

The MINISTER FOR WATER SUPPLY: No, it is like asking for a cheap toy. Towards the end of his speech the hon. member told the House with considerable emphasis that for the balance of his time in this House he would fight a battle for the flat rate. The hon. member came into the House in 1932 and was stirred by the appeal from Norseman in 1941, so I think he is culpably late in starting this great campaign. Nevertheless, the Government is prepared to assist the hon. member if it can find a way. I know his heart is in this fight for a flat rate, but I wish that he had started it years ago for we might now be reaping the benefits.

Hon. A. H. Panton: He did start it years ago. I can tell you that!

The MINISTER FOR WATER SUPPLY: The motion as it stands is likely to be abortive if it is accepted, and I think the hon. member will agree that it would not in the slightest degree advance the requirements he has in mind. Therefore I desire to assist the hon. member and intend to ask the House to amend the motion in a way that will—

Mr. Hegney: Settle it!

The MINISTER FOR WATER SUPPLY:—give it some substance and some hope of a successful issue.

Mr. May: Anything but water.

The MINISTER FOR WATER SUPPLY: The hon. member must treat the motion seriously.

Hon. A. H. Panton: You ought to set an example.

The MINISTER FOR WATER SUPPLY: Therefore I move an amendment—

That all words after the word "House" in line one be struck out with a view to substituting the following words: "There should be an immediate investigation into the practicability of charging a flat rate for all Government controlled water supplies in Western Australia and that the result of such investigation should be referred by the Treasury to the Grants Commission with a view to ascertaining what detriment (if any) financial assistance from that source would suffer as a result."

On motion by Mr. Kelly, debate adjourned.

*House adjourned at 11.3 p.m.*

## Legislative Assembly.

Thursday, 28th July, 1949.

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

### QUESTIONS.

#### LOCAL AUTHORITIES.

*As to Finance for Provision of Plant.*

Mr. FOX asked the Minister for Works:

(1) Did his department set aside a sum in the vicinity of £60,000 to provide plant for local authorities?

(2) From what source was this money obtained?

(3) How much of this sum was allocated to local authorities?

(4) What are the names of such local authorities that were given money from this fund, and how much was provided for each?

(5) What became of the balance of this fund?

The MINISTER replied:

(1) Yes, during the years 1947-48 and 1948-49.

(2) The Commonwealth Aid Roads and Works Act, 1947, Clause 6 (5).

(3) £12,000.

(4) The £12,000 was allocated as follows:—

Board.	Amount.
Esperance .. ..	£400
Menzies .. ..	£400
Mt. Magnet .. ..	£300
Yalgoo .. ..	£300
Meekatharra .. ..	£300
Leonora .. ..	£300
Cue .. ..	£300
Yilgarn .. ..	£300
Ashburton .. ..	£500
Upper Gascoyne .. ..	£500
Murchison .. ..	£500
Port Hedland .. ..	£500
Roebourne .. ..	£500
Tableland .. ..	£500
Gascoyne-Minilya .. ..	£500
Nannup .. ..	£300
Greenbushes .. ..	£300
Denmark .. ..	£400
Marradong .. ..	£300
Cuballing .. ..	£300
Tambellup .. ..	£300
Woodanilling .. ..	£300
West Arthur .. ..	£300
Mukinbudin .. ..	£500
Westonia .. ..	£500
Dandaragan .. ..	£300
Mt. Marshall .. ..	£500
Koorda .. ..	£500
Kent .. ..	£400
Wandering .. ..	£300
Nungarin .. ..	£400
	<hr/>
	£12,000

(5) Balance has been reserved for purchase of heavy road construction plant for plant pools.

### PUBLIC SERVICE.

*As to Employment of F. Gregson.*

Mr. GRAHAM asked the Minister for Forests:

(1) Is Mr. F. Gregson still employed in the Public Service?

(2) If not, when did he leave?

The MINISTER replied:

(1) No.

(2) His resignation was accepted as from the 31st December, 1948, after twelve months' leave without pay.

### TIMBER.

(a) *As to Associated Timber Industries of W.A.*

Mr. GRAHAM asked the Minister for Forests:

Who comprise, or what interests are represented on, the body known as the Associated Timber Industries of W.A.?

The MINISTER replied:

The following sawmillers and timber merchants are members of the Associated Timber Industries of W.A.:—

Millars' Timber & Trading Co. Ltd.  
State Saw Mills.  
Bunning Bros. Pty. Ltd.  
The Kauri Timber Co. Ltd.  
Worsley Timber Pty. Ltd.  
Whittaker Bros. Pty. Ltd.  
Douglas Jones Pty. Ltd.  
The Adelaide Timber Co. Ltd.  
Anderson's Timber & Hardware.  
Joiners Ltd.  
W.A. Salvage Pty. Ltd.  
Buckingham Bros.

(b) *As to Trucks for Haulage.*

Mr. GRAHAM asked the Minister for Transport:

(1) What number of railway trucks for the haulage of timber was ordered between the 1st June last and the present time?

(2) How many were supplied?

The MINISTER FOR WORKS (for the Minister for Railways) replied:

(1) 4,932.

(2) 2,363, but it is desired to point out that trucks ordered on any particular day and not supplied are generally ordered again on the following day, for which reason the reply to Question No. (1) gives a figure which would be substantially in excess of the number actually required.

### RAILWAYS.

(a) *As to Building Improvements at Northam.*

Hon. A. R. G. HAWKE asked the Minister for Railways:

(1) What improvements, including the provision of amenities, are proposed to be made to the railway buildings at Northam?

(2) When is any of the proposed work likely to be commenced?

The MINISTER FOR WORKS (for the Minister for Railways) replied:

(1) (a) Improve natural lighting at loco workshops.

(b) Amenities building for—(i) Traffic and Permanent Way employees; (ii) Loco employees; (iii) Works and Buildings employees.

(c) Enlargement of District Engineer's Office.

(d) Reorganisation of running sheds and repair depot.

(2) Material is now arriving on site; designs are being prepared; works have just been authorised, but their commencement is in abeyance pending decision on standard gauge proposals.

(b) *As to Caron Refreshment Room.*

Mr. BRAND asked the Minister for Railways:

(1) Is it the intention of his department to replace the burnt out refreshment room at Caron?

(2) If not, what alternative facility is intended to provide reasonable meals for passengers on Wongan train travelling between Mullewa and Perth?

(3) Would not a dining-car provide the necessary service?

The MINISTER FOR WORKS (for the Minister for Railways) replied:

(1) No, as anticipated alteration to service will rule out the need for refreshments at Caron or in that vicinity.

(2) Light refreshments at Goomalling and Burtine. Hot meals are available at Mullewa refreshment room.

(3) Yes, but a dining-car is not available at present.

#### MOOLA BULLA STATION.

*As to Building Programme.*

Hon. A. A. M. COVERLEY asked the Minister for Native Affairs:

Is he aware that the building programme of homes for natives at Moola Bulla has not yet commenced?

The MINISTER replied:

Yes. As previously stated, certain materials have been acquired and the construction is expected to commence when the final mob of bullocks for the meatworks is on the road.

#### GRASSHOPPER PEST.

*As to Aerial Spraying.*

Mr. KELLY asked the Minister for Lands:

(1) In view of the statement made by the Honorary Minister for Agriculture, which was published in the Press on the 5th May, 1949, in connection with aerial spraying as a means of eradicating grasshoppers, will he state who the authorities were that persuaded him that aerial spraying for the destruction of insects and weeds was impracticable?

(2) What were the reasons advanced?

(3) Has any application been made to the Commonwealth Government for financial assistance in combating grasshoppers by aerial spraying?

(4) Has the possible use of helicopters been fully investigated, and what was the result?

