

Legislative Assembly

Thursday, 30th October, 1952.

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

QUESTIONS.

WATER SUPPLIES.

(a) As to Consumption and State-Wide Flat Rate.

Hon. E. NULSEN asked the Minister for Water Supply:

(1) What percentage of Government-controlled water supply in this State is used—

- in the metropolitan area, and the price per 1,000 gallons;
- in irrigation areas, and the price;
- in the farming areas, and the price;
- on the Goldfields, and the price;
- the rest of the State, and the price?

(2) Is an inquiry to be conducted into the question of a uniform price for water in respect of all Government-controlled town water supplies throughout the State, to cover also the Perth metropolitan water

supply system, with the objective of establishing a uniform price for water on a State-wide basis?

The MINISTER replied:

(1)—

(a)	36.2%	Price rebate water—1s. 6d. per 1,000 gallons. Excess—1s. to 1s. 3d. per 1,000 gallons.
(b)	53.8%	Price irrigation water—465d. per 1,000 gallons equals 3s. 9d. per acre for a 9in. watering.
(c) (i)	2.1%	Price towns—rebate 2s. 6d. to 4s. 6d. per 1,000 gallons. Excess—1s. 4d. to 7s. per 1,000 gallons, according to type of consumption.
(ii)		Farming lands—rebate—2s. to 4s. per 1,000 gallons. Excess—2s. to 4s. per 1,000 gallons.
(d)	4.4%	Price rebate water—4s. to 4s. 6d. per 1,000 gallons. Excess—2s. to 7s. per 1,000 gallons, according to type of consumption.
(e)	3.5%	Rebate—2s. 6d. to 4s. 6d. per 1,000 gallons. Excess—1s. 4d. to 5s. 6d. per 1,000 gallons, according to type of consumption.

100.0%

(2) An inquiry is being conducted with a view to furnishing the Government with necessary information to enable consideration to be given to the question of general water rating throughout the State.

(b) As to Loan for Comprehensive Scheme.

Mr. NALDER asked the Premier:

Will the Government give consideration to approaching the Loan Council to float a loan for the continuance of the comprehensive water scheme and other urgent public works?

The PREMIER replied:

There are many difficulties in the way of establishing the necessary water boards, which would control the scheme and float a loan, and even if such boards could be established Loan Council approval could not be obtained to such a loan for this financial year.

EDUCATION.

As to Gravelling North Fremantle School Ground.

Hon. J. B. SLEEMAN asked the Minister for Works:

(1) Is he aware that, last year, approval was given, and money allocated, for the gravelling of the North Fremantle school ground, but owing to the installation of new lavatories, the gravelling of the ground had to be put off until the other work was finished?

(2) If so, will he inform the House when the work of gravelling the ground is likely to be proceeded with?

The MINISTER replied:

(1) and (2) Although money was allocated some time ago for ground improvements at North Fremantle school, work could not then be put in hand owing to other construction activities in progress at this school.

These other works are completed, but owing to the financial position it is impossible now to effect the comprehensive ground improvements necessary.

Inquiries are, however, being made to ascertain if some temporary relief can be effected by the spreading of gravel in the worst portion of the grounds.

HARBOURS.

As to Return of Dredge to Bunbury

Mr. GUTHRIE asked the Minister for Works:

Will he state when the bucket dredge "Parmelia" will be returning to Bunbury?

The MINISTER replied:

That is not known as funds are not available to allow of the operation of two dredges at Bunbury at present.

STATE ELECTRICITY COMMISSION.

(a) As to Basis of Gas Charges.

Mr. KELLY asked the Minister for Works:

(1) Why does the State Electricity Commission charge for the gas at per cubic foot instead of on the heat unit basis?

(2) What heat standard per cubic foot of gas does it undertake to supply?

(3) How is the heat value in B.T.U.s. determined?

The MINISTER replied:

(1) The State Electricity Commission does not charge on a cubic foot basis; it charges on a heat unit basis of 3,412 B.T.U.s. per gas unit. This is clearly shown on the front of the account, where the charge per heat unit is given and the method of converting a cubic foot to heat units is shown. This is necessary because all gas meters register in cubic feet and the account shows registration of these meters in thousands of cubic feet, thus enabling the consumer to check his meter readings.

(2) 478 British Thermal Units.

(3) By continuous analysis with a standard recording calorimeter, and constant and regular checks with standard testing apparatus.

(b) As to Subscriptions to Loan.

Mr. NALDER asked the Premier:

(1) What was the total amount subscribed to the S.E.C. loan?

(2) How much of this amount was subscribed in Western Australia?

(3) Has the Government approached the Loan Council to retain the amount over-subscribed?

The PREMIER replied:

(1) £1,301,900.

(2) This information is not yet available.

(3) Yes.

(c) As to Retrospective Effect of Charges.

Mr. NEEDHAM asked the Minister for Works:

(1) Arising out of his reply to my question on Wednesday, the 29th inst., re retrospective payments of increased gas and electricity charges, is he aware that although the worker has paid the increased cost of living during the quarter, his adjusted basic wage is not made retrospective?

(2) In view of that fact, does he consider the retrospective operation of gas and electricity charges equitable?

The MINISTER replied:

(1) Yes.

(2) Yes. As previously explained, consumers billed monthly are not affected retrospectively. Quarterly consumers are affected to some extent, but the amount by which the average householder is affected is negligible compared with his other day to day expenses. As explained yesterday, it is not practicable to avoid this.

HOSPITALS.

As to Renovations at York.

Mr. MANN asked the Minister for Health:

When will renovations be made to the York hospital, which is in a deplorable state of repair?

The MINISTER replied:

The accepted tenderer unfortunately failed to commence work and his contract was cancelled.

New tenders were called and a suitable tender was received and recommended.

Unfortunately, the financial position does not permit of acceptance at present.

The work is considered by the Department to be urgent.

RAILWAYS.

As to Rates on Departmental Houses.

Mr. NALDER asked the Minister representing the Minister for Railways:

(1) How many houses in all towns outside the metropolitan area are owned by the Railway Department?

(2) What would be a total estimate of rates that could be levelled by local authorities on these houses if the Act were amended?

The MINISTER FOR EDUCATION replied:

(1) Outside a radius of 15 miles from the Perth Town Hall—996 houses at the 30th June, 1952.

(2) In the absence of knowledge of local authorities' valuations of the different properties, the information is not available.

PETROL.

As to Prices at North-West Centres.

Mr. RODOREDA asked the Attorney General:

(1) What is the present price of petrol at the following centres:—Onslow, Roebourne, Hedland, Marble Bar, Nullagine, Wittenoom?

(2) What was the price at those centres prior to the recent rise?

The ATTORNEY GENERAL replied:

(1) Present price of petrol at the following centres:—

	Primary Producers. Per Gal.	Commercial Users. Per Gal.
	s. d.	s. d.
Onslow	3 9	3 9½
Roebourne	3 9½	3 10
Port Hedland	3 9	3 9½
Marble Bar (ex oil companies' agent, Port Hedland)	3 9	3 9½
Marble Bar (ex oil companies' agent, Meekatharra)	4 4½	4 5
Nullagine (ex oil companies' agent, Port Hedland)	3 9	3 9½
Nullagine (ex oil companies' agent, Meekatharra)	4 4½	4 5
Wittenoom (ex oil companies' agent, Roebourne)	3 9½	3 10

(2) Prices prior to the recent rise were 1d. per gallon in each case less than those quoted above.

HOUSING.

As to Imported Materials, Cost Formula.

Hon. J. T. TONKIN asked the Minister for Housing:

(1) What formula was used by the State Housing Commission to spread the cost of imported materials over the whole range of Commonwealth-State rental homes, with the result that the capital cost of those erected in 1945-46 has been increased by £150 and those erected in 1951-52 by £10, with increases on a sliding scale on houses erected between those dates?

(2) What is the amount of the increase in rent for every £10 added to the capital cost?

(3) Under what authority was this formula applied?

(4) Was Crown Law opinion obtained concerning the amendment to the First Schedule of the Commonwealth-State

agreement, which was approved in May, 1950, and its application to the circumstances which caused the Commission to spread the costs as it has done?

(5) Will he table a copy of the Crown Law opinion on the matter?

The MINISTER replied:

(1) The formula set out in the First Schedule of the Commonwealth-State Housing Agreement Act No. 25 of 1945.

(2) To the nearest penny, 2d. per week.

(3) Under the authority of Clause 6 of the First Schedule of the Commonwealth-State Housing Agreement Act No. 25 of 1945. The matter was referred to in the Auditor General's report on last year's financial operations and the Commission has already replied on the point raised.

(4) No.

(5) Answered by No. (4).

TRAFFIC.

As to Police Excess Speed Test.

Mr. KELLY asked the Minister for Police:

(1) Was an excess speed test conducted by the Police Department on the 26th August, 1952, at the 94-mile peg, Great Eastern-highway?

(2) What form of check was used?

(3) How many police officers were present?

(4) How many motorists were interrogated?

(5) How many were convicted and fined?

(6) What was the total amount of fines imposed?

(7) What total costs were ordered?

(8) Under what section of the Police Traffic Act is the Police Department empowered to employ the type of trap used in the detection of excess speed?

The MINISTER replied:

(1) Yes. For heavy-type vehicles only.

(2) An electrically-operated speed trap over a distance of 220 yards; and stop watches.

(3) Seven.

(4) Five.

(5) Three persons were convicted in the Police Court—two on charges of speeding and one on a charge of permitting an unlicensed person to drive.

One person was convicted in the Children's Court on two charges—(a) speeding, and (b) driving without being the holder of a motor driver's license.

(6) £11.

(7) £1 4s.

(8) There is nothing laid down in the Traffic Act or regulations to define methods to be adopted by police in checking excessive speed of motor vehicles.

FORESTS.

As to Danger from Pests in Imported Timber.

Hon. A. A. M. COVERLEY asked the Minister for Forests:

In view of his answers to questions without notice relative to insects in imported timber, will he inquire whether—

- (1) any other pests have arrived with this timber;
- (2) the Forests Department has any record of any other pests or insects already introduced through imported timbers;
- (3) there is any evidence or record of insects having been introduced to forests in other countries of the world through the importation of timber?

The MINISTER replied:

- (1) No other pests have been discovered.
- (2) There are references in bulletins published by entomologists to the introduction of wood-boring and other insects into Australia.
- (3) Yes, instances have occurred of sirex wasp into New Zealand, gipsy moth into America and the European elm bark beetle into America.

BILL—TRAFFIC ACT AMENDMENT (No. 1).

Second Reading.

Debate resumed from the 23rd October.

MR. STYANTS (Kalgoorlie) [4.40]: The Bill proposes to amend the Traffic Act, 1919-51, in a number of ways. Although the Minister mentioned, I think, only two of the proposed amendments I hope that members have had a look at them, because there are some rather important and ambiguous proposals contained in the Bill to which I think it would be well to pay some attention. The first portion of the measure proposes to insert in Section 4 of the principal Act the definition of "parking." This appears to have been an omission and after the definition of "owner" in Section 4 of the principal Act it is proposed to insert the definition of "parking." This appears to me to be all right.

The next proposed amendment is to Section 14 of the principal Act, which provides for the payment of certain license fees and the transfer of license fees to be paid into a fund known as the Metropolitan Traffic Trust Account. It also sets out the methods of distribution and the purposes for which this money can be expended. The Bill provides that an

amount not exceeding £20,000 per annum shall be drawn from this fund to install certain road signs. When listening to the Minister I thought that the intention was to install what are known as "stop" and "go" signals at intersections. But I find that the estimated cost for that type of signal is not included in the list of road signs that the Minister outlined to the House.

The Minister for Local Government: They are intended to be included, nevertheless.

Mr. STYANTS: That may be so, but the total proposed expenditure on certain road signs was just slightly over £70,000 and the Bill proposes to raise £20,000 per annum, or not more than £20,000 per annum, and I take it that portion of the entire amount will be used for the purpose of providing the "stop" and "go" signals at intersections.

The Minister for Local Government: The other expenditure is covered by the term, "lights and signs."

Mr. STYANTS: While I agree that some of these signs would be an improvement—particularly the parking signs and some of the speed signs it is proposed to install—I doubt whether there is any necessity, or whether it good policy, to provide speed limit signs showing "25 miles," because I think the blanketing regulation over the whole of the metropolitan traffic district is a much better idea and is much more readily absorbed by the average motorist than would be the matter of posting road signs at different parts of the area. I refer particularly to the 25 miles per hour sign, because the blanketing regulation over the metropolitan area is 30 miles per hour on highways. On roads other than highways it is 25 miles per hour and at intersections 20 miles per hour.

The average motorist recognises that and appreciates it better than he would a lot of notices, some showing 30 miles per hour, others 25 miles per hour and others again 20 miles per hour; some may be down to 15 miles per hour. I think this may result in some confusion as far as the average motorist is concerned, whereas on the other hand at present nearly every motorist understands the blanketing regulation over the whole of the metropolitan area. In regard to parking and some of the other signs such as school signs, major road signs and "stop" signs, I think that is an improvement so far as the regulation of traffic in the metropolitan area is concerned. I think that on the Table of the House at present there are something like 12 to 15 altered parking regulations, and it is quite impossible for the average motorist to be aware of them as they may be altered or added to from time to time. Some of them go as far as the Mundaring Road Board district

and they are all over the metropolitan area where the police for probably very good reasons have decided to introduce new parking regulations. It is necessary to have parking signs in those areas for the purpose of protecting motorists and for the information of the motor driver. I very much doubt whether there will be any saving of accidents by the installation of these lights, but they may be effective and will be a direction to motor drivers. I have no objection to them.

