.

Hon. N. E. BAXTER asked the Chief Secretary:

(1) What was the estimated amount allocated for—

(a) new road deviations and culverts on the Great Eastern Highway extending from Greenmount to Baker's Hill;

(b) new road deviations and culverts on the Great Northern Highway?

(2) What is the cost of construction of the present works in progress since January, 1956, to date on—

(a) the Great Eastern Highway;

(b) the Great Northern Highway?

(3) What is the estimated cost to date of each of the two new culverts on the Great Eastern Highway adjacent to the 38-Mile Peg?

The CHIEF SECRETARY replied:

- (1) (a) Road works, including deviations and culverts: £107,200;
(b) Road works, including deviations and culverts: £98,675.
- (2) (a) £66,620;
(b) £61,250.
- (3) Culvert at 38.1 miles, £5,700; culvert at 38.5 miles, £5,500.

DIESEL LOCOMOTIVES.

Efficiency in Use.

Hon. G. BENNETTS asked the Minister for Railways:

(1) In view of the fact that the most of the "X" and "XA" class of diesel locomotives are now to hand, will he inform the House whether these locomotives are giving the service expected from such engines?

(2) Will he inform the House the number of these locomotives which have blown their cylinder heads, how many cylinder heads have been replaced, and at what cost?

The MINISTER replied:

- (1) Yes.
- (2) Six instances of blown cylinder heads have been reported, but the whole of the "X" and "XA" class locomotives in service have had cylinder heads replaced by an improved type. Responsibility for the design and supply of the new heads has been accepted by the makers.

TRAFFIC.

Positioning of Signs.

Hon. A. R. JONES (without notice) asked the Chief Secretary:

Last year we were given to understand that the position of the stop signs and slow signs would be reconsidered and that in some instances these signs would be removed. I want to know whether this work has been carried out right through the metropolitan area, and whether the present position of these signs is the final result.

The CHIEF SECRETARY replied:

The matter, of course, is not an urgent one, and I suggest to members that only on matters of real urgency should questions without notice be asked. When this question was raised last year, it concerned a department under my control and a number of alterations were made, as the hon. member would realise if he went around the metropolitan area. But for some months now, the department has been under the control of another Minister, and I do not know whether the job has been

completed or not. I shall obtain the information and advise the hon. member.

DEPUTY CHAIRMEN OF COMMITTEES.

On motion by the Chief Secretary, resolved:

That in accordance with Standing Order No. 31a Hon. E. M. Davies, Hon. L. A. Logan and Hon. A. F. Griffith be elected to act as Deputy Chairmen of Committees during the current session.

COMMITTEES FOR THE SESSION.

Standing Orders.

On motion by the Chief Secretary, resolved:

That in accordance with Standing Order No. 34 the following members be elected to serve on the Standing Orders Committee during the present session, viz.:— Hon. E. M. Davies, Hon. L. A. Logan and Hon. H. K. Watson.

Library.

The CHIEF SECRETARY: I move—

That in accordance with Standing Order No. 34 the following members be elected to serve on the Library Committee during the present session, viz.:—Hon. F. R. H. Lavery and Hon. J. G. Hislop.

Hon. Sir CHARLES LATHAM: I want to know how frequently this Library Committee meets. As far as I know, it might just as well not exist, because I understand that for several years it has had no meeting at all. If we are to appoint a committee such as this, it should take some action, and we ought to have some knowledge of its activities from time to time. I hope the committee will report back to us and tell us how frequently it meets and the work it is carrying out.

The CHIEF SECRETARY: On this occasion I think the hon. member may be 100 per cent. right.

Hon. Sir Charles Latham: I am nearly always right, but this may be one occasion on which I am wrong.

The CHIEF SECRETARY: I say that because I am not clear whether the committee has met during my 29 years in this Chamber!

Hon. J. Murray: The Chief Secretary may be right.

The CHIEF SECRETARY: It is necessary to have the committee, and the time will come when it will be necessary for it to meet. The boy scouts' motto of "Be prepared" is a good one, and this committee would serve that purpose.

Hon. C. H. SIMPSON: No one has been more trenchant in his criticism of the activities of this committee than the hon. member who has been nominated by our party as a member of it. I refer, of course, to Dr. Hislop. He has decided to give the committee one more go with the fixed intention of galvanising it into action by some means or other. I can assure Sir Charles Latham and the Chief Secretary that that point has not been overlooked.

Hon. F. R. H. LAVERY: Like Dr. Hislop I have not considered it an honour to be a member of this committee for the reasons that he has put forward from time to time. When I speak to the debate on the Address-in-reply I will touch on the Library Committee. I think it is time this Parliament appointed a librarian. We are the only Parliament that has not a librarian. If there were such an appointment the committee would have some substance and there would be some point in it being elected.

Question put and passed.

House and Printing.

On motions by the Chief Secretary, the remaining committees were appointed as follows:—

House.—Hon. W. R. Hall, Hon. E. M. Heenan, Hon. A. R. Jones and Hon. J. Murray.

Printing.—Hon. G. Bennetts and Hon. J. McI. Thomson.

BILL—SUPPLY (No. 1), £19,000,000.

Standing Orders Suspension.

The CHIEF SECRETARY: I move—

That so much of the Standing Orders be suspended as is necessary to enable a Supply Bill to pass through all stages at any one sitting.

If there is any member who has a serious objection to this procedure being followed and can satisfy me on that point, I would not wish to rush the measure through. It is usual to try to get the Supply Bill through as quickly as possible and naturally I wish to do so. But I would not like to rush it through if there were an urgent matter which any particular member wanted to discuss, and which he could convince me was urgent.

Hon. Sir CHARLES LATHAM: I do not like the method by which the Minister introduced this measure. I presume he does not mean that he is going to stifle discussion on it. Possibly there are small matters on which members may require information concerning the financial position. I would not suggest that that would take us past the tea adjournment. I do not know what the Chief Secretary means by not wanting to rush the measure through, because we always take our time and do things efficiently. I would like to

see the Minister get his Supply Bill through and I hope he does so; but I would not like him to rush it through.

The CHIEF SECRETARY (in reply): When I used the term "rush" I referred to getting it through all stages at one sitting. I have no illusions as to what I can do in this Chamber if members think otherwise.

Question put and passed.

First Reading.

Received from the Assembly and read a first time.

Second Reading.

THE CHIEF SECRETARY (Hon. G. Fraser—West) [4.46] in moving the second reading said: As members know, Parliament is asked at the beginning of each session to give urgent approval to a Supply Bill in order that money may be available for the services of the State pending the passing of the Estimates later in the year.

The Bill requests the provision of £19,000,000. This is made up of £13,000,000 from Consolidated Revenue; £4,000,000 from the General Loan Fund; and £2,000,000 out of the Public Account for temporary advances to the Treasurer. Last year the amount asked was £17,000,000, which represented Consolidated Revenue, £11,500,000; General Loan Fund, £4,000,000; and Advance to Treasurer, £1,500,000.

The extra £1,500,000 required this year from the Consolidated Revenue Fund is to meet additional costs that have been incurred, some of which are the marginal increases for salaried and wages employees of the Government. The increase of £500,000 for Advance to Treasurer is because of a general addition in Government activity in most departments.

For the benefit of new members, I might say that payment from Consolidated Revenue is used for a number of purposes, including payment of salaries to civil servants, school teachers, police, railway employees, members of Parliament etc. The General Loan Fund is drawn on to finance the various public works which are being carried out in many parts of the State.

While the Premiers of the States agreed unanimously at the Loan Council that the Commonwealth should provide £210,000,000 to finance the loan programme, the Western Australian programme is, of course, based not on this figure but on the sum of £190,000,000, which is the Commonwealth's offer.

As members are aware, the State Treasurer was successful at the Loan Council in obtaining approval for an additional payment to Western Australia which would be used for works to absorb men who had lost their employment. Most of this unemployment has occurred in the building and allied trades.

The Government is not aware what this additional payment will total, but it is hopeful that it will be about £4,000,000. Three alternative programmes have been prepared for submission to the Commonwealth for the use of this special financial assistance. The proposals include the construction of Government buildings, drainage, sewerage, forestry and similar undertakings. I move—

That the Bill be now read a second time.

HON. C. H. SIMPSON (Midland) [4.51]: As members are aware, when the Supply Bill is submitted to this House it is discussed—not usually at length—by various members, who are thus granted the privilege of speaking on any subject in which they may be interested, not necessarily connected with the Supply Bill itself, because the Supply Bill covers all branches of Government activities, and it is only right that members should take advantage of that opportunity to air their views on any special subject on which they desire to speak. At the same time, we have the Address-in-reply current, and members are entitled to speak on any subject under that heading also. As a rule, however, we do not clutter up our addresses on the Supply Bill with the large number of matters that we cover during an Address-in-reply speech.

In bringing this Bill before the House, the Chief Secretary said he did not want unduly to rush the debate, but intended to give us all the opportunity we desired to discuss matters that might properly be dealt with under this heading. At the same time, it is recognised that the measure is in essence a formal Bill; because, while one may criticise the Government, or commend it for what it has done or not done, it is still necessary to pass the Bill so that money can be granted to the various departments to cover necessary Government expenditure. The short preamble which the Minister gave us indicated that the Bill requests £2,000,000 more than last year; and no doubt before the Budget is presented, a further Supply Bill will be brought down so that the Government's activities may be carried on.

I have little to say in regard to the matter that the Chief Secretary has placed before us, but it is worthwhile to note that £210,000,000 was asked for by the Premiers as the extent of their requirements from loan funds, but the Commonwealth can apportion out only what its advisers tell it is the amount collectable during the year; and £190,000,000, the amount actually allotted by the Commonwealth, is £30,000,000 short of the estimates submitted by the States.

The Chief Secretary: I assume that that £210,000,000 represented the urgent minimum requirements of the States.

HON. C. H. SIMPSON: That is so. But in my experience, the State Premiers almost invariably ask for more than they expect to get. There is a certain amount of bargaining, and there is a proportionate cutting down of each State's allocation in order that the amount that the Federal Government can actually provide may be parcelled out.

The Chief Secretary: We have always asked for less than we could do with.

HON. C. H. SIMPSON: There was a time in the history of this State when materials and men were not available, and when there was an embarrassment of riches, and we were asked to apply to the Commonwealth for more money than we actually needed. The position at that time was that, because materials and men were not available, we were not able to spend the moneys that the Commonwealth was able to place at our disposal.

I do not think it is generally understood that the money we spend comes mainly from the Commonwealth Government in four different forms. First of all there is the reimbursement of tax which the Commonwealth, as the collecting authority, collects on our account. There are loan funds which the Commonwealth, acting as the agent for the States, collects from the people of the States and apportioned out. Then there are the grants made by the Grants Commission, and sometimes special grants in aid of various special works.

The Grants Commission's activities are based on the very sound idea that the stronger States should help the weaker. There are three standard States in Australia—New South Wales, Victoria and Queensland; and the other three are recognised as the claimant States—South Australia, Western Australia and Tasmania. Members are probably aware that this State during the last two or three years has received the biggest grant of the lot.

Special grants are made in aid of certain special works. For instance, our Premier has made an application for £4,000,000 because of the incidence of unemployment in Western Australia. He hopes to obtain that figure. I understand that the amount has not been decided upon, but there is no doubt that he will receive a substantial grant to aid him in solving the problem of unemployment.

Apart from that revenue, the State has its revenue from public utilities. But it is interesting to note, in passing, that 96 per cent. of our public utilities do not pay their way and are a charge against the revenue of the State. We also get some income from probate and other excise income and matters of that kind. However, the bulk of our revenue comes from Commonwealth sources; and it is interesting, in a way, to examine the position in the light of the results of the last election.

At the time we were contesting the election, both sides were fairly optimistic in regard to what the result would be. On our side of the political fence we were very confident, and our opponents probably felt fairly confident too.

The Chief Secretary: We had reason to be.

Hon. C. H. SIMPSON: I am not so sure of that, because the Minister's leader was known to have said through the Press earlier that he would not be surprised if there were a 50-50 result. However, we all know that the position entirely changed some time in April when the Federal Government made known the terms of what has come to be called the "Little Budget."

Hon. A. F. Griffith: He was very pleased with that.

Hon. C. H. SIMPSON: That "Little Budget" had the effect of hitting the small man in regard to his beer, petrol and cigarettes particularly.

Hon. G. Bennetts: And his wife's face powder.

Hon. C. H. SIMPSON: I know that is so because the barrage of questions that were addressed to me when I went around the country helping out candidates were all based on those three items; and the people concerned could well have afforded to pay the little extra which each expected to have to pay for those commodities.

While the election resulted in a great turnover of votes and the winning of a great number of seats by the Government—not in this House, but in another place—the Premier criticised the Federal Government for not supplying the money to solve this question of unemployment; for not giving him the money necessary to spend on the works that he has in mind. On the other hand, he must be very grateful to that Government for the steps it took to provide him with the money that he wishes to spend. On the one hand he receives the benefit of having the election influenced very much in his favour; and on the other hand, he blames the Federal Government for taking the very steps which resulted in the election turning out as it did.

He is, in effect, saying to the electors—who are not fooled by any means, and I am quoting in effect what the Premier is saying—"I know the Federal Government has to take this money from you and I want them to sock you as hard as possible so that I can have the money to spend." In order to get that money the Federal authority has to squeeze the small man and he kicks not so much at the Federal Government but at the party the followers of which have to bear the results.