The MINISTER replied:

(1) Government entomologists and agricultural officers in New South Wales and Victoria. No statement was made that spraying of weeds was impracticable. The Minister stated that crop spraying had been successful.

(2) Reasons are stated in Press report of the 5th May.

(3) No.

(4) Yes. It is considered by expert authorities that the use of helicopters would be successful in spraying grasshoppers. This information is given in the Minister's statement of the 5th May.

#### SERVICEMEN'S LAND SETTLEMENT.

*As to Allotment of Farms.*

Mr. REYNOLDS asked the Minister for Lands:

(1) How many unmarried men have been allotted farms under the Land Settlement Scheme?

(2) How many married men without children have been allotted farms under the above scheme?

(3) How many married men with children have been allotted farms under the scheme?

The MINISTER replied:

For the period ending the 30th June, 1949:—

- (1) 24.
- (2) 40:
- (3) 290.

### FISHERIES.

*As to Assistance to Canning Companies.*

Mr. MANN (without notice) asked the Minister for Industrial Development:

(1) What financial assistance has been given by the Department of Industrial Development to—

(a) Ocean Canning Co.

(b) Hunt Canning Co.?

(2) If financial assistance has been given, will the Minister lay on the Table of the House all papers relating to these companies?

The MINISTER replied:

(1) Westella Canning Co. and Ocean Canning Co. have both been the property of the same proprietor.

Westella Canning Company: £600 loan approved, November, 1939; repaid in full, August, 1943.

Ocean Canning Company: £600 loan approved, September, 1941; repaid in full, August, 1943. £467 18s., August, 1948; repaid £467 18s., 27th July, 1949. £18 18s. 3d. still outstanding on account of interest.

Hunt Canning Company: No advances made.

(2) No.

### CHILD DELINQUENTS.

*As to Imprisonment.*

Mr. ACKLAND (without notice) asked the Minister for Education:

Is he aware that an article appearing in today's issue of the "Daily News" reports the State president, Mrs. B. M. Rischbieth, as having stated at the Women's Service Guilds Annual Conference, that Western Australia was the only State where children of 14 were sent to an adult prison for doing wrong?

The MINISTER replied:

The hon. member was good enough to mention this matter to me in advance, and I have obtained some information in the

nature of a letter from the magistrate of the Children's Court, which I cannot do better than read. It states—

The statements therein attributed to Mrs. B. M. Rischbieth are misleading and far from the actual facts.

To say that there is not a single place to which delinquent children can be sent is not correct. As you know, the Salvation Army will always receive boys committed from the Children's Court and likewise the Home of the Good Shepherd the girls committed.

As regards sending girls to prison, I am attaching a summary made up from figures obtained by me from Mr. Stitfold. These show that over the last 51 years only one girl of 14 years of age was sent to prison and she was a native. I am told the girls committed to prison during the war years were so committed because they were found to be suffering from venereal disease and the soldiers, and the girls themselves, had to be protected.

As you know, no child is ever committed to prison by me unless every other avenue of reformation has been exploited, and then only when it is necessary for the protection of the public.

The return submitted by the magistrate reveals the number of female children committed to prison over the last 51 years. This shows that one child aged 14 years (a native child), eight children aged 15 years (two natives and six whites), seven children aged 16, (two natives and five whites), and 19 children aged 17 (two natives and 17 whites) were imprisoned in the period of 51 years. To date this year no child has been ordered imprisonment.

### BILL—ELECTORAL ACT AMENDMENT (No. 3).

*Second Reading.*

**THE ATTORNEY GENERAL** (Hon. A. V. R. Abbott—North Perth) [4.47] in moving the second reading said: This Bill seeks to amend the Electoral Act in three directions. As the Act now stands, Subsection (3) of Section 17 provides that a member of the Legislative Assembly and his wife may claim to be enrolled for the district represented by that member. As a result of the Redistribution of Seats Act passed last session, the present electoral districts in a number of instances have been amalgamated with or have had added to them portions of other districts. For instance, the district of Perth will cease to exist, but portions of that district have been added respectively to North Perth, East Perth and West Perth.

It is thought desirable that if a member seeks election for any district that comprises portion of his old electorate, he should have the right of enrolling for the new district. The first amendment proposed by the Bill provides for this.

The next alteration proposed is to Subsection (1) of Section 100. Under the Act, the Minister may appoint such polling places for each province or district as he considers necessary, but I have been advised that he is limited to the extent that a polling booth for any electoral district or province must be located within such district or province. There are occasions when the convenience of the elector would be met if a polling booth could be established for a district or province outside of such district or province, but adjacent thereto. So the alteration is to enable the Minister to approve of a polling booth for an electoral district or province to be situated outside of such district or province. The next amendment relates to Section 119, Subsection 1 (a), which requires that the presiding officer shall put to any person claiming to vote at an Assembly election the following question:—

Do you live in this electoral district?

If the previous amendment is passed, in other words if a polling booth is permitted to be located outside a district, that question would be inappropriate, so this Bill seeks to amend it so that it will read as follows:—

Do you live in the electoral district for which you claim to vote?

In addition, under Section 17 of the Act persons who have lived continuously for six months in Western Australia, and have resided in any district for three months, are entitled to vote for that district. They are also entitled to vote for the district notwithstanding that they have ceased to reside in it for a period of three months. Under Section 119, Subsection 1 (b), if the first question, "Do you live in this electoral district?" is answered in the negative, then the additional question, "Have you within the last preceding three months bona fide lived within this electoral district?" must be answered.

Hon. F. J. S. Wise: According to the Act, the period is six months.

The ATTORNEY GENERAL: But the question says, "three months." The qualification stated by the Leader of the Opposi-

tion is correct. I suggest that a consequential amendment should have been made when the parent Act was amended, but that was not done. The Bill seeks to alter "three months" to "six months," in the question and to alter the words "this electoral district" to "that district." The other amendments in the Bill are consequential. move —

That the Bill be now read a second time

On motion by Hon. F. J. S. Wise, debated and adjourned.

## BILL—INCREASE OF RENT (WAIVER OF CERTAIN RESTRICTIONS) ACT AMENDMENT (No. 4).

*In Committee.*

Mr. Hill in the Chair; the Minister for Housing in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—Sections 18F to 18L added:

Mr. STYANTS: Would the Minister inform members what the position would be in a case of the kind I now propose to mention? A person had a house which cost £1,000 prior to the commencement of the 1939 war. Recently the house was sold to an investor for £1,600. The rent was pegged on the £1,000 which was estimated to be the worth of the property in 1939, and the rent was 30s. Is the fact that the house has been purchased for £1,600 sufficient reason for application to be made to the Fair Rents Court for an increase in the rent permitted to be charged to the new tenant?

The MINISTER FOR HOUSING: I would not in my opinion be a ground for obtaining from the Fair Rents Court an increase in rent if the rent is one which is pegged by virtue of the house having been let in 1939. By existing regulations, in such a case, the purchaser is not able to apply for possession until after the expiration of six months from the time of the purchase.

Mr. Styants: I am only concerned about the increase of rent.

The MINISTER FOR HOUSING: The increase of rent would not be allowed.

Hon. F. J. S. WISE: Can the Minister suggest any reference that could be made whereby the court would indicate what would happen if a hypothetical case were put before it?

**The MINISTER FOR HOUSING:** It is not the practice of the courts to pronounce opinions on hypothetical cases, but the section in the Act which is the only one that could be resorted to in these matters empowers the court, if there are special circumstances, to allow an increase of rent beyond the 1939 level.