For some years now several members of this House, myself included, have been urging the Government to put out a greater number of police road patrols for the purpose of checking breaches of the traffic regulations. We have always been told it is too expensive. I submit that this method could have been adopted some years ago for about £10,000 or £15,000 a year. Assuming that each additional patrol with his motor bike would cost £1,000 a year we could have had the metropolitan area policed very effectively with traffic patrols, and probably succeeded in preventing scores of very serious accidents. The Minister says that the local governing bodies, to whom an amount of something like an average of £240,000 is distributed annually from the Metropolitan Traffic Account, have no objection to this. He said that spread over the whole it would be infinitesimal.

I was wondering whether the Minister had consulted these people in the matter, because if an amount of £20,000 is to be withdrawn annually from the £240,000, which is distributed to the local authorities, I think about 8½ per cent or 8½ per cent. would be taken from the fund. It appears to me that it is a complete departure from the method for which these license fees and license transfer fees have been used by local authorities; I understand they have been used exclusively for the purpose of building streets and roads. Now we propose to take 8½ per cent. or 8½ per cent. of their income from that source for the purpose of controlling traffic and not for building roads, so I should be surprised if the local authorities are wholeheartedly in favour of the withdrawal of that sum from their income from the Metropolitan Traffic Trust Account. If they have an objection, doubtless they will soon make the Minister aware of it.

The Bill also proposes to increase the license fee for motor vehicle drivers by 100 per cent. I am not favourably disposed towards that, because it makes the Bill a taxing measure and nothing else. I can quite understand that where a department renders a service, the cost of the service, because of the inflation that has occurred over the last five years, must be increased, but this is not in the nature of a service rendered. It is purely a taxing measure and, according to the Pre-

mier's Budget estimate, he expects to obtain an additional £37,000 a year from the increase in these fees.

The Premier: I can do with it, too.

Mr. STYANTS: And probably those from whom the Premier intends to extract it can do with it. I do not intend to support that proposal. Wherever a department renders a service, I am prepared to concede a reasonable increase in the charge, but it is sound principle that where no service is provided, no increase in fees should be permitted.

The Minister for Local Government: You could advance that argument in quite a number of instances.

Mr. STYANTS: The Bill also provides for a fee for a conductor's license. I think that provision was made for these licenses in the amending Act of last year. I do not know whether there was any provision by regulation or whether there was power by regulation to charge a fee for a conductor's license, but the Bill proposes that the charge of 5s. per annum shall be made for such a license. We have almost reached the stage where a license is required for everything we possess, and this charge is to be imposed not because a department is rendering a service but purely for the purpose of raising revenue.

Another amendment relates to Section 24, Subsection (1). This I consider is quite necessary. An addition was made to the subsection last year and now it is proposed to add the following words:—

or whose license to drive a motor vehicle is suspended or has been cancelled or who is otherwise disqualified from holding or obtaining a license to drive a motor vehicle in any other State or territory of the Commonwealth.

Those words set out the reasons for which the Commissioner of Police may temporarily refuse to issue a license. The Commissioner will be empowered to refuse a license to a person who has been disqualified from holding a license in any other part of the Commonwealth. We do not want reject drivers coming here from other States—drivers whose licenses have been suspended or who are prohibited from holding licenses. They should not be free to come to Western Australia and obtain licenses here.

The next proposed amendment is to Section 47 of the principal Act. The intention of this clause is a real puzzle to me. Section 47 sets out the manner in which regulations may be made and it is now proposed to add after subparagraph (2k), which was introduced last year, a subparagraph (2l) to prohibit or restrict the parking of vehicles or vehicles of a specified class or classes in all roads or in specified roads or specified parts of roads at all times or at specified times. That is understandable, but it is then proposed to insert a paragraph (2m) which reads—

prescribe the penalty mentioned in paragraph (xiv) of this subsection as the penalty for a breach of regulation made under subparagraph (zi) of this paragraph, other than a particular regulation mentioned in subparagraph (zn) of this paragraph.

Subsection (14) provides for a monetary penalty of £20 or imprisonment with or without hard labour for a period of one month. It appears to me from the reading of this provision that it is intended to apply the penalty for a breach of the regulation under subparagraph (zi)—the subparagraph prohibiting the parking of vehicles in certain places. I direct attention to the words at the end of the subparagraph (zm), "other than a particular regulation mentioned in subparagraph (zn) of this paragraph." Paragraph (zn) prescribes as the penalty for a breach of a particular regulation made under subparagraph (zi), a maximum of £50.

The only interpretation I can place upon it is that the Minister intends to introduce a particular regulation dealing with the prohibition against the parking of vehicles in certain roads or places. Surely we cannot be expected to approve of a proposal, the details of which have not been given to us! What will be the provisions of this regulation? Subparagraph (zn) goes on to provide for an irreducible minimum in mitigation, notwithstanding the provisions of any other Act, of £20. Members should give close attention to this proposal and my present opinion is that it should not be passed. As I have pointed out, the penalty prescribed in Subsection (14), is £20 or one month's imprisonment.

Evidently the intention is to promulgate a particular regulation over and above those for which penalties are already provided. If there is an explanation of this proposal, I should like the Minister to give it to us. I have asked two or three members to look at this, and they cannot come to any other conclusion than the one I have arrived at, namely, that if we agree to these provisions, it will mean that in addition to the penalty in subparagraph (zm) for offences in connection with the parking of vehicles in prohibited areas of £20 or a month's imprisonment with or without hard labour, we will give the department the right to issue special regulations to inflict a fine of £50, with an irreducible minimum of £20.

The Minister for Education: Do you not think it is justified in connection with people who leave unlighted semi-trailers on bitumen highways in the middle of the night?

Mr. STYANTS: That is an exaggeration.

The Minister for Education: No there have been half-a-dozen in the last few months.

Mr. STYANTS: My opinion is that if a person leaves his car or vehicle in a prohibited area and he is fined £20 or a month's imprisonment, there will be no second offence by him, because it is a pretty stiff penalty. But how do we know that the regulation will be applied only in connection with the vehicles mentioned by the Minister for Education? We are to sign a blank cheque. A person may leave his vehicle in a prohibited place, but there may not be any accident at all as a result, but he would be liable to a fine of £50. I think the penalty already provided in subparagraph (zm) is quite sufficient.

The Minister for Education: It has not been a deterrent. This sort of thing is going on all the time. Try driving on country roads at night, and see how you like it!

Mr. STYANTS: I am not prepared to vote for an open cheque, because I do not know what the regulation might contain. I am not going to vote to give the department the right to bring down a regulation which will provide a minimum penalty of £20, or a maximum of £50, unless I know what the offence is to be.

The Minister for Local Government: Would you not rely on the magistrate?

Mr. STYANTS: No. Too much discretion is allowed sometimes to magistrates in these matters. I think a magistrate is quite all right to find out the culpability of anyone, but when it comes to monetary fines, I am not altogether enthusiastic about some of the minor penalties they inflict in accident cases. Sometimes the penalties are drastic and heavy. I think that for leaving a vehicle in a prohibited area, £20 or a month's imprisonment is sufficient penalty. Section 52 of the principal Act is to be amended by adding after the word "desire" in line 2 the words "permission of the local authority." This refers to applications for permission to hold speed tests or races by sporting bodies—motor-cycle clubs and suchlike. It appears that at present a local authority has a definite right, upon request by one of these bodies, to suspend temporarily the regulations for the purpose of conducting a speed test or races, but the Act does not specifically set out that the local authority has a right to refuse the application to suspend. The position is to be corrected by the insertion of certain words.

The Bill also seeks to place an obligation on the local authority, when it has agreed to suspend the regulations to advertise the fact in the "Government Gazette." At present, although the local authority agrees to the temporary suspension of the regulation for the purposes I have mentioned, the Act contains no provision for a penalty to be imposed if the conditions and stipulations in connection with the fixture are not carried out. Under

the Bill, a penalty of £20 will be made applicable in these circumstances. A provision is included which is somewhat ambiguous and, I think, is bad policy in that it refers to a section of another Act to apply to the Traffic Act. I have always contended that this is bad policy. The provision here is that Section 72 of the Justices Act is to apply to a certain portion of the Traffic Act, which means that anyone who wants to know what this particular section of the Traffic Act refers to will have to get a copy of the Justices Act and look up Section 72.

The Minister for Local Government: What clause is that?

Mr. STYANTS: It is Clause 9. It might be all right from the point of view of a legal man, but I guarantee that if I read Section 72 of the Justices Act here and now, not three members could tell me what it meant. I am not too certain, after reading it a dozen times, that I can say what it means. It states—

If the complaint in any case of a simple offence or other matter negatives any exemption, exception, proviso, or condition contained in the Act on which the same is framed, it shall not be necessary for the complainant to prove such negative, but the defendant shall be called upon to prove the affirmative thereof in his defence.

The only thing I can think is that if it is proposed to grant a certain exemption under the Traffic Act, then the Justices Act provides that if the exemption is granted and an offence is committed against the Act the exemption has no force. I hope the Minister will be able to give the House a lucid explanation of what is intended. When he introduced the Bill he said it contained a provision by which the Lord Mayor's car would be permitted to carry the mayoral crest instead of a number plate. If we did agree to this, I do not see why we should dispense with the number plate, because the crest would not be down where the number plate is placed.

Mr. Totterdell: It is done throughout the Commonwealth.

Mr. STYANTS: I thought the crest would be carried where the Standard is on the Governor's car. If, however, it is to be fixed where the number plate is, I do not see that there would be need for duplication. But there is a lot more contained in this proposal than simply allowing the Lord Mayor's car to have a crest instead of a number plate. The clause has far-reaching implications. It provides—

Section seventy-one of the principal Act is amended by adding after the word "authority"—

For the information of members I might state that Section 71 deals with certain vehicles belonging to the Government, and coming within the provisions of the Traffic Act—

—being the last word in the subsection the words, "but does not apply to any extent to a vehicle for the personal use of the Governor nor to a person in charge of the vehicle while carrying out the Governor's personal directions."

This means that in addition to the parent Act setting out that the provisions of the Act do apply to Government vehicles, we now propose to include the Governor's vehicle. The Governor is regarded as the Queen's representative, and I do not know that I have any objection to this part of the clause, but members will notice the wide nature of the proposed addition which it seems is necessary to permit the Lord Mayor's car to have a crest instead of a number plate. The position is left so wide open that by an Order in Council any vehicle could be exempted from the provisions of the Act. That is my interpretation. The clause goes on to state—

"and does not apply to any other vehicle or class of vehicle or person or class of person to the extent of such exemption as may from time to time be declared by the Governor by Order in Council which the Governor may from time to time vary or cancel by further Order in Council."

It does not only say that the Lord Mayor's car shall be exempt, but that of any person whom the Governor, by Order in Council, shall from time to time declare to be exempt. I have no objection to the Minister's objective to allow the Lord Mayor's car to carry a crest rather than a number plate, but surely it was not necessary to throw the matter wide open so that the Governor in Council may exempt any vehicle in any part of the State.

The Attorney General: They may be others—members of the Diplomatic Corps.

Mr. STYANTS: The Attorney General knows they are exempt from the provisions of the Act.

The Attorney General: Only the members themselves, and they are not usually resident in Western Australia. But there are in Western Australia representatives of different countries who are not actually diplomatic representatives.

Mr. STYANTS: The Attorney General—and I think members—knows that consuls are exempt.

The Attorney General: No, they are not.

Mr. STYANTS: They are, in the case of foreign countries, though they may not be as regards other British dominions.

The Attorney General: They are not.

Mr. STYANTS: There is a measure either before the Commonwealth Parliament at present, or recently passed by it,

the purpose of which is to extend the privileges that are enjoyed by foreign consulates in Australia to the representatives of other dominions of the Empire, such as Canada, South Africa and so on.

The Attorney General: They cannot do that, as far as this Act is concerned.

Mr. STYANTS: I would not like to say that because when there is a conflict between State and Commonwealth law that of the Commonwealth generally prevails. If it was the intention of the Minister to include other vehicles, why did he not say so? I have a copy of his speech, when introducing the measure, and he referred to this amendment as being intended to apply only to the Lord Mayor's car. The other provision states—

Section 72 of the Justices' Act, 1902-48, applies in respect of complaints of offences against this Act as if the complaints negatived exemptions under this section.

That, read in conjunction with Section 72 of the Justices' Act, is a puzzle to me. It seems that we are to give a concession under the Traffic Act and then a right under Section 72 of the Justices' Act to override the exemption that has been given. I think the Minister or the Attorney General should explain that. If we agree to that provision I would like to know what is the position regarding the Lord Mayor's car. If we accept the measure as it stands, it seems to me that we will give the Lord Mayor's car the same status as the Governor's car.

I understand that the Queen's representative cannot be taxed, which would mean that he is exempt from the payment of license fees and from parking or speeding restrictions, because Section 1 of the principal Act is amended by adding, after the word "authority" the words "but does not apply to any extent to a vehicle for the personal use of the Governor nor a person in charge of the vehicle while carrying out the Governor's personal directions," and so on. The Traffic Act, therefore, does not apply to the Governor's car or to anyone driving it and carrying out his lawful orders. Is that to apply also to the Lord Mayor's car? I do not suggest that the present Lord Mayor would offend against the parking or speed restrictions, but he may not always be Lord Mayor.

I think it might be a mistake to allow any vehicle other than the Governor's car to be entirely exempt from the provisions of the Traffic Act. I will be anxious to hear the Minister's explanation of the questions I have raised, and particularly with regard to the proposal to add subparagraphs (ZL), (ZM) and (ZN) in connection with penalties. I would like him to explain what is meant by Section 72 of the Justices' Act when read in conjunction with the provisions of the measure where

it proposes to amend Section 71 of the principal Act. If members agree to the measure as it stands, will it exempt the Lord Mayor's car from the provisions of the Traffic Act, in the way that the Governor's car is proposed to be exempted?

