

Legislative Council,

Friday, 8th December, 1933.

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

QUESTION—TAXATION, HOSPITAL AND FINANCIAL EMERGENCY.

Hon. H. SEDDON asked the Chief Secretary: 1, What was the amount collected by way of Financial Emergency Tax for the months of October and November, respectively? 2, What was the amount collected during each of the same months for hospital tax?

The CHIEF SECRETARY replied: 1, October, £18,539; November, £31,487. 2, October, £11,474; November, £12,578.

QUESTION—STATE PROSPECTING SCHEME.

Hon. H. SEDDON asked the Chief Secretary: 1, What has been the total cost to the end of November, 1933, of the State Prospecting Scheme? 2, What is the total anticipated expenditure to the end of June, 1934? 3, What amount has been refunded from prospectors under the scheme to the end of November, 1933? 4, What is the present cost per week?

The CHIEF SECRETARY replied: 1, £26,944. 2, £62,000. 3, £823 8s. 11d. 4, £1,250.

QUESTION—WORKERS' COMPENSATION INSURANCE.

Hon. H. SEDDON asked the Chief Secretary.—With regard to Workers' Compensation Insurance Fund, Industrial Diseases Section, effected with the State Insurance Office: 1, What amount was transferred from the Fund to Consolidated Revenue during

the years ended 30th June, 1930, 1931, 1932, and 1933? 2, What amount is it anticipated will be transferred during the year ended June, 1934?

The CHIEF SECRETARY replied: 1, 1930, nil; £1931, £10,000; 1932, £10,000; 1933, £25,000. 2, £25,000. The amounts represent a recoup to the Mines Department of portion of the miners' phthisis compensation paid by that department to persons prohibited under the Miners' Phthisis Act on account of silicosis plus tuberculosis.

BILLS (2)—THIRD READING.

- 1, Public Works Act Amendment.
 - 2, Government Railways Act Amendment.
- Passed.

BILL—HEALTH ACT AMENDMENT (No. 2.)

Second Reading.

THE HONORARY MINISTER (Hon. W. H. Kitson—West) [4.38] in moving the second reading said: Although this Bill contains 42 clauses, all of them are purely machinery clauses designed to make proper legal provision to empower local authorities in the country to instal what are known as water carriage systems of sewerage. Up to the present only one such system has been installed in this State, namely, the Metropolitan Water Supply and Sewerage Department's installation in parts of the metropolitan area. In comparison with other States, we are very much behind the times, and possibly it is about time that some of our larger country towns took action along these lines in order to improve their sanitary arrangements. There is in the State one municipality, Northam, which has had this idea for some years. Five or six years ago that municipality engaged a sanitary engineer, Mr. Gutteridge, who had just retired from the office of head of the sanitary engineering division of the Commonwealth Health Department. He was engaged to make surveys and submit a comprehensive report on a proposed sewerage scheme for Northam. This work, and the report submitted by Mr. Gutteridge, cost the Northam Municipal Council £600, showing that that municipality was desirous of being up to date in these matters. I do not know of any other municipality in the

State which has gone so far as Northam in that direction, but I believe one or two other municipalities have been giving consideration to the subject. Divisions 1, 2 and 3 of Part IV of the Health Act contain certain provisions regarding sewers and drains; but while they are useful to deal with conditions that may arise on individual premises, and although they empower local authorities in a limited way to instal sewers, they were never designed in the first place, and have not been revised, with a view to giving a local authority all the necessary detailed power which it needs to instal, supervise and maintain a water carriage sewerage system. When the need for this legislation arose, the permanent heads of the Public Works Department, the Metropolitan Water Supply and Sewerage Department, and the Public Health Department, discussed the question with the Crown Law authorities, and it was decided that the best way of handling the matter was by an amendment of the Health Act. Those officers have all been consulted in the preparation of this Bill. It will be noticed from a perusal of the Bill that a number of the sections of the Health Act are repealed; but it will also be found that the same powers are re-enacted in the Bill and are dovetailed in with other necessary provisions, which have been taken from the Metropolitan Sewerage Act. It can be definitely stated that, with one minor exception, the whole of the clauses in the Bill are re-enactments of powers already contained in the Health Act, or are repetitions of sections in the Metropolitan Sewerage Act. That Act contains many other powers, but it is not considered necessary that the whole of them should be included in the Bill. It is only natural, of course, that there should be in the metropolitan area, complications which do not occur in a country municipality, and are not likely to occur there. I think it will be found in practice that the clauses of the Bill are quite adequate to meet all the needs of any country system in Western Australia. The one exception to which I have referred will be found in Subclause 1 of Clause 3, which permits the Treasurer to guarantee a loan raised by a local authority for the purposes of the measure. The object of the guarantee is to enable the local authority to obtain the money at a slightly lower rate of interest, and it is considered that half per cent. will be saved in that way. Any scheme of the kind, it is admitted, would be

essentially sound, and it is not because of any financial risk that the proposed Government guarantee is sought. It is merely to ensure to the local authority the advantage of the lower interest rate. The Bill provides various safeguards to ensure the financial stability and practical service of any scheme that may be initiated. On any loan proposal, the ratepayers will have an opportunity to pass judgment under the terms of the local governing Acts. Clause 12 stipulates that full details of any sewerage scheme must be submitted to the Commissioner of Public Health, who would avail himself of the advice of engineering and other officers to make certain that a proposed scheme was satisfactory and workable. Under Clause 14 public notice of the scheme must be given, and under Clause 15 time must be allowed in which objections may be lodged with the Minister. Clause 17 imposes certain responsibilities on the Minister in recommending to the Governor any scheme under Clause 3. It should be borne in mind that any scheme launched under the measure, although safeguarded as I have indicated, will be essentially the scheme of the local authority. While it is desired to help the local authorities in this way, they must be the responsible bodies, and I consider that it would be neither necessary nor wise to treat undertakings of the kind as a departmental responsibility. A local authority should be allowed to pursue its own course and carry the responsibility, subject to the safeguards, already enumerated, in the interests of the public. The finances of any such scheme are likely to be on a thoroughly satisfactory basis. Any water carriage system of sewerage would replace the relatively insanitary pan-removal service that operates in so many of the country municipalities. Such services are not only insanitary as compared with a sewerage system, but are relatively costly, and the proceeds of sanitary rates and charges received by a local authority would no doubt go a long way towards covering the cost of installing a sewerage scheme. I have already instanced Northam, where the annual revenue from sanitary charges is about £3,300, which amount would more than pay interest and sinking fund on the estimated total cost of the Northam scheme. Consequently the additional charge to the ratepayers for the better system should not be very great. Generally speaking, we should encourage local authorities to improve their sanitary services. From the financial point of view

the schemes visualised in the measure are to be commended, and money spent on sewerage works can certainly be regarded as re-productive. The cost, as compared with existing services, would be slightly greater, but any additional cost would be more than compensated for by the improvement secured in the sanitary conditions. I move—

That the Bill be now read a second time.

HON. J. CORNELL (South) [4.51]: I have no desire to speak on the purport of the Bill, but I wish to refer to the title. Some years ago, when Mr. Archibald Sanderson was a member of this House, he characterised the title of a Bill as being almost as long and involved as a resolution of a Church of England Synod. The title of this Bill is about as contradictory. Bills have been presented to this House with the object of amending certain sections of an Act, but this is the first Bill, to my knowledge, that has sought to amend subsections. What is more the Bill does not conform to the title, notwithstanding the long recital. Let me quote the recital—

A Bill for an Act to repeal Subsection (1) of Section forty-three, Subsection (1) of Section forty-four, and Section forty-five of the Health Act, 1911-1933, and substitute other provisions in lieu thereof; to amend Section eighty-six, and to amend Part IV. of that Act by making further and better provision to enable local authorities to finance and undertake (either alone or in combination) and to maintain sewerage and drainage works; and for other relative purposes.

Clause 3 begins, "Subsection (1) of Section forty-three of the principal Act is hereby repealed and the following substituted." That is correct, but Clause 4 begins, "Section forty-four of the principal Act is hereby repealed and the following substituted." not Subsection 1 of Section forty-four.

The Honorary Minister: I have an amendment to move to that.

HON. J. CORNELL: Clause 5 begins, "Subsection (1) of Section forty-five of the principal Act is hereby repealed." The title says that Section 45 is repealed. In spite of the careful preparation of which the Honorary Minister spoke and of the long recital, the Bill does not conform to the title. I should like to know why the necessity for all the verbiage in the recital when the short title by which the measure is to be cited is the Health Act Amendment Act, 1933 (No. 2). I do not profess

to be a Parliamentary draftsman but I cannot see any need for all the verbiage. The case could have been met by simply stating the measures as a Bill for an Act to amend the Health Act, by making further and better provision to enable local authorities to finance and undertake (either alone or in combination) and to maintain sewerage and drainage works, and for other relative purposes. I understand that the Bill passed another place in its present form.

Hon. W. J. Mann: I am not surprised at that.

HON. J. CORNELL: I hope the Minister will amend the title as I have suggested.

The Honorary Minister: I have an amendment.

HON. J. CORNELL: Other members have noticed the inconsistencies I have mentioned, and the extraordinary thing is that the Bill should have run the gauntlet of another place. Sometimes this House is questioned when it has the temerity to say that a clause is foreign to the title, but I consider it has been justified in making various alterations.

HON. J. J. Holmes: The title is foreign to the Bill?

HON. J. CORNELL: Well, the Bill does not conform to the title.

The Honorary Minister: A mistake was made.

HON. J. CORNELL: And it remained for the good old Legislative Council to find it out.

Question put and passed.

Bill read a second time.

In Committee.

HON. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 40:

The CHAIRMAN: I point out that there is no reference in the title to the amendment of Section 40.

The HONORARY MINISTER: I move an amendment—

That in line 3 "at the end thereof" be struck out and the words "after the words 'Section ninety-three,' in the fifth line of the said section," inserted in lieu.

The amendment will state the position correctly. There are two paragraphs in

Section 40 of the Act, one of which is printed at the bottom of a page and the other on the top of the succeeding page. When the Bill was drafted, it was assumed that the section ended with the first paragraph. The amendment will have the effect of inserting the words at the end of the first instead of the second paragraph.

Hon. J. J. HOLMES: What has been said shows the necessity for looking carefully into the Bill. The Title has already been criticised. We know it is wrong, and what concerns me is whether the remainder of the Bill is in order. My province is not affected, because we are not likely to have sewerage there, but I draw the attention of metropolitan members to this point.

The CHAIRMAN: Other discrepancies have been found in the Bill besides those which I mentioned.