This year will be difficult, financially. In 1956-57 there are £253,000,000 worth of bonds maturing. Whether we will find the money to take them over, or whether the bond holders will be persuaded to renew

their holdings, perhaps at an enhanced rate of interest, I do not know; but that is one of the problems that will have to be met this year.

One of the most important questions that will arise at the Premiers' Conference on the 16th August is the need for uniformity in wage policy and the means of achieving it. A second important question is the associated means for stabilising the cost structure in Australia. I think everyone will realise that the Arbitration Court, which is the fixation authority, did in effect make a very bad blue in 1950 when it put a £1 extra prosperity loading on our economy.

Not only did that start the inflationary spiral rising rapidly, but it also had the effect of destroying the relativity of margins, because the office boy received that £1 as well as the skilled artisan. That immediately upset the balance between the two, and that effect continued to spiral until 1953 when the Commonwealth Arbitration Court took the view that any adjustment of the basic wage must be based not on the needs formula, to which any such adjustment was automatically tied at that time, but on the capacity of industry to pay. In the long run that is the only way in which wages can be adjusted so that the economy can stand the strain.

The Associated Chambers of Manufacturers issued a statement in Canberra on the 26th July that Federal award wages were being paid to 47 per cent. of male employees in Australian industry and to 41.4 per cent. of females. These wages are not adjusted according to the cost of living. Wages adjusted according to the cost of living are paid to 41.6 per cent. of male employees and 50.7 per cent. of female employees. These employees work under State awards in all States except South Australia, which has stood by the Federal Court in adjusting only on capacity. About 11 per cent. of all Australian male workers and 8 per cent. of female workers are not covered by wage awards.

The position in this State, however, is different. Uniform policy and practice in fixing the Federal and State basic wages has become critically important to Australia's economic future. We have gone as far as we can economically go in permitting disparities between awards and allowing positive national practice, designed to stabilise wage costs, to be offset by State Governments whose policies do not let them tie in with the national approach.

The Federal basic wage in Western Australia, for instance, affects 14 per cent. of all workers, but this is the lowest proportion that it does affect in any State. In New South Wales it affects 41 per cent.; and in Victoria, 56 per cent. The wage is no longer adjusted quarterly, but only when a case for adjustment can be established on the grounds of national capacity. This

became the anti-inflationary policy in mid-1953 and was set as an example for all States to follow.

However, only one State—South Australia—has stood by the Federal lead. New South Wales and Victoria, after briefly accepting it, resumed adjusting automatically, regardless of capacity or economic consequence. Western Australian, Queensland and Tasmanian wage tribunals have discretionary power to make changes; and Western Australia, in fact, was an early State to break away from the national line and make adjustments.

The understood reason for Western Australia's departure was that the "C" series index continued to rise after the Federal wage had been stabilised. This was mainly because rents had been pegged too low for too long. It must be remembered that inflationary impetus takes time to dissipate. Given this time, the national wages policy would by now undoubtedly have been a major factor in damping out the inflationary pressures which appear still to exist, so far as the "C" series index shows.

It is plain that so long as five States continue to make their own adjustments to wages there will be discrepancies and discontent in the work force. The various basic wages differ now by amounts ranging up to 16s. or more. The resultant muddle is serious enough but the leapfrogging system behind it is promoting inflation and endangering exports to a critical degree. Recently the Federal basic wage was increased by 10s., which the court assessed as the most that national capacity could stand at this time. The amount was half what the unions sought.

Last month Western Australia's State basic wage was again increased on the basis of cost of living rises in the "C" index during the June quarter. Thus the breach between the two wages began immediately to widen again. The president of the court at this time stated that the increase stemmed from rises in excise on certain commodities. Some encouragement can be taken from this. At least industry was not held up as the culprit. In fact, industry has carried almost entirely the last two basic wage increases in this State.

However, this rise again emphasises the criticism which the Commonwealth Arbitration Court has levelled at the economically ominous principles of States, having loaded industry with wage increases in the form of "prosperity loadings," then increasing them further according to rises in the cost of living, even though prosperity itself is trending down.

The State court sees to it that the work force shares in economic prosperity, but does not ask it to forego any of this bounty when prosperity falls. If the court wants to adjust on the cost of living it should fix the basic wage on the cost of living and leave out prosperity loadings.

But it has based the wage on economic capacity. It should therefore revise it on capacity and not on the "C" series index.

I hope that our representatives at the Premiers' Conference will bear these facts in mind, because in the long run it is not what we want, but what we as a nation have the capacity to pay for that must be the deciding factor if we are going to face up to the competition that we must get from outside countries, and dispose of the produce of our land. I support the measure.

HON. L. A. LOGAN (Midland) [5.10]: I take this opportunity of speaking to the Supply Bill because this is the measure which enables the Government to spend money, and I want some of it spent in a particular locality and therefore thought that this would be the correct time to put forward my views. The matter I have to discuss has to do with the condition of Geraldton harbour at the present time. Members know that over the years I have on many occasions mentioned the shortcomings of Geraldton harbour, but unfortunately they have been accentuated by certain accidents that have taken place and also, to some extent, by the weather.

I will read some Press cuttings which will give the picture as completely as I could, in order that members may appreciate what I have in mind. In the "Geraldton Guardian" on Saturday the 9th June there appeared the following:—

After arriving in the outer harbour from Fremantle at 6.30 a.m. yesterday the m.v. Asphallon remained at anchor until noon but as the weather conditions were not considered favourable for the vessel to berth at the Geraldton wharf, she proceeded on her voyage to Singapore. The Asphallon was scheduled to load 225 tons of flour for Singapore, 175 tons of flour for Penang, 25 tons of flour for Port Swettenham and 73 bales of wool for transhipment from Singapore to London.

On Tuesday, the 12th June, the following appeared:—

Originally scheduled to call at Geraldton on Sunday next on her maiden voyage to Australia, the m.s. Kristin Bakke has been diverted to Fremantle on instructions from the Harbour and Light Department. The reason for the change of plans is the length of the ship, which measures 546 feet from stem to stern. The safety limit for the port has been fixed at 525 feet, this being regarded as the maximum to permit safe manoeuvring in the inner harbour. The fact that the wharf is partly out of commission and the present weather conditions are other factors which would contribute to the difficulties that would arise if the Kristin

Bakke or any other ship of the size were authorised to use the port. The Kristin Bakke, which was coming from Penang, was to have loaded a cargo including lead ore, bran and pollard, at Geraldton and it is anticipated that this will now have to wait until the arrival of the Anna Bakke on the 29th instant.

On Thursday, the 14th June, the following was published:—

In complete contrast to the boisterous conditions which have prevailed for most of this week, the Geraldton harbour was like a mill-pond today. The s.s. Vignes, which arrived off Geraldton from Christmas Island on Sunday last, berthed at the wharf this morning and commenced discharging about 4,500 tons of phosphate rock. Owing to the huge swell, the vessel was unable to enter an anchorage in the outer harbour and was compelled to cruise around the sea off the port until today. Two whalechasers in the Vigilant and Haeremai Star, which had been weatherbound at Geraldton since last Friday, sailed for Carnarvon at 8 o'clock this morning.

On Tuesday, the 12th June, there also appeared—

Two whalechasers belonging to the Nor' West Whaling Co. Ltd., which arrived at Geraldton from Fremantle last Friday morning, both dragged their anchors during heavy squalls on Saturday night. They were the Haeremai Star of 110ft. and the Vigilant of 98ft. On the trip to Geraldton they were accompanied by another whalechaser in the Point Cloates, but this vessel left the port to proceed to Babbage Island on Saturday morning. A report was subsequently received that the Point Cloates had run into particularly heavy seas, which damaged her bows and carried away one life boat.

The first mate on the Vigilant (Mr. Clive Scobie, of Fremantle) said yesterday that the gale force winds on Saturday night were probably stronger than those during the March cyclone. He remarked that in March he had weathered the cyclone on a craft at Green Island (about 100 miles north of Fremantle). Mr. Scobie described the winds last week-end as some of the worst he had ever experienced.

About 10 p.m. on Saturday the Vigilant began to drag her anchors, and as she commenced to drift, the engines were started. Shortly afterwards her sister ship was in the same predicament and soon both whalechasers had their motors running and were heading into the teeth of the of the winds to stop drifting and avoid running aground.

In pitch darkness and often blown off their feet by the boisterous conditions, the crews had an unenviable task in keeping awash in order that they would not come into contact with other drifting fishing craft.

During the night a fishing boat (Fair Maid) dragged her moorings and came close to the stern of the Vigilant. Both vessels drew closer together and there was a danger that the propellers of the whale chaser would foul the anchor chain of the Fair Maid. So the fishing boat was taken in tow.

When dawn broke both whalechasers were still lying at anchor with their motors running and they continued to do so until about 11 a.m. on Sunday, when they were able to move into the wharf and berth safely alongside each other.

Another newspaper cutting, dated Saturday, the 30th June, 1956, reads as follows:—

Two other vessels in the m.v. Anna Bakke and the m.v. Gorgon, which arrived off Geraldton yesterday, were compelled to remain steaming around the port because unfavourable weather reports militated against their berthing. At 7.30 o'clock this morning the Gorgon dropped anchor in the outer harbour, but when a further unfavourable weather report was received some hours later, she moved out through the heads and continued on her voyage to Singapore. The Gorgon was to have loaded 1,900 half-bushel cases of tomatoes (which will now be railed to Melbourne), 400 sheep, fifty tons of flour and five tons of chaff, in addition to forty-eight bales of wool for transhipment from Singapore to London.

So it must be fairly obvious to members that, because of some weaknesses and deficiencies, the Geraldton harbour has been getting a very raw deal this year. Some method must be found by the Government to improve the position. It would be quite simple to say that this is only a temporary phase, and that weather conditions will not always be the same as they were last March; but the point is that we have to make the Geraldton harbour safe at all times. I would stress that any loss of trade suffered by the flour-milling industry is very difficult to recover.

The tonnage of flour mentioned in the two newspaper cuttings I have just quoted represents quite a large order; and the business of endeavouring to obtain flour orders is so competitive that if overseas countries do not receive them, city firms do, because for some reason or other they are always assured of cargo space being available at Fremantle. Therefore, once an

order is lost, it means a further decrease in the output of the mill; and if this state of affairs continues the mill will close altogether. In these days, when we are trying to foster decentralisation, it is most essential that the outports be kept going, and the flour mills and other industries that operate in the vicinity kept working at full capacity.

It might be said that the loss to the Singapore market of 1,900 cases of tomatoes was not a great one. But that market for tomatoes is becoming more difficult as each year passes; and once there is a break in the supply, it is very difficult to make up the leeway. As a result of this delay, the tomatoes had to be railed to Melbourne although they were not picked for the Melbourne market. Those members who know something about tomato marketing will be aware that tomatoes have to be picked at certain stages for certain markets. These particular cases, then, were dumped on the Melbourne market, together with the usual consignment, with a consequent reduction in the price obtained for them.

As to the sheep that were left behind, I would point out that this stock is rounded up over a very wide area and forwarded to the precincts of the wharf to be loaded on to the ship. On many occasions the shipping agents are placed in an awkward predicament because they do not know what to do with the sheep. They cannot always find agistment for them at a moment's notice. If they cannot obtain agistment, the sheep have to be placed in a small yard and hand fed until another ship is available, and this sometimes means a waiting period of two or three weeks and this is a costly business.

After becoming aware of all these difficulties, members will appreciate that something has to be done urgently in regard to the Geraldton harbour. There are three main points at issue. Firstly, there are no spring piles against the wharf; and when there is a fairly hard blow, the ships bump alongside the wharf rather heavily. Anyone who has seen the damage done to the "Gorgon" and the "Cape St. David" during the March storm will realise the buffeting a ship takes when it is moored against a cement wall.

The large angle girders on the inside of the "Cape St. David" were bent out of place by at least 3ft. After minor repairs had been made to her at Geraldton, she was taken to Singapore and put in dry dock. The "Gorgon" also suffered a great deal of damage to her plates, and the stage has now been reached where ships' captains almost refuse to enter the Geraldton harbour when there is a bit of a blow on. In my opinion, if spring piling were built on to the wharf, some of the danger that now exists would be eliminated, and this would tend to encourage captains to review their previous ideas and continue to use this port.

The second issue relates to the length of any ship which can use the harbour as the safety limit of the port has been fixed at 525ft. This may not appear to be a very important point. However, now that lead is being shipped from Geraldton, we desire ships to call regularly at that port; and, at the moment, they are unable to do so. Consequently there is a pile-up of lead ore left behind on the wharf. I might also say that the individuals who are mining for lead do not represent large companies and therefore they cannot afford to wait too long for their product to be despatched, because they are anxious to obtain prompt payment. If they cannot obtain a quick return for the lead they will be unable to continue with their mining operations.

The other matter at issue is the depth of the harbour, which I have referred to on many occasions previously. The depth limit today is 27ft. 6in., and that in itself hampers the movement of ships in Geraldton. This has been the subject of quite a few inquiries and, at the moment, I do not know what the answer is. I hope the Minister can give us some guarantee that something will be done in the near future. It may be found necessary to shift the channel altogether with a view to discovering a new entrance to the harbour. I do not know whether the department has given any thought to that aspect. Then again, it might be cheaper to move the harbour to a different position.