MR. TOTTERDELL (West Perth) [5.20]: I listened with interest to the member for Kalgoorlie and thank him for his explanation of the Bill, with which I was not fully conversant. The part of the measure that I desire to bring to the notice of the House refers to the installation of traffic signs and "stop" and "go" signals that are proposed to be erected in the metropolitan area—together with the method of finance involved. As head of this city, which is the main local governing body in the State, I would point out that under the present distribution of traffic fees 31 per cent. of that revenue goes to the Main Roads Department and the balance, after meeting overheads, is distributed among local governing bodies at the discretion of the Minister.

The City of Perth has to maintain and control 50 miles of roads within the city area and that is a lot of roads to look after. We used to receive revenue for the maintenance of the roadway between the tram tracks and for 18" on each side of them, but as the tram lines have been pulled up we have progressively lost revenue from that source. The heavy buses that are replacing the trams are giving the roads a severe thrashing with the result that the City Council has to meet heavier maintenance costs. I suggest that the £20,000, which is proposed to be taken from the local governing bodies for this purpose, should be taken from the moneys allotted to the Main Roads Department. I think the Premier knows that that department has a lot of money on hand, still unspent, and money from Federal grants—

The Premier: It is all earmarked.

Mr. TOTTERDELL: But it has a lot of money—

The Minister for Local Government: It belongs to the local governing bodies throughout the State.

Mr. TOTTERDELL: I know that a previous Minister spent money belonging to the local governing bodies on the construction of an airstrip in the North West and that is not a job for the Main Roads Department. I would suggest that the £20,000 should be allocated from the portion of the revenue that is payable to the Main Roads Department rather than from that payable to the local governing bodies, which are already scratching dirt in an effort to make ends meet.

Mr. Griffith: Where are buses now run in Perth on routes where trams formerly ran?

Mr. TOTTERDELL: In scores of streets! The hon. member knows that the trams are on the way out. I am strongly in favour of traffic signs and would again suggest that the necessary finance be allocated from a source other than the local governing bodies. The member for Kalgoorlie made a fine song and dance about the Lord Mayor's car, but I would point out that what is suggested in the measure is the practice in every other capital city in the Commonwealth.

Mr. Styants: I said I had no objection to it.

Mr. TOTTERDELL: It is done in every other capital in the Commonwealth. In order to bring Perth into line with other capital cities—including even little Hobart—this provision should be agreed to. It will not exempt the Lord Mayor's car from speeding or parking regulations. At all events, the official car driver would not be so foolish as to commit an offence of that kind while driving the chief magistrate. I hope this amendment will be passed, and trust that when the Bill is in Committee members will agree to the allotment of the £20,000 from the money payable to the Main Roads Department.

MR. GRAHAM (East Perth) [5.27]: I desire to refer to only two portions of the Bill. The member for Kalgoorlie has already pointed out that an increase in the fee for drivers' licenses is simply camouflaged taxation. The justification given by the Minister, when introducing the Bill, was that the increase was necessary in order to meet increased costs. It is difficult to obtain figures appropriate to the case but on investigation I find that in the metropolitan area, which can be taken as a criterion, in June, 1945, there were 39,076 motor vehicle drivers licensed, and on the latest figures, those for June, 1951, the number is 74,092. The number of licenses has therefore almost doubled in a period of six years, and the additional revenue from that source should be available to meet the increased costs mentioned.

Mr. Griffith: Must we not take into consideration the extra vehicles on the road and the increased administrative costs?

Mr. GRAHAM: In June, 1945, in the whole of the State there were, in round figures, 59,000 vehicles licensed. On the latest figures available—March of this year—there are now 126,000 vehicles licensed. That, in turn, means that the Government has received a great deal of additional revenue in vehicle license fees, apart from drivers' license fees, with which to meet the additional expense mentioned by the Minister. There is absolutely no warrant or justification for the proposed increase. We know from practical experience that a person can obtain a license after a comparatively easy test

and that, with monotonous regularity, all that has been necessary has been to send a boy to the Traffic Office with 5s. in order to have a license renewed.

In the intervening period a driver may have become senile, his eyesight may be badly affected or he may have lost the use of one or more of his limbs through paralysis, or have become physically unfit, and there is no check whatever on such an individual. Anybody can pay the fee of 5s. on his behalf. In those circumstances I wonder why there should be any payment made. It appears that, except under unusual circumstances, the renewal of a driver's license is automatic. The doubling of the fee is ridiculous and entirely unwarranted. If the Government is seeking additional revenue, it could quite easily step into the breach left by the Commonwealth Government in vacating a certain section of the land taxation field. By that means far more money would be received by the Treasury than under the provisions of this Bill, and with a greater degree of equity.

If money is required let the Government be honest and bring down a taxation measure and not a subterfuge such as this on the excuse of increased costs only, despite the fact that, as I have pointed out, in six years the revenue obtained from drivers' licenses has doubled without the fee being increased.

The Minister for Local Government: Do you know to what extent the 5s. has increased itself since 1935?

Mr. GRAHAM: No, I am unable to answer that.

The Attorney General: Have not the basic wage and costs risen in equal proportions?

Mr. GRAHAM: Of course they have, and the Government, even with the present fee of 5s. has been recompensed because of the increase in the number of vehicles and the number of persons holding licenses.

Mr. Owen: Is there not twice the amount of work done now in issuing the licenses?

Mr. GRAHAM: I do not know how much work there is, but to write out the little sticker that is placed inside the driver's license takes only a matter of seconds.

The Attorney General: The Traffic Department does a great deal of work.

Mr. GRAHAM: Nobody is suggesting otherwise.

The Attorney General: And it is a very expensive department to run. The officers are very highly paid.

Hon. J. T. Tonkin: They receive a lot of fines.

The Attorney General: They are regarded as general revenue.

Mr. SPEAKER: Order!

Mr. GRAHAM: Irrespective of what heading they come under, the Treasury receives the money. Any member who gives this provision a few moments' consideration must agree that it is unnecessary and totally unwarranted. If the Government is seeking additional money from traffic fees, why does it not impose some sort of penalty by way of an additional fee upon those who commit certain breaches of the Traffic Act? For example, those who make a practice of driving vehicles, particularly heavy ones, in the centre of a highway rendering it impossible for other vehicles to pass without going over the centre of the road and facing oncoming traffic; those who stop or turn to the right giving a signal with the arm at an angle of 45 degrees and in some instances without giving any signal, so that nobody knows whether they intend slackening speed to pull into the kerb or intend turning to the right; those who do not obey the "stop" signals before entering highways!

For those drivers who commit such breaches, surely it would need only a simple amendment to provide that after one or two such offences they should pay an additional amount in order to retain their drivers' licenses. By such acts of road discourtesy they have demonstrated their unsuitability to hold licenses and many of them have been responsible for serious accidents.

Mr. Griffith: You would obviously disagree with the member for Kalgoorlie in regard to Section 41.

Mr. GRAHAM: I think we can deal with the various portions of the Bill in due course. Accordingly, some service should be rendered in return for the increased fee. Therefore, there would be greater safety on the roads if, after the commission of one or two such offences the drivers concerned were permitted to renew their licenses only after a payment of 20s., with perhaps the condition that they must attend one or two classes conducted by the Traffic Branch to demonstrate their fitness to handle their vehicles and show some courtesy to other drivers.

Mr. Griffith: Do you not think that an army of police would be required to police such things as you have suggested?

Mr. GRAHAM: They are policing them at the present moment.

Mr. Griffith: Not nearly as much as they could if the number of police were increased. Otherwise, the things you suggest could not eventuate.

Mr. Brady: Who is making this speech?

Mr. GRAHAM: I have not suggested any additional activities on the part of the Police Department other than perhaps to conduct a school for persons who have shown themselves to be unworthy of holding driver's licenses and the offenders

would pay the cost of running it. Any driver today can commit these breaches and cause accidents either directly or indirectly and. If accidents do not occur, they certainly cause shocks to the nerves of other drivers.

If they are apprehended by the police, they pay a nominal fine and are then released to repeat the offence. They can commit such breaches scores of times before the police again apprehend them, but if they were forced to attend a school, the cost of which they would pay by means of an increased fee, it would be a double deterrent. No one cares to pay additional license fees, and the fact that they would have to attend a school and receive a satisfactory pass before being re-issued with a license would ensure, bit by bit, a better standard of behaviour on public roads. I am submitting this suggestion as a reasonably practical alternative to what has been described by the member for Kalgoorlie as a tax measure.

The other matter to which I desire to refer is the proposal to grant immunity to a certain privileged person in a matter of carrying registration plates. The point has been taken that nothing specific is contained in the Bill and, accordingly, the Government could issue this exemption to whomever it liked. The particular case mentioned by the Chief Secretary was the Lord Mayor of Perth, but no reason or justification whatever was advanced for granting the exemption. I feel that this gesture is nothing but unnecessary swank. A car is made available to the Lord Mayor; he has a chauffeur provided at the expense of the ratepayers and he enjoys a special privilege in the matter of parking in the heart of the city, a privilege which I understand was taken from civilian maimed and limbless drivers of vehicles. The proposal is that, instead of his car carrying the usual registration plates, it shall bear the insignia of the Perth City Council.

Mr. Read: Tradition!

Mr. GRAHAM: What about a little Australian originality? The car of His Excellency the Governor carries the Crown and, seeing that he is the representative of Her Majesty the Queen, I consider that is justified. Now however, we are asked to extend the privilege according to the wish and will of the Government, and before we know where we are, there will be a plethora of crests, badges, signs and insignia, and nobody will have any idea what they all mean.

Mr. Rodoreda: What about exemption for members of Parliament?

Mr. GRAHAM: I would certainly rate a member of Parliament, who is responsible for making the laws of the country, above a person who occupies the chair of any local governing authority. If some

good and substantial reason had been advanced for granting this privilege, we might support it, but I do not take kindly to frills that perhaps belong to other countries or to another century. They have not a proper place in a country like Australia. What conceivable reason can there be for granting this special favour to any individual, or the holder of any particular office?

Mr. Griffith: What do you think of the office of Lord Mayor of London?

Mr. GRAHAM: I think nothing of it because I am unfamiliar with the functions of the office.

Mr. Needham: The member for East Perth is speaking of Perth, not London.

Mr. GRAHAM: I was about to remark that, irrespective of what we may think of the office of Lord Mayor of London, anything we might do would have no effect on it. From my comments, members will gather that I do not approve of the proposal to permit the Lord Mayor's car to carry a special badge. I am inclined to agree with the interpolation by the Attorney General that, irrespective of any provision by statute, it is the custom to grant certain latitude to consular or vice-consular cars that are not accorded to other vehicles. A few months ago, members may recall, four or five parking tickets were placed on the windscreen of the car of the American Vice-Consul, but subsequently his position was ascertained and no action was taken. The police officer did not identify the vehicle which carried ordinary registration plates. In such cases there should be some distinctive marks on the car.

The Attorney General: Some latitude.

Mr. GRAHAM: Well, some distinctive mark to assist the police, because the constable responsible for placing the tickets on that car must have found his position most embarrassing. Another point to be considered is that, in an area where there is limited parking, other drivers are likely to be misled if they notice a car occupying a certain position for a considerable period. Even if we granted this special privilege to the Lord Mayor of Perth, it would carry no other privilege, for instance, in the direction of speeding, and so there is no need for it.

The Minister for Local Government: Do you think anyone would be so foolish as to grant a special exemption in regard to speeding?

Mr. GRAHAM: The Minister's interjection fortifies the statement I have just made. To grant this exemption would be tantamount to investing the office with an importance to which it is not entitled. The car used by the Premier carries the license plates, just as other vehicles have to do, but seemingly that is not good enough for the Lord Mayor.

Mr. May: The Prime Minister's car does not.

Mr. GRAHAM: I consider that this is an example of swank in the extreme, and that the Government is pandering either to the office or to the dignity of the officeholder.

The Minister for Local Government: I think the request was made, not so much by the Lord Mayor as by the City Council.

Mr. GRAHAM: We know that that is just the same thing expressed in another way.

Mr. Needham: A distinction without a difference.

Mr. GRAHAM: I hope that in fairness to motorists, who, goodness knows, are paying a terrific amount for vehicle licenses and extortionate sums for fuel and other items pertaining to the maintenance and running of their vehicles, this extortion on the part of the Government by imposing heavier fees for drivers' licenses will not be approved, particularly as no additional service will be rendered and when, as I have already indicated, the Government revenue on the existing scale has doubled in six years. There is no warrant for the increase.

MR. READ (Victoria Park) [5.49]: This Bill represents an attempt by the Government to bring some of our traffic laws up to date, and provide means for overcoming difficulties that have been experienced by the department. It lays down how the lights are to be provided. I do not think that the finance for their installation and upkeep should be taken out of the amounts allotted to the local governing bodies in the metropolitan area from traffic fees for the purpose of repairing roads which, on account of the weight and speed of modern vehicles, it is becoming increasingly difficult to maintain. The relevant provision is—

The Minister may, from time to time, approve of the provision and maintenance, in the metropolitan area, of such lights and signs for the direction of traffic as he thinks fit, and may authorise payment, not exceeding twenty thousand pounds in any one year, for their provision and maintenance out of the one-half of the net balance mentioned in paragraph (b) of Subsection (2) of this section.

The amount so allotted to local governing bodies is for the purpose of renewing the roads which are damaged by the vehicles on which taxation is levied by the Traffic Department with that object in view. Another aspect is that we no longer have trams running through our streets to any extent. Revenue used to be derived from the Tramway Department by the Perth City Council so that it could repair damage done by the trams. That revenue

ceased, but a shuttle service of buses, which do an equal amount of damage to streets, has taken the place of the tram service.