The HONORARY MINISTER: This is purely a machinery Bill.

Hon. J. Nicholson: Why not postpone consideration of the Bill so that the local authorities concerned can give it their consideration between now and Tuesday?

The HONORARY MINISTER: The local authorities have had months in which to consider the Bill. Because some mistakes have been found in the Bill, the Committee should not necessarily hold it up. I do not propose to finalise it to-day, but I would like to get through as much of it as possible. If before Tuesday next, members find there is anything wrong with the Bill, I shall certainly not object to its being recommitted.

Hon. H. V. PIESSE: The Health Board of the district I represent, Katanning, have made a close study of the Bill. With the exception of a small amendment I have been asked to move, the Bill appears to be substantially right from our point of view. We have had an opportunity of installing a sewerage scheme at Katanning. I agree with the Minister that the Committee should endeavour to put the Bill through.

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

Clause 3—Repeal of Subsection 1 of Section 43:

Hon. G. W. MILES: Is it not a new departure for the Government to guarantee loans raised by local authorities? Are the Government now attempting to get behind the Loan Council and to pledge the credit of the State for these proposed loans? The

Government have not previously guaranteed loans for local authorities, except, I think, in the case of Wiluna. The Committee should take this point into consideration.

The HONORARY MINISTER: The object of the Government in giving their guarantee is to enable local authorities to obtain their money at a cheaper rate than that at which they would otherwise get it. It is estimated that by this means the saving in the rate of interest will be about one-half per cent. That will amount to a considerable sum.

Hon. J. J. HOLMES: Probably some municipalities have already borrowed to their limit. If they now borrow money on a Government guarantee, they may put the ratepayers in a difficult position.

The HONORARY MINISTER: The Bill does not amend the Act under which local authorities have power to borrow money. The local bodies will still have to observe the same procedure. The ratepayers have to give their sanction—

Hon. J. J. Holmes: Ratepayers will sanction anything in the way of expenditure.

The HONORARY MINISTER: The hon. member knows that is not so. Under the Act, it is necessary for the ratepayers to pass judgment on a loan proposal.

Hon. J. J. Holmes: Does not the Bill increase the borrowing powers of local authorities?

The HONORARY MINISTER: I do not think so. The position is safeguarded, because public notice must be given of the scheme, together with full particulars, and time is given for objections to be lodged.

Clause put and passed.

Clauses 4 to 7—agreed to.

Clause 8—Section 81A amended:

The HONORARY MINISTER: I move—

That in line 3 "adding" be struck out, and the words "deleting all the words" inserted in lieu; and that after "proviso" in line 4 the words "and substituted" be inserted.

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

Clause 9—Section 86, principal Act, amended:

On motion by the Honorary Minister, the numeral "(5)" struck out, and "4(a)" inserted in lieu.

Clause, as amended, agreed to.

Clauses 10, 11—agreed to.

Clause 12—Governor's approval necessary to all schemes:

Hon. A. THOMSON: The clause presumably means that plans and specifications have to be submitted to the Health Department for approval in the case of any work estimated to cost more than £1,000. A board might easily spend a total of more than £1,000 in the course of a year extending sewerage connections.

The HONORARY MINISTER: The commissioner has to be satisfied that the scheme is sound. I do not think I can give any further explanation than I have already supplied.

Hon. A. THOMSON: It seems to me that under the clause a local body will be able to proceed without the authority of the rate-payers to carry out works not exceeding £1,000 in cost. It might be desirable to re-commit the Bill for further consideration of the clause, under which a locality might be loaded up with heavy expenditure.

The HONORARY MINISTER: A loan cannot be raised without the adoption of certain procedure, including a vote of the ratepayers.

Clause put and passed.

Clauses 13 to 28—agreed to.

Clause 29—Owners or occupiers may be compelled to connect premises when works complete:

Hon. V. HAMERSLEY: Local bodies in various districts have been appealing to residents to put in septic tanks. Is it not too much to empower the local authorities to double-bank expenditure, installing both septic tanks and sewerage? There should be a time limit of some years before an owner or occupier who has installed a septic tank can be compelled to connect with a new system.

Hon. J. T. FRANKLIN: A condition under which septic tanks are allowed to be installed is that the fittings comply with the regulations of the Water Supply and Sewerage Department. The only loss to those who have installed septic tanks, upon connection with the sewerage system, is the cost of the tank itself, a very small item. Upon the sewerage being extended, all that has to be done is to connect up the other fittings with the main drain. The situation

is realised by those who are installing septic tanks in the metropolitan area.

The HONORARY MINISTER: There are not many cases in which septic tank installations would be involved. Probably the hon. member has in mind some particular town where septic tanks have been installed and where the difficulty he suggests might arise. I shall look into the matter between now and Tuesday. In the metropolitan area the position is as outlined by Mr. Franklin. I have not heard of any rural locality insisting on installation of septic tanks.

Hon. V. Hamersley: Did we not pass a Bill for the special purpose of enabling that to be done?

The HONORARY MINISTER: Yes, where the local authority desired to do so. On the other hand, I do not know that any local authority has insisted upon septic tanks being installed.

Hon. R. G. MOORE: I do not know that any local authority has insisted on the installation of septic tanks, but the members of the Licensing Board have insisted on it being done with regard to hotels in Kalgourlie.

Hon. E. H. Gray: Quite right, too.

Hon. R. G. MOORE: Perhaps so.

The Honorary Minister: They are not likely to instal the sewerage system there.

Hon. R. G. MOORE: That matter is under consideration now. It will not be a general system but will apply to the premises in Hannan-street.

Hon. J. T. Franklin: Septic tanks are not very suitable where there is non-porous soil. The overflow has to be carted away.

Hon. R. G. MOORE: I do not think there will be any objection on the part of those who have installed septic tanks.

The CHAIRMAN: The reference number in the marginal note to the clause clearly indicates that it has been lifted from the Metropolitan Water Supply, Sewerage and Drainage Act.

The HONORARY MINISTER: Yes. Section 58 of that Act has been included in the Bill with the alteration of "Minister" to "local authority."

Clause put and passed.

Clause 30—agreed to.

Clause 31—Where the local authority makes installations, it may enter into agreements with person responsible for payment of cost:

Hon. C. F. BAXTER: The clause provides power to enable the owner or occupier of the premises to arrange with the local authority to repay the cost of installation by not more than 24 quarterly instalments. In practice it has been found that that system, which covers six years, is inadequate and the number of instalments should be increased to 40, which would cover 10 years. I have in mind the position at Northam. I have been informed that if the six-year period is retained, there is no chance of the sewerage system being installed there. I move an amendment—

That in line 10 "twenty-four" be struck out and the word "forty" inserted in lieu.

The HONORARY MINISTER: Here again the clause is word for word with the corresponding section in the Metropolitan Water Supply, Sewerage and Drainage Act. Although Mr. Baxter has indicated he has had it on good authority that there is no chance of Northam adopting the sewerage system if the six-year period is retained, his assertion is not in accordance with the advice tendered to me.

Hon. C. F. Baxter: I received my information quite recently.

The HONORARY MINISTER: I do not know where the hon. member got his information, but I do not think we would be justified, merely because of his statement, in extending the period as he desires. The cost of installations in the country area would be about the same as city installations, where the average cost would be between £60 and £70. If we decided on the longer period, it would mean increasing the amount of interest to be paid by the owner.

Hon. V. Hamersley: He could contract himself out of that by paying cash.

The HONORARY MINISTER: I should think six years was quite ample. In the event of hardship occurring, some arrangement could be made as is already made in the metropolitan area. Owing to unemployment or other causes, many people have not been able to meet their commitments and they have been able to make arrangements satisfactorily to all concerned.

Hon. C. F. BAXTER: I do not know why the Honorary Minister is fighting the amendment.

The Honorary Minister: I do not know why you should say I am fighting it.

Hon. C. F. BAXTER: The Minister is fighting it; there is no feeling in the matter.

He has himself shown the necessity for the longer period by informing the Committee that people in the metropolitan area have been unable to meet their commitments and have had to make certain arrangements. To ease the Minister's mind, I will inform him that I received my information from the Mayor of Northam and the town clerk, who have this matter in hand.

Hon. H. V. PIESSE: I support the amendment. I do not see any harm in extending the time, and if anyone desires, he can pay cash for the installation.

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

Clauses 32 to 39—agreed to.

Clause 40—Making sewers and drains under private land:

Hon. H. V. PIESSE: I move an amendment—

That in line 4 of paragraph (a), after "through," the words "or under" be inserted.

I think it advisable to amend the clause in the direction I have indicated so as to make it clearer.

The HONORARY MINISTER: I have no objection to the amendment, particularly as later on the phrase "through or under" is used.

Amendment put and passed.

Hon. H. V. PIESSE: I move an amendment—

That in line 5 of paragraph (b) the words "by like" be struck out and "without" inserted in lieu, and in line 6 "or repair" be inserted after the word "maintain."

If there happened to be a breakdown in the sewer it would be possible under the paragraph as it is worded, to take advantage of the giving of one month's notice before effecting repairs.

Amendment put and passed.

Hon. H. V. PIESSE: I move an amendment—

That the following words be added to paragraph (c):—"There shall be payable to such owner in addition to any sum claimable under the last-mentioned Act all loss which may arise or be consequent upon the exercise by the local authority of any of the powers herein, including the depreciation (if any) in the value of the land through or under which any sewer or drain may be made."

Members will notice that the paragraph provides for compensation for damages being assessed under the provisions of the Public Works Act. The Katanning Road Board are keen on making the position more definite.

The HONORARY MINISTER: I submitted the amendment to the department and I have been advised as follows:—

The clause of the Bill as printed provides for any damages being assessed in accordance with the Public Works Act. This Act is a standard measure which applies to all lands that are acquired or which are used for the construction of sewers, and any variation of the procedure should be by way of an amendment to that Act.

The Public Works Act provides not only for compensation, but for the assessing of such, and provides means by which arbitration disputed claims may be settled. The insertion of the clause suggested introduces a new principle, namely, any depreciation of land that may occur by reason of a sewer being passed through it. The land actually occupied by the sewer is compensatable, but the proposal goes beyond the question of the land actually used for the sewer and pre-supposes that there may be some depreciation in respect of adjacent land. It would be very difficult indeed to assess any such depreciation, and in any case it is considered that the standard legislation in matters of this nature should be adopted without alteration, as is proposed by this Bill.

If it is desired to make any alteration, we should alter the Act which is the instrument by which what is desired can be accomplished.