The Minister for Railways: They might have to move the harbour to Fremantle in order to get sufficient water.

Hon. L. A. LOGAN: I am serious when I say that it might be cheaper to move the harbour. If they moved it towards the Chapman River a deep-water passage might be found. This may prove to be the answer.

I will give this much credit to the Government—namely, that the damage that was done during the March storm has now been repaired. The Government gave the task to a local contractor, and I think the Minister will agree with me that he did a very good job and also carried out the work very expeditiously. The contractor used a type of cement which, within two hours, could be properly floated; and, within 24 hours, one could do anything one liked with it. It was a very costly job, but it was an extremely good one.

As to the delay in the shipment of the wool, I point out that some growers rely on a certain shipment in order that their wool may reach London for a certain sale. Some members may think that any sale should do; but some growers look upon one particular sale as the sale of the year, and it is at this auction that they want their wool sold. For example, they may want the first or the third sale, and they try to work the same system with the London wool sales.

These men invariably have to work on an overdraft, and any delay in a wool shipment can mean a difference of three or four months. As a result they may have to work on their bank overdrafts for a longer period than they desire. Also, the general effect is that the money which should be circulating throughout the town is delayed in its circulation, and this has a great bearing on the trade and business of the whole district.

To give members an idea of the amount of loan moneys that have been spent on the Geraldton harbour since 1947, I will quote some figures which show the comparison of the moneys spent on Geraldton, Bunbury and Albany harbours. This money represents the amounts that were mentioned in the Loan Bills over the various years, so the figures will be authentic. They are as follows:—

	Albany.	Bunbury.	Geraldton.
1948	£20,000	£100,000
1949	£100,000	£100,000
1950	£250,000	£300,000
1951	£350,000	£150,000
1952	£400,000	£45,000
1953	£235,000	£35,000
1954	£140,000	£20,000	£3,000
1955	£50,000	£50,000
Total	£1,545,000	£800,000	£3,000

The Minister for Railways: Have you the comparative figures relating to the money that was spent when the Geraldton harbour was being constructed?

Hon. L. A. LOGAN: I will be perfectly honest and add that I have not been political in this matter because, as will be noted, I have quoted the figures as far back as 1948 when the McLarty-Watts Government was in power. In 1928, 1929 and 1930, the figures probably would be reversed, with the Geraldton harbour having more money spent on it than Albany or Bunbury.

Since 1948, I have been endeavouring to get improvements effected to the Geraldton harbour, and other members have been active in this regard also. The fact remains that only £3,000 has been spent on the harbour since 1948 and, in my opinion, if more loan money had been spent on harbour facilities during the past six years much of the trouble that occurred in March last would never have eventuated.

For example, had the breakwater been built up to fulfil all the requirements necessary to keep some of the boisterous weather out; had the harbour been deepened and widened; and had the spring piles been placed in position, all the trouble that I have been relating would never have occurred unless, of course, some outstanding squall or cyclone hit Geraldton, in which case none of these improvements would have made any difference.

So a comparison between the amounts spent on the two dates does not enter into the picture. What has to be kept in mind is that, since 1934, when the harbour was first completed, very little has been expended on it and the only way to keep the

harbour facilities up to date is to spend money on them. That is why I use those figures by way of comparison. I am not complaining about the spending of money on Albany or Bunbury harbour. I think that expenditure was well warranted. At the same time, the expenditure of some of it on Geraldton would also have been warranted.

Another thing which had a bearing, particularly on protection from the weather, was the old railway jetty, which at one stage was over a mile long. It had some effect of tempering the north and north-west winds which caused most of the damage to Geraldton. The jetty has been pulled up completely, and since then the position has become worse. In order to overcome this problem, another breakwater, in the position of the old railway jetty, could be built; and the old breakwater, as we know it at the moment, could be rebuilt so that it would be well above water line. Today there are gaps in the breakwater through which the wind and waves tear. Instead of a breakwater which functions properly, it is almost half a breakwater.

The building up of the present breakwater; the building of a new breakwater to temper the north and north-west winds; the deepening of the channel and enlarging of the inner harbour to allow the larger ships to swing around; and the erection of spring piles in the harbour are four ways of overcoming most of this problem. To take first things first, I would suggest to the Minister that the spring piles are the most urgent necessity. That would relieve quite a lot of the difficulty. The other jobs will be done in a matter of time, although I hope it will not be too long before they are completed.

There is another aspect regarding the harbour in Geraldton. This relates to ships of the State Shipping Service leaving cargoes behind. I know the Minister will forgive me for introducing this matter. He knows that I have been in touch with him on the subject previously. Looking up some of the correspondence on it, I found a letter dated the 11th June, 1948, and addressed to the Minister; another dated 26th June, 1951; another in 1952; and others for pretty well every year up to the present time. They all relate to cargoes being left behind by State ships at Geraldton harbour.

In March, one of the State ships was in the harbour loading cargo for North-West ports. There were only 12 bags of flour, 20 cases of aerated water, and 35 pipes left to be loaded; but the person in charge of the loading said, "No more loading. I am off." He left when there were only 12 bags of flour, 20 cases of cool drinks, and 35 pipes to be loaded. A mere 20 minutes would have been sufficient for the Geraldton lumpers to load the lot on to the ship. They are quite capable of doing the job in that time.

Whether members believe it or not, the other day 24 bags of chaff remained to be loaded on to a State ship. But, again, whoever was responsible for the loading said, "I am finished. I will not load any more." This cargo represented only two sling loads, but yet it was left behind.

The Minister for Railways: At what hour would that be?

Hon. L. A. LOGAN: I am not concerned with the hour at all. The point was that this cargo of 24 bags of chaff was left behind. It does not make any sense, irrespective of the hours when loading ceased.

Hon. J. M. A. Cunningham: Was it part of a consignment?

Hon. L. A. LOGAN: Yes.

The Minister for Railways: That happens with every State ship leaving Fremantle.

Hon. L. A. LOGAN: It may not have the same effect in Fremantle, but it has a great effect in the other ports. I wrote a letter to the responsible Minister in March about the first instance, but I have received no acknowledgment. I do not say that the Minister was responsible for it.

Hon. Sir Charles Latham: I am not surprised at that.

Hon. L. A. LOGAN: The Minister was electioneering in the North-West when I sent him the letter, so I am not blaming him. I pass on the information that the letter was sent to him but no acknowledgment has been received to date. I know that this matter will become the subject of a deputation, and I have given the Minister and the Chief Secretary, who is a member of Cabinet, some idea of what has been going on up there. I trust that the information I have submitted will convince them that something urgent is needed to overcome the problem which we in Geraldton are facing, and would ask them to restore a bit of confidence to the business community, and the farming community as well as the workers in Geraldton. I support the second reading.

HON. A. F. GRIFFITH (Suburban) [5.35]: This Bill gives me the opportunity of making a few remarks on a particular matter which concerns not only my constituency as a whole, but also the major part of the metropolitan area. I refer to the question of drainage. Mr. Simpson said he thought this year was going to be a difficult one for the Government, and I agree with his remark.

When glancing through the Lieut.-Governor's Speech I read these words at the bottom of page 3—

To enable the Government to meet commitments in the coming year, consideration is being given to increasing charges for various State services.

Unfortunately, the people of this State do not know exactly to what extent the Government has mortgaged its future in regard to commitments for the coming year; but we do know that a good deal of the work that has been carried out by private contractors for the Government in various spheres has been done on what are, in effect, promissory notes. It does occur to me that, in order to catch up with some of those promissory notes, there is the intention of further increasing some of the charges for services which the Government supplies to the people of the State.

Of course it is interesting to know that the first time the people of the State knew anything about this was immediately after the election, and not immediately before it. If those words, which must have been in the mind of the Government prior to the election in April, had been given to the people before the election, the result might easily have been different. However, the fact remains it does occur that once again the people of this State will face increased charges for various services in order to supply the Government with the money needed to carry out its various activities.

On Opening Day, I asked a question of the Chief Secretary in regard to the everlasting problem of drainage. The reply I got was not unsatisfactory, inasmuch as it did say that the Government was endeavouring to do something about the drainage problem; that it had plans to augment sections of the comprehensive drainage scheme from time to time, but that the availability of money was the main problem.

It is interesting to read in the stop press section of this evening's newspaper that members of the Bayswater Road Board saw the Minister for Works in connection with drainage in that locality. The Minister for Works told the road board members that the drainage of the Morley Park area would cost some £400,000 to complete. Then in recent Press reports we saw that the Treasurer intends to ask the Commonwealth Government for a special grant of £4,000,000 for the purpose of assisting to relieve unemployment and that the money will be spent in various avenues, one of which is drainage.

I am certain that the members of this House who have the same knowledge of the metropolitan area that I have, and particularly that part which I represent, will agree with me when I say that the Morley Park section of my province is but a small part of the overall drainage scheme throughout the metropolitan area. If the Morley Park section is of such magnitude that it will cost £400,000, then the total cost of the metropolitan drainage scheme must be simply colossal.

I realise the difficulties, but I would ask the Government to bear in mind that this comprehensive drainage scheme was

started by a previous Government, and carried on by the present Government to the best of its ability. As each year goes on the problem is becoming more intensified, until today it is one of great magnitude. It is extremely distressing to go into certain parts of the province represented by Mrs. Hutchison, Mr. Jeffery and me, and to see women and children obliged to wear gum boots when going out to the backyard to hang out clothes, or when going out through the front door, because there is a foot of water surrounding the house.

The Chief Secretary: You know there has been a terrific increase in the high water level.

Hon. A. F. GRIFFITH: I am not contradicting that statement; but it simply exemplifies what I am trying to draw to the attention of the Chief Secretary; that is, the great urgency for some attention to be given to this matter. The situation is this: The deputation that waited on the Minister for Works today was told that in that locality the cost of drainage was £400,000; that it could not be done straight away because of commitments in other areas; and that it would have to be done when money became available.

When is it to be done? When are we going to see some real effort towards solving that problem? Whilst I am not an engineer, the application of common-sense leads me to believe that it will become so bad shortly that it will be beyond control. The Chief Secretary says that the water table is much higher this year than the last, and the only hope we have is that it will be a lot lower next year. The fact is that the water table moves in cycles. If it is low next year, it will only be a temporary respite for the people who are suffering in that area.

I arranged with a private member in another place—the member for Blackwood—to ask the Treasurer a question. The question he asked was: “Would the Government make available transport so that members can go on a tour of inspection of these drainage problems?” The reply of the Treasurer was: “Yes, depending on the number of members desiring to make the inspection.”

I would ask members, if the Treasurer makes this transport available—and I believe he will since he has said he will—to join in this inspection and take a look at what the people in the district I am speaking of are putting up with and suffering from. Not only is real damage occurring to private property, but it is also occurring to Government property. Commonwealth-State rental areas are being affected the same as private property, and it is not only the taxpayers' money that is being affected, but that of private individuals also.

For some extraordinary reason, building continues to go on. It does not seem sufficient to have a warning that water is encroaching further and further, because building in places is still continuing, and the water menace grows as the areas continue to be built on, until now it has reached the stage where something has to be done. It is not sufficient to say that the Government has a plan which it hopes to fulfil progressively.

In regard to the £4,000,000 that the Premier hopes to get from the Commonwealth—I hope he will get it—I know full well what will be his reaction if he does not get it. He will complain again of the niggardly treatment that the Commonwealth Government continues to give him. That will always be the excuse. But if he does get it and the comprehensive drainage scheme is to be carried out, then if this £400,000 in Morley Park is any criterion of the amount of money that is required to carry out the whole scheme, I cannot see much of the £4,000,000 being left, in the event of its being applied in that way.

The Chief Secretary: It will be applied only as the Federal Government directs that it shall be applied.

Hon. A. F. GRIFFITH: I know; it is the same story all the time. I hope the day will come when something can be done about this method of raising money. It is very easy for one Government—forgetting its political colour, because one of these days we might find the position completely reversed, so that we have a Labour Government in the Federal Parliament and a non-Labour Government here, as has been the position on occasions in the past—

The Minister for Railways: What other source do you suggest the money might come from?

Hon. A. F. GRIFFITH: The fact remains that with this method of raising money, of which I am speaking, we have one authority with the power to tax the people and raise the money, and another authority—the State Government—with the power to spend it. It is an extremely easy matter, politically, to ask the taxing authority for more than we expect to get, anyway, and then to complain that we do not get enough.

The Minister for Railways: Where else would you suggest?

Hon. A. F. GRIFFITH: I am not at this stage going into that question. I think it is one of which I might require notice.

The Minister for Railways: It is one you cannot answer.

Hon. A. F. GRIFFITH: I know the Minister could very easily lead me on there. The question of uniform taxation certainly comes into it, and that is another matter on which I would require notice this afternoon.

In the interests of the people that I represent out there, I do urge that a more concerted effort be made towards getting on with this drainage scheme. There is the Act; there is the authority for it. Not long ago we amended the Metropolitan Water Supply, Sewerage and Drainage Act to provide for levies to be imposed in flooded areas.