The amount paid last year to the local governing authorities by the Government through the Police Traffic Branch out of fees collected was £316,465 and the police commission for the collection of the fees was £40,507. That is an amount far in excess of what is necessary for the collection of the fees, and it is a source we could keep in mind for the provision of finance for these traffic lights. The amount appropriated under the Main Roads Act—22½ per cent. of the whole of the collections—amounted to £77,573, and that is another source from which money could be reallocated for the purpose of these lights instead of its being taken away from local governing bodies.

There are 24 local governing bodies in the metropolitan area that participate in the money distributed from the traffic fees. In all instances the wear and tear on the roads under the control of those authorities has increased alarmingly. They will have to be considerably reinforced to enable them to carry the heavy traffic which passes over them and the cost will be much greater than that of repairing roads which carry lighter traffic, such as ordinary motorcars. The cost of a 20 ft. road capable of carrying modern buses is £125 per chain. It will, therefore, be seen that the allocation made to the local governing authorities is not a sufficient recompense for the damage which is done to the roads.

In conversation with members of other local governing bodies I have discovered that nearly every one of them has to increase its rates in order to reconstruct damaged roads. If the money provided towards that purpose from the traffic fees is further depleted, I am afraid the position will become much more difficult. I was surprised to hear the member for Kalgoorlie and the member for East Perth belittle the dignity of the emblem which it is proposed to place on the official vehicle of the chief citizen of Perth, the Lord Mayor.

Mr. Graham: Why him above every other citizen?

Mr. Styants: I did not belittle it at all. I said that I had no objection to the provision.

Mr. READ: Then my remarks apply only to the member for East Perth. He wanted to know whether it was necessary to have these distinguishing marks. I would point out that the whole setup of the British Empire has been built on traditions which have been handed down. As a matter of fact, the whole setup of the Chamber in which I am speaking at the moment has been handed down to us, and our usages are in accordance with practices that have prevailed for hundreds of years in the Mother of Parliaments.

Mr. Graham: Would you like a few lords, earls and dukes?

Mr. READ: The hon. member would not like them because they resemble members in another place to whom he has objected very strongly. I hope that when we come to discuss this matter in Committee we will give consideration to the source from which finance for the installation of these traffic lights will come. The Minister earlier interjected that the 10s. increase in the driver's license was to some extent due to the higher cost of collection. That is not so. In the last 12 months we have spread the collection of payments for drivers' licenses amongst the police stations in the metropolitan area, and therefore the staff has not been increased. The issuing of drivers' licenses is in the hands of the local sergeants. I repeat that I hope the matter of finance will be considered more fully when the Bill is in Committee.

THE MINISTER FOR LOCAL GOVERNMENT (Hon. V. Doney—Narrogin—in reply) [6.0]: The Bill has had rather a mixed reception, which is nothing unusual. The House has fallen into the habit of being a bit discriminatory when traffic measure come forward. I do not blame members for that, of course. Quite a few members have voiced objections to the increase in the driver's license fee. I cannot see why any exception should be taken to that.

Hon. J. B. Sleeman: We can.

The MINISTER FOR LOCAL GOVERNMENT: So, I suppose, can anyone who owns a car and feels a little bit mean about the license. I believe, although I am not absolutely sure, that the fee has been 5s. since the year 1935. If anyone knows to the contrary, he can say so. I recall the member for East Perth asking what the police had done to earn the additional 5s., and answering his own question by saying they had not done anything.

Mr. Graham: I do not think you are being fair.

The MINISTER FOR LOCAL GOVERNMENT: I point out that the attitude of the police to those in cars, particularly the ladies, I suppose, is very considerate. When drivers go to the Police Department so that the police can ascertain whether they are fit to drive a car, a member of the police force will often spend two or three hours with them and give them a deal of good advice. If two or three, or whatever the number of hours is, were so given they would represent the 5s. increase.

Hon. J. B. Sleeman: Did you say a policeman goes around with a person when he gets his license?

The MINISTER FOR LOCAL GOVERNMENT: No.

Hon. J. B. Sleeman: What did you say?

The MINISTER FOR LOCAL GOVERNMENT: I said or implied that the police took an interest in seeing that young drivers were able to drive with safety before their licenses were handed over. Surely the requirements of the Bill cannot be too bad, because they are the results of the efforts of the best brains we have with respect to traffic. The Local Government Department is not the only one to put this up, but the Transport Board and the Police Traffic Branch as well, so I cannot see that the result of these efforts could in any sense lead to an unsafe Bill.

Mr. Graham: The men concerned would all be interested in receiving additional moneys.

The MINISTER FOR LOCAL GOVERNMENT: Attention has been drawn to the question of whether the Lord Mayor should have a certain dignity afforded to him under the Bill and whether in the course of time others might receive a similar dignity. We cannot look too far into the future, I will admit, but it is conceivable that once, now and again, some special case might arise. I cannot foresee just what type of case, but with distinguished visitors coming here there might easily arise the position where it would be advisable to give them the same type of recognition as the Lord Mayor, or someone on his behalf, is seeking. The Lord Mayor, assuming he gets this dignity, will not be the first to have it handed to him. It has already been granted in the Eastern States to one or two Lord Mayors that I know of.

The Premier: I think all of them have it.

The MINISTER FOR LOCAL GOVERNMENT: I could not say that, but I heard it stated a little while ago that the Lord Mayor of Sydney has had the privilege afforded him.

Mr. Styants: Would the municipality pay a license fee for the Lord Mayor's car?

The Attorney General: Yes. It would not be exempt from that. It could be if we so decided, but no Government would.

The MINISTER FOR LOCAL GOVERNMENT: Such differences of opinion as there may be will find their level during the Committee stage.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Yates in the Chair: the Minister for Local Government in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—Section 14 amended:

Mr. OWEN: Has the Minister considered installing traffic lights and signs to comply with the international code, so that visitors and migrants might understand them?

The MINISTER FOR LOCAL GOVERNMENT: If we installed signs and lights to be understood by migrants from perhaps 20 countries we would have a very messy system of traffic control in the metropolitan area. Migrants before driving vehicles must obtain drivers' licenses and for that purpose must have a working knowledge of traffic rules and signals.

Mr. OWEN: I believe the signs have been standardised in Europe and America. I do not think it would cost more to instal such signs than it would to instal some other type and, if they complied with the international code visitors and migrants would understand them.

The Minister for Local Government: Has the hon. member a plan in mind?

Mr. OWEN: Yes.

The Minister for Local Government: I will be glad to discuss it with him and pass it on to the appropriate officers. Should it appeal to them, well and good.

Mr. TOTTERDELL: I understand from the Attorney General that the £20,000 involved is to be taken from the lump sum before there is any allocation, and is not to be a direct deduction from the allotment to the local governing bodies. Despite that it would still mean that the local governing bodies would receive less, and so I think the £20,000 should be taken from the amount allocated to the Main Roads Department. I move in that direction.

The CHAIRMAN: The member for West Perth must move a concrete amendment.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. B. Sleeman: As yet, there is not a quorum present.

The Premier: There is now.

Mr. TOTTERDELL: During the tea suspension I have discussed this clause with the Attorney General and have seen the light. Therefore, I withdraw my objection to the clause.

Clause put and passed.

Clause 4—Section 23 amended:

Mr. GRAHAM: I want some information on this clause. I want to know from the Minister the difference between a license to drive a motor vehicle not being a passenger vehicle and a license to drive a motor vehicle being a passenger vehicle. The proposal in the Bill is that John Citizen will pay 10s. a year but the person who drives a bus, for instance, will pay only half that sum.

The Minister for Education: He would have to pay 15s.; the driver's license first and the conductor's afterwards. That is what happens to the school bus drivers.

Mr. GRAHAM: As a result of that interjection I am even more confused, because the Bill does not say that the 5s.

for a license to drive a passenger vehicle is an additional payment. It says that a person who wishes to obtain a license to drive a passenger vehicle shall pay 5s. per annum.

Mr. Needham: What does he pay now?

Mr. GRAHAM: I do not know. Why it should be 10s. in one case and 5s. in the other, I am at a loss to understand. Surely there must be some reason for it; if there is not, we should do something about it.

The MINISTER FOR LOCAL GOVERNMENT: I am afraid I have no information that would specifically cover the points raised. The wording in the Bill is quite clear—a person who wishes to obtain a license to drive a passenger vehicle shall pay 5s. I have no clear instruction upon the point, but I have always understood that the man who drives a passenger vehicle does so to earn a living, and consequently the license fee is smaller. Apparently for that reason it has been allowed to remain at the same small charge.

Mr. GRAHAM: We have got exactly nowhere.

The Minister for Local Government: I admit that I have not advanced the hon. member any further.

Mr. GRAHAM: In other words, I think we have had a tacit admission from the Minister that he has no reason for this difference.

The Attorney General: Every reason! In most cases they would require to have two licenses.

Mr. GRAHAM: I should say that the average person who drives a passenger vehicle, that is to say a bus, would not be in a position to own a motorcar.

The Attorney General: That might be so.

Mr. GRAHAM: I would say in the great majority of cases that would be so.

The Attorney General: He could not even drive a truck unless he had a license for it.

Mr. GRAHAM: Perhaps the Attorney General can give me some information in this respect: An individual citizen is a busdriver and in order to obtain a license he pays 5s. He then purchases a motorcar to drive himself and his family about and the license that he already has is not sufficient. In other words, he has to take out a second license.

The Attorney General: Yes.

Mr. Rodoreda: What authority have you for saying that?

The Attorney General: There is a distinction in the licenses.

Mr. GRAHAM: The position is confused and, in view of my previous submission that the Government is now receiving approximately twice as much as it

did six years ago, I think there is no occasion for this increase from 5s. to 10s. Accordingly, I move an amendment—

That in line 3 of proposed new Subsection (2) the word "ten" be struck out with a view to inserting the word "five" in lieu.

That would leave the position as it is now with the fee at 5s. per annum and the holders of different licenses would be on the same footing. It is difficult to ascertain the number of persons who hold licenses of various kinds, but it would appear that they number 150,000. If my amendment is passed, those persons will be relieved from paying an extra 5s.

Mr. GRIFFITH: It has been suggested by the member for East Perth that there is inequality in this proposition, and I am inclined to agree with him. What is the position of a man who, holding a license to drive a passenger vehicle, then drives a Government bus, a truck or a motorcycle? I think he has to apply for a driver's license for each vehicle. If that is so, I think the new subsection could be viewed in a different light and I would like the Minister to enlighten me.

The MINISTER FOR LOCAL GOVERNMENT: He would follow the same procedure under the provisions of the Bill as he does now in applying for a license for each kind of vehicle he drives, with the exception of the passenger vehicle. I do not know whether the member for Cannington or the member for East Perth is finding fault with the fee of 5s. per annum charged for a license to drive a passenger vehicle.

Mr. Graham: No.

The MINISTER FOR LOCAL GOVERNMENT: Is the hon. member finding fault with the increase in the fee from 5s. to 10s. for a vehicle that is not a passenger vehicle?

Mr. Graham: Yes.

The MINISTER FOR LOCAL GOVERNMENT: That is a reasonable increase according to the times we are living in now. Had the increase been made according to the rising costs, the fee might have been raised to 15s. or 20s. The fee of 5s. for a driver's license has remained the same since 1935, I believe.

Mr. Needham: There have been plenty of increases in the price of petrol.

The MINISTER FOR LOCAL GOVERNMENT: Is there any reference to the increased price of petrol in the Bill? I cannot add anything, except to stress that the increase is extremely reasonable. It should give pleasure to the member for East Perth in particular to know that the Government, by leaving the other licenses at the same fee, is not being avaricious.

Mr. Oldfield: Is it the intention of this proposal that a person holding a license to drive a passenger vehicle will also have to hold an ordinary driver's license, which will cost him 15s. in all?

The MINISTER FOR LOCAL GOVERNMENT: All that would be necessary would be for him to hold a license for a passenger vehicle.

Mr. Oldfield: He would not have to hold an ordinary driver's license.

The MINISTER FOR LOCAL GOVERNMENT: No. As the proposed new subsection reads, in the first instance he requires to have a license to drive a vehicle not being a passenger vehicle. In the second instance, he must have a license to drive a passenger vehicle, and in the third instance, if he drives a bus he must hold a conductor's license.

Mr. GRIFFITH: The information I wanted from the Minister was this: As the Act now stands, does it provide that a man has to apply for a license to drive a car, but if he takes up the occupation of a truckdriver has he to apply for a separate license; and further, if he decides to become a busdriver, has he to apply for a separate license for that? If that is so, I do not think the new subsection imposes any greater hardship on such a person because if he holds a passenger vehicle license he has only to obtain another license for a vehicle that is not a passenger vehicle, and pay an additional fee of 5s. only. There is not much hardship in that considering that we have the cheapest license fee in the Commonwealth.

Hon. J. B. SLEEMAN: I move—

That progress be reported.

Motion put and negatived.

Hon. J. B. SLEEMAN: If the Minister does not want to obtain for us the information to which we are entitled, we shall just have to persevere. The Minister has shown that he does not know the first thing about the Bill, and I daresay he will not know anything about the other serious matters which are to come before members. I agree with him that a man driving a passenger vehicle should not be charged as much as the other man. A man driving a truck for a firm would not be driving a passenger vehicle, but under this he would have to pay a different amount from the others.

All passenger vehicles should, I think, be classed in the same category. At present if one drives a motorcar one has not to obtain a license to drive a motor cycle. The time has not arrived to increase licenses for motorcycles. Members will agree that motorists do not have a very happy life. Registration fees have gone up, the price of petrol and oil has gone up; in fact most prices have risen. As the member for East Perth has said, the number of licenses has gone up 100 per cent., but I am sure the cost of run-

ning the Traffic Department has not risen to anywhere near that amount. I support the amendment.