**Hon. F. J. S. Wise:** It is those special circumstances we are worried about.

**The MINISTER FOR HOUSING:** This would not be a special circumstance in my opinion. The kind of special circumstance the Act had in view was where, for example, a man may have gone away for a period and let his house to a tenant at what might be a caretaking rent or very small rent, or where he let it to a relative at a figure very much below the market value.

**Hon. F. J. S. Wise:** An increase in price because of sale would not be a special circumstance?

**The MINISTER FOR HOUSING:** Not in my opinion.

**Mr. FOX:** Could not the system lead to trickery? I think the proper thing for a person to do who is going away and letting a house to a relative is to ask for a fair rent to be fixed by the court; then if he desired to remit some of the rent after having collected it, that would be up to him.

**The MINISTER FOR HOUSING:** Where the rent is one which is not pegged by existing legislation and the landlord has occasion to decide what rent should be charged, the reasonable course would be to approach the rent inspector and ask him to recommend a fair rent. I think that would be a course open to him and one which would be entirely fair to all parties concerned.

**Proposed new Section 18K:—**Regulations not to apply in certain cases:

**The MINISTER FOR HOUSING:** This has reference to the compulsory resumption of land and to an act being taken in respect of any mortgage, contract, agreement, judgment, debt, obligation, bill of sale, writ of execution or other process. The Parliamentary Draftsman discussed it with me and said he had inserted it but did not think it should appear in this measure. It does not give any relief to an ex-Serviceman or his dependants, but merely provides that when

the proposal in view is what I have mentioned the person seeking to take action may call upon the other party to declare whether or not he is a protected person. In the case of landlord and tenant relations, a provision to that effect already appears earlier in this measure. The moratorium regulations originally contained provisions which related to debts and bills of sale and things of that kind, but they were taken out by the Commonwealth when the Commonwealth Parliament passed the Re-employment and Re-establishment Act. In other words, the position regarding soldiers, outside of landlord and tenant matters, became the subject of this other legislation.

This proposed new section 18K had been in the original moratorium regulations in relation to transactions that were subsequently taken out of the regulations, and I think it has no application to the regulations as they now stand as landlord and tenant regulations. In the relationship of landlord and tenant, the regulations are comprehensive and meet the position as to the protection that an ex-Serviceman could expect under the prior regulations. I also took the opportunity of talking with the chief officer—a solicitor—of the Commonwealth Legal Service Department which advises returned Servicemen. He took the same view, that the proposed Section 18K was not now really relevant for the purpose of Landlord and Tenant Regulations. In the circumstances I propose to delete the proposed new Section 18K as I do not think it gives any protection. It is a survival of Commonwealth regulations which were subsequently removed. I think it can be taken out without any prejudice to the protection granted to ex-Servicemen. I move an amendment—

That proposed new Section 18K be struck out.

Amendment put and passed.

Proposed new section:

**The MINISTER FOR HOUSING:** I move an amendment—

That a new section be inserted as follows:—"18L. Sections eighteen F to eighteen K, both inclusive, of this Act, shall continue in force until the thirtieth day of September, one thousand nine hundred and fifty, and no longer."

I explained earlier that the intention was that this special legislation, in the interests of ex-Servicemen and their dependants,

should continue in operation for approximately a year, and expire on the 30th September next year. That means that if there should be occasion to continue the legislation for a further period this Parliament would have an opportunity of determining that next year in the light of the circumstances then prevailing. I also explained, although this is not part and parcel of the present amendment regarding the period of the special protection to ex-Servicemen and their dependants, that from now on—especially from the period from November next to the end of the following June—a large proportion of ex-Servicemen who are fit, and not in receipt of pensions, will cease to have protection by reason of the expiration of the period of four years from the date of their discharge. Although that is so, I think the present measure will give a reasonable degree of protection, having in mind cases such as that mentioned by the member for Kalgoorlie, and remembering also that when the special protection to ex-Servicemen, which this measure continues for a while, expires, the ex-Serviceman will still have, under the ordinary Landlord and Tenant Regulations, the same degree of protection as is afforded to the civilian. He will, therefore, not be left unprotected, but will still have the protection that is general to all tenants.

Looking at the matter broadly, and from the point of view of those who are not ex-Service people, I think this represents a fair measure of continued protection for the time being. It will afford ex-Service people a breathing space in which to look around and make sure of their future accommodation. In deciding that the legislation, regarding ex-Servicemen and their dependants, shall operate until the 30th September next year, I think we are allowing a reasonable time. A longer period of operation should not be permitted without further consideration by this Chamber, and approval by Parliament.

Proposed new section put and passed; the clause, as amended, agreed to.

Clause 4, Title—agreed to.

Bill reported with amendments.

*Message.*

#### ANNUAL ESTIMATES, 1949-50.

Message from the Governor received and read transmitting the Annual Estimates of

Revenue and Expenditure for the financial year 1949-50 and recommending appropriation.

#### FINANCIAL STATEMENT, 1949-50.

*In Committee of Supply.*

The House resolved into Committee of Supply to consider the Estimates of Revenue and Expenditure for the year ending the 30th June, 1950, Mr. Perkins in the Chair.

**THE PREMIER AND TREASURER** (Hon. D. R. McLarty—Murray-Wellington) [5.20]: This is the third Budget which I have been privileged to present to Parliament. On this occasion the Estimates are being introduced earlier than usual, and for this reason the statistical returns which are customarily distributed for the information of members are not yet available. I regret that members have no opportunity to peruse these useful tabulations at present, but assure them that endeavours are being made to issue the statements at the earliest possible date.

Hon. F. J. S. Wise: Before the House rises?

*Changed Status of State Budgets.*

The PREMIER: Yes. In placing before members the facts of our present financial position, and the anticipated developments during 1949-50, I cannot avoid reflecting on the changed status of State Budgets. There was a time when those Budgets embodied decisions that largely determined the direction and total flow of money for Government revenue purposes, and when the fundamental problem of a State Treasurer preparing his Annual Estimates was to adjust revenue to the expanding public expenditure requirements of the people of the State. It is true that, even before the introduction of uniform taxation, there were limitations on the ability of Governments to increase revenue. Nevertheless, it was a fact that, within those limitations, Governments were able to make their own financial arrangements for the implementation of new measures of policy. Nowadays the problem is different. Commonwealth reimbursement payments replace the flexible system of State income taxation. Although adjustable, these revenues are determined within the rigidities of a formula and are not subject to modification in accordance with the requirements of policy.

Mr. Graham: But you get additional grants, of course.

*Indirect Taxation at Optimum Level.*

The PREMIER: Flexibility is equally lacking in other types of revenue. Indirect taxation has probably already reached the optimum level and the charges of business undertakings can be varied only insofar as is justified for the purpose of offsetting increased costs of operation. Our only other significant item of revenue is the special grant received from the Commonwealth, the amount of which is determined by the recommendations of the Grants Commission. There is only a restricted scope for the adjustment of expenditure to rising costs. The bulk of the increase in costs is due to variations in salaries and wages, and so long as the upward spiral of prices and wages continues the burden on the Budget will grow. The recent adjustment of the basic wage will add a further heavy burden to our commitments for the current year, but I am hopeful that, before the end of the period, inflationary factors will have spent their forces.

Mr. Rodoreda: What makes you hope that?

The PREMIER: The hope is due to the fact that goods are becoming more plentiful.

Mr. Rodoreda: Particularly for housing!

The PREMIER: Even there we can expect improvement. When the coal strike is over I think there will be more peace in industry, and some overseas prices are already falling.

*Budget Results for 1948-49.*

Anticipating that costs would show substantial increases during 1948-49, I made adequate provision in last year's Budget to cover prospective increases in expenditure due to adjustments of the basic wage and related costs. During the year, however, there were important developments that could not be foreseen at the time when the Estimates were prepared. These were the reduction in the earning capacity of the railways, which, besides affecting revenue collections, was responsible for additional expenditure on subsidies for the transport of superphosphate by road, additional commitments in connection with the provision of hospital services, abnormal maintenance expenditure incurred by the State Shipping Service on the "Koolinda" and further increases in railway expenditure.