I hope that some members—if they can spare the time when the Premier makes transport available—will go out there, because it will be extremely interesting to look at the problem. They will then realise that it has to be tackled now, because I venture to suggest that if it gets any worse, it is not beyond the bounds of possibility that it could lead to an epidemic of some kind, so that the health and welfare of the people of the State would be very adversely affected. I urge again, in the interests of these people, that something more concrete be done concerning this matter, and that the House be told more of the details of the Government's intentions in regard to it.

HON. G. BENNETTS (South-East) [5.50]: I would like to know whether the Minister for Water Supplies has a sufficient amount of money allotted to him on this occasion for the Goldfields water scheme. We have in the Kalgoorlie-Boulder area 25,000 people dependent on this scheme, and I am particularly concerned about the out-of-date pumping plant at Merredin. I know, from the way the pumps there are now working, that this year we are very likely to have one of the biggest water shortages or some of the severest restrictions that we have had on the Goldfields.

There are extra activities in the Bullfinch-Marvel Loch area, where there will be a greater pull on the main; and that will also apply at Bruce Rock, where a complete septic system is being installed. The authorities there are perturbed about the position. The pumps at Merredin have been installed for just on 60 years, and it is now necessary that they be replaced by the electrical pump system. Up to last year we had the bottleneck at Cunderdin. That was overcome by installing electric pumps, and now we find that we have it at Merredin.

Unless this year we can get extra money to install these pumps, the Goldfields people will be greatly concerned, especially those in the mining industry. Gold is at a standard price. We have had no increase despite the ever-increasing cost of production that has been placed on the shoulders of the mining companies, and also on the prospectors, so that we now have not sufficient prospectors; and if we have a shortage of water we will be handicapped further.

It is likely—I have not heard this mentioned—that there will be another burden put on the mining industry by an increase in rail freights. We are slipping in our

railways a bit because of the high administration costs. So we could have an increase in freights and fares; and that, as I say, would mean another burden on the goldmining industry. I would support a reduction in the administrative staff; and when I am speaking on the Address-in-reply, I will be able to enlighten the House a great deal on that point and on how we might be able to curtail some of the staff.

I do not want to delay the House because I know members are anxious to get the Bill through; but I ask the Treasurer to see whether something can be done in the way of providing extra money for the installation of electric pumps at the Merredin pumping station. I keep in touch with the pumping stations in my area, and I know the position. I also know the amount of water required, and the capacity of the pumps. It is impossible now to get any more water through the Merredin pumping station.

The Bullfinch mine has gone to a lot of expense to develop a new area at Marvel Loch and also at Southern Cross, and that will mean, perhaps, the employment there of a lot of the unemployed in this State. But if the shortage of water continues, many men may be put out of employment there. I urge the Government to look at this question and perhaps get a report from the engineers. The pumping plant should be renewed, so that if anything happens in the lower part of the State the mining industry will be able to pull it through the lean times again as it has done on many occasions previously.

HON. A. R. JONES (Midland) [5.55]: I take this opportunity to bring forward a matter which is causing quite an amount of concern, and that is the development of new areas which has taken place over the last five years. Members will recall that when the farming fraternity became successful, and had a little more in pocket because of good prices and good seasons, the sons of quite a few of the older farmers took up land in new areas. The same thing applied to other young men who did not have any backing, but had a small amount of capital with which they thought they might carve farms for themselves out of some of the newer districts. The areas I particularly wish to stress are those on the eastern side of Mt. Barker, and the coastal areas northward of Gingin to Mingenew.

We know that pressure was brought on the Government at the time to throw lands open for selection. The Government, in its wisdom, did say that it would be prepared to throw lands open, but it issued a warning that no finance could be made available to assist settlers going into those areas. At the time, it was believed—to my mind quite genuinely—that Government assistance would not be needed, because farmers were on top of the world with prices, and production was rising all the time.

But we know that over the last two or three years, although production has maintained its normal rate of increase, the price of our products has dropped to a large extent, and costs in the way of fertilisers, wages and other things necessary to develop a property have risen considerably. So today we find that many of those who, five years ago, thought they could develop a place are now in difficulties.

Representation has been made to the Minister for Lands to see what can be done to help some of these people. It is estimated that possibly 40 per cent. of those who went out into the new areas in the last five years will need some form of assistance. Otherwise, they will just walk off and abandon what they have already achieved and so lose what they have spent; and in some cases that amounts to several hundreds of pounds, perhaps up to £2,000 or £3,000. Of course, in some instances it is less.

In the areas I have mentioned, it is found that the development of pasture is not an easy matter, and not one which can be readily undertaken. In the early stages of development, the farmers have relied on cash crops for their carry-on. Some three years ago we had rather a dry season in these areas, so that they produced cash crops of barley, oats and wheat. But since then, we have had two very wet seasons, and the position now is a grave one because these cereals have not done particularly well, or even well at all; in fact, they are a loss on the actual cost of production.

So I believe the position now is that, although the Government did give a warning that assistance could not be made available, it will have to review that decision and see whether something can be done.

The Premier has said that he wants money so that unemployment can be checked in this State, and I believe he is doing the right thing there. We do not want any unemployment at all; but if consideration is not given to the aspect I am bringing forward, of course unemployment can result amongst these farmers, and that could be just as big a burden on the Government and the State as if men were put off from a timber mill, the wharves, or any other industry.

I believe it is just as important, in fact more important, to keep these men on their farms and bring those properties into production so that work can be created not only for the present but for the future also. Of course, the bringing of such areas into production will considerably help our overseas exports.

It would be a retrograde step if we did not make available what little money would be needed to further this project; because, if we cast our minds back to the last depression—those of us who went through it—we will remember the hundreds of

people who walked off their properties—in fact, there were thousands of them. The properties were left to deteriorate, and all the money and labour that had been expended on them was wasted.

A number of the areas I mentioned have a light type of soil; and if the properties were to be abandoned, before being established and planted to any type of pasture, cover or root growth, the winds and the rain would take their toll and create irreparable damage to hundreds of thousands of acres. When one looks at all these aspects, one must come to the conclusion that, although the Government did say that it could not make the finance available, it should change its mind and at least allocate some funds for this work, particularly because of the unemployment which would follow if these men had to walk off their farms. So I ask the Ministers in this House, when the subject comes up for consideration—as it certainly must do—to give due consideration to the points I have raised.

I would also like to support Mr. Logan in regard to the statements he made. He gave us some good reasons why Geraldton should receive special treatment, and receive it in the very near future. He outlined the disabilities, the capabilities and the limitations of the port of Geraldton. I would like to go further and stress the need for decentralisation.

At present the port is undermining the faith the people have in the district, and in their capacity to go on and develop their lands in such a way that they can carry an increased number of stock of the right type. The people's faith has been undermined because of the inadequacy of the port at Geraldton. In the last four or five years a number of farmers and pastoralists have spent thousands of pounds on the development of pastures in order to raise more stock, and a better type of stock to compete on the overseas markets, particularly in the fat lamb and baby beef industry. If the port of Geraldton cannot adequately handle their produce, and they are left in the air as to what might happen in the future, they will not be able to plan ahead.

For the districts from Morawa north, including Mullewa; and from Three Springs north to Geraldton, and from Northampton to Yuna, Geraldton is the logical and natural port; and the people in these areas are losing the faith they should have that the port of Geraldton is capable of handling their produce. Like Mr. Logan, I urge that something be done quickly, and I know that we can count on the sympathy of the Minister for Supply and Shipping because the boundaries of his province are close to the port.

Naturally the Minister is also interested in shipping for the whole of the State, and particularly in Geraldton, because some of the commodities required in the northern ports are shipped from

that port. On occasions, as Mr. Logan said, some of these commodities have been left behind, not only because of the bad port facilities, and the fact that the port has to be by-passed, but also for reasons of which the Minister is probably aware.

There is one other matter to which I would like to refer. In the Lieut.-Governor's Speech it was mentioned that some public utilities are losing money, and the Government feels that before long some increase in charges will have to be made. We have already seen some repercussions of this. In the paper this morning I read that water charges are to be increased. But once again it was very disappointing to me to notice—and I am sure it will be disappointing to all members who represent country areas—that only country people are to have their rates increased at present. I hope that the idea will become general; and that if an increase is necessary in order to cover added costs in the Water Supply Department, it will become general and increased rates will be levied on people living in the metropolitan area as well as those living in the country.

Hon. G. Bennetts: The best idea would be to bring in a flat rate.

Hon. J. G. Hislop: Water rates in the city have been raised year after year for the last five years.

Hon. F. R. H. Lavery: They are very high, too.

Hon. G. Bennetts: Put them up another shilling a thousand.

Hon. A. R. JONES: If the country people have to bear increased costs, I do not see why the same should not apply in the city. Dr. Hislop interjected a few moments ago; but I would like to tell him that at a place called Pithara, where the people are dependent upon rain for their water supply—there is an inadequate catchment area and dam—the publican this year had to pay £7 10s. a thousand gallons for water delivered at the siding, and another 10s. a thousand to have it delivered from the siding to the hotel.

The Minister for Railways: What did he charge for a lemon squash?

Hon. A. R. JONES: If Dr. Hislop can see any reason in that state of affairs, it is beyond me. It would be possible to increase the rate by just a small amount in the city to help cover the cost in the out-back areas of the State; and I hope that the Ministers in this House at least will see that when these increases are made they do not hit one section of the community and leave the other untouched. I agree that in the metropolitan area last year there was an increase in the rating, and it was said that this would not increase the actual cost to the consumer because only the rating was to be changed. But,

of course, with higher valuations on properties, it meant a considerable increase to consumers.

I am hopeful that one day we will get a Government with sufficient moral courage—whether it be Labour, Liberal or Country Party—to introduce uniform rating for water throughout the whole of the State.

Hon. G. Bennetts: And for petrol, too.

Hon. A. R. JONES: If Mr. Bennetts could influence all the members of his party in this House and get them to support such a move, I would be only too happy to move in that direction, well knowing that I would get the support of those members.

Hon. G. Bennetts: Goldfields members have been trying to do it for years.

Hon. A. R. JONES: If the hon. member would move in that direction I would be right behind him. With those remarks, I support the second reading of the Bill.

HON. N. E. BAXTER (Central) [6.10]: I think I would be failing in my duty if I did not make some comments during the debate on this Bill. When I spoke on the Supply Bill (No. 1) last year, I suggested to the Government that it should police its expenditure much more than had been done in past years. However, when one looks at the overall figures for the last two years, one realises that little policing has been done in this direction.

The total revenue for 1954-55 was £45,719,845 and there was a deficit for the year of £484,044. The following year, 1955-56, there was an increase in revenue of just on £4,000,000 with a total of £49,612,406, and we finished up the year with a deficit of £1,830,831. When one looks at those figures, one wonders whether the Government has tried to curtail and police expenditure in this State. It is apparent, from the figures, that no great effort has been made to do it. It is a common belief of the people in this State that the attitude in Government departments is, "Spend the money; expense does not matter."

Hon. E. M. Davies: That is so in Commonwealth departments.

Hon. N. E. BAXTER: These departments do not seem to realise that that attitude will take us to a position where things will become very tough, particularly if the Government does not give a lead. Mr. Davies just interjected and said that that applied to Commonwealth departments. I admit that the same thing happens with Commonwealth departments. But if the State does not attempt to give a lead to its people, how can we expect Commonwealth employees who live in this State to have a different outlook? Those employees will adopt the same attitude as the employees of State departments if the Government

does not try to police expenditure and see that the cost of works, etc., is kept to a minimum.

All along the blame for everything that goes wrong, in regard to the economic position and everything else, is placed on the head of the Commonwealth Government. Yet that is the Government which has to find the money for State expenditure, whether it be by loans or taxation.

Hon. R. F. Hutchison: They get all the money.

Hon. N. E. BAXTER: From where does it get the money?

Hon. E. M. Davies: From us.

Hon. N. E. BAXTER: If the States continue to take the same road that they have taken since the war, we will reach the position where the Commonwealth will not be able to find sufficient money for us. Members opposite seem to think that the Commonwealth Government can pluck money off the trees. They do not appear to realise that money must be raised by taxation or by loans.

The Minister for Railways: They just introduce a "Little Budget" when they want some more.

Hon. N. E. BAXTER: The bigger the loans the more we will have to pay in taxation in future—let members mark my words! We have made stupendous progress since the end of the last war, but the economic capacity of the State will not be able to stand that same pace in the future. There has been a terrific drop in the price of our primary products since the peak year of 1950. In addition, we have an adverse trade balance today, and the Government will have to take a lead in this matter. When I spoke on the Supply Bill last year, I warned the Government of what could take place, and I was more or less laughed at in some quarters. But what do we see in the State today? There is quite a lot of unemployment.

Hon. R. F. Hutchison: Mostly brought about by the Commonwealth Government.

Hon. N. E. BAXTER: There we go again! The Commonwealth Government gets the blame for unemployment in Western Australia.

Hon. L. A. Logan: They are merely putting up an Aunt Sally.

Hon. N. E. BAXTER: These people must have an excuse, and they must put the blame on somebody for something which happens in Western Australia, but which is under the control of our own people.

Hon. R. F. Hutchison: It is a system of boom and bust.

The PRESIDENT: Order!