Mr. RODOREDA: I am also opposed to an increase in the fee for a driver's license on the ground of the differentiation shown to various classes of drivers' licenses. At present a license costing 5s. entitles a person to drive any number or types of vehicles provided he has passed the test. I have a driver's license and I could drive a motorcar, a motortruck or a motorcycle, all for 5s. For the same amount I could hold a license for a passenger bus if I was qualified. There is no mention of licenses in the Act, except in Subsection (2), which says that a fee of 5s. per annum shall be payable for such license. There is nothing set out prior to that and, where application is made for a license to drive an omnibus, the driver must submit himself to a special examination for that.

The wording of Subsection (2) is very ambiguous; it means a driver's license for any type of vehicle. In place of that we propose to insert merely that the following fees are payable. We then come to the position that to drive a motorcar or a commercial vehicle the fee is 10s. and for a passenger vehicle it is 5s. I can see no reason for the differentiation.

The Minister for Local Government: What about the reason given by the member for Fremantle?

Mr. RODOREDA: I want the Minister to give me a reason.

The Attorney General: Most passenger drivers would hold an ordinary license as well; it would be tough to make them pay twice.

Mr. RODOREDA: If they hold that license it will entitle them to drive a passenger vehicle.

The Attorney General: Oh, no! You read the Act.

Mr. RODOREDA: I have read the Act, but the Attorney General apparently was not listening.

The Attorney General: If it is inserted in the license; but it is not.

Mr. RODOREDA: It is inserted in the license if the applicant submits himself to a test on each vehicle. I hold a license to drive three types of vehicle.

The Attorney General: But not a passenger vehicle.

Mr. RODOREDA: I could if I applied for it.

The Attorney General: Not under the amending Bill.

Mr. RODOREDA: I want to know why there should be this differentiation. It is not an extra charge.

The Attorney General: Oh, yes, it is.

Mr. RODOREDA: It certainly is not.

The Attorney General: It would be an extra charge.

Mr. RODOREDA: If the Attorney General can read that into the amending Bill he has a queer intellect. We have just deleted the sum of 5s. for such licenses, meaning all licenses; now we are putting in two different charges, not one superimposed on the other.

The Attorney General: It is superimposed.

Mr. RODOREDA: Would the Attorney General tell us how it is superimposed? I am sure he could not convince the Committee. If this superimposes one charge on the other, then I cannot read plain English.

THE MINISTER FOR LOCAL GOVERNMENT: The member for Pilbara so far has been the only one to assert that the one license should spread itself to cover not only motorcars, trucks and motor cycles, but also passenger vehicles. I am only concerned with the Bill at the moment. As I read it an ordinary driver's license would cover a car, a truck and a motorcycle. If a man wanted a license for only one of those vehicles he would pay the same amount which, if this Bill goes through, will be 10s. According to the wording of the Bill, even if a person has a license for the three or four types of vehicles mentioned by the hon. member, he will still have to pay an additional 5s. for a passenger vehicle license.

Mr. Rodoreda: But he need not have any other type of license, so he gets his license to drive a passenger vehicle.

THE MINISTER FOR LOCAL GOVERNMENT: He pays 5s. to drive a passenger vehicle.

Mr. Rodoreda: Why not give that benefit to the driver of a commercial truck?

THE MINISTER FOR LOCAL GOVERNMENT: I admit that that is a point, but nobody here has sufficient knowledge to answer all the questions that have been asked in the last 20 minutes.

Progress reported.

BILLS (4)—RETURNED.

1. Health Act Amendment (No. 2).

With an amendment.

2. State Housing Act Amendment.

3. Mining Act Amendment (No. 2).

4. Albany Public Cemeteries Subsidies.
- Without amendment.

ANNUAL ESTIMATES, 1952-53.

In Committee of Supply.

Debate resumed from the 28th October on the Treasurer's Financial Statement and on the Annual Estimates; Mr. Hill in the Chair.

Vote—Legislative Council, £5,702:

HON. A. R. G. HAWKE (Northam) [8.4]: The Treasurer opened his Budget Speech by telling us that changes in general business and financial conditions

that occurred in the last 12 months had added substantially to the budgetary difficulties of State Treasurers. He went on to say that costs have continued to rise, that incomes particularly from exports have tended to level off and that the restriction of credit has been responsible for creating difficulties, both for Governments and for private industry.

I agree with him that considerable difficulties were created during the last financial year for Governments and private industry alike, and also for a great many individuals in Australia. I think that the restriction of credit was probably mainly responsible for the difficulties that developed during that period. It was hard to understand why the banking and financial policy severely restricting credit to industry was put into operation. There was certainly no justification for it. When it was first announced by the leaders of the Commonwealth Government, it was very severely criticised by many people, including political leaders and leaders of trade and commerce generally. When the policy was first announced and before it was put into operation, they were able to see that very serious results would be sure to accrue.

The Premier: It did do something to prevent the spiralling of costs.

Hon. A. R. G. HAWKE: I very much doubt whether it accomplished anything worthwhile in that direction.

The Premier: It did.

Hon. A. R. G. HAWKE: To an extent it slowed down the spiralling of costs, but other happenings of a detrimental nature in trade and commerce generally occurred that more than outweighed any of the advantages mentioned by the Premier. I know that the prices of some commodities were reduced as a result of the policy of credit restriction. Those prices were reduced, not from choice, but from absolute compulsion put upon the business community by the banks in the credit squeeze that was operated very severely in so many instances. Firms throughout Australia of all shapes and sizes found themselves suddenly called upon by their bankers substantially to reduce their overdrafts. So far as I can learn, there was no selection of bank clients.

It did not seem to matter whether a business concern or a business individual was engaged in the production or distribution of an essential commodity, a semi-essential commodity or a luxury commodity; the same measure of severe credit restriction and credit withdrawal was practised upon them all. It might very well have been that some firms did escape the credit squeeze. I can quite imagine that some of the very big business concerns in Australia, who would themselves have large bank shareholdings,

might have escaped. The directors of those big business concerns I have in mind might also have been directors of the banks or of some of them. In that situation bank policy might have been operated in such a way as not to credit squeeze those particular firms, thereby giving them a very great trading advantage as compared with their smaller competitors.

The Premier: I do not think there was any discrimination.

Hon. A. R. G. HAWKE: I am not saying there was. I am saying there could have been. However, by and large, the credit squeeze policy was widely applied, with disastrous results on balance. It is true, as the Premier suggested indirectly by his interjection a few moments ago, that some benefits developed. I know firms in my own town of Northam and in other towns in this State who suddenly found themselves called upon to reduce their overdrafts to an extent which was alarming to them, because the period allowed to complete the reduction was very short.

There were only two readily available methods that small firms could use. The first was to retrench the number of their employees to save them paying out as much wages each week as previously. The second was to put on forced sales of goods at reduced prices, which in many instances involved the firms in loss of money on the goods which they sold. That situation could go on only for so long. Small firms forced to remain in a situation of that kind very long would go to the wall. As I said, there appeared to be no selection by the banks of the business concerns that were to suffer the credit squeeze. Concerns engaged in the manufacture and distribution of the most essential goods—goods that were in short supply and in urgent demand—had the credit squeeze put upon them very severely. That happened to firms engaged in the production of materials for the building industry, and presumably it happened to other firms engaged in the production and distribution of materials quite as vital to the affairs of the State.

The Premier: I do not think there was any reduction in output in those directions.

Hon. A. R. G. HAWKE: There was. I know of instances where small industries engaged in the production of building materials were compelled to close down, because the proprietors could not continue meeting their wages bills and other commitments under the credit squeeze policy put upon them by the banks. It stands to reason that if a small firm is suddenly told that its existing overdraft has to be cut by 75 per cent. and reduced to that extent within a month or six weeks, the proprietors will be thrown into a state of absolute hopelessness.

The Premier: It is a wonder they did not make some appeal to the Government and draw attention to their plight. I do not know of one that did.

Hon. A. R. G. HAWKE: What could the Government have done? The Government itself was thrown into a tail-spin and is still in it as a result of this policy. The Treasurer knows only too well what his position has been in recent months. He has not been able to meet the normal commitments of the Government. How then would it have been possible for him to take upon his shoulders a very large volume of new commitments? Obviously he could not have done anything about it. He was a victim of the policy in the same way as and to an even greater extent than these business firms.

The Attorney General: I know a lot of business firms and I do not know any that were ordered to reduce their overdrafts. They might not have been able to get further credit, but that is a different thing.

Hon. A. R. G. HAWKE: I am talking about business proprietors who were compelled to reduce their overdrafts.

The Attorney General: I suppose you have made inquiries about it?

Hon. A. R. G. HAWKE: I did not have to make inquiries about it. The men concerned in my electorate came to me and gave me the particulars. I saw their industries closed down.

The Attorney General: Because of a reduction, or because they wanted more?

Hon. A. R. G. HAWKE: Because of reductions in the allowable overdraft limits, and very drastic reductions, too.

The Attorney General: I should have thought that I would have heard of it, because I am interested in these things.

Hon. A. R. G. HAWKE: What the Attorney General says could easily give proof of the suggestion I made a few moments ago, that there was a selection by the banks regarding those who were to suffer the credit squeeze and those who were to escape. I imagine that the business friends of the Attorney General would have considerable financial and social standing in the community.

The Attorney General: No. They were just average city people. I am talking about the metropolitan area. I do not know anything about Northam.

Hon. A. R. G. HAWKE: They might easily be on sides with the bankers, and as a result they might readily be granted immunity from the application of the severe policy that was so savagely applied in many instances in this State and in all the other States of the Commonwealth.

The Attorney General: I do not see how that can be, considering that they advanced an extra £200,000,000; so how could you be right there?

Hon. A. R. G. HAWKE: What for?

The Attorney General: That would show an increase in overdrafts to assist industry.

Hon. A. R. G. HAWKE: Why?

The Attorney General: It is a fact that they did increase the overdrafts.

Hon. A. R. G. HAWKE: Why?

The Attorney General: Because they were asked to by their customers, that is why. Overdrafts went up millions of pounds and you know that. So there was not a squeeze, but just the reverse.

Mr. Johnson: What is your authority for that statement?

Mr. Bovell: Certainly not the member for Leederville.

The Attorney General: The Commonwealth Bank, if you want to know.

Hon. A. R. G. HAWKE: I have no knowledge, and I doubt whether the Attorney General has, regarding the period to which he refers.

The Attorney General: You know the special accounts with the Commonwealth Bank have been reduced by over £200,000,000, and the money has been advanced to the associated banks.

Hon. A. R. G. HAWKE: I doubt whether the Attorney General knows the period to which he is referring. He certainly could not be referring to the period during which the credit squeeze policy was imposed.

The Attorney General: I do not know of any credit squeeze policy.

Hon. A. R. G. HAWKE: Everyone else knows about it. It is not unusual that the Attorney General does not know of it.

Mr. Bovell: Banks do not ask for reductions of 75 percent. on overdrafts in six weeks. In my long experience of banks, that was never done; and I challenge the member for Leederville to say the same thing.

Hon. A. R. G. HAWKE: I know of banks, and I should say the member for Avon Valley does, too, asking a few years ago for greater reductions than that in lesser periods.

Mr. Bovell: The member for Avon Valley, or any other client of a bank could twit his fingers if it asked for such a reduction.

Hon. A. R. G. HAWKE: Of course the member for Avon Valley could physically twit his fingers at the banker, but what would the banker do to him?

Mr. Bovell: Probably twit his fingers back at him.

Hon. A. R. G. HAWKE: If there was a period during the last financial year when the banks made some specially large sum of money available to their clients, it was done for one purpose only, and I think the Attorney General would know what

that was. It was to enable the business firms and the business men concerned to meet the demands of the institutions in Australia which represented the Rt. Hon. Sir Arthur Padden. The credit squeeze policy had such dramatically bad results in the short period of its operation that things began quickly to happen. The rank and file supporters of the Commonwealth Government in the Commonwealth Parliament began to knock at the knees, politically. They had plenty of reactions in their various electorates, even though the Attorney General had none. They came to know very fully what was happening to business men and firms, and to large numbers of working people who lost their employment as a result of the savage application of the policy. A by-election or two helped them to understand the reaction of the general public to the situation. In a reasonably short time the Commonwealth Government abandoned the policy.

The Premier: Doing the right thing sometimes makes you unpopular, you know.

Hon. A. R. G. HAWKE: Is the Treasurer supposed to have discovered something?

The Premier: I am just reminding you.

Hon. A. R. G. HAWKE: The Treasurer does not have to remind me. I am perfectly well aware of the truth of that statement. However, the action of the Commonwealth Government in introducing the credit squeeze policy was not the right thing. It was, unfortunately, the wrong thing, and a very disastrous thing, to introduce in so far as trade, commerce and industry generally in Australia were concerned.

The Premier: It had a steadying effect.

Hon. A. R. G. HAWKE: It had no steadying effect at all. The reactions from the policy are still to be seen in many directions, particularly in the larger Eastern States. If, as the Treasurer suggests, it had a steadying effect—

Hon. J. T. Tonkin: Like a hit on the jaw.

Hon. A. R. G. HAWKE: —there should have been no increase in the basic wage.

The Premier: In most States there was a considerable steadying down in that item.

Hon. A. R. G. HAWKE: Yes, partly due to the application of the credit squeeze policy. However, as I said at the beginning, one has, in considering a matter of this kind, to set off the advantages against the disadvantages which flowed from the application of the policy. Does the Treasurer think that the temporary reduction in the rate of increase in prices and costs which was achieved by the application of this policy balanced out all the disadvantages which it brought into existence? Does he think it balanced out the business upsets, the financial loss, the unemployment it created and the knock it gave to confidence on the part of Australian investors?

Does the Treasurer not think that one of the re-actions arising from the bad result of this policy was the stand taken by the Prime Minister at the conference of Premiers when they were trying to persuade him to attempt to raise far greater sums of loan money than he was prepared to do at the time? Of course that was one of the bad results which flowed from it. However, as the policy was abandoned after a few months we take satisfaction from the decision, and we find that the large business and economic slump which occurred at the time has since disappeared.