*Increase in Deficit.*

In the result the deficit incurred in 1948-49 was £700,000 more than the £165,000 that had been contemplated in the Estimates. Revenue for the year, amounting to £20,561,009, was £865,000 less than expenditure which, totalling £21,425,000, included £47,552 for the adjustment of the 1946-47 deficit. The significance of this book entry will be explained when I deal with the special grant received from the Commonwealth on the recommendation of the Grants Commission. Revenue and expenditure reached new peaks, the figures exceeding those of the previous year by £2,851,000 and £3,363,000 respectively.

Hon. F. J. S. Wise: Up 100 per cent. in 10 years!

*Revenue.*

The PREMIER: Yes. The total revenue for 1948-49, estimated at £20,327,000, was £233,000 less than actual collections, of which approximately 42 per cent. was received in payments from the Commonwealth by way of a special grant of £3,600,000, income tax reimbursement to the extent of £4,495,000 and interest contributions under the Financial Agreement amounting to £473,432. The only variations from the estimates in these amounts was in income tax reimbursement, where a revision of the Statistician's preliminary calculations for the allocation of the aggregate reimbursement resulted in this State receiving £6,000 more than had been expected.

*Special Commonwealth Grant.*

The special grant which we receive from the Commonwealth Government has grown to such an extent that last year, amounting to £3,600,000, it was the third largest item of State revenue, being exceeded only by railway revenue of £5,161,218 and the income tax reimbursement of £4,494,632. I can understand members asking for how long these substantial grants will be paid, and whether we can expect to receive an increasing grant if our financial position does not improve. The answer to these questions depends on the recommendations of the Grants Commission, and the willingness of the Commonwealth Government to accept them. I feel, however, that so long as we have a condition of continuing rising costs, the claimant States can reasonably expect to receive



adequate assistance from the Commonwealth Government provided, however, that the charges imposed for governmental services, and the expenditure on social services, are in line with those of the standard States.

Hon. F. J. S. Wise: And also provided, surely, that the Commonwealth does not reduce its taxation and if it is within its capacity to pay.

The PREMIER: I should not think there is much chance of even the standard States reducing their taxation under present conditions; not to any substantial extent, at any rate. In accordance with the policy adopted since the standard States began to incur post-war deficits, the Commission, in recommending the grants to be made last year, provided for payment in 1948-49 of amounts somewhat less than those which the Annual Estimates of the claimant States indicated as necessary to balance their budgets. In the case of this State, the Commission envisaged that we would be required to face a deficit of £165,000, after payment of the recommended grant. In 1946-47 and 1947-48, when faced with a similar situation, this State applied to the Commonwealth for a further review of its position by the Grants Commission. This, in fact, was the action taken last year by South Australia and Tasmania, which States also suffered a financial deterioration not envisaged in their 1948-49 Estimates.

#### *As to Supplementary Grants.*

In these circumstances, the decision of the Government not to make a supplementary application for 1948-49 has naturally raised questions about the reasons for that decision and its effect on the financial interests of the State. In order that there shall be no misconceptions in the matter, I propose to explain in some detail how it was that the State suffered no prejudice through the absence of a supplementary grant, and why it would have been inappropriate to have requested such assistance. Members may recall that the Commission, in recommending a grant for payment in a specific year, has hitherto been concerned with assessing the amount required by a claimant State for its needs in that year. Unfortunately, the Commission is never in a position to assess those needs with precision until it has the final audited figures for all the States for the year in question. It is thus able to establish

"budget standards," and standards of revenue and expenditure. As the review of the final audited figures cannot be completed until after 12 months from the end of the year of payment, there is a "lag of assessment" of two years, between the time when payment is made and when its adequacy can properly be ascertained.

From the fact that the grants recommended for payment in a specific year had been based in the first instance on the final audited figures of two years previously, it followed that in a period of financial retrogression a recommendation on this basis would be inadequate for current needs. The Commission, in an endeavour to overcome the difficulty, provided for a system of advance payments. Even with this provision, however, it was found impossible to anticipate the indispensable needs of the claimant States, particularly when there was a serious deterioration in their finances between the time of the Commission's recommendation and the end of the financial year concerned. To overcome this further difficulty, the Commission provided for payment of supplementary grants when the annual financial results could be ascertained with reasonable accuracy. Hitherto, no State has been able to afford to withhold an application for a supplementary grant when a deterioration in its finances rendered inadequate the original amount recommended for payment by the Commission, because any deficit that arose in this way would have to be carried by the State for an indefinite period, this being an implied consequence of the procedure whereby the Commission, in recommending a grant for payment, had sought merely to provide for indispensable needs in the year of payment.

Hon. F. J. S. Wise: You expect, under that arrangement, that your deficit will be recouped before your general grant is made?

#### *Deficit will be made Good.*

The PREMIER: Yes, the deficit will be made good, taking into consideration the lag. While supplementary grants reduced the size of deficits incurred by the claimant States, the fact was that States entitled to a balanced budget were still unable to make ends meet. However, here the difficulty was the need felt by the Commission to establish a margin of safety in its recommendations in case the requirements of the claimant States should prove subsequently to be in

excess of assessed needs. The margin of safety has necessarily been reflected in the deficits of the claimant States. In 1947-48, for example, the State, after receiving a supplementary grant of £1,000,000, was left with a deficit of £352,000, and there was a small deficit in the previous year's accounts after we had received our supplementary payment. The last report of the Commission, which contained our final assessment of needs for 1946-47, showed that we were entitled at least to a balanced budget in that year, and the same condition would probably have applied in 1947-48. For confirmation of this, however, we shall have to await the Commission's report, which should be available about September.

We thus had a position where claimant States entitled to a balanced budget, went into deficit even when they had received supplementary grants. Moreover, these deficits would continue to accumulate until such time as Budgets began to improve, and when the lag in assessment would begin to operate in an opposite direction. It is conceivable, but unlikely, that under those circumstances the deficits incurred during the period of financial deterioration would be matched by offsetting surpluses. Believing that this possibility could be discounted—at least so far as the less distant future was concerned—we submitted to the Commission proposals for an alteration in its procedure with a view to avoiding the growth of deficits through the lag in assessments. After much discussion with the Commonwealth Treasury and the States, the Commission has agreed to the proposals. Briefly, they are—

(a) In recommending a grant for payment in a specific year, the Commission will make an estimate of the indispensable needs for that year.

(b) In addition, the Commission will provide for the payment of a sum sufficient to recoup any deficit incurred during the year of review (two years previously) up to the amount by which the payment for the indispensable needs of that year fell short of the actual requirements as subsequently assessed.

#### *As to Recoup of Deficit.*

As a result of this change in procedure, the State will receive this year, on the recommendation of the Commission, not only the amount required for current indispensable needs, but also a recoup of a part or the whole of our deficit for the year of payment two years previously, i.e., up to

£352,000. It is a reasonable assumption, as I have already suggested, that the calculations now being made by the Commission will show that the assessed needs of the State in 1947-48 will exceed the payments recommended in that year by more than the amount of our deficit. If this be the case, we will be entitled to a recoup of the full amount of the deficiency of £352,082. As to the deficit incurred last year a similar procedure will be adopted when 1948-49 becomes the year of review for the purpose of the Commission's calculations, i.e., next year.