Hon. N. E. BAXTER: That is the system that is adopted in Western Australia—boom and bust. It does not matter what

happens; the hon. member is absolutely right. That is the attitude of the present Government and of a lot of people in this State, and it is an attitude which will have to be altered if they want to have a decent living standard in the future.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. N. E. BAXTER: Before tea I was dealing to a certain extent with the unemployment problem. From remarks passed from the opposite benches it is apparent that members there wish to find a scapegoat on whom to place the blame for the unemployment in this State, instead of trying to grapple with the problem themselves and arrive at some solution as to how the matter can be settled. They are trying to blame industry or the Menzies "Little Budget" for the unemployment that exists; and in doing so, they are only endeavouring to shift the responsibility from off their own shoulders. We must realise that if we are to solve this problem we must do so ourselves and not leave it to anybody else.

The building industry is a good example, because it was the first to show an appreciable degree of unemployment. Since the war years we have been building at a greater rate than at any time in the history of the State; and with a certain amount of go-slow policy among some of the workers, together with the catching up on housing requirements, the stage must be reached where employment in that industry is overdone, particularly when costs have risen because of demands made for high wages and margins. There is a limit to our financial capacity to meet those costs.

Hon. R. F. Hutchison: What about excess profits?

Hon. H. K. Watson: Where are they?

Hon. Sir Charles Latham: The hon. member has them.

The Hon. N. E. BAXTER: When we look at the amount of capital investment in the building industry, we find there are no excess profits but a reasonable return on income in the majority of cases. I do not say that is so in all cases; there are undoubtedly some who make more than they are entitled to. In the majority of cases, however, they ask only for a fair return on their capital investment and their work.

It is time members of Parliament made a genuine effort to handle this proposition. We should not look around for someone else to do it for us. Let us take stock of the position and do something along those lines. One of the first necessities is to reduce the expenditure of the State. Last night the Premier announced that when he attends the forthcoming conference in the Eastern States he proposes to ask the Commonwealth Government for £4,000,000 to apply to the unemployment problem.

If he gets that amount or any other sum from the Commonwealth to help with unemployment, I trust that his Government will see that every penny is spent wisely, and that value is obtained from the money which he receives. If he does not do that, the result is not going to be a good one for the State. It will mean that we will perhaps have unemployment arrested for a short time, only to have it recur later and place us in a worse position than before.

We have reached the stage when trade balances are adverse, and a point where the State is receiving more in loan funds and tax reimbursements than at any time in its history. Yet we appear to be back in the position in which we found ourselves in 1929. Last year I said that we were back to a position similar to that which existed in 1928. In 1955 there was no unemployment, and yet 12 months later we find a total of 3,000 unemployed. The same position obtained in 1929; and if this sort of thing goes on, we will be faced with circumstances similar to those which obtained in 1930. The people in this State will then really know there is something wrong.

If we are to make progress, as we have done since the war years, by building structures such as the Narrows bridge and huge access roads which are planned in the city, and if we continue along those lines we will find a collapse in our economy very quickly; and that collapse in our economy can only mean unemployment. There is another angle to this. If there is a collapse in the economy we will find that the Narrows bridge, or any other bridge that is built over our river, and also the very expensive access roads, will be nothing but white elephants, because there will be so much motor traffic off the roads that the access roads and bridges might just as well not exist for all the use they will be.

I take the view that we are spending a lot of money on services, expenditure on which does appear to be a little premature, although it may be required in future years. If we spent half as much again on the development of some of our agricultural areas to produce export foodstuffs and goods required in the State, we would have a much more satisfactory economic position.

In the last financial year, we have lost about £3,000,000 on our railways. In his Speech the Lieut.-Governor mentioned that it was intended to hold an inquiry into the railway lines of the State. I am pleased to see that His Excellency appreciates that something must be done in that direction, and done fairly soon. I understand that at present the New South Wales Government is planning to get an American investigator to look into the railways in that State.

Hon. G. Bennetts: We want him in this State too.

Hon. N. E. BAXTER: As the hon. member says, that is the type of man we need to investigate our railway system. We want a man who understands the costing and general running of railways. There does not appear to be any attempt to run our railway system efficiently.

Let us take the Midland Junction Workshops as an example. No economy at all seems to be considered there; nor does there appear to be any economy practised in the running yards and goods sheds. Unless the Railway Commissioners are told to pull up their socks and economise, we will suffer losses in our railway system. It would seem that the answer is that some of the unpayable lines should be closed down.

The unpayable lines that were referred to some years ago were the Burracoppin-Bonnie Rock line, the Collie-Narrogin line, and the Wiluna line. The overall saving on those lines would not be so great as to affect the present deficit very much. At present there is quite a lot of freight off the lines I have mentioned which is not credited to those particular sections under the railway accounting system. Only a small portion is credited to those particular sections, and they are consequently regarded as unpayable lines. But if we took the freightage of those three lines away from the whole system, it would be found that they were not quite so unpayable, and the resultant saving in the annual loss would be a mere bagatelle. It is not there that the losses occur, but in the administration of the whole system.

If the Government wants to start saving, it should look at what is happening in the running of the railways throughout the State. On one occasion I was talking to one of my constituents for a quarter of an hour at Chidlows Wells and there was a diesel engine opposite us running at high speed all the time.

Hon. F. R. H. Lavery: It is more economical to leave them running than to stop them and start them again.

Hon. N. E. BAXTER: I cannot believe that. The hon. member cannot tell me that any engine is economical to run if it is standing for two hours and running at high speed all the time. That is what happened at Chidlows Wells. An engine under load is not affected but an engine running free is. It does not matter what engine it is, it must be affected if it runs at high speed under circumstances like that.

Hon. F. R. H. Lavery: Not a diesel.

Hon. N. E. BAXTER: I do not believe that there is any reason to keep them at that high speed. They could be kept at a reasonable speed all the time they are standing. Another case in point is that on occasions when they have tried out these new diesel engines they have had to

bring up 14 men from Midland Junction to Chidlow's Wells to test the locomotives. Surely that is not necessary.

Hon. F. R. H. LAVERY: Did you make any inquiries?

Hon. N. E. BAXTER: The whole thing is that nobody seems to worry about keeping expenditure to a minimum. Employees just seem to do their job, and the cost does not worry them one iota.

The Minister for Railways: Not even those who use the railways.

Hon. N. E. BAXTER: There are hundreds of small ways in which savings could be effected. I would like to refer to an instance that occurred recently. A friend sent me a case of fruit from the South-West and it cost me 3s. to collect it. I went to the cashier in the goods shed in Melbourne-rd. and was given a receipt and a railway note, which I took down to the No. 4 shed in order to collect the apples. When I got there I found that there were five employees. There could not have been more than 10 cases of fruit in all those sheds. Yet there were five employees practically doing nothing when I got there. The officer I had to go to had to make out another note for me to get this one case of apples, on which the freight was 3s. So I finished up with three pieces of paper and one case of fruit at a cost of 3s.

The Minister for Railways: They cost us 3s. per lb.!

Hon. N. E. BAXTER: How many pieces of paper the railways had altogether I do not know. I would say it was nearer eight or nine. I regard that situation as really ridiculous. One starts off with a case of fruit for which there is a rail note made up. It gets to the goods shed in Perth, and another list is taken. Then there is another notice made up, and then a delivery note; and so it goes on.

Hon. G. Bennetts: Then it goes on to abstracts and summaries!

Hon. N. E. BAXTER: The hon. member would know more about it even than I do. I finished up with three pieces of paper. Similar pieces of paper issued throughout the years have been kept by the department from the year one. I do not know where the railways keep them. There must be heaps of them being eaten by moths and silverfish.

The Minister for Railways: They bought them on a cheap market.

Hon. N. E. BAXTER: It must have been! But the buildings which accommodate them would not have been bought on a cheap market! These are things that the Minister should look into with a view to seeing whether some other system cannot be evolved whereby a lot of this paper could be done away with.

I have voiced these views because I believe that we in this House, and members in another place, and the Government are

the ones to grapple with such problems and try to solve them. My suggestion is that we should look to our own expenditure first. Let us police every penny spent in this State; and then, if things go wrong, we will be able to turn around and try to blame somebody else. But let us first put our own house in order.

HON. F. R. H. LAVERY (West) [7.47]: I wish to speak on only one or two items. As has been mentioned, the figure in the Supply Bill is £2,000,000 more than that of last year, but I think the reason for the extra amount can be easily shown. It is due to the expansion that has taken place since 1949 in the sphere of migration, and the consequent need for schools and other essentials. It is understandable that when population has risen to such an extent, Government expenditure must be greater.

The attempt by the Premier to obtain further loan funds to meet the impending unemployment position is one that must be commended for two reasons. One is that he has not waited until there are thousands out of employment. At the moment there are about 2,500 people actually unemployed in the building trade or because of the cessation of seasonal activities. But the Premier has not waited until a really serious blow has befallen us by way of unemployment.

On the contrary, he has made an attempt to do what was asked of him by the Federal Treasurer—namely, to place before the Commonwealth Government a programme of public works that would provide employment for people and avoid the paying of mere sustenance as occurred in the early 1930's. Money spent on productive work is money well spent, and it is better so expended than on social services designed merely to provide the wherewithal for people to buy bread and butter.

There are always a few people who are more or less unemployed throughout the years. But having attended three deputations on behalf of the unemployed during the last 10 days, I can say that the whole of those people are determined to find work. They do not want unemployment, and they do not want mere sustenance. Incidentally, in passing, it might be pointed out that when social service payments were inaugurated, the basic wage was £6 a week. It is now over £13, but the social service payment has remained at £2 10s. per week.

In this matter of unemployment there is one point to which I would like to draw the Government's attention. The State Housing Commission, which is the greatest landlord in Western Australia, has been housing people under a policy of priority of application. There have been occasions when the priority list has been departed from in order to meet an emergency. But, by and large, most of

the people have been housed after a waiting period which has varied from three years to five years.

A lot of those people who have been housed by the commission now find themselves unemployed, and they will have to go into the country or to the Trans-line where fettlers are wanted. They will have to leave their homes and perhaps be absent for 12 months. My concern is as to what policy the commission will adopt with regard to rehousing them on their return to the city. Private enterprise cannot provide for them, because not a great number of homes have been built by private enterprise in the postwar years.

Hon. Sir Charles Latham: There are plenty of empty houses at the moment.

Hon. F. R. H. LAVERY: There are. But people on sustenance will not be able to rent them.

Hon. Sir Charles Latham: Of course not.

Hon. F. R. H. LAVERY: The State Housing Commission also has a policy of reducible rents according to the income finding its way into a home. That is of great assistance while individuals in such a home remain in the city. However, over 30 per cent. of the people living at Medina are either unemployed or are working away from the township. That is a terrible state of affairs in a new area like that. I think there are 70 carpenters from that district working on the atomic project in South Australia. They will be home in three weeks' time and will be living at Medina with no jobs to go to.

It might be said that that is a small number, but it is something of importance when there are over 2,000 building tradesmen out of work. I hope that the Housing Commission will be able to define a policy whereby people who have to leave their homes and go to the country will not have to wait two or three years for a home on their return.

I consider that the hire-purchase system under which we seem to be living has helped to keep employment well to the fore. There are many businesses in Australia that might not have survived if their goods had not been sold under the hire-purchase system. I do not like that system myself, but it seems to be part of our way of life.

Hon. L. C. Diver: How do the unemployed meet their commitments under that system?

Hon. F. R. H. LAVERY: I was just coming to that point. Unemployed people are in the position that they will have to return the goods they have been securing under that system, because they will not be able to meet their commitments. But those of them who are able to obtain a reduction in rent from the commission should, I think, be able to secure a reduction in their weekly hire-purchase payments. I do not think it is beyond the

powers of finance to arrange that, and it is something that should be attacked before unemployment really strikes us and we find a mass of goods being returned to the hirers.

Hon. N. E. Baxter: You do not think that unemployment has really struck us?

Hon. F. R. H. LAVERY: Throughout my life I have been optimistic. I am not a pessimist. When last year, Sir Charles Latham told us how bad things would be, I did not think that would be the case, and I still feel they are not as bad as is believed. The difficulties are not insurmountable. I imagine that we, as members of Parliament, are looked upon as leaders in the community, though I do not know what outside people do think of us. But if we are going to be leaders, it is our duty to keep up the morale of our people and not be pessimistic over every economic problem that faces us. I think that our Premier has shown a lead by attempting to provide productive employment in the way of public works, and that is the sort of lead we should give to our people.

I do not want to decry what Mr. Baxter said in regard to the seriousness of unemployment. I do not want to see it become as bad as he says it is, and I believe he is being over-pessimistic. I believe that the Governments of Australia—both Federal and State—are very alive to the economic position and will not allow it to deteriorate to anything like that which prevailed during the 1930's.

Hon. Sir Charles Latham: We hope it will not be as bad as that.

Hon. F. R. H. LAVERY: I believe that, given 12 months of good, careful handling of the situation by private and Government finance, we will be on our way forward again. I do not say that merely for the sake of saying it but because I feel that the present situation is due to the fact that we have reached the crest of prosperity and are gradually coming to a levelling on the other side of the wave. It would be for the good of all if for 12 months we could keep ourselves balanced.

I went to see one firm in my district the other day on behalf of a couple who are finding it difficult to meet their hire-purchase payments. I was told by the manager that where there was a genuine case and the individual concerned went to see him and did not wait until notices had to be sent out to him, he would do his best to assist. If one firm can do that—and that firm is a big one—I believe that hire-purchase people throughout the Commonwealth should be able to work on the same basis. I commend the Bill to the House.