We hope that with the passing of time and the assistance of other factors, all of the bad results will go. The Treasurer also told us, in the early part of his speech, that the output of basic industries is expanding in this State. I think the Treasurer was not completely frank with us. In his mind he must have considerable doubts and fears about some of our basic industries, and about the trends which have developed in them during the last year or two. We all know that some of our basic industries have less total production now than they did three or four years ago. The member for Vasse would be well aware of the truth of that statement.

The Premier: Why the member for Vasse?

Hon. A. R. G. HAWKE: Because he represents an electorate in which one basic industry is not advancing but, if anything, retrogressing. The Premier has that industry, among others, in his own electorate.

The Premier: Are you referring to timber?

Hon. A. R. G. HAWKE: No. The Leader of the Opposition is referring to the dairying industry. I think the Premier knows that that industry is not progressing, but instead is having a struggle owing to some general factors and some that are peculiar to the industry. It is an industry of great importance to the State, particularly as our South-West is such a vital area as regards primary production. I hope the Treasurer and his colleagues in the Government do not believe whole-heartedly in the statement he made that the output of basic industries is expanding.

The Premier: It was a general statement, of course, and they are expanding.

Hon. A. R. G. HAWKE: It is a general statement, and generally true; but it would be unfortunate if, in generalising in that way, we in this Chamber—as well as the people of the State—were to take it for granted that every basic industry in Western Australia is progressing and expanding and has no worthwhile problems about which to worry. I have no expert knowledge of the dairying industry, but from what I have seen, heard and learned I

think it has some tough problems on its hands—problems requiring a great deal of application on the part of individual farmers as well as the Government departments that are directly concerned with it.

The Premier: The attraction to other primary industries has played a part there.

Hon. A. R. G. HAWKE: It has, indeed. The labour problem in the dairying industry will not be easily overcome and, furthermore, I believe that many of the old-established dairy farms have not received the attention or assistance they needed, with the result that they have not been able to be brought to a stage of production of carrying capacity such as would enable the farmers concerned to receive as a return for their produce a reasonable living wage.

The Premier: We have been doing our best to meet that situation, as the Leader of the Opposition knows.

Hon. A. R. G. HAWKE: I do not know whether the Government has been doing its best in that direction. How could I know that? The Treasurer gives a broad, sweeping statement to the effect that all the basic industries in the State are expanding their output, when in truth this particular important basic industry is doing nothing of the kind.

The Premier: When we talk of basic industries I think we generally refer more to the manufacturing side. It is usual to refer to the dairying industry as one of our primary industries.

Hon. A. R. G. HAWKE: The Treasurer is trying to hedge.

The Premier: No.

Hon. A. R. G. HAWKE: He knows, as well as does any member here—and would be the first to argue in that direction if anyone expressed the opposite point of view—that our primary industries are the most basic of all industries in this State.

The Premier: That is true.

Hon. A. R. G. HAWKE: Of course it is true.

Mr. Bovell: I find myself in agreement with the Leader of the Opposition for once.

Hon. A. R. G. HAWKE: I have for many years had some definite ideas about the development of primary industries. It is my strong belief—it becomes stronger every year—that the best policy for a State or country to pursue in regard to primary production is to consolidate successfully the settlement that has already been developed in the past at great cost to the State and the individual settlers. I know that in the post-war years there has been a responsibility on the Government—as there would have been on any Government—to do what was considered

necessary in an endeavour to place on the land all the returned service personnel who were anxious and qualified to go on the land.

The implementation of that policy naturally involved the Government in the expenditure of large sums of money and necessitated the concentration on such development of great physical resources in the way of plant, machinery and so on. But nevertheless, from a rational and long-range point of view, the State could easily lose by forcing a great amount of new settlement if that were done at the expense of already established settlements created years ago. In the Public Accounts document, we have, at page 43, a statement setting out in some detail the moneys received by this State from the Commonwealth during the financial year 1951-52.

On examining the total, which is £21,579,802, one is forced to wonder just how far the State can continue in that direction without exposing itself to great financial dangers at some time in the future when the financial situation of Australia does really become tough. This sum of £21,000,000 received by the State from the Commonwealth in one financial year represents a very substantial percentage of our total revenue income for the whole year. It highlights the extent to which in recent years our State finances have become dependent upon the Commonwealth Government of the day. We know, too, that just as State expenditure has expanded vastly during the last five or six years, so Commonwealth expenditure has vastly expanded. It is not difficult to visualise what would happen if financial difficulties came upon Australia and remained with us for two or three years, or for a longer period.

The Commonwealth Government would naturally—and I think this would apply to any Commonwealth Government—look after its own affairs first and leave the States to struggle along as best they might. In that situation Victoria, New South Wales, Queensland, and to some lesser extent, South Australia, might be able to battle through in some sort of manner. But the States of Western Australia and Tasmania would, in my judgment, find themselves in an extremely difficult, if not impossible situation.

The Premier: It would not be nearly so difficult for Tasmania as it would be for us.

Hon. A. R. G. HAWKE: I agree. By comparison with Western Australia, Tasmania is a pocket handkerchief State with seasons, over the whole of the island, uniformly good every year. Tasmania, too, has balanced up her industries remarkably well in recent years and would, with her small population, probably be able to weather a financial storm of that kind much better than we would in this State with our huge areas and the very

great demands for so many essential services and for their continued operation as are put upon a Government in this State.

I was greatly intrigued by the antics—and I use the term in no derogatory sense—of the Prime Minister at a conference he had with the Premiers in Canberra a few weeks ago. On that occasion he told the Premiers point blank that he was fed up with the uniform taxation system under the provisions of which the Commonwealth had to suffer all the discredit of imposing the huge amount of taxation now required, and subsequently had to face up to the unreasonable barrages and blitzes of State Premiers upon him and his Government for greater and still greater amounts from that taxation. In fact, the Treasurer was good enough to quote to us in his speech the other day some of the things which the Prime Minister said to the Premiers. I now quote some of the statements which the Treasurer presented to us—

Mr. Menzies referred to the Commonwealth Government's stated belief, "that the present position is entirely unsatisfactory" and that it, "should do its best to resolve it".

I presume that that refers to the Conference doing its best to resolve it.

The Premier: No, to some future action.

Hon. A. R. G. HAWKE: Very well. The Premier went on—

Dealing with annual discussions on income tax reimbursements, Mr. Menzies said: Nothing is more unsatisfactory than for us to be sitting here in judgment on matters about which the State Governments know far more than we do.

Might I interpose here to say that it amazes me that the Prime Minister admits that anybody else in the world knows more than he knows about certain things?

The Premier: That is not necessary.

Hon. A. R. G. HAWKE: The Premier, in discussing Mr. Menzies' remarks, continued—

That is the business of State Governments controlled by State Parliaments, and the result of the present system, which I shall assume was entirely necessary during the war when taxes were extremely high, is that the States think of a figure and then we think of a figure.

The Prime Minister went on—

I believe, and my Government believes, that if we are to have a federal system, we ought to bend our attention at once to the problem of restoring to the States control over their own tax revenue.

I tell all the States here represented that the Commonwealth Government is abundantly and promptly willing to discuss with them the return to the States of their taxing power.

The Premier: You might know that I did not cheer.

Hon. A. R. G. HAWKE: I am sure the Premier did not cheer, but I am positive he smiled and said, "He is telling us." Is it not remarkable how the attitude of these great Federal giants has so suddenly changed in relation to uniform taxation? When the people of Australia were accepting the imposition of uniform taxation without any complaint, or much complaint, the system from the point of view of the Federal giants had everything in its favour. It is only now, as a result of the huge growth in the expenditure of Commonwealth and State Governments, and the inevitable huge increase in taxation upon the people, that the outlook of Federal Ministers and Federal members of Parliament generally has violently changed in regard to this matter. So much taxation has to be imposed today that most, if not all, of those who experience high taxation are after the blood of the authority which is directly responsible. Consequently there is no end of political unpopularity and danger for any Commonwealth Government in office today imposing directly these huge taxation burdens upon the people.

Under the uniform taxation system the Commonwealth Government gets all the blame, all the criticism and all the condemnation. The State Governments, even though they receive a great amount of this taxation after it has been imposed and collected, receive no criticism, no unpopularity and no condemnation for the fact that taxation has gone skyhigh today. It is ever so human, ever so natural, that the Prime Minister should talk to the Premiers in the way he did as told us by the Treasurer in his speech here a few days ago. I should think any Prime Minister would have the same thoughts and feelings about the problems as are possessed by the present one. What leader of any Government, Federal or State, in these days would want to continue to shoulder the responsibility of imposing huge burdens of taxation upon the people? Nobody at all! I suggest that that is not the only reason why the Prime Minister has changed face on this problem. On the other hand, I think it is the reason why the State Premiers, all of them, Labour and anti-Labour alike, would not be very keen to take their taxing powers back.

The Premier: The Victorian Premier is all for it.

Mr. Bovell: Which one?

Hon. A. R. G. HAWKE: Yes, as very appropriately interjected by the member for Vasse, which Victorian Premier?

Mr. Griffith: The one that receives political support by all parties.

Hon. A. R. G. HAWKE: It might be that any Premier in Victoria would not mind that State having its taxing powers returned to it today.

The Premier: I suppose it would have more to gain than any other State.

Hon. A. R. G. HAWKE: Victoria is amazingly fortunate, amazingly strong financially and in every other respect.

Mr. Griffith: Not politically.

Hon. A. R. G. HAWKE: It would have to be an amazingly strong State in every respect to have stood up successfully to all the years of unstable Government it has suffered in our lifetime. N.S.W. might even be prepared to have its taxing powers back. That State, like Victoria, has tremendous natural advantages; it is a very highly developed State; it has great concentration of capital and could, probably, not certainly, be able to get along by imposing its own income taxation.

The Premier: The Prime Minister did say that even if the States had their taxation powers returned to them, the claimant States would still have to rely on the Grants Commission to a considerable extent.

Mr. Rodoreda: You're telling us!

Hon. A. R. G. HAWKE: There could be no doubt about that. Imagine the position in Western Australia under existing conditions if, next financial year, the State had to impose its own income taxation! First claim upon income taxation in this State would go to the Commonwealth. How much taxable capacity would there be left after the Commonwealth had collected its cut, if I might describe it that way? Would the Treasurer like to be the one to impose and try to collect the State's income taxation after the Commonwealth had gathered up all it wanted? I would not like to be in that position.

The Attorney General: Perhaps you had better withdraw from the contest next year.

Hon. A. R. G. HAWKE: As far as I am concerned, there will be no contest next year. The Government has already had the bomb!

The Premier: You are always saying that and you are always wrong.

Hon. A. R. G. HAWKE: Judging from what we have seen and heard in recent weeks, the Government is not even a trier on this occasion.

The Premier: What have you heard?

Hon. A. R. G. HAWKE: I have heard plenty.

The Premier: You have been wrongly informed; you are moving in the wrong circles. Anyhow, let us keep to the Budget.

Hon. A. R. G. HAWKE: I think the Premier will be less unhappy if we do keep to the Budget.

The Premier: No, you are doing very well.

Hon. A. R. G. HAWKE: On this question of Western Australia taking back its own income taxation powers, I would say it might not be so bad if it were not for the fact that Commonwealth expenditure seems to be growing all the time at an amazing rate. I remember the Commonwealth 1949 election and, to some extent, the 1951 Commonwealth election when the present Prime Minister and the present State Treasurer and most of their supporters told the people of Australia that taxation upon the people at that time was ever so much heavier than it should be because the Labour Party, when in control of the Commonwealth sphere, had built up huge bureaucracies in all directions, had placed upon the Commonwealth payroll tens of thousands of men and women, the services of many of whom were not really necessary. The people were promised that these alleged huge bureaucracies would be swept away; that the number of men and women on the Commonwealth payroll would be radically reduced and that taxation upon the people would consequently be reduced also. There is no need for me to tell the members of this House, what has happened since. Bureaucracies have been further expanded, if, in fact, bureaucracies they were and still are. The number of men and women upon the Commonwealth payroll seems to be unlimited and so Commonwealth expenditure has increased in every direction imaginable and to a substantial extent.

The Premier: Particularly in regard to defence and social services.

Hon. A. R. G. HAWKE: Yes, and in most other directions. So much so that the reasonable taxable capacity of the people of Australia has become saturated, has been drawn upon beyond the safety limit. In a situation of that kind, if this State were to be forced to take back its income taxing powers, the State Government here would be under compulsion to impose very high income taxation upon our people in addition to the high income taxation that the Commonwealth would be imposing, with the result that our productive industries would find themselves struggling under a burden of increased costs which many of them could not survive. So I would say that in my judgment the Treasurer ought to resist very strongly any attempt by the Commonwealth to force back upon the State at

this period of its history the income taxing powers which were taken away from it when uniform income taxation was established all through the Commonwealth.

The income taxing powers of this State should be given back to it, and taken back by us, only if some reasonable system can be devised by Treasury experts and by Government representatives. It would be a financial tragedy for Western Australia if, under duress and without the devising and putting into operation of such a system, the State was made to take back its powers to impose taxation on income and was subsequently compelled to raise its own taxation resources in the income field. I was interested to find on page 37 of the Public Accounts a section devoted to advances to the Treasurer. It can very well be that the Treasurer has a satisfactory explanation to offer to the Committee in regard to this section of the Auditor General's report. Whether the Treasurer's explanation is good or otherwise, all members of the Committee will be anxious to hear it. The section in question on page 37 reads as follows:—

Advance to Treasurer Overdrawn.