Hon. J. NICHOLSON: This amendment raises an interesting point. The clause provides for assessment of the compensation under the Public Works Act. This Act, however, has no application whatever to a claim such as would arise under the clause of the Bill. The rights that are conferred, and for which compensation would be payable, are rights in the nature of an easement to a local authority. The local authority is not taking the land; it is only getting the right or power to lay a sewer through your land or my land. There is no provision in the Public Works Act to enable compensation to be assessed in a claim such as that. Only yesterday the Full Court decided a point which is practically analogous to this. True it was not in regard to a sewer or a drain; it was in connection with a resumption and three points were reserved for the Full Court. In each of the three the decision was in favour of the Crown. One

was whether the Public Works Act, in view of the resumption which had taken place on certain lands, impeded the claimant in his right to remove timber. It was held by the court that no such claim could be made under the Act. The Public Works Act relates only to the taking of land. The taking of land is totally different from a local authority having the right to lay pipes or sewers through the land belonging to someone else. The local authority does not take the land. It exercises the right or power we give them. The Honorary Minister suggested that this claim ought to be embodied in the Public Works Act. What chance is there of getting the Public Works Act amended so as to make it harmonise with the Bill we are considering. There is nothing whatever wrong with the amendment and I agree that it would be a good thing to widen the scope of the Public Works Act. We can protect the owner of the land by inserting the amendment.

The Honorary Minister: If what Mr. Nicholson says is true, there is no meaning in paragraph (c).

Hon. J. NICHOLSON: The Public Works Act provides that when any Minister or local authority is authorised to construct any public works, any land required for the purpose may be taken. The compensation then payable is the value of the land. But under the Bill, the local authority are not taking the land; if they were it would be all right, and nobody could object to the provisions in the Public Works Act. The amendment before the Committee makes it clear that there shall be a claim for compensation for loss arising from depreciation or other consequences of laying a pipe through the land.

Hon. H. V. PIESSE: Twelve years ago a septic tank was constructed at the Katanning Hospital. I had land along the lower side of the hospital grounds, and the Public Works Department took some of my land and paid me for it. That, of course, was under the Public Works Act. But this is quite a different matter, for it is damage caused to a block by putting a drain through it. The amendment is required to protect the owner of the property.

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

Clauses 41 and 42—agreed to.

Progress reported.

BILL—STATE TRANSPORT CO-ORDINATION.

Second Reading.

Debate resumed from the previous day.

HON. L. B. BOLTON (Metropolitan)
[6.5]: In my opinion the question of co-ordination of transport is so important, and so vital to the State that it is entitled to the utmost consideration and care in framing laws that will give justice to all concerned and create that co-ordination which should have been attained years ago. For this reason I am disappointed that the measure should have been introduced so late in the session, instead of being one of the very first brought down for our consideration. Much useless legislation has occupied the time of both Houses during the last few weeks, and this House has adjourned night after night for want of something to do. Now we are asked to rush through what, in my opinion, is the most important piece of legislation we have had before us. It was the duty, not only of the present Government but of previous Governments, to have placed transport on a more satisfactory basis years ago. Unfortunately the Railway Department woke up to the serious opposition when the damage was done. This is another instance where political control has cost the State thousands of pounds; for it is certain that had the railways been privately owned or free from Parliamentary interference, steps would have been taken long ago to combat the motor competition, since no private concern would sit idly by and see its business being taken away without making an effort to prevent it. The Government of the day, having allowed and even encouraged the development of road transport cannot, in justice to those who have invested thousands of pounds in the industry, come along now and say, "You must go out of business." The motor transport industry employs thousands of men, and it is claimed there are more employed in it in this State to-day than at any time previously. The huge sums invested in the industry entitle it to every consideration. How it can receive this in the few remaining days of the session, is beyond my comprehension. The question is so important that all possible information should be obtained by a board or select committee, who could investigate it and report, even if it

means the calling together of Parliament again in the New Year. I have always been of opinion that many items of expenditure have been wrongly charged to the Railway Department, and I generally support the remarks of Mr. Thomson in this connection. At the risk of making myself unpopular, I say emphatically that altogether too many privileges are given by the Government through the Railway Department, not the least being those granted to members of Parliament and officials. In this and similar ways thousands of pounds could be saved annually. It is not fair to expect economy in others when we do not set the example ourselves. The charges the Railway Department have to meet are, in my opinion, loaded in every possible direction. While I admit that the railways have played a very important part in the development of the State, particularly in the wheat belt and on the goldfields, no one can deny the wonderful work in the same connection played by motor transport. It seems a pity we have not further developed the motor as a feeder to existing railways, which would have reduced by a considerable sum the loss sustained on some of our lines. I have never made use of it myself, but it is not to be wondered at that so many farmers take advantage of the cheap and convenient motor transport. Much of this could have been prevented had the problem been tackled when it first set in, but the producer was not met in any way, and so he had no alternative, particularly in these days of low prices. It must be admitted that motor transport is made to pay, and pay handsomely, for its existence. It is taxed in every possible direction, and in almost every instance when additional revenue is required it is the motorist who is first assailed. It may interest members to know that license fees alone for the year ended 30th June, 1932, amounted to no less than £262,581, made up as follows:—

Metropolitan—				£
Private cars	..	..	..	82,809
Trucks	..	..	..	30,449
Country—				
Private cars	..	..	..	77,614
Trucks	..	..	..	38,403
Extra fees for use of main roads	..	..	..	4,210
Buses and taxis	..	..	..	15,054
Drivers' licenses	..	..	..	14,042
				<hr/> £262,581

Hon. J. Nicholson: Do you know what was the cost of road maintenance during that year?

Hon. L. B. BOLTON: No, but I am well aware that the motorist had to pay a full share of it. Facts and figures in abundance prove the huge investments in motor vehicles, and confirm the vital importance the industry is to this State. The wonderful development taking place in all our suburban areas is a tribute to the use of the motor bus. I wonder how many members have tried to calculate what the saving to the State would have been if trolley buses had been introduced sooner in place of the costly, cumbersome and slow-moving trams on long distance routes such as Claremont, South Perth and others. Our trouble seems to be that we sleep too long, and do not progress with the times.

Hon. G. Fraser: The hon. member himself is included in that category.

Hon. L. B. BOLTON: I have not been here for long; had I been a member when first the trouble arose, I might have succeeded in stirring up interest in it. I do not intend delaying the House with details of the various clauses in the Bill with which I am not in accord. While I agree that some co-ordination of transport is necessary, in my opinion the Bill, as drafted, is altogether too drastic. When in Committee I will have a large number of amendments to move, which I sincerely hope will be carried. In the meantime, I will support the second reading.

Sitting suspended from 6.15 to 7.30 p.m.

[The Deputy President took the Chair.]

HON. J. M. MACFARLANE (Metropolitan-Suburban) [7.30]: I have watched the progress of the Bill with great interest ever since it was introduced in another place. I realised that it was a measure of great importance and required much study if it was to be given the consideration that its merits deserved. I recognise that it needs to be dealt with from the broadest aspect in order that we may get the best results. I was delighted to notice the Premier's announcement that it was a non-party Bill, so that any division taken on its provisions or on proposed amendments would indicate that members were actuated by the sole desire to mould the measure in the best pos-

sible shape. Watching its progress still further, I was pleased to note the amendments made in another place, which amendments, in my estimation, improved the Bill and made it a measure that we could accept and deal with, with the least possible delay. I thought that the Minister's desire to secure the speedy passage of the Bill would be fulfilled, but in that I was mistaken because my views were apparently not the views of the public. Since the Bill reached this House, I have received so many communications by post and so many applications from individuals indicating, in their opinion, the need for amendments, that apparently it will be necessary to alter the Bill drastically. At this I was rather perturbed, because in the time at our disposal, it will be difficult to accede to the wishes of those people. The Leader of the House desires to get the Bill finalised, but we, on the other hand, must consider it carefully in order that its provisions may be put into proper form. I am convinced that we are now too near to the end of the session to do that work thoroughly. I hope that the Bill will not be taken into Committee until next week, so that members may place on the Notice Paper amendments of which they approve and have opportunity to study all the amendments proposed to be submitted. Travelling through the country as I do, I have realised for several years that co-ordination of rail and road transport was not only necessary but urgent. I congratulate the Government on having introduced the Bill, but I trust we shall not be required to rush it through, as we are being asked to do at present. I would prefer that Parliament re-assembled after the Christmas holidays and gave the measure the consideration it deserves rather than attempt to rush it through before the holidays. The railway system is one that has been with us for many years, and has been built up by reason of its having been the important means of transport during many years. In the last 10 or 12 years, however, conditions have changed. A new era has set in; a new form of transport has come about, one that is growing in importance day by day. To try to co-ordinate the work as between road transport and the railways is a task beset with great difficulties. We have to appreciate the fact that the railway system can make or mar the Treasurer's accounts. It has often been charged against the railways that they are run inefficiently. I do not

believe that for a moment, but I do believe that changing conditions have made the railways ineffective, and that there is need for reorganisation to bring them into line with present day road transport. When I moved the adjournment of the debate last night, I was concerned as to how far I would be able to assimilate all the amendments forwarded to me, as well as those sent to other members, for the improvement of the Bill. Perhaps I misunderstood the Minister's attitude, but I gleaned the impression that he desired to rush the Bill through. I would rather see the Bill laid aside than be called upon to make decisions upon it without proper consideration. The subject of the co-ordination of transport is one that should be investigated thoroughly. I believe that the crux of the whole measure will be the board to be appointed, and the manner in which the board operate. I believe that the board will be able to accomplish more for the co-operation and co-ordination of the two services than will any provisions that we may insert in the measure. They will be guided by experience, while we can merely act on suggestion. If the board prove to be thoroughly competent and effective, better results will be achieved by them than by the actual legislation. I consider it would be wiser to mould the Bill in such a way as to give the board something in the nature of the powers of a Royal Commission to investigate and to gather data than to attempt to frame a lot of machinery provisions. If that were done, the Government would be in a position next session to present a measure that would be worth placing on the statute book. It would certainly be better than to adopt a Bill which, according to the marginal notes, consists largely of clippings from the Acts of other States—provisions that may not be adaptable to the conditions prevailing in this State. For those reasons, a skeleton Bill would probably meet the needs of the moment better than would the whole Bill, though at the same time I appreciate the fact that it would be preferable to reach some decision than to allow the problem to be thrown aside. If the board were operating along the lines I have indicated, I believe they could bring out clearly the features that are of greatest importance. Those features would include the improvement of the railway service in speed and effectiveness to the standard of that already attained by road transport. To illustrate