#### *As to the 1946-47 Deficit.*

Since the change in procedure did not officially operate last year, our grant for 1948-49 contained no specific provision for the recoup of deficit of £47,552 incurred in 1946-47. Despite this, however, it has been possible to arrange for the deficiency to be accorded the same treatment as that proposed in connection with subsequent deficits, by providing in last year's expenditure for the reduction of the accumulated deficit by £47,552. Actually, the figure of the accumulated deficit was not affected by this book-keeping transaction, the purpose of which was simply to ensure that when 1948-49 becomes the year of review we will be recouped for the whole of the 1946-47 deficit, as well as for that portion of the 1948-49 deficit which arose out of the current deficiency of payments on needs. In view of the change in the Commission's methods, it may be asked why it should have been necessary for South Australia and Tasmania to apply for, and the Commission to recommend, the payment of supplementary assistance on those applications.

Hon. F. J. S. Wise: Made in anticipation of a deficit?

The PREMIER: Yes, and I will go on to explain further why it did so.

The fact was that, with their cash resources nearing depletion, as a result of the rapid deterioration in their Budgets, the other claimant States could not afford to wait for the Commission to adjust their accumulated deficits at a future date. This State, with relatively favourable cash balances, was able temporarily to continue the financing of its revenue transactions, and hence had no need to make an application for a supplementary payment.

### *Other Taxation.*

Other taxation improved on the Estimates by £210,000 with collections under each head showing increases. Probate duty, estimated to return £275,000, rose by £87,000 to £362,000 owing to the increased number of large estates assessed for taxation. Of the same order was the increase in stamp duty, which yielded £531,000 or £81,000 more than had been expected, the variation being largely due to greater real estate activities and improved commercial business. Collections from totalisator duties and liquor licenses exceeded the estimates by £18,000 and £13,000 respectively, while in land tax an increase of some £10,000 reflected good progress in the issue of assessments under the new rates of tax.

### *Territorial and Departmental.*

Territorial revenue from timber, affected by reduced sandalwood sales, was £27,000 less than the estimates, but increases in other territorial collections more than offset this decline. Mining collections at £42,000 were £6,000 above the estimate while in "Territorial Land" the total collections of £328,000 represented an increase of £28,000. The higher price of wool reflected in pastoral rents, and the increased freeholding of repurchased estates acquired from the Rural Bank, were factors responsible for the variation. Under the heading "Law Courts" the estimates were bettered by £20,000, the rise being due to increased activities and collections from higher fees not provided for in the Budget. From the various departmental sources, our revenue collections for 1948-49 amounted to £2,282,000 or £224,000 more than the amount anticipated in the Estimates. The main variation occurred in miscellaneous Treasury revenue, which, totalling £1,243,000, exceeded the estimate by £189,000. An important element of this increase was additional interest collections from the Rural Bank agency section. Other departmental revenue was generally above the Estimates, the only noteworthy exception being in the Forests Department collections, which were affected by reduced production of firewood.

### *Business Undertakings.*

Revenue from business undertakings as a whole fell short of the estimate by £243,000. Transfers to revenue on account of trading concerns rose from £114,000 to

£122,000, but public utility earnings declined from the estimated total of £7,766,000 to £7,516,000. Railways and tramways revenues were in the aggregate £425,000 less than the estimated amounts, despite increases in fares and freights which began to operate early in the year. In railways, collections amounting to £5,161,000 were £339,000 less than the estimate, the decline being largely attributable to the curtailment of train services during the miners' holidays, and to reduced activity during the periods of restricted electricity supply.

Earning capacity was also affected by the need to use locomotive stock for water haulage in country areas affected by the abnormally dry summer. Tramway revenue at £591,000 represented a decline of £86,000 on the estimates. The loss of passenger traffic reflected in these figures was largely due to the electricity restriction. With the exception of Cave House, all other public utilities enjoyed higher earnings than had been anticipated, the largest increase, viz., £94,000, accruing to the Fremantle Harbour Trust. Another substantial increase accrued from metropolitan water supply earnings, which benefited as a result of increased ratings from main extensions and new sewerage areas.

### *Expenditure.*

Provision was made in the Estimates for 1948-49 for expenditure totalling £20,492,000, including an amount of £400,000 under the item "Miscellaneous Services Expenditure," to cover prospective increases in the basic wage. Actual expenditure at £21,425,000 thus exceeded the estimate by £933,000. Factors other than the rise in the basic wage were responsible for the increase, since the special provision of £400,000 was just about adequate to cover the cost of the adjustments that lifted basic rates from £5 15s. 9d. to £6 7s. 1d. during the course of the year.

### *Basic Wage.*

In total the successive quarterly increases in the basic wage were equivalent to an average increase of 6s. per week on the wage which was operating at the time of the preparation of the Estimates. The increase thus absorbed about £330,000 of the total allocation, leaving about £70,000 to cover minor contingencies, such as marginal adjustments in Public Service salaries and the like.

*Expenditure Increases.*

Bearing in mind that the figures of actual expenditure by the departments reflect the effects of basic wage increases during 1948-49, it will be realised that they are not strictly comparable with the figures given in the published Estimates, where the special basic wage provision was not allocated amongst the departments but appeared as a single item in "Miscellaneous Services Expenditure." Thus, to the extent that the increase on the Estimates of expenditure for the individual departments arose from adjustments to the basic wage, they may be regarded as cancelled by an offsetting transfer from the special provision.

*Public Utilities.*

The overall increases on the estimated expenditure under this heading were mainly due to additional costs arising from the operations of the Railways, Tramways and State Shipping Service, and from the provision of hospital services. In Railways, where the total expenditure of £6,788,000 rose £1,116,000 above the figure of the previous year, the published Estimate was exceeded by £513,000. Of this increase, about £360,000 represented additional costs other than basic wage increases. Factors responsible for added costs included the adjustment of coal prices; the increased use of fuel oil due to coal shortages; new awards, involving in some cases retrospective wage adjustments, and additional maintenance work in the Mechanical Branch. Water cartage was also another factor increasing expenditure.

*Tramways Expenditure.*

With regard to the Tramways, the expenditure, which was £75,000 more than the estimate of £610,000, was increased by an amount of almost £60,000 on account of rises in costs other than those of the basic wage. Because the effects of the 40-hour week on staffing arrangements had not been anticipated in their entirety, a substantial proportion of the increased expenditure was incurred in connection with the payment of additional staff. Expenditure on sub-station operations, increased cost of materials and maintenance were also factors swelling expenditure.

*Goldfields Water Supply and State Batteries.*

Of the other public utilities, the Goldfields Water Supply and the State Batteries were responsible for the more important of the increases incurred. The expenditure on State Batteries, which was £81,000, advanced £16,000 on the estimate, largely as the result of increased activity, which was reflected in the higher earnings of the utility. Expenditure on Goldfields Water Supply was £26,000 more than the estimate and was increased by the rising cost of materials and stores, notably firewood.

*Other Departmental Expenditure.*

Ordinary departmental expenditure showed only relatively minor variations from the Estimates, the more noteworthy being the increases in Education and Public Works, which were £31,000 and £37,000 respectively, and the decreases in Agriculture and Crown Law to £23,000 and £14,000 respectively.

In Education there was increased expenditure on bus contracts and furniture, while in the case of Public Works, additional expenditure was absorbed in maintenance works. Agricultural expenditure fell short of the Estimate, largely as the result of the inability of the department to secure additional staff and materials, while in Crown Law the decrease was due in the main to reduced expenditure for price control.

*Miscellaneous Services Expenditure.*

Under this item from which is met the cost of various subsidies and services, we incurred an expenditure of £2,896,000 compared with the Estimate of £2,665,000. The Estimate, however, included the special provision of £400,000 for basic wage adjustments, whereas the actual expenditure on this behalf was met from the Votes of the departments concerned and not from the provision.