An analysis of the amount of £1,655,583 5s. 8d. shown in the balance sheet discloses that the portion of this total withdrawn prior to 1951-52 was approximately £129,000, leaving the remainder (£1,526,583) applicable to 1951-52. Taking this latter amount in conjunction with other amounts appearing in the Treasury returns, the authorised sum of £2,000,000 made available to the Treasurer was considerably overdrawn as under:—

	£
Amount referred to above (Treasury Return No. 1)	1,526,583
Excesses and new items on the Revenue Fund (Return No. 5)	2,966,246
Excesses and new items on the Loan Fund (Return No. 14)	4,331,031
Expenditure in Suspense (Railways and Crown Law Departments)	87,524
	<hr/> 8,911,384
Less Appropriation	2,000,000
Overdrawn	<hr/> 6,911,384

I am not expecting the Treasurer to tell us by way of interjection what the explanation for that situation is. On the surface it appears to be a very alarming situation financially, and the sooner the Treasurer is able to give the Committee a full and frank explanation of the whole matter, the better will members of the Committee be pleased. In addition to this huge amount of approximately £7,000,000 overdrawn, there is that other disturbing financial feature which we have discussed in this Chamber on a number of occasions.

That feature is represented by the fact that the Government, because of financial difficulties, has been compelled to issue, as it were, I.O.U.'s to a number of firms in connection with very large amounts of money which the Government owes them. The total indebtedness, according to the statement given to us in this Chamber some weeks ago by the Treasurer, is at least £6,000,000 in relation to firms outside of Australia. The Government is paying interest upon those deferred accounts. The payment of the accounts has been deferred only during the current financial year and presumably they have to be paid before the 30th June, 1953.

It would be interesting to learn what plans, if any, the Treasurer has developed to meet these overdue accounts. It seems to me that the Treasurer and the Government of this State generally will be very hard put to it fully to meet their other ordinary commitments during the balance of this financial year. How the Government could, over and above those ordinary commitments, meet these deferred accounts totalling £6,000,000 is impossible for me to say. The Government could adopt the same expedient again later in the financial year in relation to other firms, and in connection with other contracts where payment falls due for this financial year, the Treasurer could make overtures to such other firms to allow the State to defer the payment of, say, £6,000,000 of indebtedness until the financial year 1953-54 and agree to pay 4 per cent. or 5 per cent. interest upon the unpaid indebtedness until such time as the total indebtedness was met.

However, the continued adoption of that expedient would establish a dangerous situation for future Governments and for the State as a whole. It would place the Government in the same position as many private debtors have found themselves in. We all know from personal experience of what is done by many people in their endeavour to battle along. They pay what they can and postpone the payment of other debts that they cannot meet. It may be argued that this is not a bad idea. It may even be argued that it is a good idea, especially in relation to an individual's purchase of certain goods. I have heard it claimed that this practice by individuals is good for trade, commerce and industry generally because it permits people to come into possession of goods that otherwise they could never obtain.

It may be thought by some people that what is good for an individual could not be harmful for a Government or a State. However, we have to demonstrate some degree of financial responsibility in Government and in Parliament. It may be all right from our point of view to postpone until next financial year £6,000,000 of indebtedness which ought to be met in the present financial year, provided there

was a reasonably good prospect of our being able to meet our commitments next year without incurring further indebtedness of a like kind.

The Premier: What is the alternative?

Hon. A. R. G. HAWKE: The alternative would be to try to get adopted in Commonwealth-State relationships a policy that would not put a State into a financial situation of that sort.

The Premier: It is something that the State cannot help.

Hon. A. R. G. HAWKE: The Premier's interjection brings me to an important consideration of the general problem. That consideration relates to the rapid deterioration in Australia during the last two or three years in the ability of Governments to obtain their reasonable requirements from the people by way of public loans. Until approximately two years ago, there had never been any difficulty, at least during the preceding 10 or 12 years, in Governments raising easily all the loan moneys they required. In other words, all public loans floated in Australia were over-subscribed and even heavily over-subscribed. Two years ago or less, there was a dramatic change for the worst, and for this change there were very solid reasons. They were political in character to the extent that politics includes financial and economic policies of Governments. There can be no doubt about the effect which the present Federal Government's economic and financial policies of two years ago and since had upon the people of Australia and especially upon the minds of those people who had savings to invest.

The imposition of huge burdens of taxation, the continued increases in prices and costs of production, the somersaulting by the Government in regard to this policy and that policy, the neglect of the Government over a fairly long period in regard to the flooding of Australia with imports, and the rapid disappearance to a large extent of our credit overseas—these and other factors combined to have a most damaging effect upon the minds of the people as a whole and especially of those people and of business concerns and institutions that normally make Government or public loans successful. They lost confidence in the economic and financial policies being pursued, and came to the conclusion that the safest thing for them to do was to leave their money where it was and not make it available to the Government. I am sure that the Treasurer would be the first to admit that the savings of the people of Australia are still tremendous.

The Premier: Yes, tremendous.

Hon. A. R. G. HAWKE: There is an abundance of money available in Australia for investment, but the confidence of the people has been undermined and, no matter

what may be said, they will not make their money available to the Commonwealth Government, and it is the Commonwealth that raises all the loan money on its own behalf and on behalf of the States. Naturally the Leaders of the Commonwealth Government refuse to approach the investing public with a request for the total amount, feeling sure that the investing public would not fully subscribe it. No Government likes to suffer an experience of that sort, because to suffer it is extremely damaging to a Government's prestige, that is, if it has any prestige left. So the Prime Minister and the Commonwealth Treasurer showed the greatest resistance to the State Treasurers at the more recent conferences in the East when the States put forward their total loan requirements and tried to insist that they were absolutely essential to enable them reasonably to meet their urgent and vital needs. That appears to me to be the kernel of that situation.

The Premier: They have, of course, accepted a tremendous responsibility, as you know. They are already responsible for £30,000,000 odd.

Hon. A. R. G. HAWKE: Yes, but the Treasurer himself knows and would admit that the total amount that Western Australia is to receive will not be sufficient to enable the Government in this State and the other authorities involved to meet fully all the urgent, vital requirements of a growing and developing State such as Western Australia is at present. I had desired to have a fair amount to say about some information which is set out on page 78 of the Public Accounts for the financial year ended the 30th June, 1952. However, I will contract my remarks in that regard into a few words at this stage, and might have more to say about the matter either when the departmental Estimates are being considered individually or when the Loan Estimates are brought down.

The Premier: Do you refer to the development of mining?

Hon. A. R. G. HAWKE: Page 78 of the Public Accounts deals with the development of mining, and the information set out on that page indicates the advances made from loan funds to assist mining to develop within the State. On the bottom half of the page there is some extremely interesting information. I will read it, make a brief comment, and leave it at that. It is as follows:—

Amalgamated Collieries of W.A., Ltd.—Of the total of £473,732 9s. outstanding for advances at 30th June, 1952, £365,149 9s. 2d. was an account of Amalgamated Collieries of W.A. Ltd., in connection with advances for mechanisation in the past three years. Transactions recorded were—

	£	s.	d.	£	s.	d.
Advanced 1949-50 and 1950-51				159,295	3	6
Advanced during 1951-52				238,248	3	0
				397,543	6	6
Principal repaid—						
To 30th June, 1951	11,348	1	0			
During 1951-52	21,045	16	4	32,393	17	4
Outstanding, 30th June, 1952				365,149	9	2

The advances are secured by hire purchase agreements, and are repayable in sixteen half-yearly instalments with interest at 4 per cent. All instalments due at the 30th June, 1952, had been met.

It seems extraordinary to me that such huge advances should have been made by the Government to one company operating on the Collie coalfields. From what we heard from the member for Collie the other evening, when he moved his motion for an inquiry into the coalmining industry, it might easily be that a large amount of this money has been used to poor effect and will in no way have the results that the Government would have hoped. The fact that so much money has been advanced by the Government to this company—

The Premier: There are also advances to other companies.

Hon. A. R. G. HAWKE:—would justify the House completely in carrying the motion moved by the member for Collie for a very close inquiry into the coalmining industry. The Treasurer interjected to the effect that there had been advances by the Government to other companies. There might have been; I accept the Treasurer's word for that. But evidently the Auditor General thought that advances to Amalgamated Collieries were of such a substantial nature as to warrant special consideration and special reference by him in this document. I can assure the Treasurer that at the next appropriate opportunity members on this side of the House, if not some on the other side, will want from the Government a very substantial explanation why this company, a very strong company financially, could not have financed much of these activities itself.

I suppose, if the truth were to be found out, the interest and the principal repayments paid by the company to the Government in relation to these transactions would in reality have been paid by the Government itself. In other words, I suppose the company has loaded all these costs and charges on to the price of coal which the Government has to purchase at a cost which, as far as I am able to ascertain, is far higher than it should reasonably be, and which, beyond any shadow of doubt, appears to amount to gross exploitation of the Government and the State.

Evidently the Treasurer could not resist adding another prophecy to his already long list in regard to the lessening of the inflationary trend. I have talked to the Treasurer about his previous prophecies on at least five occasions, if I remember rightly. During each of the last five years, the Treasurer has come to us with a confident prophecy that the inflationary trend was coming to an end. On two or three occasions he prophesied most optimistically and with a great degree of assurance that the inflationary trend would come to an end on the 30th June next succeeding.

The Premier: Did I say that?

Hon. A. R. G. HAWKE: Did the Treasurer say it!

The Premier: Fixed the exact date, did I?

Hon. A. R. G. HAWKE: Yes, indeed! And that was not last year either, nor the year before; I think it was the year before that. So the Treasurer, running reasonably true to form—and we all love a horse that runs true to form, especially if we have a slight financial interest in it—on this occasion expressed another hope in regard to the inflationary trend. This is what he had to say—

There is reason to hope that the inflationary trend is lessening, opening up the way to a more stable economy.

The Treasurer was not quite as decisive this time as on the previous four or five occasions. I am sure the Attorney General would fully support the Treasurer's statement on this occasion, although I think on the others the Treasurer did not support him. It is my opinion that the Attorney General, on each previous occasion knew only too well that the inflationary trend had so much momentum associated with it as to make it impossible for the trend to lessen to any worthwhile extent in any one of those financial years. However, judging by the recent basic wage increase in this State the inflationary trend is not lessening—at any rate, not to any worthwhile extent.

We all know about the dog-chasing-its-tail business—in other words that when prices go up wages follow, and that prices have then to go up again with wages following, and so the process goes on more or less unendingly. I have sometimes been asked by a person such as the Attorney General what can be done about the situation? The best answer is that what can or could be done about it was not done at the time when it would have been effective. In other words, the problem should not have been allowed to develop to anywhere near the extent it has. It has been allowed to run in a more or less riotous way with the result that the solution is now extremely difficult to find, and even more difficult to apply.

Nevertheless the problem is so serious, and so close to being dangerous, despite what some people might think to the contrary, that there is every need for those in authority, and people generally, to think hard about it and to put forward whatever ideas they have on the subject. What we ought to seek to achieve is a stabilising of the existing situation, bad as it undoubtedly is. If those in authority, and people generally, are going to accept the existing process as inevitable, and as likely to continue, then prices will go up again and wages will follow, and the time will come when industry will not be able to bear the impossible costs of production which will be imposed upon it. There ought to be a conscientious realisation by people engaged in business—especially big business—of the gravity of the situation and the urgent need for something drastic to be done about it. In other words, I think all those engaged in big business, and also in medium-sized business undertakings, should be prepared to study carefully their activities, to cut down on extravagance and duplication, and to accept lower profits as a contribution to a general attempt to bring the inflationary trend to an end, if not to reverse it in the other direction.

Workers generally, in Australia, realise the futility of the existing process of prices rising and wages rising three months afterwards thus forcing prices up again and, consequently, making wages rise again three months later. Workers and their wives realised long ago that it is not the size of the pay envelope which is vital—not how many pound notes in the pay envelope each week which is important—but how much each pound note they receive will buy in the shops and elsewhere. I think workers, generally, would not object seriously, if at all, to any attempt to stabilise the existing situation—not for the purpose of keeping the existing situation where it is for all time, but for the purpose of allowing an opportunity to be created wherein steps might be taken to reverse the inflationary process to some reasonable degree.

Therefore in a very brief and incomplete way—and in a way not, perhaps, at all adequate to the problem—I put forward these suggestions. There should be no reason why representatives of the Government and the Opposition in this State should not try to create a conference here in which they, as well as the representatives of trade, commerce, industry, trade unions and farmers' organisations could meet for the purpose of exploring the possibilities of having something done along the lines suggested by me. I know that acting separately from the other States we could not do a great deal on our own, mainly because we depend so greatly for our existence as a people and a State on imports from Eastern Australia, but there is no reason why a small State

should not take the lead in this vital matter. If we endeavour to do that the other States might become interested—particularly if within a reasonable time we can produce some good results. In any event, I do not believe that all wisdom resides in the big cities or countries with large populations.

This problem resembles the international peace problem, where people in each country are told they can do nothing about achieving international peace and that it is the people of other countries who must do it. From my experience in life, I think there is as much wisdom residing in the smallest town in Australia as is to be found in the city of Sydney—our largest city—and probably more, because the people in small country towns in Australia, as in other countries, view such problems from better angles, in a better perspective and with less selfishness than do those who have spent their lives in large cities. That is because people in small country towns, as the Attorney General suggested to some extent, have not been spoiled by being concentrated into huge aggregations of population within small areas. In point of logic and of truth there is no reason why we in this State should not make a move and try, successfully, to solve one of the most difficult and menacing of our financial and economic problems.

MR. NEEDHAM (North Perth) [9.43]: I was hoping that some member on the Government side of the House would rise to continue the general debate on the Estimates in an endeavour to reply to the trenchant criticism delivered by the Leader of the Opposition, but as no member on that side has risen I will do my best to continue the debate for a while. I hope that the closing remarks of my Leader will not fall on deaf ears and that the suggestion he has made, for a conference of all the people concerned, to try to discover ways and means of getting this State, and if possible the Commonwealth, out of the financial impasse into which we are drifting, will be followed. I hope that before long the Premier and his colleagues of the Ministry will get in touch with the Leader of the Opposition with a view to making a start in that direction.