this point let me quote two experiences of last week. One of my travellers was in Merredin and had an appointment at Kulin. To reach Kulin in the afternoon, he left Merredin at a little after 5 a.m. Though the distance is only about 100 miles, he arrived at Kulin 10 hours later, an average of about 10 miles per hour over level country. He paid 10s. 3d. for his fare and he remarked to me, "How on earth can a railway pay when a fair-sized train with no other passenger than myself and very little goods, manned with the usual team, occupies a whole day to cover 100 miles?" The second incident forms a striking contrast. A week ago I had an appointment for 10.30 a.m. with a resident of Bunbury. He was five minutes late for the appointment and apologised for being late, stating that he had been delayed at home longer than he had expected, and had not left Bunbury until a little after 7.30 a.m. We discussed business matters until 1 p.m. After lunch he transacted business in Perth for 1½ or two hours, and he was home in Bunbury again at 6 p.m. He had been able to accomplish all this in the time occupied by the passenger train in travelling from Bunbury to Perth. When I say I desire to see co-ordination achieved between the different classes of transport, I realise that motor transport is very speedy and that rail transport is very slow. In seeking co-ordination, we cannot reduce the motor traffic down to the speed of the railways; we must bring the railways up to the speed of the motors. Let me give another illustration of the difference in the two forms of transport from a business standpoint. A traveller might desire to go down the Great Southern as far as Albany to do business station by station. Travelling by train, he could do only one town or at most two towns a day, and he would have to travel during the night to do it. With a motor car, a 30 mile run between towns is not much more than a skip, and a traveller could do several towns a day, have his tea in comfort, run to the next town in the evening, retire at a reasonable hour and be up bright and early for business next morning. Compared with train travelling, the motor would enable him to do the trip to Albany in one-third of the time. Road motor transport, which was in its infancy a few years ago, has to-day grown into a very lusty youth, and in a few years

it will become a giant. I myself have seen motor trucks transporting tractors along the road, possibly to some farm. I saw one the other day transporting a Cornish boiler. These huge things were loaded on a trailer behind the truck. The Cornish boiler was being transported to Harvey. I have seen motor trucks transporting large parts of engines. I have also seen motor trucks fitted up to carry three or more cows, as well as sheep and pigs.

Hon. C. F. Baxter: And horses.

Hon. J. M. MACFARLANE: Yes. One can therefore easily imagine what will be accomplished by this form of transport in the future. It will become a greater menace than ever to the railways. I believe that in the not very distant future the railways will only have left to them the transportation of wheat, coal, and the necessities of war. Our £25,000,000 asset will then become a very grave risk. It will require a board comprised of competent men to visualise what is likely to happen, not only within the next year or two but in the distant future. It will be an extremely difficult proposition to lift our railways from present-day conditions into such a state that they will be able to meet the demands of the coming time. The problem in the meantime is how adequately to protect this State asset of £25,000,000. Therefore it is the concern of the management and also the employees of the Railway Department, because their jobs are in jeopardy. Parliamentarians too, are involved for we note that Parliament has, even this session, with a gay abandon, authorised the construction of two additional railway lines both of which admittedly will be non-paying for the next ten years. Their construction will involve an additional interest bill of £5,000 per annum, and a further loss of £5,000 per annum. When one considers the demands made upon the Railway Department for this concession and another concession, one must realise the heavy burden we are placing upon the finances of the railways. As I have said, the board proposed to be created by the Bill should have conferred upon them powers which are usually given to a Royal Commission. They should have ample time to consider the problems of transport, and how best to lift the railways up to the level of road transport, and not drag the road transport down to the level of the railways. That, I take it, must

be the first task of the board. I do not favour the appointment of a select committee, but I am of opinion that something of the nature that I have suggested should be done rather than that we should pass the Bill without a thorough sizing-up of the position. We have waited long enough for this legislation, and while the Government are to be commended for dealing with the matter even at this late date, the responsibility is on them of seeing that the measure is not rushed through without ample consideration being given to it. I have related my experience of motor transport in the country but I am more immediately concerned, as one of the representatives of the Metropolitan-Suburban Province, with passenger transport. I am convinced that the people in the metropolitan area are served better by motor transport than by the railways. Motor transport has now been in existence for some 10 or 12 years. It has been established in the face of great difficulties. In many cases, after a bus proprietor has been running for some considerable time over a certain route, the traffic department have made a deviation and forced him into another route, making his chance of success much more difficult. I have been called upon on two or three occasions to endeavour to put matters of this kind right in my province, so that I know what I state is a fact. Motor buses are much more convenient for the travelling public on account of the frequency of the service. If a person misses a bus he has only to wait a few minutes for the next one; whereas if he elects to travel by train, and misses one, he has perhaps to wait an hour or more for the next. There is no doubt that motor transport is the more mobile form of transport to-day. People can catch a motor bus in the heart of the city and be put down at their door, so to speak. So they save time. They are certainly a great boon to women and children. I cannot give my support to a Bill which seeks to interfere with the vested interests of the bus proprietors; they should be considered to the fullest extent and treated equitably. If, in the best interests of the public, this form of motor transport is to be stopped at a moment's notice, then due regard should be given to the service it has rendered the State by developing the districts through which the buses run. The Bill is termed a co-ordination Bill. I listened attentively to the Minister when he

moved the second reading, but must say I heard very little about co-ordination so far as motor transport is concerned. The Minister seemed to be treating the subject more from the point of view of the Government and of the Railway Department, but, of course, I take that to be his duty. The railway assets are there to be protected, and we must protect them in the best way we possibly can. I say definitely that I look upon the men who have pioneered the motor transport services in the light of nation-builders, the salt of the earth. They built up their services without getting favours from the Government. All they desired was to be left alone, and they built up their services in face of the opposition of the railways and tramways. They are the right type of men to have in the community, and they should not be thwarted in their efforts to make a living for themselves. They are not the type of men one finds on the dole; they do not want the dole. I take my hat off to them, not only as men who have organised a great passenger transport system, but as men who have done a great work for the country. I have seen one or two men on a large truck bogged in very muddy country, yet cheerfully bending their energies to getting out of their difficulty. I shall give the second reading of the Bill my qualified support; but if there is an attempt to rush it through without the opportunity of giving it proper consideration, then, to the best of my ability, I shall oppose it, even if the result be that the Bill is laid aside.

HON. J. NICHOLSON (Metropolitan) [7.58]: No doubt members generally will be prepared to extend their congratulations to the Minister on his excellent speech in introducing the Bill. I consider, however, with other members who have already spoken, that there is every justification for the views expressed by Mr. Holmes and Mr. Thomson upon the delay in bringing the Bill before us for consideration. A great deal of time has elapsed between its introduction in another place and its arrival here, and now it has reached us just on the eve of our closing down for the Christmas vacation. That makes one feel that some responsibility at least devolved upon the Government to see that a Bill of this great importance should have come before us early enough to give it the time and thought which is essential to arrive at a wise decision upon it. I do not, of course, seek to blame the Leader

of the House for the delay; but the hon. gentleman will, I think, acknowledge that there is not the time available for that careful consideration which we should like to give to the measure. One realises from the Chief Secretary's speech that the very enviable position which the railways of this State, in common with the railways of other countries, enjoyed for so many years, as constituting the principal means of transport, has been assailed by the advent and development of the modern motor vehicle. Governments here and elsewhere have allowed the motor vehicle gradually to undermine the railways and win a large proportion of their traffic. Everyone will agree, I think, that the present Bill should have been introduced some years ago. For that default, of course, the present Government are not responsible; but if the measure had been introduced then, doubtless something would have been done to correct the serious position which arose because the huge capital invested in railway systems rendered it necessary for every Government to protect the asset. In considering the Bill, one realises that the Government hope that if it passes into law, there will be some expectation of improving the position of our railways through the powers given to the board to co-ordinate the means and facilities of transport. One is inclined to recall that when railways first became established, a good many years ago, and took away the traffic formerly enjoyed by other means of conveyance—for example, the old stage-coach—the same consideration was not extended by Governments of those days to, say, the old stage-coach proprietors. The success of the Bill will be dependent upon the personnel of the proposed board. While I agree with much of what Mr. Seddon said, I cannot endorse his suggestion to appoint the members of the Arbitration Court as members of the board. It must be appreciated that the members of the Arbitration Court have quite sufficient to occupy their time in the sphere in which they are engaged. Whatever the personnel of the board may be, it is essential that the individuals holding seats on the board be men fully equipped to do what is necessary to arrive at wise conclusions. I note that Clause 10 of the Bill leaves it to the board, of their own volition or under the Minister's direction, to make investigations and inquiries into transport matters generally, with certain limited powers in regard to the rail-

ways. The results of those investigations will apparently find themselves expressed simply as recommendations from the board to the Minister. It is true that under the Bill certain powers are given to the board with regard to licensing and other matters. The views expressed by Mr. Seddon as to the need for revision in railway policy are such as should meet with everyone's approval. The building of railways which it is known cannot pay is a disastrous policy, and renders the task of the Commissioner of Railways much more difficult than otherwise it would be. The construction of many of these unpayable lines has no doubt helped to contribute to the very unfortunate results which are and for some years have been disclosed in the reports of the Railway Department. I believe it would have paid the Government much better in many cases to consider the introduction of other means of transport rather than build more railways. Indeed, one suggestion that was made by Sir Charles Nathan in connection with two railways authorised some little time ago, was such as to commend itself as being worthy of the greatest consideration, because it was known that both of those railways would be non-paying concerns. I referred to this very matter of our railway system some few years ago, when speaking on the Address-in-reply. I then gave instances, from information which had come to me, of what railway companies in the Old Country were doing to meet the competition with which they were faced from the motor vehicle. Nothing, however, was done, so far as one can see, by our Railway Department to combat that competition. What applies to our railways applies with equal force to our tramway extensions. One sees those tramway extensions still going on. Indeed, I noted two extensions recently when out in the suburbs—one extension at Victoria Park, and another in the vicinity of Wembley. Whilst in other countries it has been found that the tramway system is obsolete and quite unequal to motor conveyance, our Government persist in the extension of tramways, whereas they would have acted much more wisely. I venture to say, by introducing motor vehicles or regulating the motor services on tramway routes. Let us hope that the board proposed under the Bill, if it should become law, will recommend putting a stop to expenditure on the

construction of tramway extensions. Recently I received from a friend a copy of an article which appeared in the "Blue Peter Magazine." It obviously voices the views of someone who has visited our city and who wishes to give expression to his opinion of our tramway system. It is expressed in these words—

Throughout Australia tramways are a deplorable anachronism—noisy, costly, slow and dangerous. No one in London ever dreams of taking a tram if he can get into an omnibus, nor would he do so in Sydney, but in Sydney the matter has been solved by the simple statesmanship of prohibiting the efficient mode of transport. In London, traffic does not stop when a tram stops; passengers hop off and on trams in the middle of the road at their peril. In Sydney when a tram stops, the whole of the traffic stops until the tram rumbles slowly forward again. It is difficult to understand the affection of administrations for trams in some countries where it seems that they are considered more democratic than omnibuses.