HON. J. G. HISLOP (Metropolitan) [8.00]: The fact that the Minister for Works today said it would cost £400,000 to drain one of the new housing areas must

alarm us, because that must add considerably to the capital cost of the houses there. Quite apart from that it brings to the fore the necessity for town planning this city on proper lines. I recall that during the Royal Commission on town planning Miss Fielman told us that there were many areas around Perth which were not fit for housing, but which should be reserved for food production and the growing of vegetables and so on. She said that only certain areas which could be properly drained should be used for housing.

Surely all this must have been known to those who had to choose the sites upon which to erect new houses; and that makes one feel that we cannot delay much longer putting the decisions on town planning into effect. If it is to cost us such an enormous sum of money for the drainage of a single unsuitable housing area, the sooner we learn what parts of the metropolitan area are suitable for housing, the better will be our economic position.

Another alarming feature in regard to town planning, which has come to the fore in the last few weeks, is that apparently the accessory roads to the proposed Narrows bridge have not yet been finally decided upon; and if the present plan is accepted, it may be 10 years before the necessary roads are built. That statement was made recently by the Minister for Works; and I am appalled to think what will happen to the traffic around the city if the exit road, which at present is planned to go under Mount-st. and Malcolm-st., and under the Public Works Department and into George-st., is not built within the next 10 years.

I wonder what sort of chaos will exist in our city traffic if the construction of that road is so long delayed; and I doubt very much whether the bridge over the Narrows will be really useful at all without a proper set of exit roads. All that bridge would do, in the absence of proper exit roads, would be to bring more people to the city through roads and streets which would not be able to handle the increasing traffic.

As a suggestion which might be used while the exit road is being planned or completed, let us see whether the Causeway could not be reorganised so that four lanes of traffic could be used in either direction according to the traffic needs. That is what is done on the Sydney harbour bridge and most other large bridges in the world. In Chicago, years ago, we saw the whole kerbing on the roadside being pushed up by hydraulic pressure, over a distance of some miles, so that the traffic could use an extra lane when it was warranted. Nothing of the sort is necessary in the case of the Causeway, but some reorganisation is essential if four lanes of traffic over the Causeway are to be used.

The difficulty on the Causeway is caused by the central grassed area which I understand was built in order that the land on

Heirisson Island might be used by the National Fitness Council. That decision has long since been rescinded, but we are left with that grassed area and that depression in the Causeway purely because that decision was at one time made. I feel certain that if that centre portion were taken away it would be simple to allow an exit from either one of the two middle lanes to be made. If one drives over the Causeway in a busy period one sees cars almost bumper to bumper endeavouring to get across, while coming in the opposite direction there may be only a single lane of traffic.

Surely we can learn from those who have used the bridges in other parts of the world and use an extra lane during busy periods in order to solve the problem of the weight of traffic on the Causeway. If that were done, I am certain we could delay the construction of the exit road from the Narrows bridge for a short period. But to attempt to delay it without providing any further exit from the city, for the next 10 years, would be disastrous. A delay of only five years might be disastrous, and so I suggest that the removal of the centre portion from the Causeway and the use of an extra lane according to the traffic needs might be one way to solve the problem of emptying the traffic from the city.

The other night I left here at 5 p.m. and went over the Causeway to South Perth, arriving there at 6 p.m., which seemed so silly when there was another lane on the opposite side which could have carried its share of that heavy outward traffic. I also question the need for the length of tunnelling and cutting proposed in designing the road under Mount-st., Malcolm-st. and so on to George-st. Surely one of the simplest solutions would be to resume the church property on the corner of Spring-st., because I understand that the church would welcome a new home for the Archbishop in a less noisy situation than that to which I have referred, and from there the road could go direct to an exit in Milligan-st., which widens out where Motor House is at the junction of Milligan and Wellington-sts.

The road I suggest could almost be taken at the height of the roof of Motor House and across the railway to the opposite side not far from the proposed area in George-st. It would not make much difference to the actual planning from there on. If I know the city correctly, the bridge would lead almost straight into a grassed area in Aberdeen-st., and so there would be plenty of room. Not only that, but it would also mean that exits could be made in Milligan-st. so that the traffic could join the exit road from the city rather than have to come out, as is apparently now proposed, over the railway before it can join the road which eventually is to enter the Narrows bridge.

As I have previously said in this House, a golden opportunity of planning was lost when we did not widen the portion of Milligan-st. between St. George's Terrace and Hay-st. when the building site on which Carlyle & Co's new premises now stands held some buildings which were to be demolished. It would have been easy to set the front of the new building back. The existing building at this end of Milligan-st. on the corner of St. George's Terrace is owned by the university, which is purely governmental, and the building on the Hay-st. end of that section is owned by the Commonwealth, which could have resumed further property in order to extend its post office. The rest of the necessary resumption would have been simple at a later date.

The Minister for the North-West: There are some expensive properties further on.

Hon. J. G. HISLOP: Not very expensive. The area between Hay-st. and Murray-st. would not be an expensive one to resume, apart from the hotel and the hostel on the other corner as the rest of it is almost all single storeyed buildings.

The Minister for the North-West: What about W. D. & H. O. Wills's premises?

Hon. J. G. HISLOP: No, if we took Dix's building on the corner we could swing all the traffic there. There surely must be room for roads alternative to this, but the decision as to where the road should go must be made early and the building of the road itself will within a matter of a few years become a question of the greatest urgency. I would suggest that our economic situation may become such as to demand that we put a toll on both the Narrows bridge and the Causeway.

Hon. Sir Charles Latham: How much would it cost to collect the toll?

Hon. J. G. HISLOP: The hon. member can tell me about that afterwards. A toll has been used in many places in Australia and other parts of the world and it may be necessary to contemplate something of that sort here in order to see the necessary work started within a reasonable time.

I wonder whether Mr. Jones would mind very much if I asked him to think more deeply on the water problem in country districts. He seemed rather to imply that the only solution to the problem of which he spoke at Pithara and other places was to raise the cost of water to city dwellers. I do not think that is the answer at all. What Mr. Jones is really interested in is water, and not the cost of water; and I think we should look at it from the point of view of conservation.

When I stated that city water rates had increased considerably, I was speaking from personal knowledge, as the rates on my own property have increased nearly fourfold in something less than five years. For a property in Mount-st. which holds only two homes, my water rates this year

were £111. It is not possible for me to use the amount of water which is allowed for the rates I pay, and I will not come within 300,000 gallons of what I am allowed. I feel certain that if I had to pay only for the water I use, I could cut my present water consumption by half.

If that principle were extended all over the city and the closer settled surrounding areas where the rates are high my position could be repeated numbers of times. If that were done generally, there is no doubt there would be a great saving of water. If we were to pay only for the water we use, I think that many people in the city would prefer to expend capital and put down their own bores and spears in order to use underground water, and that again would mean a considerable reduction in the total amount of scheme water used in the metropolitan area.

Probably Mr. Jones appreciates that one of the reasons we have water restrictions in the summer is that there is not sufficient delivery pipe, either in size or amount, to bring the water from the dam to the city, and it will not be long before a great deal of expenditure will have to be made to duplicate the existing delivery main. If, by some means, we could reduce the amount of water used per person in the metropolitan area, we could possibly delay that duplication of pipe for a number of years, and the money so saved might go towards the cost of establishing country water supplies.

If we really pursued this idea to its logical conclusion we might find that we would not have to seek the establishment of more expensive dams—such as the Serpentine dam—for many years, and so the money that is now being spent because of our present system of charges for water supplies in the metropolitan area might well be spent in providing water for people in the country which they so greatly deserve. No one will deny for one moment that the people in the country have to pay more for their water, but I do not think that the solution to the problem lies in raising the cost of water supplies in the metropolitan area. What we want is a new system for the distribution of water.

Only recently I read an article in the "Atlantic Monthly" which dealt with the enormous saving of water that had been made in various American cities by having inspectors walking around each city from time to time to watch for leaking taps. In America they have reached the stage where they do not care about the cost of water, but the conservation of it. As a result, the various authorities have made enormous savings in the amount of water used by insisting that the faucets—as they are known in America—must be tightly turned off when the water is not required.

Since then, whenever I have drifted into anybody's property, I have interested myself every now and again to check on the number of leaking taps, and it is amazing

the amount of water that is wasted in that way. Therefore, I think the proper approach to the solution of this problem lies in the conservation of water rather than in raising the charges because in this way I am sure that Mr. Jones will eventually obtain what he is seeking.

Finally, I agree with those speakers who say that some solution must be reached on the financial relationships between the Commonwealth and the States, because it is rather nauseating to hear States or governments of any creed blaming the Commonwealth both ways. In other words, if the Commonwealth raises the tax on the people, it is unjust; and, on the other hand, if it does not give the State governments enough money, it is still unjust. Such a state of affairs cannot continue very long in a country such as Australia. The answer is that we must ask for a return of the State's sovereign rights. If it is then considered that some other formula must be made out for those States with the smaller populations, that is a matter for someone else to solve, and it should not be impossible of accomplishment.

To carry on as we are doing, with the State Governments blackguarding the Commonwealth Government from time to time, is a situation which is not good for Australia generally, and it is certainly something that we cannot allow to continue for very long. I do not think it would do much harm if we brought back the spirit of federation which we once had before we gave up our rights when uniform taxation was introduced. The day will come when people who think about government will ask for our rights to be returned to us.

HON. G. E. JEFFERY (Suburban) [8.24]: As a newcomer to this Chamber, I must admit that I was amazed at some of the remarks passed in this House by previous speakers, and, what is more, I was astounded, after having worked for 21 years in this State, to hear members in this Chamber stating that they still considered that most workers believed in the "go-slow" policy. The fact is that the average Australian worker today does more work than he did some years ago—but, admittedly, with the assistance of improved mechanical equipment.

To the hon. member who made the statement about the "go-slow" policy, I suggest that if he spent some of his time visiting a few of the industrial establishments in this State, he would be amazed at the work that is done by some of our workers.

Hon. N. E. Baxter: I said some of the workers, not all of them.

Hon. G. E. JEFFERY: I have heard it stated outside that this Chamber is the home of old fogies, and that we are out of touch with what is going on around us; and I would say that we are definitely out of touch with some features of industry.

I would suggest to the Minister for Railways that he invite the members of this House to make a visit to the Midland Junction Workshops so that they may see for themselves the amount of work that is done there. It is not only the quantity of work that is turned out, but also the high quality that should be noted. It is a well-known fact in the engineering world today that the best boilers are manufactured in Western Australia. At times I think we are suffering, perhaps, from an inferiority complex when we speak of our locally-manufactured article.

On the question of State finance, it is admitted that there is a great deficit. But it does not matter what the political colour of the Government may be because, when we have large areas of land—such as in this State—and a small population, it necessarily follows that we must show great losses if we are to render to the State the service it deserves. For example, as far as the country people are concerned, the system of freight charges on the railways is specifically designed in such a way as to give some advantage to the country dweller. It is quite reasonable to expect that that should be so.

Earlier in the debate it was stated that some companies did not earn excess profits; and one member asked, "Where are they all going?" I want to refer to one branch of finance which I consider is gradually becoming a social evil. This system of finance is having a derogatory effect on the floating of loans by the Commonwealth Government. I am going to quote a few figures at this stage because in the not too distant future I think the Government will be called upon to take action to curb the activities of hire-purchase companies; and I trust that when this day arrives, members will give the Government their full support.

The figures I am about to read concern one company called "Industrial Acceptance Holdings." For the year ended the 31st December, 1955, the profits of that company amounted to £1,832,831, and it paid a dividend of 16½ per cent. This left over £900,000 to be paid to reserve. In other words, it could have paid a 33½ per cent. dividend if it had so desired. This figure is even more enhanced when it is realised that only a short time ago this company made a bonus issue to its shareholders of three shares for every two held. On that reckoning, on actual capital investment held by the shareholders in that company it could pay a return of 80 per cent. on its transactions.

Another company is that called "Australian Guarantee Corporation." For the year ended the 30th June, 1955, it made a profit of £1,234,143. It paid a 15 per cent. dividend, following which it salted away £832,000 in reserve. In other words, to pay a 15 per cent. dividend it took one-third of the year's profit.

Hon. L. C. Diver: What price was its stock?

Hon. G. E. JEFFERY: I have the figures here, which the hon. member can have later if he so desires. The stock was quoted at a price which was approximately twice the face value of the shares issued.

Hon. L. C. Diver: Therefore, those interest rates are halved.

Hon. G. E. JEFFERY: No; these represent the dividend rates. The proof of how much profit these companies make can be found in the figures which are published in the issue of "The West Australian" dated the 7th of July. In that issue one can see an advertisement by a company which is offering $12\frac{1}{2}$ per cent. to the people who invest their money in it. The reason I have introduced this subject to the House is to point out that these companies are forcing up the interest rates on Commonwealth loans.

Hon. H. L. Roche: Do you think these hire-purchase companies should be controlled?

Hon. G. E. JEFFERY: Yes. In an endeavour to attract the investment of loan money, the Commonwealth Government, together with some semi-governmental authorities, have had to raise their interest rates.

Hon. Sir Charles Latham: I think you should tell the public how the money is being used.