The first Budget debate that I took part in in this Assembly was in 1904 and looking back at the "Hansard" record of that day I find that the estimated expenditure for the financial year 1904-1905 was £3,813,834. Tonight, taking part in the general debate on the Estimates for 1952-53—it will be the last time that I will take part in a Budget debate—I find that the estimated expenditure for the year is, £37,888,202. That is a great difference, over a period of 48 years. The estimated expenditure of the Commonwealth—my first session in that Parliament was in 1907—has shown a corresponding rise, which of course indicates the wonderful

progress that the Commonwealth and this State have made during the past half century. I re-echo the sentiments expressed by the Treasurer at the conclusion of his speech—that we in this State have a great industrial future ahead of us.

We are just beginning to assert ourselves in the field of secondary industry and I agree that from an industrial point of view—both primary and secondary—we have everything to look forward to, but at the same time we must be careful, as far as possible, to preserve a balanced economy in order that one type of industry shall not injure another. From what I have read lately I think we might have to pay more attention to primary industry in the near future than we have in the immediate past, because with the advent of new industries and the consequent increase in our population there is a danger of our not being able to supply the food that will be necessary for that increased population. For that reason, while I welcome the good prospects now before us in regard to secondary industries, I think it is the duty of the Government to pay even greater attention to primary industry, so that we may be able to supply sufficient food to our own people and at the same time export a surplus.

Reference has been made by the Treasurer and by my Leader this afternoon to the question of uniform taxation, and that brings us back to the old and vexed question of the financial relationship between the Commonwealth and the State. I have frequently asked questions about a conference being held on this all-important matter. I understand that there have been conferences between Treasury officials and experts, but so far we have had given us no information as to what the outcome has been. All States in Australia today are far from satisfied with the present financial arrangements and even the special grants recommended by the Grants Commission are not always accepted as sufficient. I understand that the States Grant (Special Assistance) Bill, 1952, authorises payment of a special grant to the States of approximately £26,000,000 and on this occasion this State, I understand, will receive £8,041,000. This special grant supplements the grant payable in 1952-53 under the existing State taxation reimbursement which is estimated to be £108,800,000.

The last Premiers' Conference and Loan Council meeting high-lighted the bad feeling between the Commonwealth and the States. When we read in the public Press an account of the last Loan Council meeting it was anything but edifying to learn what had taken place there. I have thought for some time that a practical scheme would have to be evolved at the conference of Treasury officials. That is the only way to end this bad feeling and place the financial relationship of the Commonwealth and the States on a more harmonious basis,

and that is why I have frequently, during the past 20 years, brought this matter under the notice of the Treasurer. I would like to see a financial system evolved whereby a State Treasurer would be able to budget fairly definitely for work and services in his State each financial year. As we all know, there is no State Treasurer in the Commonwealth who can do that with any guarantee of accuracy or safety. That regrettable fact has been emphasised at every Loan Council meeting.

This difficulty is all the more apparent in a State with a vast territory like Western Australia which, in addition to its primary industries, is about to launch out in big industrial enterprises in the secondary industry line. So long as this particular system of financial relationship between the Commonwealth and the States exists we will have uncertainty. In this State we are about to launch out in a big way in the secondary industries field and consequently we will feel that position all the more keenly. I do not want members to think that I am in any way blaming the Premier of this State. I know that he has always been wholeheartedly in support of the suggestion for a conference of the kind to which I referred. I think he has taken every opportunity to bring that before the Loan Council.

I noticed in "The West Australian," shortly after the Premier made his Budget speech, an extract from the speech and the Premier described the Loan Council meeting as the "annual wrangle which now took place between the Commonwealth and the States regarding the amount of reimbursement grant to be paid." As I have already said, that spectacle annually produced is certainly not dignified or edifying. The Commonwealth Government, through the Prime Minister, suggests that the way out of the difficulty is to restore taxing powers to the States. I will not delay the Committee long in dealing with that phase of the question—it has already been fully dealt with by my Leader—except to say that the restoration of taxing powers to the States is not the answer to the settlement, betterment or improvement of the financial relationship between the Commonwealth and the States. In my opinion the restoration and acceptance by the States of their taxing powers would make confusion worse confounded.

A reversion to the dual system of taxation would leave the States in a worse financial position and the individual taxpayer would have a heavier taxation burden; I make that statement without any fear of contradiction. If we take our minds back to the days when the dual taxation system was in operation, and we had to pay State and Commonwealth tax, we can recall what a heavy load of taxation we were bearing. Also, in those days one had to pay tax once a year, and if

one happened to be out of employment it was a most difficult position because the arrears of taxation had to be met. The new system of "pay as you go" made it much easier in that regard.

In comparison with the Commonwealth, the taxing field available to the State Government is very limited. When the Commonwealth Government has finished with the taxing field there is little left for the States to tax, and we know that State revenue comes principally from charges; if those charges were increased the inflationary spiral would be intensified. There again the optimism of the Treasurer will not be fulfilled because dual taxation would certainly intensify the inflationary spiral. How far could the States go in increasing present charges? Charges, in common with fares and freights, gas and electricity, have already been increased and have just about reached the limit without an appreciable increase in revenue.

The Treasurer now tells us that he intends to impose a tax on bets and beer; he will not get much out of that form of taxation. So far as the taxation on alcoholic liquor is concerned, that will not bother me much, but at the same time I do not think it is fair when one looks at the prices being charged for those particular items. An additional tax would be anything but equitable. As for the tax on winning bets, the Treasurer will not realise from that the amount of money he anticipates. I can visualise a drop in the attendances at racecourses and an increase in S.P. betting. I would like to see something more done in regard to S.P. betting than is proposed in the Budget. This Government or the one following it, should regulate it and not tackle it in the way proposed. The Labour Government attempted to regulate it, knowing perfectly well it could not be abolished, but unfortunately that attempt failed. However, I should like to see another attempt made.

Education is one service that could well be transferred to the Commonwealth because the cost of education is more than a State Government can bear, especially one such as Western Australia. I am not sufficiently a financial expert to suggest anything to help the State extract itself from its financial difficulties in which it finds itself today. The States should demand a conference at the earliest possible moment at top level in an endeavour to evolve a system of harmonious financial relationships between Commonwealth and States that would be just and equitable. The time is long past when that should be done. However, it is never too late to mend and I again suggest to the Deputy Premier, in the absence of the Premier, that this State should pave the way by getting in touch with other States with

a view to holding a conference at top level to discover ways and means of easing the difficulties obtaining on the question of financial relationships and prevent a recurrence of what the Treasurer very aptly described as "the annual wrangle at Loan Council meetings."

I now come to the question of building costs. It is the ambition of every man to own his home, but on present building costs very few men are able to realise that ambition because it is well nigh impossible. The cost of building today compared with that of a decade ago is staggering, as convincingly referred to by the Leader of the Opposition in his speech on the rents and tenancies legislation. A man on the middle or lower range of income is particularly affected. This problem of extraordinarily high building costs is aggravated by the increase in the bank rates of interest. These rates were bad enough before the increase took place, but are much worse now, particularly in relation to building costs, and they place a man who is endeavouring to get his own home in a more difficult position than ever.

Increased interest rates have aggravated the inflationary spiral and will continue to do so. The increase in the interest rates on mortgages and overdrafts, etc., is an important factor in the high cost of building. I understand that even in this State many that have entered into contracts for the building of a home now find themselves saddled with an additional cost of £400 or £500 because of the increase in interest rates. Therefore, a man hoping to build a home for himself is deterred from doing so. Increased interest rates, in my opinion, are detrimental to the national economy. One of the principal causes of the 1930 depression was the extremely high bank interest rates ruling at that time. People would not invest their money in industrial ventures because they were receiving a high bank interest rate without any anxiety or effort.

Before I touch on the question of transport, I want to say that I was somewhat amused yesterday to hear the Attorney General say that he, as Prices Minister, had no control over prices, but it was a matter entirely for the Prices Commission. If that is so, I wonder why frequent meetings of Prices Ministers from the various States are held? If the Attorney General's statement is correct, there is no need for a Prices Minister to attend these conferences. On the 5th August, I asked the Minister representing the Minister for Transport what was the amount of revenue, the number of passengers carried and the number of persons on the administrative staff of the Government tramways, buses and trolley-buses for each of the financial years from 1946 to 1952 inclusive. The Minister gave me a very long and com-

prehensive reply, all of which I do not intend to read. He said that in 1946 the revenue from the sources I have mentioned was £521,093; the passengers carried numbered 52,721,093; the number of staff was 92, the wages staff totalled 853, making a total of 945.

In 1952, the revenue was £918,503; the number of passengers carried was 38,837,431; the administrative staff numbered 117; the wages staff 911, making a total of 1,028. The Minister then went on to give reasons for the increase in staff, pointing out, and rightly, that during the war years the administrative staff was considerably reduced. It had to be added to as men returned from the Front. The Minister went on to say that the decline in passenger traffic was due to (a) vastly increased numbers of private motorcars in use and the lifting of petrol restrictions, and (b) loss of some short-distance patronage due to increased fares. Further on, he said that passenger decline can be mainly attributed to the increased use of private motor vehicles. In his final paragraph, the Minister said—

During the years under review, departmental services have been extended to cover nine additional routes, increasing the route mileage operated over by 42 miles. Vehicles available for traffic have increased by 78 in the same period and staff needed to maintain and operate the service has increased by 83. The increase in vehicles is partly accounted for by substitution of buses for trams, which latter carry more passengers. The increase in revenue during the period is mainly due to increased fares implemented from time to time since August, 1948.

The information contained in those replies does not cover the whole ground, and I do not think the answers are correct. The Minister said that the services had been extended to cover nine additional routes, thus increasing the road mileage by 42 miles. But what about the profitable paying routes that had been handed over to private enterprise? There was no mention made of that, and that was one of the main reasons why revenue had decreased. Those particular routes were opened up at great cost to the taxpayer and, just when they were profitable and paying their way, they were handed over to private enterprise. If the proposed zoning system becomes operative, the position will be worse. Another reason given by the Minister for the present position was the increased use of motor-cars; this was advanced in explanation of the decline in tramway revenue. That argument is not convincing. There has been a considerable increase in population in the metropolitan area during the years under review. No account is taken of the revenue lost through the routes that were handed over to private companies. I am

not surprised about that because, in handing over those routes, the Government is merely following the example of its counterpart in the Commonwealth arena, which is handing over ships, aeroplanes and all the rest to private enterprise and private companies.

Dealing with transport, I would like to know from the Premier when he and his colleagues are going to redeem their election pledges of 1950. In his election pledge of 1947, he said he would have one overriding authority for transport, but so far we have no sign of anything like that taking place. It is also interesting to note that the population of this State has increased by 149,000 since 1949, and still we have complaints of loss of revenue from the various transport services and, despite the fact that fares have been increased considerably, it is not proving effective. The Minister for Transport would do well to follow the example of the Premier of New South Wales who has cut freights in the hope of increasing revenue. I now come to another matter that is of great importance to the State and also to Australia; that is the question of tuberculosis. On the 9th September, 1952, I asked the Minister for Health the following questions:—

(1) How many people have been examined at the Chest Clinic in Murray-st. in the financial years 1950, 1951, 1952—

(a) males;

(b) females?

(2) How many of those have shown symptoms of tuberculosis—

(a) males;

(b) females?

The Minister gave the following reply:—

(1) For the medical year from the 1st January to the 31st December—

	Males	Females	Total
1950	14,487	15,600	30,087
1951	19,341	18,912	38,253
1952*	14,983	13,846	28,829

Total ... 97,169.

* To 31st August.

(These figures exclude mobile clinics).

(2)

	231	137	368
1950	231	137	368
1951	238	142	380
1952*	133	80	213

* To 31st August.

In these years, there were totals of 586 cases notified in 1950 and 467 in 1951. In 1952 there have been, to the 31st August, 387 cases notified.

The usual ratio of male to female is approximately 7 to 4. That is an excellent report of good work that has been and is being done at the Chest Clinic. It shows that the medical authorities there are grappling successfully with this dread disease. I recall that, in 1948, I mentioned in this Chamber the fact that

the allowance granted to a sufferer from tuberculosis under treatment was not sufficient to enable him to submit to the treatment with any sense of security. On the 22nd October I asked the Minister the following question:—

What is the rate of allowance payable to sufferers from tuberculosis while absent from employment and undergoing treatment—

(a) Married;

(b) Single?

The Minister replied—

Married man—£9 per week, plus 10s. per week for each dependent child under 16 years of age.

Married woman—Subject to husband's earnings.

Single person in an institution—£3 7s. 6d.

Single person on domiciliary treatment—£5 10s.

I realise that the allowance will not permit of the sufferer or of those dependent upon him indulging in many luxuries, and while I should like to see the amounts increased considerably, I realise that the allowance has been the means of helping the medical fraternity to combat the disease.

As I have already stated, there are many men who, when they discover that they are suffering from tuberculosis, refuse to undergo treatment, realising that it would mean their leaving their employment and probably leaving dependants in want of necessary comforts. The allowance gives them a real sense of security because they appreciate that, while they are undergoing treatment, those dependent upon them will not suffer. This in itself is a very big factor in assisting the recovery of such patients. I take this opportunity of congratulating the medical gentlemen in charge of the clinic on their wonderfully good work and the results they have obtained, and I trust that their efforts will prove successful in eradicating this disease from the community. There are several other matters to which I intended to refer, but I shall defer my remarks upon them until we reach the discussion on the departments.

Progress reported.

House adjourned at 10.25 p.m.