Excluding the amount of £400,000, miscellaneous expenditure therefore shows a net increase of £631,000, on the estimated figure. Important elements in this variation were increased payments to the Hospital Trust Fund, the increased provision to meet the loss on operations of the State Shipping Service, and the payment of subsidies for the transport of superphosphate by road.

The acquisition of additional hospital accommodation, the greater patronage of public wards, and increases in the cost of

hospital treatment resulted in the Hospital Trust Fund requiring £147,000 more than has been provided in the Estimates. In the case of the State Shipping Service, the increase of £117,000 in the estimated loss was due to the cost of additional maintenance on the "Koolinda," the need for which was only revealed during the course of the overhaul of the vessel in Victoria. Expectations that subsidies for road transport of superphosphate would be unnecessary during 1948-49 were not realised.

Hon. J. T. Tonkin: I told you they would not be.

The PREMIER: I think the hon. member did. We were obliged to provide an additional sum of £104,000 on this account. Other noteworthy increases in "Miscellaneous Services Expenditure" were in respect of the loss on War Service Land Settlement, which was £54,000.

Hon. F. J. S. Wise: That represents our share with the Commonwealth.

The PREMIER: Yes, that is our share. The other noteworthy increase was in connection with the Reforestation Fund, the amount there being £33,000. The expenditure of £54,000 in connection with War Service Land Settlement relates to 64 dairy farms and represents our first contribution under the Commonwealth-State agreement, whereby the State pays two-fifths of the cost in excess of valuation of the developed properties made available to ex-Servicemen. The additional payment to the Reforestation Fund was largely in compensation for a decreased payment to that fund under Section 41 of the Forests Act.

#### *Special Acts.*

Expenditure under Special Acts was £49,000 less than the estimated amount. Interest and sinking fund payments accounted for £28,000 of the total decrease, the decline in this expenditure being mainly due to the expiry of the period for the payment of certain sinking fund contributions, which had been required under the Federal Aid Roads Agreement. In other Special Acts, the overall reduction of £22,000 was mainly attributable to decreased payments to the Reforestation Fund.

Mr. Marshall: What is the grand total of your interest and sinking fund bill? On your figures, I make it just on four and three quarter millions.

The PREMIER: I cannot tell the hon. member off-hand.

#### *Economic Conditions in 1948-49.*

During 1948-49 the community as a whole continued to enjoy a high level of prosperity. Some temporary setbacks were experienced. In the metropolitan area there was the interruption of power supplies and certain country districts suffered an unusually dry and late summer, but these difficulties, although acutely felt at the time, had no serious repercussions on our rural economy.

Employment, absorbing 167,000 persons in April or 6,000 more than the corresponding number for the previous year, showed successive gains throughout the year, migration helping to increase the number to a new peak level. Wages and salaries payments were also of record proportions, amounting to an estimated total of £58.3 million, compared with £49.6 million for 1947-48. With other produced incomes for 1948-49 of the order of £44 million, the money value of the productive effort of the people of the State is estimated to have totalled some £102 millions or £17 millions more than the amount of £85 millions accruing from production in the previous year.

Hon. F. J. S. Wise: It will have a very big influence once that starts to recede.

The PREMIER: It certainly will.

Mr. Marshall: And you will have to go begging for a few lousy pounds to carry on the business of the State.

#### *Price Increases and Output.*

The PREMIER: The hon. member will be able to discuss that later.

Much of the increase in the value of production was a reflection of higher prices. Export prices, for example, averaged approximately 25 per cent. more than in 1947-48, while there were substantial increases in wholesale and retail prices. Even so, the available indicators show that industry as a whole was able to expand its output of goods and services during 1948-49. Rural and forestry production for the period was greater, and so was the output of coal and gold; building and construction activity increased and manufacturing output of basic building materials also showed improvement on 1947-48. In the important field of commercial electricity generation, there was

some reduction in output, but the decline on 1947-48, however, was less than one per cent.

### *Rural Industry.*

Last year the season, after a belated opening, developed conditions which in the main were satisfactory for agricultural and pastoral production. The present season, in its progress to date, has been similar to that of last year and there are now reasonable prospects of an average crop. Late cropped areas have been favoured by mild temperatures and germination results have been good. While it would be rash to attempt a forecast of our harvest—the area sown to crop is still undetermined—it would appear that we might hopefully anticipate a total wheat yield of about the same order as that of last season, which amounted to 36¼ million bushels.

### *Wheat Prices.*

Prices for wheat have tended to weaken since it became evident that North America would have a large surplus for export. This, and the fact that European crops are good, has lent considerable interest to attempts to formulate an agreement on the International Marketing of Wheat that will be acceptable to the major exporting and importing countries.

Hon. F. J. S. Wise: They become periodical.

The PREMIER: Yes. Under the latest draft agreement, which is intended to cover the four crop years 1949-50 to 1952-53, quotas are to be allotted to importers and exporters in respect of 456 million bushels annually or about half the world's trade in wheat. Buyers would be obliged to take their quotas when prices were at a minimum and sellers to supply quotas when prices were at a maximum. The maximum price has been fixed at 180 cents a bushel at Canadian ports or, say, 11s. 3d. at Fremantle, and the minimum price is the equivalent of 9s. 4d. a bushel in the first year, tapering off to 7s. 6d. a bushel in 1952-53. These prices imply a substantial decrease in the average values realised for exports during the past two seasons. They do not suggest, however, that a return to more normal conditions of supply and demand will mean a decline to pre-war prices.

### *Pastoral Industry.*

Generally the pastoral areas are showing the benefit of useful rains, but in the agricultural districts the delayed opening of the season affected lambing and the pastoral position is backward. Stock, however, are in reasonable condition.

### *Wool Clip.*

For the 1948 season the wool clip is estimated to have amounted to 85 million lb. At the 1948-49 sales, approximately 96.6 million lb. of wool was cleared, realising some £19,461,000 or an average price of 48.3d. per lb. on a greasy basis. This compares with a figure of 39.2d. per lb. for the previous season. At the final wool sales of the season held at the end of last month there were good clearances of offerings at prices almost as high as those of April. So far there has been no indication of a real slackening in demand for wool. World consumption of Dominion wools is reported to be still well above the level of current production and it is also reported that commercial wool stocks overseas are less than normal. This, coupled with the fact that expanded imports of wool are projected by Marshall Aid countries which are planning to increase textile production, suggests that producers can expect to enjoy favourable conditions for some time ahead.

### *Dairying.*

Although the dairying output in 1948-49 was affected by the backwardness of pastures in the closing months of the year, there was none-the-less only a slight decrease in butter production which, at 15½ million lb., was not significantly below the record output of 15.8 million lb. for 1947-48. Pastures are now showing rapid growth and the immediate seasonal prospects seem good.

### *Meat Industry.*

State plans for the development of the cattle industry in the North and of stock-raising in the Southern regions have been engaging the interest of both British and Commonwealth authorities. There is the prospect of a serious decline in the quantity of meat available for export to Britain from Australia and other countries, and this, in the absence of any other consideration would be sufficient to justify efforts to develop our meat industry. Following representations made to the Commonwealth Government, we now have the assurance that

substantial financial assistance will be given for the initial developmental works required in connection with the expansion of beef production in the Kimberleys. As a paramount need in that area is the provision of satisfactory roads, we have been encouraged by the fact that the Commonwealth has agreed to finance the construction of a road system linking the stations of the Ord-Victoria River regions with the meatworks at Wyndham and to share with the State half the cost of improving the main stock routes to Wyndham.