What the writer says regarding the Sydney trams just exactly expresses the position in regard to our tramway system. Apparently the same regulations apply in Sydney as apply here. There is no doubt that the transport of people living in the suburbs would be accomplished much more efficiently by means of motor vehicles than is possible under the present cumbersome tramway system. We have only to look at the tramway system near Nedlands, and see how people can come in all the way from Fremantle, Cottesloe and elsewhere in quicker time than they can by tramcar from Nedlands. Undoubtedly there will need to be some careful revision of the whole position in regard to not only our tramway system, but also our railway system. We have to realise that we are living in an age when speed is demanded by the people. If there is anything that a man living in the country or even in the suburbs dislikes, it is this slow transport from one spot to another. He asks to be there quickly. He sees other people moving about with speed. He wants to do the same. And we cannot hold the people back. Indeed, if we were to continue our old fashioned system, which elsewhere has gone by the board because of the advance of speed, we would find our people rebelling, or becoming warped and no longer able to carry out those functions which we desire to see them carry out in a country to which development and progress are essential.

The board have not got the power to stop tramway extensions. They will not have the power to stop such works as those I have referred to or to correct the inefficiency or inadequacy of the railway system. All they will be able to do will be to make recommendations. One feels almost disposed, in the light of the leading articles and views I have quoted, to confer on the board much wider powers even than are contemplated in the Bill. I trust that the board, in any event, will recognise the rights of motor owners, and that they will be fair and impartial in their treatment of that section of the community. The motor owners have been engaged in exploiting and building up transport services that have served the interests of the public, and they have introduced a modern form of transport with which the Government have not kept pace. In many ways they have helped in the development of the State. On perusing some of the clauses in the Bill, I have observed that licenses will be granted by the board to the 30th June each year. That means that they will grant annual licenses. Apparently the renewal of those licenses is entirely at the option of the board. Consideration should be given to the owner of licensed motor vehicles and the definite right of renewal should be granted to them, provided that the conditions of the legislation are duly complied with. Large sums of money have been expended by the owners of motor vehicles in the provision of up-to-date buses and plant. They have rendered extensive public services, and for that reason they are justified in asking for the definite right of renewal of licenses. If that assurance of title is not given to them, we cannot expect them to launch out and sink large sums of money in providing modern forms of conveyance for the public. I suggest that some such scheme of compensation should be provided as is available under the Licensing Act in the event of a hotel being demolished. Another important matter is that, apparently, the provisions of this legislation will apply to firms and companies engaged in business and delivering their own goods beyond the 15-mile limit. The Bill gives one the impression that it is regarded as a revenue-producing measure. I conceive it to have been the desire of the Government in this time of stress and hardship, to build up our various industries and trading concerns and to assist them, as far as possible, in the economic management of

their organisations. Undoubtedly, if the Bill be passed in its present form, costs will be increased, not only regarding the delivery of goods but to the consumers, who have to pay in the end. I do not think we shall exactly confer an advantage on the public by giving the power suggested in the Bill that will require all vehicles owned by firms and companies to be licensed and entail the payment of heavy dues that will be prescribed, particularly where they are delivering their own goods from one centre to another. Perhaps the Minister will have something to say regarding that phase. It seems to me that those business concerns and industrial organisations should be encouraged in their work and should not be hampered in the delivery of their goods. I do not think it is desirable that their vehicles, used in the delivery of those goods, should be required to be licensed under this measure if the delivery is made beyond a 15-mile radius. There are various other points I could deal with, but I do not propose to take up the time of the House at this stage. While I have offered some criticism regarding the Bill, I believe the only real solution of the problem is to be found in the adoption of the course followed in London recently when a large merger company was formed and on the 1st July last that organisation took over the whole of the transport services of that great capital city. That controlling body is a gigantic concern. Every member has at least some conception of what the volume of traffic in London represents. When we realise that it has been found possible there to form one concern to manage and control the whole of the transport services of that great city, how much more easily could it be done in a small city like Perth? It must be patent that it would be the simplest thing under the sun. When we consider that in London all the various forms of transport used for the conveyance of goods and passengers have been regulated and are now co-ordinated in the truest sense of the word, to the advantage of the people there, making it possible for the services rendered to be payable instead of representing so many impoverished activities, we can realise what has been achieved. When we see the overlapping that takes place here, we can appreciate that it requires but a little management and skill on the part of those interested, to find ways out of the difficulty other than those suggested in the Bill. With

other members, I have considered the Title to the Bill, which sets out that the measure is to provide for the "improvement and co-ordination of means of and facilities for transport." Let members look through the Bill and they will see that it lacks co-ordination and everything that is essential to achieve that success we wish in connection with our transport facilities. Everyone desires the railways to be successfully operated, and not to be a failure. We desire to see a period put to the losses in connection with the system. There is one way only in which that can be done, and that is by the exercise of common business sense. If we imported sensible reasonings into the problem, it would be found possible to convert the railway system into an asset instead of witnessing its usefulness diminishing and perhaps in the end, disappearing. Nothing will keep back advancement and progress among a people virile and strong, such as are our people. They will demand that they be given the right to those modern forms of transport that are available, and nothing will hold them back. I claim it is essential for the Government to do something towards the co-ordination of services along the lines adopted in London. The example has been set there and, instead of seeking to impose restrictions, which, I venture to assert, the Bill will impose and probably do greater harm to the railways than has been worked so far, let the Government utilise for the purpose of full investigation, the services of a board such as is proposed. Let them see to it that the personnel is such that they will have faith in the recommendations the board may make. Having that faith in the members of the board, let the Government leave it to the board to forward their recommendations. Instead of fiddling with the problem, and introducing such an inadequate and unsatisfactory Bill, let them create a board that will investigate more fully than is even contemplated under the Bill, the problems that confront us to-day, and submit their report to the Government and to Parliament on the best methods to be adopted to overcome those problems. For example, why should the board be given power to impose new license fees when we have already the Traffic Act on the statute-book? Let the provisions of the Traffic Act continue to be operative. It will be necessary to extend the provisions of Section 10a. of that Act.

Nevertheless, let the Traffic Act be extended. I do not care whether the board comprises three, five or six men, but let them be competent and let the scope of their work be so extended that they will be able to achieve something worth while. Let the board be constituted, but limit the scope of the Bill to the board, for the purpose of making investigations. Let the board report, and then let a Bill on proper lines be brought down next session when we can thoroughly thrash it out. I hope the board will make full investigation into what has been done in London and other great cities where they are confronted with problems of greater magnitude than those confronting us here. Between now and next June the board could present a very full and complete report dealing with the whole situation, and perhaps it will be found possible to work out some means whereby they can formulate a scheme to merge the whole of the existing services which are causing the railways trouble at present. When once a scheme like that is achieved it will be possible for whatever board is in authority to co-ordinate the traffic and to make the motor vehicles feeders for the railways, instead of competitors with the railways, and so make the railways a payable concern, which they never will be, except by some such scheme. I ask the Government seriously to consider this matter. It seems to me we are going wide of the mark in trying to hand over to a board a furtherance of the power which practically exists under the Traffic Act, and are simply providing another costly method of securing revenue. That is not a wise system. I hope the Minister will consult with his colleagues and see whether the suggestion I have put forward will not appeal to them as a wiser and better solution of the difficulties assailing us. I will not object to the second reading, but very little indeed would prompt me to do so. If the second reading should be carried I shall feel disposed to urge the Committee to hold up all clauses other than those dealing with the board, so that we may get the board created and working rapidly, that they might put in their report, so that we may see what can be done.

HON. SIR CHARLES NATHAN (Metropolitan-Suburban) [8.35]: During the four years I have had the honour to be a member of the House there has not been any Bill

presented for our consideration which I have welcomed more than the one now before us. It at least shows that the Government of the day are at last alive to the position which has been created through the development of new means of transport, which has been rapidly attaining perfection and which has not yet by any means reached the full measure of its strength. It is four years since I entered the House, and if I remember rightly in my first speech I made many references to the development of motor transport. Since then I have frequently stressed the views I then enunciated, and urged consideration of the latest methods of carrying merchandise and passengers that have been developed in other parts of the world. While I welcome the introduction of this measure as at least giving opportunity for what I might call a full dress debate and awakening the interests of members of Parliament individually and the public collectively in this all important subject, I am dismayed at the fact that we are asked to give consideration to such a measure with but a few working days at our disposal, and are called upon to make decisions fraught with vast importance to the community as a whole. One has to remember that, after all, these services, whether of our railways or of motor transport, are services for the public convenience, for the industrial welfare of the public, and for the general development of the State. That being so, it is the public themselves that are most to be considered. For, after all, these services are really aids to development, and as such should be the latest, best and most economical we can place at the disposal of the public. The Minister has said that the whole question of transport has been exercising the minds of Governments and people throughout the world, and he cited the instances of England and America. I venture to say the problem in a country like Australia is even greater than the problems that have to be met in England and America; indeed it is more obscure, because here, fortunately or unfortunately, the State owns and controls the major method of transport, whereas in England and America that method is owned and controlled by private companies and so can be subjected to that rigid control which is necessary in the general interests of the public, without taking into consideration what the effect may be on the public revenues of the country. I have

spoken at length on this subject only so far as regards one particular angle of it. But there are several angles that may be considered: There is the angle of transport of passengers, of general transport and of the development of the country districts. When I said we had greater problems here than those in England and America I said it advisedly, because in those countries they have well developed lines of communication, and the country is well opened up, whereas in Australia we are charged with the enormous problem of developing a vast area with a scattered population. I have read carefully through the Bill, and although one sees that in certain clauses the board proposed to be created is to have arbitrary powers, in other clauses it is not so; in other words, as far as I can see it means merely the creation of an enlarged Government transport and traffic department, and I fail to see where the necessity arises for a board as suggested in this constitution. The board is to have power over the whole of the motor transport, and what the board is asked in effect to do is to endeavour to protect our railway system, which is owned by the people, against the intrusion of a highly specialised means of transport. And that railway system is as obsolete as any railway system could be. I am not throwing out a challenge to the Railway Department or to the men controlling it; for I believe, having regard to the disabilities under which the department labours, no one could have done better with the system than has been done. But the fact remains that our railway system is obsolete. Many thousands of pounds are required for the maintenance of rolling stock or locomotive repairs, and the railways are subject to definite restrictions such as Arbitration Court awards, long service leave, and so on; and, above all it is subject to the will of Parliament, which year after year votes hundreds of thousands of pounds, aye, millions of pounds, for the construction of new lines which will not pay for years to come, and which are tacked on to the system whether the railway management desire them or not. And with all these adjuncts tacked on to the railway system, we are to create a co-ordinating board for what purpose? To bring the railways up to a level at which they can compete with the motor transport, or to bring motor

transport, down to such point as will put it on even terms with the railways?