Hon. G. E. JEFFERY: New South Wales in particular has taken some steps—I think in the latter period of last year—to control the operations of these companies. In Western Australia today one can walk into any number of establishments and take out a refrigerator or other electrical appliance by merely depositing £1 on the counter. In my opinion, if a person cannot afford to pay 10 per cent. of the total cost of the article purchased he cannot afford to buy the article at all.

I hope that this Parliament will have the courage in the near future to take action to reduce the profit margin of these companies. The greatest danger at the moment is that their operations are having a detrimental effect on the borrowing power of the Commonwealth Government; and this, of course, affects the States in turn. I realise that, to a point, hire-purchase companies do render some service to the community. They create employment by having their own staff, and they also make work for manufacturing concerns, retail stores and so on. However, there must be a balance in what can be considered a reasonable profit.

I realise, too, that if we have too much control, that may create unemployment. The interest rates which these companies charge are based on what is known as the flat rate. That amounts to approximately 10 per cent.; but on the basis of simple

interest rates, it works out to about 20 per cent.; and, in some instances, the rates are higher still.

It is most difficult to make a check on the operations of these concerns because many of them have subsidiary insurance companies. The customer must insure the article through a subsidiary company; and therefore the figures of the parent company are not easy to trace. For example, the subsidiary insurance companies of "Industrial Acceptance Holdings" last year contributed £286,000 to the profit of the parent company, which undoubtedly is a considerable figure.

With the problem of unemployment looming in our midst, this state of affairs is creating great hardship in many homes. As a result, housewives go into the various stores and, following high pressure tactics by a smart salesman, it is quite easy for them to sign on the dotted line and take home an article which they cannot afford. The hire-purchase agreement that is signed by the purchaser is not easily understood by an ordinary layman. I took a copy of one to a legal friend of mine, and some of the clauses proved to be a little ambiguous even to him.

I have had instances of people in my electorate approaching me because they could not afford to pay for the article they had contracted to purchase, and they have been forced to return it. Subsequently, they have received an account from the hire-purchase company, and they have been amazed when they discovered that they still had something to pay, even although they had returned the article to the store where they obtained it. The answer is that when a person signs a hire-purchase agreement for, say, an amount of £100, in the agreement there is a clause which states, "You are bound to pay 50 per cent. of the total cost."

So John Citizen, who takes home a refrigerator, and pays £1 deposit and £1 a week for a month, finds that, through a change of circumstance such as unemployment or illness, he owes £95 on the article. If the company wishes to enforce the law—and most of them do—it can charge the difference between what has been paid and 50 per cent. of the cost of the article. I only hope that later in the session the Government will take action against the hire-purchase companies, to protect not only the people but also the Government of Australia. This practice is eating right into the structure of borrowing.

Earlier in the debate I heard that the Commonwealth Government will redeem £273,000,000 of loan stock during this year. With the way things are going, it will be increasingly difficult because it is obvious the Government will have to pay a greater amount of money to borrow less, if this type of business is allowed to be carried on as in the past. We will be faced with a situation of a certain cut in the profit margin.

When it is boiled down, they are financing companies. The manufacturer takes a risk. It may cost him £1,000,000 to set up a refrigerator factory. He takes a gamble with his outlay, in installing that amount of plant and machinery. The finance companies take no risks whatever and have no responsibility, yet they are getting the rake-off, which, personally, I would prefer to see go to the manufacturer, so that he can cut down his profit margin and produce a cheaper commodity for the consumers. I support the second reading.

HON. SIR CHARLES LATHAM (Central) [8.32]: I was very interested in the last speech. After all, what is really required is education of the people. It shows lack of education when a person will purchase luxuries and commit himself in the process. I do not agree with the policies of the finance companies, and although they are attractive investments, I would not be a shareholder under any circumstances.

The Minister for Railways: Or a client.

Hon. Sir CHARLES LATHAM: Certainly not a client. There will come a day of reckoning. Whilst their rate of interest is out of all proportion to the services they render, nevertheless they take a risk. I predict that it will not be very long before this city is flooded with a lot of secondhand articles, besides refrigerators and washing machines. I know the range of articles.

I once suggested to a person that he was very foolish to borrow money to purchase such an article but was told in reply that so-and-so had such an article and he should be entitled to have one if he could pay for it. People can pay for these articles only for as long as the wages are on the present high level. The demand of such people creates an artificial position, and they create a demand for attractive wages because of these extravagances. It is far better to set aside money regularly and buy an article direct from the manufacturer or agent than to buy it on terms from finance companies. I do not know how it is possible to legislate to protect a person who is foolish enough to enter into the kind of hire-purchase agreement referred to.

In the years gone by, prior to the last depression, I frequently spoke to my fellow farmers about the unfortunate position they were in, at a time when there was no market for their products and they were in difficulties. That was the time when the Government had to write down their debts, and when the Government had to request people carrying the liabilities of the farmers to relieve them of considerable amounts. I realised then how difficult it was to get those farmers to buy only sufficient for their requirements and not expect to buy on the same footing as the well-established farmers, because they did not have the wherewithal

to meet the cost. I do not want Mr. Jeffrey to get the idea that we are behind the finance companies. We are not. At the same time, we cannot legislate in any form to prevent the public from being foolish enough to pay the terrifically high rates of interest.

The day is not far off when a lot of second-hand luxury goods will be sold at a very low figure. Today in the auction rooms they are being sold and I know of one place where a refrigerator has been offered to the public for £25. I was told by the auctioneer, "I suppose it will be there for a year or two." It is in very good working order. Someone originally had to pay the difference between the purchase price and what it is being offered for. Of course, the company concerned will have to meet some of that liability.

THE MINISTER FOR RAILWAYS (Hon. H. C. Strickland—North) [8.36]: The introduction of the Supply Bill has certainly brought forward an interesting debate upon the economic condition of the nation and individuals. I have one or two remarks to offer on some of the concerns that come under my jurisdiction. Quite rightly, Mr. Logan told the House of the events that occurred in Geraldton harbour during this winter.

There have been quite a number of shipping accidents in the harbour due entirely to the inclement weather. The weather has been extremely rough, particularly in March when there was a cyclone. It has been stormy and blowing consistently from the north-west. Of course, the winds blow directly across the harbour and broadside on to the wharf. I was in Geraldton in March at the height of the cyclone and I observed the ships, the "Cape St. David" and the "Gorgon" being battered against the wharf. I also observed the railway wharf being battered to pieces.

In my opinion, as a layman, the harbour had been wrongly constructed. Instead of its being a pier where shipping could back out or sail from, the shipping is blown against it every time any wind from the north-east to north-west blows. It is all very fine to criticise the construction at this stage after we have seen the faults. I should think that when Geraldton harbour was constructed, one of the main considerations was economy in bulkhandling of wheat. Instead of erecting piers, they erected a wharf, so that ships could pull up broadside to the bulkhandling bin. That is the position in Geraldton.

Hon. Sir Charles Latham: But not at Bunbury.

THE MINISTER FOR RAILWAYS: At Albany also there is a wharf instead of piers, half completed now. The main consideration behind the construction was economy for bulkhandling of wheat and other cargoes such as sulphur for the super works. Now we find

that that was penny-wise and pound-foolish. To return to my observation of the buffeting of ships in the harbour, one could not help but feel that much expenditure must be incurred at Geraldton to protect future shipping at that port and to save the wharf from destruction.

Members representing that province have presented the case to me on various occasions, as was put forward by Mr. Logan. Since the recent accident to the "Comet," an engineer has been sent to Geraldton to make a survey and to report to the Railway Department in connection with the fendering system. That matter is now under consideration. If that is considered to be the most suitable system, there is not the slightest doubt that it will be installed, and as early as possible.

Another side of the harbour survey was connected with the closing up of the exposed entrance, whether it be in the vicinity of the old jetty or where there was a viaduct running to the harbour I am not aware. I have not yet seen the report to study those details. There is no doubt that some closing up must be effected for protection; otherwise, as the members representing that district pointed out, there is the possibility of a considerable amount of shipping being lost to that port, principally wheat ships, and wheat is being shipped this winter from that port in larger quantities than ever before. Of course, they are under charter to Bulk Handling Ltd. There are legal cases pending as to who is to pay for the damage, the charterer or the ship owner. Substantial amounts will have to be paid by some party.

Hon. Sir Charles Latham: Will the Government not be included?

The MINISTER FOR RAILWAYS: The Government will be a claimant in respect of the wharf being knocked about.

Hon. Sir Charles Latham: The company has taken action against the Railway Department.

The MINISTER FOR RAILWAYS: I have not seen anything of that nature. That matter has not come before me. In my opinion, it would be difficult to charge a property-owner with damage to a vehicle, after having knocked his fence down.

Hon. Sir Charles Latham: It was not carelessness but an act of God.

The MINISTER FOR RAILWAYS: I hope the hon. member will not press me too far. I was an eye witness to one of the occurrences. I agree with the members who have put up a case for protection at Geraldton. There is no doubt that improvements are urgently needed, but whether it will be possible to carry them out to the fullest extent, as proposed by the engineers, will depend upon the funds available. I would say with some certainty

there will be sufficient money made available to install a fendering system. From a preliminary estimate, I understand that would cost in the vicinity of £50,000.

I understand that is a preliminary estimate on the design that has been submitted. I do not know what it would cost to build a breakwater further out; I have not heard any estimate of that. But it would certainly cost a lot of money because the stone would have to be quarried, carted and placed in position; and the breakwater would need to be of considerable length to have any effect. However, those matters are being actively considered and I am hopeful that there will be quite a lot of improvement work, from a safety angle, carried out in the harbour.

During his speech, Mr. Logan mentioned restrictions in the harbour in regard to ships of a length exceeding 525 feet. The reason for the restriction on length is the confined area in which the ships have to manoeuvre. The restriction is for the safety of the ships, not the safety of the harbour; although if one did go aground or break up there it would be an obstruction for a long time, until it was removed. Possibly it would never be removed, which might have the effect of restricting the length of ships even more. But that does not deter all of the ships.

I think Mr. Logan mentioned the "Kristin Bakke," a Knudsen Line ship—a most modern ship. In fact, all that company's ships are fast, new, modern ships. A sister ship, the "Anna Bakke," has, because of its shorter length, come into Geraldton, and I think there are one or two others of the same line which are able to negotiate the port.

The reason why so much shipping by-passed the port this winter was because of necessity. This was due to the weather and for no other reason except in the case of over-length vessels. The ships that by-passed the port are in a different position to the State ships which will hang about for two or three days waiting for the weather to clear. They will then go into the port to discharge, perhaps, four or five tons of cargo.

The "Dulverton" was nearly lost this year when it went up to Trowton Island to put some stores ashore for two married couples. We nearly lost the vessel there because of bad weather. A privately owned ship will not hang about like that. If the weather is bad and the forecast is that the same conditions will prevail for another 24 hours or more, they pass on because for the amount of cargo they pick up it would not pay them to remain idle. The "Koolinda" costs in the vicinity of £600 a day to keep afloat, so members can imagine what a 10,000-ton liner costs. Therefore these vessels are kept moving. They will not worry about 300 or 400 tons of cargo. That is the reason why many ships have, this winter, by-passed Geraldton.

I am not conversant with the details of Mr. Logan's complaint concerning the State ships leaving behind small parcels of cargo, but I will find out and let this Chamber know why such trivial things should occur. They are most annoying happenings, and I can make the information available during the Address-in-reply debate.

Quite a lot of criticism has, during the debate, been levelled at the railways. The department is criticised even by me on occasions, and I daresay that everybody at some time or other can find fault with railways, tramways, alrways or any other service, because no one can provide 100 per cent. efficiency. The loss of revenue on the railways is extremely heavy, but there will always be losses. Peculiarly enough, the railways are like the State ships. When we carry goods at an unpayable freight rate, the more goods we carry the more money we lose. It makes a tremendous difference if we move 1,000,000 tons or 2,000,000 tons because although we have good business in tonnage, we have very bad business, financially, seeing that the more we haul the more we lose.

Hon. H. L. Roche: Which are your unpayable freights today?

The MINISTER FOR RAILWAYS: There are several. In fact, 82 per cent. of the freights on the railways are much less than 5d. per ton mile.

Hon. H. L. Roche: Is that unpayable?

The MINISTER FOR RAILWAYS: They go down to one penny point something per ton mile, but from memory I am not able to advise the House of the exact figures. I would say that 60 per cent. or 70 per cent. of the tonnage hauled is carried at a loss.

Hon. H. L. Roche: Would it not pay to let road transport take some of it?

The MINISTER FOR RAILWAYS: It would pay very handsomely and it would save the taxpayers a lot of money if the farmers would say, "We do not want your railways. Let us have the roads," and the roads would pay for themselves because road construction comes from the petrol tax. In other words, the road users would pay for their own roads.

Hon. L. C. Diver: The diesel trucks do not pay road tax.

The MINISTER FOR RAILWAYS: They do not pay a very high tax in this State for any sort of transport here, but they do in other States. Whether the Federal Government has any idea of taxing dieselene, I do not know. The fact remains that while we have a facility which is covering something over 4,000 miles of line and we have a train a week with nobody in it, or very little freight in it, it cannot possibly pay.