Although only an initial project, the scheme of road construction is nevertheless of major significance in the overall developmental programme, since it will enable the introduction of road transport of cattle with consequent improvements in deliveries and in carcase weight and quality. Other plans include the improvement of station and stock route water supplies, the betterment of facilities and amenities generally, as well as the establishment of irrigated pastures. The feasibility of an early start on the last-mentioned project will probably be determined by tests at present proceeding at the Ord River.

#### *Land Settlement.*

In the safe rainfall areas there is opportunity for the expansion of production on existing farms and for the development of Crown lands to meet the growing world demand for staple foodstuffs, particularly by Britain. The first aim of the Government land settlement policy has been, and will continue to be, the successful placing of ex-Servicemen on farms under conditions stipulated in the War Service Land Settlement Agreement.

Mr. Hoar: How many have you settled on dairy farms yet?

The PREMIER: Let me tell the hon. member something about them. Properties already purchased under that agreement at a cost of £2,307,385 can be subdivided into about 550 farms. The purchase of improved properties will continue, but it will also be necessary to develop considerable areas of Crown land in order to provide farms for all qualified applicants. Such a development, carried out in areas where the climatic conditions are safe and where public utilities, such as roads, railways, schools, hospitals and ports are already available, is believed to be sound policy.

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

The PREMIER: The basic data needed for the initiation of a large-scale land development scheme have been collected and prepared, covering an area of approximately 1,000,000 acres serving the port of Albany. It is believed that districts within this area will be suitable for the production of cereals, wool, meat and dairy produce, practically the whole of which could be exported to Great Britain. Knowledge recently gained as a result of experiments indicates that light lands in other coastal areas of the State enjoying a useful rainfall may be utilised ultimately for agricultural purposes. These experiments will be continued so that all necessary basic information may be available.

#### *Manufacturing Industries.*

Manufacturing activity reached a new peak in 1948-49 when over 37,400 persons, or about 18 per cent. of the population, engaged in gainful occupations found employment in Western Australian factories. Industrialisation in this State has now progressed to the stage where there are more people engaged in manufacturing industry than in farming and pastoral occupations. This contrasts with the position before the war when persons engaged in rural industries outnumbered those engaged in manufacture by over 50 per cent.

While the great expansion of our secondary industries has better equipped the community to meet the situation which would develop if export incomes declined, it has at the same time increased our vulnerability to local sources of economic instability. In an industrialised economy where occurrences such as the recent coal strike have potentialities for far-reaching damage, the decisions of local groups are more important than ever in their effects on the well-being of the community. Unless those decisions can be informed with a sense of social responsibility, our industrial gains may well be stultified.

#### *Developments in 1948-49*

Turning to developments during 1948-49, an outstanding event was the commencement of tractor deliveries from the Chamberlain factory at Welshpool. A number of subsidiary projects are expected to develop through the establishment of this project. Following negotiations initiated by

the Government, the Commonwealth has agreed to sell the Boyup Brook flax mill to the State. The selling price was £50,800, which the Government accepted, because it considered that the continuation of linen-fibre production in this State is essential as a basis for the future development of a local industry to spin and weave flax.

In planning for industrial decentralisation, the Government has been successful in securing the agreement of the two local fertiliser manufacturers to establish a superphosphate works at Albany. The project will probably be in production by 1952, when the output is expected to be at the rate of 40,000 tons a year. Of recent years, the growth of the fishing industry has made a valuable contribution to the development of factory activity outside the metropolitan area. During the current year, the output of canned and frozen fish is expected to show further increases, due to the revival of trawling in the Bight between Eucla and Albany, and to the activities of refrigeration vessels and launches purchased by the Government and made available to ex-Servicemen. The revival of the whaling industry at Point Cloates will also add substantially to the value of fishing output.

#### *New Dollar-earning Industries.*

At a time when the diminishing dollar reserves of the sterling bloc are threatening the possibility of further serious restrictions on importations from the United States, it is gratifying to know that newly-established and projected industrial projects in this State have made, or are promising to make, substantial contributions to the dollar-earning capacity of the Commonwealth. In the case of the industry which is processing crayfish tails for export to America, development has already been pushed to the stage where there is a substantial dollar income. In 1947-48, the Australian currency value of such exports was £26,000; last year, however, there was a sharp rise in the value of consignments, the figure for the nine months amounting to £140,000, which was only £30,000 less than the value of pearlshell shipped to the United States during the same period.

This year the value of exports is expected to show further substantial expansion. Negotiations are at present proceeding in connection with proposals for the establishment of a new industry which

might eventually rank with wool as an earner of "hard" currency. The proposals are for the production of synthetic rice from wheat at the Collie power alcohol distillery and for the sale of the output in the Philippine Islands. The proposals envisage the treatment of 80,000 tons of wheat annually for the production of 50,000 tons of rice substitute and 18,000 tons of bran offals. The latter would be sold locally as stockfood. The Government is negotiating with the Commonwealth for the acquisition of the distillery premises on behalf of the prospective operators.

#### *Trade with U.S.A. and Canada.*

This State is one of the few areas in the sterling bloc which has a favourable balance of trade with the dollar currency countries. During the nine months ended March last we imported direct, or via the Eastern States, goods of United States or Canadian origin to the value of £1,740,000, and in return exported goods valued at £2,690,000 for direct shipments alone. Our gold production for the period, valued at £5,531,000, although not shipped direct to the U.S.A., also represented potential dollar earnings and a proportion of our exports of such commodities as wool and skins consigned to the Eastern States may have been subsequently sold for dollars. Even when allowance is made for the cost of dollar raw materials incorporated in processed goods supplied to us by the Eastern States and various exporters, and for invisible items of trade, such as film hire, shipping services and the like, it is still evident that this State earns more dollars than it spends, and to this extent is helping to sustain the dollar purchases of other parts of the sterling bloc.

Hon. F. J. S. Wise: But it cannot get any separate increased allowance for its dollar earnings, can it?

The PREMIER: Unfortunately, it cannot. The whole of our dollar earnings are taken in conjunction with Commonwealth spending, and requirements generally, as the hon. gentleman knows.

#### *Mining.*

Another new processing industry will be established in the Welshpool area, where the Government is assisting a project which will treat ores for the extraction of tantalum, beryllium, and other metals. Hitherto, in



the absence of local facilities for the treatment of the valuable non-auriferous metals which occur in this State, producers have not always been in a position to get the best returns for the output, which is largely marketed for processing in the United States. The new industry will, therefore, not only contribute to our industrial strength, but will probably result in better returns to producers, and have other beneficial consequences, including the stimulation of mineral output and the increase of dollar exports.

Mr. Marshall: Is this to process minerals on a commercial basis, or is it just an experimental project?

### *Gold.*

The PREMIER: It is to be on a commercial basis. Goldmining activity,—

Mr. Marshall: "Inactivity" you should say!

The PREMIER:—which for 1948 showed a slight decline on that of the previous year, improved in 1949. Production in 1948 at 665,000 oz. was 39,000 oz. less than in 1947, but during 1949 there has been a slight recovery, the figures for the six months ended June—330,000 oz.—showing an improvement of 29,000 oz. on the output of 301,000 oz. for the corresponding period of 1948. Production costs are still high and the difficulties arising therefrom will be increased by the recent rise in the basic wage.

To ascertain whether the Commonwealth would be prepared to reimburse the State Government if it gave financial assistance to the industry, I brought to the notice of the Prime Minister a statement dealing with this possibility that had appeared in the local Press. The Prime Minister's reply left no doubt that the Commonwealth is satisfied that action already being taken to assist individual mines fully meets the position. In view of the importance of the industry to the State economy, I shall continue to press the Prime Minister for greater consideration of the needs of goldmining.