Hon. J. Nicholson: It is retrogression.

Hon. Sir CHARLES NATHAN: More than that, it is impossible. The suggestion to create a board such as is provided for in the Bill is merely a blind step in the dark, with this danger: Transport is the life-blood of the community. It is the one thing upon which the whole of the community depends, it is their very life. The introduction of such a measure as this and the control of transport by a new and inexperienced board may mean that the board in its infancy will create such a state of chaos within the next 12 months as may reflect very seriously on the whole of the industry of the State.

Hon. E. H. H. Hall: My word it may!

Hon. Sir CHARLES NATHAN: I view with great concern an attempt to put a measure like this through the House in the short time at our disposal. I should like the Minister to feel, so far as I am concerned—and I am sure this applies to the rest of the members—that I am not antagonistic to this Bill. I believe some measure of co-ordination is absolutely essential.

Hon. J. Nicholson: I think every member believes that.

Hon. Sir CHARLES NATHAN: I am satisfied the Government will have members of this House and the whole of the public behind them in any serious attempt to bring light upon this very difficult question. I was rather interested in the remarks of the Minister, in moving the second reading, when he quoted several authorities and gave chapter and verse as to why it was necessary to do the things proposed. He gave a short quotation from a paper by Professor T. Hytten. I do not know whether the Minister has read the whole of the paper, or whether that little extract was merely given to him to read. For the information of members and the Minister, may I read a couple of paragraphs from that paper. Before doing so, I direct the attention of members to some remarks, referred to by Mr. Nicholson, that fell from me on a previous occasion when discussing certain matters affecting the extension of the railway system. Professor Hytten said—

Experiments are now being carried out in England by the Oversea Mechanical Transport Committee with eight-wheeled tractors hauling two eight-wheeled trailers with a combined load capacity of 15 tons on unmade roads. The pressure on the road surface by

such a unit is smaller than that of the average 30 cwt. truck. Larger units of the same type with a capacity of 30 tons are being designed.

The chief lesson from these developments is that future railway construction, at least for developmental purposes, in a country like Australia must be carefully weighed against the possibilities of roads of very flimsy construction on which such road-trains may form a cheap means of transport in the near future. The point for consideration in such cases is whether it may be cheaper even to pay a small and diminishing subsidy to road transport than to pay an increasing deficit on a railway. But in most cases subsidies are not required, unless development is forced.

May I add that I was not responsible for the introduction of this statement in Professor Hytten's report, but it shows that serious consideration must be given by Parliament and the people to the more economical methods of road transport than to the continued application of that policy of new railways, new railways every year that make the task an impossible one for the Commissioner of Railways and make necessary the appointment of boards such as that contemplated under this measure. In so far as the metropolitan traffic is concerned, there is no co-ordination in existence. No repressive measures that can be taken can ever drive the suburban traffic back to the railways. That has gone once and for all. It may be that railway methods may be adopted, such as have been adopted in other countries and should be adopted here, of running light vehicles—petrol, steam or electric—at short intervals and in small units over the railway track, and thus attempt to cater for portion of the traffic. But nothing that can be done will ever bring the traffic back to a railway system with its fixed terminal points to and from which people have to walk when they can take a vehicle and be transported from door to door in half the time. As Mr. Nicholson said, the policy of tramway development also needs very close supervision. Trolley buses have been put on the road as the latest development. Trolley buses have been in use for a good many years in other parts of the world, but the development they have shown has not been such as to warrant the assumption that they will ever take the place of motor transport. The returns of costs per mile for the trolley buses—maybe they relate to the first month only—leave a doubt in one's mind whether they can be run as economically as can the modern motor.

Hon. L. B. Bolton: And more so than the trams.

Hon. Sir CHARLES NATHAN: How, in the name of heaven, is a board of this description ever going to do a job for the State without any control over systems of transport other than the one that is at present a menace to the railway system? I do not blame the Railway Department; no one blames them. We all agree that the railway officials, with the disabilities that confront them, must have a measure something like this one to help them. If we cannot level the railways up, we have to level the other fellow down, but is that the job of this House? I agree with Mr. Nicholson that the time for creating a board, as outlined in the Bill, is not yet. A co-ordinating board, yes; but this is not a co-ordinating board. It is merely a proposed addition to the Traffic Department—another public department. It would be far better to appoint the board, give them the powers of a Royal Commission, allow them to make a thorough investigation into the whole of the railway system and methods, see how far they are behind, see what can be done to bring them into line with modern conditions, ascertain what money would be required and the measures necessary, and make their recommendations to Parliament suggesting what can be done with both systems to bring them more into line. We need both systems. Both have a right to be run under the same reasonable conditions. In a country where transport has reached a stage when the competition is absolutely unfair to the railways, when the employees of competitors are subject to no control, no regular rates of wages and work all hours of the night and day, and running right through with back-loading at minimum rates of freight, it is a scandalous state of affairs that should not be permitted. But that is a very small thing as compared with the issue as a whole. I hope that before the Bill leaves this House, it may be possible to reconcile the various conflicting views and set up a body of a permanent nature that will have legislative authority to protect the interests of the public as a whole, either against the railways or against the motor transport, and hold the balance fairly between the two. I will support the second reading, but I hope that very serious alterations to the Bill will be made in Committee.

HON. R. G. MOORE (North-East) [8.55]: With other members who have spoken, I agree that it is absolutely necessary that something should be done to secure co-operation and co-ordination of transport. Some members have said that the Bill is 10 years too late. It would have been better had such a measure been put into operation 15 years ago, but the present state of affairs cannot be allowed to continue. The multiplication of services and overlapping that exist cannot be in the best interests of the people; nor do they make for economy. I disagree with my colleague, Mr. Seddon, regarding airplanes. I consider that a realisation of the fact that Government have been negligent in not introducing legislation of this kind sooner affords an object lesson that we should not disregard, and indicates how opportune is the present to take the airplane under control. Twenty years ago no one had any idea that motor traffic would grow to the proportions it has attained today. Considering the progress of air transport during the last 20 years, no one can foresee the extent of the development that may occur in the next 20 years. If the Government assume control of aircraft now, we shall not have members 10 years hence bemoaning the fact of being 10 years too late. Doubtless the railways have been subject to unfair competition. No doubt the duplication of services make economical service impossible. I do not regard transport as an industry; I regard it as a service, and what we should primarily consider is not the people engaged in the business but the people and the industries affected by the service. In a country like Western Australia, with its long distances, transport must play an important part in its economic development, and must have a material effect upon all the industries. Therefore the best method, whatever that method may be, should be adopted, and transport, in the interests of all concerned, should be adequately controlled. Any kind of reform must necessarily inflict hardship on someone, but we cannot attempt to stop progress for mere sentimental reasons. This is an instance where the end justifies the means. As the railways were constructed to the various goldfields years ago, hundreds of teams were put out of operation, and when the goldfields water supply was completed, scores of condensers were put out of use. But we could not stop progress out of consideration for those people when improved

facilities were available. In considering this Bill, we have to remember more than anything else the people concerned by the service rather than the people interested in the service, whether it be rail, motor or any other form of transport. What we have to consider mainly is the effect upon the economic conditions of the State and the great effect upon the industries served by the transport organisations. In looking through the Bill, I could not see any provision for the payment of compensation, but I trust that, where people have to go out of business, some measure of compensation will be provided, possibly on the lines suggested by Mr. Holmes, as is done under the Licensing Act, the expense being borne by the trade and not by the Government. That would probably be the best way out of the difficulty. If we are going to interfere with services legitimately built up in this State, we should give consideration in the way of compensation to the people deprived of their business and livelihood. The duplication of services must be stopped. No doubt hardship will be inflicted upon someone, but the better service must be retained. If it be the railways that have to suffer, they must be prepared to take their measure of suffering equally with the motor transport services. The main thing is to try to find out which is the better service in the interests of the people and to adopt that service. Much has been said about the services rendered by the Railway Department and a great deal of criticism has been levelled against that department, but I think we have a good deal for which to thank the railways. They were introduced at a time when the only form of transport was by road. They have been responsible for developing our country in days gone by, so that all the credit is not on one side of the ledger. A great deal of good has been done by the railways, which have been responsible for bringing into existence valuable assets. For certain forms of transport I do not think the railways will ever be superseded. I think the motor service can be used in conjunction with the railways, but, unlike some people, I do not think the railways are obsolete. The railways are here to stay. I see nothing in the Bill to suggest that we should bring other forms of transport down to the level of the railways. If it is possible to improve the railway system, there is nothing in the

Bill to prevent it. Mr. Bolton mentioned the concessions that were allowed by the Railway Department to members of Parliament and railway servants, but I do not think those concessions make much difference to the revenue of the railways.

Hon. L. B. Bolton: Tot them up and see.

Hon. R. G. MOORE: That is the crux of the whole matter. Those concessions make very little difference to the working expenses of the railways.

Hon. L. B. Bolton: They are granted to members of Parliament and to railway servants, their wives and families.

Hon. R. G. MOORE: But those concessions are part of the railway servants' remuneration.

Member: No.

Hon. R. G. MOORE: I say yes. They are paid so much and receive so many privileges. I have no hesitation in accepting the privileges granted to me while I hold the position of a member of Parliament. My conscience is quite clear on the matter. The fact remains, however, that it makes but little difference to the revenue of the railways. In the majority of cases, if the railway employees did not avail themselves of these concessions, the expense of running the train would be just the same. The carriages would be there. There has never been an instance where passengers have had to be put out of a carriage in order to allow railway servants to travel on concession tickets.

Hon. L. B. Bolton: There has been a whole train load of people travelling on passes more than once.

Hon. R. G. MOORE: Railway servants cannot travel free on a train unless there is room for them without displacing passengers. Any time that I have been travelling on the train there has always been ample room. It made no difference whatever to the cost of running the railways. A number of school children travelling may make a difference.

Hon. A. Thomson: Should not that expense be charged to the Education Department and not to the Railway Department?