The first means of transport to come were the camels, the horses and the donkeys. Then came the railways, and in my

candid opinion, the railways in some places are like the camels and the donkeys—they are outmoded. They have served their purpose and if a better system can replace them, why should we not adopt it? It would be much cheaper in the long run. To effect economies in the railways is a very difficult problem.

Hon. L. C. Diver: You are not going to tell me that road transport can compete with the railways in heavy haulage?

The MINISTER FOR RAILWAYS: It cannot compete with the railways because most of the goods carried by the railways are carried at a loss. If the railways belonged to private enterprise, they would not be running at a loss. They might not perhaps show 80 per cent. which, I heard some hon. member say the hire purchase companies were able to pay, but with a turnover of some millions, they would probably show 4½ per cent. or 3 per cent.; but they still would not make it pay.

If the hon. member wants an instance, there is the Midland Railway Co., which is within his own section of the State. It is confined to freight rates which have to compete with the Government line running through Mullewa, and with its road transport, of course. That company does not compete with its road transport, but it does run complementary road transport. The Midland railway runs at a loss, and no railway could be more favourably situated because it begins at Walkaway and has a straight pull to Midland Junction. So, it has not the overhead expense. It has not all those men with pieces of paper that Mr. Baxter told us about. These men also sign the paper for the Midland Railway Co.

It is necessary to have the army of men at Geraldton to check in the stuff that is going away, and here an army is needed to check it out. But if consignees would be content to say, "There go my goods, and Bill Smith will pick them up at the other end and he does not want any chit for it," we could certainly save the railways a lot of money.

Hon. N. E. Baxter: You do not want half a dozen chits though.

The MINISTER FOR RAILWAYS: As the system, of necessity, has to run that way, there is nothing that can be done about it.

Hon. Sir Charles Latham: If the Midland Railway Co. is running at a loss, how long will it be before it will go out of existence?

The MINISTER FOR RAILWAYS: It has been a long time going out of existence, but the hon. member knows more about the Midland company than I do.

Hon. Sir Charles Latham: I thought so.

Hon. L. C. Diver: Can you tell us of any railway system that is paying its way at the present time?

The MINISTER FOR RAILWAYS: There are none in Australia excepting the Commonwealth line, and that is placed in a position similar to that of the Midland company. But the Commonwealth pays no interest on the capital expenditure. We have heard a lot about the Commonwealth finances and the financial structure. We are not all very pleased with the Commonwealth Government. Others will say, "Why blame the Commonwealth Treasurer all the time because you cannot get any money?"

The position is that he is the only one who has it, and under the laws of the land he controls not only the principal revenue of the country, but also the loan accounts. He is the president of the Loan Council and he tells the Loan Council how much it can raise, how much it is expected to raise, and how much it will get.

Hon. Sir Charles Latham: How much he can raise depends on the amount available.

The MINISTER FOR RAILWAYS: Yes. Members are fully aware of the fact, as Mr. Jeffery told the House, that hire purchase companies have made big inroads into the amount of money available for Commonwealth loans.

Hon. N. E. Baxter: You are not blaming the Commonwealth Government for that: are you?

The MINISTER FOR RAILWAYS: It has been said, not that it could not legislate, but that it might be a problem to legislate. Now, it was never any problem to legislate for debt adjustment when somebody might be owing something on a harvester. One can legislate for anything if one is willing.

Hon. Sir Charles Latham: The Federal Government cannot do anything about it.

The MINISTER FOR RAILWAYS: The Federal Government could do so if the State passed complementary legislation.

Hon. Sir Charles Latham: The States could delegate the authority.

The MINISTER FOR RAILWAYS: That was mooted about 12 months ago. But what happened? No doubt the Prime Minister called the financiers together and asked them—he did not tell them—to do something about it; but we have seen the result of that. The reason why the Commonwealth railways are paying is that they have no interest bill to meet whereas our State railways pay something like £1,250,000 a year.

Hon. C. H. Simpson: They do not all pay.

The MINISTER FOR RAILWAYS: They show a surplus in their figures.

Hon. Sir Charles Latham: Has the Commonwealth Government paid back the money borrowed?

The MINISTER FOR RAILWAYS: The same thing happens with the Commonwealth Shipping Line and with all Commonwealth works. As members know, they are built from revenue funds.

Hon. Sir Charles Latham: Originally they borrowed money from the Commonwealth Bank to build the Trans-line. That may be repaid.

The MINISTER FOR RAILWAYS: The line was opened in 1917 and it is a bit far back for me to know all the conditions. However, at the moment, and for several years—ever since uniform taxation was introduced—all State works have been financed by loan money and the States have to pay interest and sinking fund, whereas all Commonwealth works—and they are not small—are paid for out of revenue funds with no interest whatever.

The strange thing is that there has been mention of the £4,000,000 which the Premier has requested for relief works. The question is whether that money will come from revenue or from loan funds.

Hon. Sir Charles Latham: We will not get the answer here.

The MINISTER FOR RAILWAYS: No, but we will know here in time.

Hon. Sir Charles Latham: Eventually we will be told.

The MINISTER FOR RAILWAYS: I predict that the State will pay interest, whether it gets revenue money or loan money. There is no loan money distributed without interest and sinking fund commitments—

Hon. N. E. Baxter: It is a sum beyond the State's allocation.

The MINISTER FOR RAILWAYS:—and I predict that whatever money is granted, the State will be asked to pay interest on it. Yet it costs the Commonwealth nothing if revenue money is granted!

Hon. Sir Charles Latham: I do not think that is right.

The MINISTER FOR RAILWAYS: It is right. I am hoping that that will not be so, but I am predicting that that will be the position.

Hon. N. E. Baxter: You are a pessimist like me.

The MINISTER FOR RAILWAYS: No, not in this respect. I only predict that because it has happened with other States and I am not certain that it has not happened with this State. It does not matter what Government is in power. I am not predicting that simply because Sir Arthur Fadden is the Treasurer at the moment. On the next occasion it might be—

Hon. Sir Charles Latham: Dr. Evatt.

The MINISTER FOR RAILWAYS:—a Labour Treasurer—no doubt it will be quite soon—but I dare say that the procedure will be the same because it has

been the same since the Chifley Government introduced it during the war years. That procedure has been carried on ever since the Chifley Government went out of power in 1949. So it does not look as though we will get any relief. I have spoken on the financial set-up because members took umbrage at the continual cry of this State Government for more funds from the Commonwealth. The plain truth is that there is nowhere else to go for the money. No State can raise a loan without permission of the Loan Council. That is laid down in the Financial Agreement.

Hon. Sir Charles Latham: It is a very good arrangement. You can imagine what would happen if six of them were all on the market for money at the same time.

The MINISTER FOR RAILWAYS: That is quite a good argument; but, as has been pointed out before, there is plenty of money still available from a gullible public for private concerns.

Hon. Sir Charles Latham: At a rate of interest.

The MINISTER FOR RAILWAYS: I think £7,000,000 was scooped out by oil companies and some of them did not even have an area in which to put down a hole. They got that sum of money without any interest—just the price of the shares.

Hon. A. R. Jones: That is a gamble.

The MINISTER FOR RAILWAYS: The price of those shares has dropped. Whether there will ever be a return to higher prices is problematical, but it is to be hoped that there will be a revival.

Hon. A. R. Jones: It has paid for the wages for a lot of men.

The MINISTER FOR RAILWAYS: I know of only two companies that are drilling for oil in Western Australia. But a dozen or more were formed and, of course, since that time some of them changed over to uranium and the people still bought the shares. However, I agree with Mr. Jeffery that there needs to be some control over hire purchase. I do not think it should be cut out altogether, but some limit should be placed upon it and it should be controlled to some extent.

Hon. Sir Charles Latham: It would mean that some people would not get certain items that they need.

The MINISTER FOR RAILWAYS: It is all very well for the hon. member to say that. I suggest that when he pioneered the farming areas of this State, he would not have got a lot of his equipment if he had not entered into some type of hire-purchase transaction.

Hon. Sir Charles Latham: But not at that rate of interest.

The MINISTER FOR RAILWAYS: Of course not. All we are asking is that the interest rate be curbed.

Hon. N. E. Baxter: Is your Government prepared to curtail the interest rate?

The MINISTER FOR RAILWAYS: I have not heard of anything; that is the first I have heard of it.

During the debate both Mr. Jones and Dr. Hislop mentioned water rates and there is food for thought in Dr. Hislop's suggestion. Members will recall that a committee investigated the possibility of a flat rate throughout the State, but their investigations showed that the rate would have to be in the vicinity of 2s. 4d.—it was certainly over 2s. That suggestion did not proceed very far because under the Metropolitan Water Supply Act, the department cannot make a profit and distribute it anywhere else. The department is limited to a small profit for operating expenses; and if that is exceeded, the rates must be reduced. It happened only two years ago. Of course valuations went up and that had the effect of making people pay higher rates.

Hon. Sir Charles Latham: Getting more money out of them.

The MINISTER FOR RAILWAYS: Yes, landholders have to pay more by virtue of their valuations. However, that does not alter the fact that the Water Supply Department cannot make big profits to subsidise country water supplies. The recent rise in country rates was imposed because they are all showing a heavy loss per head of the population they serve. But I would remind members that even with the increased rates applicable to country areas the money received will not cover the operating costs or the cost of providing the water. The increases were not brought up to the costs but the gap was closed somewhat.

In his contribution to the debate, Dr. Hislop mentioned town planning, the Causeway and the Narrows bridge. I am not very conversant with the overall scheme. I have, however, had a good look at the Stephenson plan, which was, of course, adopted in principle by the Government and by all parliamentary parties. I think a committee was set up and I understand it was accepted in principle. Dr. Hislop suggested that if a lane were taken out of the Causeway, it would speed up the traffic.

I have not watched the traffic on the Causeway very carefully, but I have crossed it at peak periods; and from my personal observations, it would seem that the bottleneck lies in getting on to and off the Causeway. Until we are able to get an even distribution at each end, that must occur. The object in proceeding as quickly as possible with the Narrows bridge was to alleviate that strain to a great extent.

Hon. Sir Charles Latham: To stop the cross traffic that holds it up.

The **MINISTER FOR RAILWAYS**: It will take away a lot of the traffic. The distribution this side is a big problem, but that is part of the Stephenson plan, namely, to take the traffic from there to the northern suburbs. Personally I do not think the traffic in Perth will increase rapidly in the next five years; it will not increase to the extent it has in the last 18 months or two years.

Hon. N. E. Baxter: I entirely agree.

The **MINISTER FOR RAILWAYS**: If the economic position of the State is deteriorating a bit—and it certainly seems as though it is, because there is not full employment, and a number of workers have long since left here to obtain work in the Eastern States—then it must mean that there is going to be a general slackening in the increase in motor-vehicles in the next few years. There is no doubt about that. These days everybody seems to have a motorcar; many families have two or more cars. That has been born of a period of over-prosperity since the war ended.

Hon. Sir Charles Latham: Since wool and wheat fetched such a good price.

The **MINISTER FOR RAILWAYS**: I am glad the hon. member thinks wheat is still at a good price.

Hon. Sir Charles Latham: I said, "since it fetched such a good price."

The **MINISTER FOR RAILWAYS**: It is still being sold at a satisfactory price; but were wool to drop as wheat did, then I am afraid that our general financial situation in Australia would certainly be bad.

To get back to the question of traffic. I do not know a great deal about the plan for the northern road that is interesting Dr. Hislop; but in regard to the ten-year period I could tell him that it would depend again on Father Christmas, the financier. Although the greater proportion of the money for roads and bridges could come from the road fund, there is the bigger problem of moving the railways to Welshpool.

As Mr. Simpson would know, the cost of reconstructing a marshalling yard somewhere else, and of removing the sheds, the yards etc., down there, would probably run into £3,000,000 or more. I have not seen an estimate of it, because the plans are not completed yet for the Welshpool yard, and therefore an estimate is not possible. There is, however, a lot of money to find, and this will prove an obstruction for a period when there are so many more urgent works to be carried out throughout the State.

Hon. C. H. Simpson: I should have imagined that that would have been one of the most urgent.

The **MINISTER FOR RAILWAYS**: There is an enormous amount of money required when we consider allocations that have to be made to harbours, hospitals, schools,

and so on. We can distribute only a little to each. I would suggest, therefore, that perhaps the greatest obstacle to the northern outlet as far as time is concerned might be wrapped up in the removal of the railways. I think I have covered most of the points to which members referred, and I support the second reading.

THE CHIEF SECRETARY (Hon. G. Fraser—West—in reply) [9.17]: I desire to thank members for taking part in the discussion, and I also wish to thank my colleague for the excellent manner in which he has answered the debate. I am sure he must have replied to every point that was raised.

Hon. J. G. Hislop: You have trained him well.

The **CHIEF SECRETARY**: In case he has not done so, I shall have a combination of the speeches made here on this first Address-in-reply combined with the speeches made on the second Address-in-reply, and if there are any points which the Minister for Railways has not answered, I will answer them when I reply on the other Address-in-reply. I am pleased that members have taken this opportunity to go ahead tonight; and in view of the fact that I will reply later to any points that have not been touched on, I will content myself with these few remarks.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and passed.

ADJOURNMENT—SPECIAL

THE CHIEF SECRETARY (Hon. G. Fraser—West): I move—

That the House at its rising adjourn till Tuesday, the 14th August.

Question put and passed.

House adjourned at 9.23 p.m.