Hon. R. G. MOORE: I quite agree with that, but Mr. Bolton did not mention school children. Railway servants do not travel in droves and, as I say, that concession makes but little difference to the cost of running the railways. I am glad to note that the board proposed to be created by the Bill is to be a small one, comprised of only three

people. I am of the opinion that if we could get the right man, a Mussolini or a Hitler, it would be better still.

Hon. A. Thomson: Provided you give him the power.

Hon. R. G. MOORE: Yes. A large board I consider would be unwieldy and would not make for efficiency. I shall support the second reading of the Bill and I hope some good results will be achieved, as I consider much money will be saved to the people of the State if we have a more efficient transport system.

HON. C. H. WITTENOOM (South-East) [9.6]: I shall support the second reading of the Bill, but first I desire to follow the example of at least one previous speaker, Mr. Thomson, and commend the Government and the members of another place on the way in which they dealt with the Bill as it was originally drawn. They turned what was a particularly unsatisfactory Bill into what I might term an almost satisfactory Bill.

The DEPUTY PRESIDENT: The only Bill with which this House can deal officially is the one before it.

Hon. C. H. WITTENOOM: Perhaps I should say that what was an unsatisfactory Bill was turned into a less unsatisfactory Bill. I hope that when we reach the Committee stage we shall succeed in so amending the Bill as to make it more acceptable to the community generally. At the same time, I think it highly improper that we should be called upon to deal with such an important measure at this stage of the session. The same thing occurs every year. Just before the session closed last year, a committee from both Houses kept us up practically all night. In fact, some of the most important work we did that year was done in the last week of the session. This year the same thing is happening. We shall have a select committee and all-night sittings.

Hon. J. Nicholson: We have had them every year.

Hon. C. H. WITTENOOM: Yes. Already it has been suggested that we should assemble again in the new year. Personally, I hope we shall not have to do so; but, should it become necessary and we are asked to meet then, there is nothing else for us to do. After all, that is what we are paid for. We should not put a limit on the time we devote

to our Parliamentary duties where there is work to be done. But this has to be remembered, 10 of the 30 members of this Chamber have to face their electors next May. It will certainly be inconvenient for the 10 members I have referred to to attend again before next session.

Hon. G. Fraser: You might not have the opportunity.

Hon. C. H. WITTENOOM: I have had that in mind.

Hon. L. B. Bolton: The pair of you are in the same boat.

Hon. C. H. WITTENOOM: In the circumstances, I hope the Bill will be shelved. I do not desire that it should be forgotten, but a board or a committee could be appointed to gather information and details that will be useful to the members who will assemble here next session. If the Bill is passed, it will come into operation, I understand, on the 1st July next year. If it is shelved, it simply means that another Bill will come into operation on the 1st January, 1935. That is a delay of only six months. We have been watching the motor traffic now for the last two or three years without doing anything in connection with it, so I do not think a further six months delay will make very much difference. Judging from the speeches of members, I think we are all agreed that the success or failure of this Bill, if it becomes an Act, will depend upon the board to be appointed. Whether the board will be comprised of three members, one representing the Government, and the two others representing respectively city and rural interests, as set out in the Bill, or whether it will be, as suggested last night by Mr. Seddon, an arbitration board, or even if it be, as was I think jocularly suggested by my friend Mr. Hall, the licensing bench, I do not think matters. In my opinion, that is immaterial. The important point, upon which everything will depend, is the personnel of the board. It will be very difficult indeed to find men qualified to occupy such an onerous position. I hope the members of the board will be appointed for one year only, and not three, as set out in the Bill. That would facilitate the revision of the Act after a year's trial. When one considers the tremendous powers that will be given to the board—they can close railways, and do away with motor and bus services that have taken years to establish and that have been built

up at tremendous expense—I am of opinion the board should be allowed time in which to gather information and make experiments. The board should not have a tenure of three years to start off with. The appointment of a committee or of any Honorary Royal Commission, as was suggested by Mr. Thomson, would no doubt result in the collection and collation of necessary information. I was at first opposed to that suggestion, but the more I delve into this matter, the more I favour Mr. Thomson's idea. There is a great deal of virtue in it, and I would probably support it if it were brought forward. Our desire is that the Bill should be fair both to the railways and to the motor transport services. The Bill at present is a Government Bill and has been largely drafted from information supplied by departmental heads, some of whom have been associated with the railways all their lives. They hear railways spoken of every day. They hear every day what we have so frequently heard here lately, that the railways represent an asset of £25,000,000. One of the worries of those departmental heads is to know where the £1,000,000 per annum is to come from to pay the interest on that £25,000,000. They must instinctively lean that way. On the other hand, huge sums of money have been invested in motor trucks, leading to the establishment of large businesses which have been permitted to expand practically without any check. Those businesses, in fact, have hardly been controlled at all, though of recent years heavy license fees have been imposed on them. However, the owners of motors on the roads are not the only persons affected. The carrying business has set up large establishments in the cities and towns. I refer more particularly to the people who have imported motors from abroad, from England and America. If the motor proprietors are put out of business, they are apparently to receive no compensation whatever. That is what the Bill proposes, and it is entirely wrong. Not long ago dozens of hotels were de-licensed, but in respect of every de-licensed hotel the owner received some compensation. Here, however, is an industry which has benefited Western Australia enormously, and the Bill proposes no compensation whatever. That is a matter which may be rectified in this Chamber. To me it seems

that the proposal to refuse compensation is something that should not be tolerated. Why should motor proprietors suffer in this way after their vehicles have been of such great use to the community? That any Government should legislate to curtail drastically the existing motor services is out of the question. We want to be fair to both parties, but with a hastily drawn Bill and insufficient information we may not succeed in doing justice to either side. It seems to me that the Chief Secretary, in introducing the Bill, showed distinct bias in favour of the railways. I dare say other members received the same impression. The hon gentleman's speech on the subject was more drastic than is the Bill itself. He referred to the huge sums of money invested in our railways and the heavy interest bill; but he made no reference whatever, so far as I am aware, to the sums spent on motor transport. Throughout his speech I could not help thinking this was more a railway Bill than a co-ordinating Bill. Indeed, I do not remember the word "co-ordination" occurring in the course of the Chief Secretary's speech. I wish to know whether sufficient efforts have been made by the Railway Department to economise and so defeat competition. Whether that is so or not, certainly the railways have to meet unfair competition. I must admit that. The motors pick the eyes out of the traffic, and return with back loading at absurdly low rates. The railways, being common carriers, in returning have to carry all classes of traffic, often at concession rates. We know that many people do travel on our railways either at concession rates or, as we do, gratis. From the northern districts women come to Perth for medical attendance and return for nothing. The motors are not asked to grant such a concession. In that respect the railways have a tremendous load to carry. Again, the railways have to carry wheat and super at specially low rates, in some cases at rates which are utterly unpayable—as otherwise the country would cease to produce, and farming and allied industries would practically go out of existence. I notice that in the case of omnibuses the fees proposed are extremely high, up to 10 per cent. of the earnings. Such a percentage is absolutely out of the question. The omnibuses cannot possibly pay it. Five per cent. would be much fairer, and in fact quite sufficient. I am particularly pleased to see that the Bill

proposes an interference with the Traffic Act in this respect, that farmers may carry perishable products anywhere by their own trucks, and also carry back commodities required for use on the farm. The absence of that concession was one of the gravest complaints the farmer had, and this Bill proposes to remedy it. Again, under the Bill livestock may be carried by trucks to agricultural shows; but why is it not permissible to carry stock by trucks to sales and from them?

Hon. A. Thomson: Stock can be carried to sales by trucks, but not back.

Hon. C. H. WITTENOOM: It should be both ways. Another matter requiring consideration is the high fee imposed on a trailer, which is treated as practically another motor vehicle. The Bill provides that farm produce, embracing produce from sheep and cattle stations, may be conveyed by truck to the nearest railway station. There is something very wrong with that provision, as the nearest railway station to the farm may not be the nearest to the market. I may quote my own case as typical of very many. I am interested in a sheep station on the Murchison. The nearest railway station to the homestead and shearing shed is 100 miles away—Cue. Yalgoo railway station is 130 miles distant. Another railway station is Pindar, 100 miles away. All our wool has been carted to Pindar, some by trucks, some by camel teams, and some, under contract, by motors. Carting to Pindar adds 30 miles to the cartage distance but saves 179 miles of railway carriage, which means a tremendous saving. As hon. members are aware, wool is carried at first-class rates, which are extremely costly. We should be allowed to cart to Pindar, but under the Bill we must cart to Cue if we use our own waggons. I hope that if the Bill is passed, this disability will be removed from it. I repeat, numerous similar cases are to be found in the farming areas. Mr. Holmes mentioned one matter which I hope will receive careful consideration from the Chamber. It is the conveyance of shearers from the metropolitan area to distant stations. They can go by train to Cue, Geraldton and so forth; but the rail journey takes longer, and when the men have to change from trains to trucks they have to remain in the towns, which means that a few of them have difficulty in getting away or perhaps stop there altogether. I have pleasure in supporting the second reading.

On motion by Hon. W. J. Mann, debate adjourned.

BILL—APPROPRIATION.

Second Reading.

THE CHIEF SECRETARY (Hon. J. M. Drew—Central) [9.27] in moving the second reading said: It is usual to present the Appropriation Bill two or three weeks before the close of the session, but it is also usual not to finalise the measure until the end of the session. My object in submitting the Bill to-night is to enable members, in discussing the second reading, to submit any matters with regard to which they desire information or investigation, and to enable me to have ample time to collect data and furnish replies. This is the annual Bill required to appropriate moneys for services covered by Revenue, Loan and Trust Estimates and the Advance to the Treasurer. It covers the whole of the Government expenditure, with the exception of that provided for under special Acts. This year the expenditure covered by Revenue Estimates, exclusive of special Acts, is £5,419,087; by sale of Government Property Trust Account, £1,026; by Interest Suspense Trust Account, £713,807 11s. 10d.; by General Loan Fund, £2,686,311; and by Advance to Treasurer, £500,000; the total requiring appropriation being £9,320,231 11s. 10d. Supply Bills covering £2,701,000 have already been passed, and the balance now requiring approval is £6,619,231 11s. 10d. The schedules to the Bill clearly set out the position. Schedule "A" details the amounts on the various Estimates. Schedule "B" gives the details of the requirements from Consolidated Revenue Fund. Schedule "C" covers Trust Fund requirements, and Schedule "D" requirements under General Loan Fund. Schedule "E" details the purposes for which the Advance to Treasurer can be utilised. The remaining Schedules—"F," "G," "H"—detail the excesses which were granted last year under Consolidated Revenue Fund, General Loan Fund, and Sale of Government Property Trust Account, respectively, and for which approval is now required.

Consolidated Revenue Fund shows a decrease in expenditure of £36,203 as compared with last year's, due principally to reduced expenditure on Government Utilities. Trust Funds include two items in the

Sale of Government Property Trust Account and Appropriation of Interest Suspense Account. The first item, Sale of Government Property Trust Account, shows a substantial decrease. Prior to the Financial Agreement all repayments and proceeds of sales of Government property were credited to this fund, and the fund was utilised to finance additions and repairs to Government buildings. The Financial Agreement Act altered this, and the balance remaining in the Fund at the date of the passing of that Act is now practically exhausted.

The second item—Appropriation of Interest Suspense Account—requires explanation. Under the provisions of the Audit Act, 1904, it has been the practice to make monthly interest appropriations from revenue on the basis of 1/12th of the interest accruing due, in order to prevent the violent fluctuations in the monthly statements of expenditure, which would have resulted if interest had been charged against the months when payment was due.

That method continued without question until the passing of the Financial Agreement Act, which also dealt with the method of paying interest, and the provisions of which over-rode those of the Audit Act. The system followed under the Audit Act was to appropriate in proportionate monthly instalments, the amount that actually became accrued due in that year even though it may not have been paid until the following financial year. In the case of a loan raised in January, the interest due to the 30th June would have been credited to the Trust Account, whereas it would perhaps not be paid until July or August, and as these two months were the periods when the heaviest interest payments became due, it necessarily followed that the Suspense Account showed a large accumulation up to the 30th June of each year.

Under the Financial Agreement Act, it is only necessary to recoup the Commonwealth Government with the actual amount of interest paid in the financial year. The correctness of the existing procedure was then questioned by the Auditor General, and, after consultation with the Crown Solicitor, it was ultimately decided that the provisions of both Acts would be met if the interest to be paid in any one year were debited each month in equal instalments.

The procedure was altered in accordance with the decision, as from the 1st July, 1932. The matter of dealing with the money already in the Suspense Account was submitted to the Crown Solicitor and the Auditor General, both of whom advised that it would be necessary to have the amount re-appropriated by Parliament. Provision for this appropriation has now been made.

The appropriation from General Loan Fund is greater than that of last year, but this is in pursuance of the Loan Council's decision to advance money to be used in development and reproductive works with the object of stimulating employment. The amount provided on the Loan Estimates this year is £2,686,311, an increase of £486,329 over last year's expenditure of £2,217,982.

During the course of the depression, drastic economies have been effected and in many instances work and repairs on utilities of national importance, which would normally have been met from revenue each year, have been curtailed to the point of danger, and it is now urgently necessary that some of this work shall be taken in hand. It would be unreasonable to expect revenue in any one year to bear expense accumulated over a number of years and therefore the only way to get this essential work done is by the use of Loan money. It is proposed to recoup Loan by annual appropriations from revenue. The principal increases are:—

	£
Railways and Tramways	225,611
Harbours and Rivers	33,278
Water Supply and Sewerage	48,259
Development of Goldfields	70,412
Development of Agriculture	62,896

The Loan Council have approved of an expenditure of £2,750,000 of Loan Funds for the year and the appropriation of £2,686,311 is well within the limit proposed. Finance arrangements in connection with Loan moneys are not yet complete, but we have in hand, or in sight, £2,380,000, made up as follows—

	£
Share of May Loan proceeds	1,000,000
Share of November Loan proceeds	990,000
Local raisings (over the counter sales)	260,000
Loan Repayments	83,000
Balance from last year	47,000
	<u>£2,380,000</u>

This leaves an amount of £370,000 to be raised later in the year. In addition to the money that has been made available for works, a recent loan will provide, approximately, £550,000 for funding Treasury bills. The result of the two most recent loans indicates there is a lot of money available for investment, but, unfortunately, a relatively small amount is finding its way into industry and consequently industry is not absorbing any large number of the unemployed. Whilst this position exists, it will still be necessary for Governments to provide employment for large numbers of workers and this can only be done by a judicious use of loan money. The appropriations covering excesses under "Advance to Treasurer" for the year 1932-3 call for very little comment as they merely give approval for expenditure that was incurred in the last financial year. Last year the estimated revenue was £8,417,577 but the actual receipts only amounted to £8,332,153, a shortage of £85,424. The estimated expenditure was £9,181,243 and the actual expenditure totalled £9,196,234, or an excess of £14,991 over the estimate. The deficit was estimated to be £763,666 but the actual deficit amounted to £864,081, or an excess of £100,415. When the Government assumed office in April last, it was realised that it would be impossible to keep within the agreed deficit limit of £765,000, and representations were made to the Loan Council, with the result that it was agreed that further accommodation to the extent of £100,000 would be provided.

The estimated revenue for this year is £8,541,402 and the estimated expenditure is £9,289,867, leaving a deficit of £748,465. The estimated revenue thus shows an increase of £209,249 as against last year's. The increased revenue is expected chiefly from taxation which is estimated to show an increase of £253,485 over that of last year. It is estimated that the increases will be—

	£
Land Tax	4,037
Dividend Duty	46,386
Totalisator Duty	2,709
Stamp Duty	3,453
Probate Duty	8,005
Financial Emergency Tax	197,664
Other	241
	<hr/>
	£262,495

Income tax receipts are expected to show a decline of £9,010, thus leaving a net increase

in taxation of £253,485. It is also anticipated that Territorial revenue will show an increase of £12,849; Law Courts, £2,805 and Public Utilities, £138,543. As against these increases, however, it is expected that departmental revenue will show a decline of £298,433, made up of General, Departmental and Trading Concerns £30,527, Royal Mint £1,147, and Treasury £266,759. The falling off in Treasury revenue is mainly due to the fact that the fund which was built up to meet losses on Group Settlement has now become exhausted. When the Government were previously in office, transfers from revenue were made to a special reserve fund to meet these losses and when we vacated office in 1930, the reserve amounted to £711,504. When the last Government found that interest collections from group settlers were declining rapidly, they decided to utilise the reserve to make good the deficiency in the amount of interest due by the scheme and transferred—

£185,287 in 1930-31
£199,925 in 1931-32
£297,975 in 1932-33

The result is that the reserve is now practically exhausted, and, consequently, there is nothing with which to augment the Treasury's interest earnings for that year, with the result that £266,759 will have to be found to meet interest commitments from this source. The estimated expenditure for this year shows an increase of £93,633 as compared with that of last year. The actual expenditure for last year was £9,196,234 and the estimate for the year is £9,289,867. The main increases are:—

	£
Loan Acts, interest and sinking fund	107,997
Other special Acts	21,839
Governmental	28,190
	<hr/>
Total	£158,026

It is anticipated that there will be a saving in expenditure on Public Utilities of £64,393 and this will leave a net increase of £93,633. Other anticipated increases are—

	£
Agriculture	3,461
Police	5,189
Child Welfare and Unemployment Relief	9,891
Miscellaneous	6,496

As against these increases, it is anticipated that savings will be effected in Governmental expenditure to the extent of £53,682. Of

this amount, it is expected that savings in exchange on account of the fall in exchange between the American dollar and sterling, and the conversion of the overdraft with the Commonwealth Bank, into Treasury Bills at a lower rate of interest, will amount to £29,963. The expenditure of the Electoral Department will be £3,868 less and the decision to transfer the upkeep of the Wooroloo Sanatorium to the Hospital Fund will result in a net saving of £14,677. It is also expected to effect a saving in connection with Public Utilities by an adjustment in the expenditure on account of relaying, which for many years has been charged to a Suspense Account, and the total expenditure was charged to revenue in equal annual amounts over a period of years. The Treasury is now making an effort to bring its account on to a strictly cash basis in order that the true position may be revealed and so discontinue the operation of Suspense Accounts. This change of system will, with other minor economies, mean a saving of £98,162, but against this, certain other utilities will show increases. The Metropolitan Water Supply Department will require £5,492 for delayed repairs to meters, etc. The Government Ferries have now been brought under this section of the Estimates and £5,696 must be provided for them. Increased activities in connection with electricity supply are estimated to cost £8,003, and the increased activity in the gold-mining industry has caused increased expenditure on State Batteries of £12,873. Certain other minor increases are estimated to cost £1,701. This will leave a net decrease in Public Utility expenditure of £64,393. There is also an estimated saving of interest on loans, amounting to £73,871: to this must be added an amount of £18,468 as savings in exchange, making a total saving of £92,339. This is due to the conversion of £2,716,302 of 6 per cent. stock to 4 per cent. and £1,049,993 of 5¼ per cent. stock to an effective rate of £3 18s. per cent. This saving does not, however, affect the budgetary position, as an agreement was made with the Loan Council in June last, when the deficits were being fixed, that any savings made through conversions should be used to reduce the stipulated deficit.

An amount of £269,000 is set aside for harbours and rivers. It is proposed to expend £40,000 on the Bunbury Harbour in extensions to the breakwater, and in dredging. The North Wharf at Fremantle required reconstruction as it was in a pre-

carious condition and maintenance costs were becoming increasingly heavy. To the end of October 1,100 feet out of the total of 2,450 feet had been reconditioned; £100,000 has been allocated for the continuance of this work and for dredging. It is also proposed to spend £70,000 in improvements to the Geraldton Harbour. Expenditure will be mainly confined to breakwater work, so as to provide improved shelter to shipping. The existing jetty at Esperance has also outlived its usefulness and is in a state of decay. It is now proposed to spend £40,000 in the provision of adequate shipping conveniences. The sum of £50,000 is provided for water supply for towns generally. The provision for the development of agriculture approximates that of last year. The provision of £100,000 for the development of mining is fully justified in view of the wonderful recovery that industry has made owing to the high price that is now being received for gold.

One other item that shows a large increase is the provision of £100,000 for public buildings. As members are aware, public buildings have been entirely neglected for a number of years, and the time has now come when renovations and, in some cases, additions, must be proceeded with in order to preserve the buildings against further decay and depreciation. The allocation of the money available has been made, as far as possible, to increase employment on works that will prove reproductive. In this way, the number of unemployed will be reduced and moneys will be circulated with a consequent result of a further step towards the rehabilitation of industry.

It is not my intention to rush this Bill through without giving members time to consider it and, if necessary, seek information. In order to enable them to do so, I will bring the Bill up from time to time before the closing days of the session. Owing to the highly technical nature of the matter dealt with, I shall be pleased if members will give me an early indication in regard to any further information they may require, so that I may have sufficient time in which to obtain it for them. I move—

That the Bill be now read a second time.

On motion by Hon. J. Nicholson, debate adjourned.

House adjourned at 9.49 p.m.