### *Coal.*

A consequence of the increased industrialisation of the economy is the crucial importance of coal production, requirements of which are increasing at a substantially faster rate than population. During 1948-49, the output at Collie was a record at 767,000 tons but, within five years, it will

probably be necessary to increase this amount by another 400,000 tons, to satisfy our prospective needs. To this end, the Government is seeking to expand present output and to establish additional collieries. The Collie marshalling yards will be improved to enable a larger volume of traffic to be handled more expeditiously, and deep diamond drilling operations will shortly be carried out under the supervision of the Mines Department to provide a more adequate appraisal of the resources of the Collie field. At the Irwin River and Eradu deposits, geological examinations are proceeding.

Mr. May: Have they any quality there at all?

### *Other Minerals.*

The PREMIER: I have not any notes here on quality, but of course quality is always the watchword of the Government. Generally there has been considerable activity during the past year in connection with the non-auriferous minerals, and the Government has given financial assistance to operators in certain districts, such as the Ashburton and Northampton lead fields, in order that they might take advantage of a sellers' market. Promising indications for the development of certain beach sand deposits have been obtained as a result of a recent survey, and these have induced several companies to take up leases, to produce such minerals as ilmenite—a valuable paint constituent—zircon and rutile.

### *Yampi Sound.*

At Cockatoo Island, Yampi Sound, operations have been proceeding satisfactorily on the iron deposit, which should come into production around August of this year. In the same region, the oil search continues, and from further south, in the region of North West Cape, there have been recent geological reports disclosing the existence of areas worth the closest investigation.

### *Building Material Supplies.*

Compared with production of the previous year, output of all basic building materials showed improvement during 1948-49, and except in the case of bricks, which have been particularly affected by power interruptions, was higher than in 1938-39. Brick production, however, is increasing, and for the three months ended May—the latest period

for which figures are available—the average output was only three per cent. below the monthly average for the last pre-war year. With building activity showing increases commensurate with the increases in materials output, there has been no relaxation in the pressure of demand on available supplies. Under these circumstances, improvements in the quantity of supplies have not always been apparent to users.

#### *Building Construction and Housing.*

New post-war peaks in building construction were reached during the year, when the number and value of houses and other buildings commenced, finished and under construction, increased substantially on the corresponding figures for the previous year. At the end of March, buildings under construction comprised 2,365 houses and other dwellings of a value when completed of £3,006,000, and other buildings—not including the Royal Perth Hospital and South Fremantle Power House—to the number of 216, and value of £1,514,000.

#### *Housing Target.*

In introducing the Estimates last year, I stated that our housing target for 1948-49 was 3,200 houses, though I expected that the Housing Commission would be able to improve on this figure with some help from the activities of owner-builders. Indications are that these expectations will not go unrealised, preliminary figures and estimates for the last quarter of the year, together with the final figures for the nine months ended March, suggesting that approximately 3,700 houses were commenced during 1948-49, and about 3,200 completed, giving an effective building rate of approximately 3,450. Compared with the previous year, the preliminary figures show an increase of over 600 in commencements, of some 400 in completions and of about 500 in the effective building rate. To this improvement an important contribution was the expanded activity of owner-builders, who are currently responsible for about 25 per cent. of housing operations.

#### *Migration.*

It is unfortunate that the Commonwealth migration scheme, which is regarded as a vital necessity for developing and holding our continent, should unavoidably result in a conflict of national interests. Migration

of the volume envisaged under the Commonwealth scheme will add substantially to our housing requirements and tend to absorb a proportion of those dwellings constructed in excess of normal requirements, which otherwise would have been in reduction of the housing shortage. Unless it is possible to attract to the building industry and its auxiliaries an adequate proportion of the new arrivals, it is apparent that the shortage will be prolonged.

#### *Deficit for 1949-50.*

In budgeting for the current year I have estimated Revenue at £22,670,946 and Expenditure at £23,509,873, thus allowing for a deficit of £838,927. Additional payments from the Commonwealth and better earnings from railway operations account for the bulk of the estimated increase in revenue, which it is hoped will exceed that of 1948-49 by £2,110,300.

Hon. F. J. S. Wise: One hundred per cent. above 1938-39!

The PREMIER: That might easily be so. The Estimates include provision for adjustments to rail freights and fares, as a partial offset to the increased operating costs, which have arisen since the previous adjustment. The only other variation in charges contemplated is an increase in the fares and freights of the State Shipping Service.

Hon. F. J. S. Wise: But not the railways?

The PREMIER: I have mentioned the railways. This, however, is not reflected in the estimates of revenue but in expenditure, where the amount provided to meet the loss on operations of the service is reduced by a commensurate amount. I shall explain these changes in detail when I am dealing with the undertakings concerned.

#### *Income Tax Reimbursement (£5,150,000).*

Last year an amount of approximately £53.7 million was distributed to the States by the Commonwealth as income tax reimbursement, of which this State received £4,494,000 or 8.36 per cent. As members will recall, the total amount for distribution is adjusted each year in accordance with a formula which takes account of changes in the Australian population and in the average wage earnings of employees, as revealed in the pay roll tax returns. Due

mainly to a substantial rise in the wages index, which for the ten months ended April last shows an increase of almost 14 per cent. on the corresponding period for the previous year, the total amount of reimbursement to the States is expected to advance to over £62,000,000 for 1949-50. I expect to receive a total reimbursement payment of about £5,150,000 for the current year, or some £655,000 more than we received in 1948-49.

Hon. F. J. S. Wise: You must be delighted that you have not to find it yourself from internal taxation.

The PREMIER: It would be a large sum for our people to have to pay.

Hon. F. J. S. Wise: You would have to increase taxation in Western Australia in order to get it.

The PREMIER: We will not do that.

Mr. Styants: Give it to Chifley. He will do the job.

#### *Special Commonwealth Grant.*

The PREMIER: I come now to the Commonwealth Grants. Until the Commonwealth Grants Commission presents its report on the current applications of the claimant States, the estimate of the payment which will be received this year by way of special grant from the Commonwealth must be regarded as of a somewhat tentative nature. I have allowed for a total grant of £4,452,083, of which £352,083 represents the estimated amount of the recoup in connection with the deficit incurred in 1947-48, and thus anticipate an increase of £832,083 on the payment of last year.

Hon. F. J. S. Wise: Very different from the old days, when we got half a million.

The PREMIER: There is certainly a substantial increase.

The Minister for Education: And a substantial amount to be paid from it.

The PREMIER: The amount of £352,083 on account of the 1947-48 revenue deficiency will not be taken into the Revenue Fund, but will be directly applied in reduction of the accumulated deficit.

Hon. F. J. S. Wise: What do you think will happen when the standard States become claimant States?

The PREMIER: I think we will reach a stage when there will have to be held that much-advocated convention of which so many people are now talking.

Hon. F. J. S. Wise: You will admit that the trend is that way?

The PREMIER: Yes. The standard States are in deficit today and are complaining, at Premiers' Conferences, about their financial position.

#### *Public Utilities (£8,497,714).*

In 1947-48 earnings of public utilities amounted to £7,515,799, but it is hoped to improve on this figure to the extent of £981,815 during the current year. The major portion of the increase is accounted for by the railways, but revenue from metropolitan water supply, which will reflect increased ratings from new buildings, water main and sewerage extensions, is estimated to yield £30,910 more than last year, while tramway earnings may improve by £58,534 if operating conditions return to normal.

#### *Railways, Charges, etc.*

The revision of charges for railway freights and fares, which operated from the 1st September last year, provided only a temporary relief. In presenting the Budget for 1948-49 I emphasised that the increase in charges, while covering the rise in costs incurred in 1947-48, scarcely made a contribution to the additional costs incurred in the previous eight years. Since then, the increase in costs has been such as to offset much of the increase in earnings accruing from the revised charges, with the result that we have again been confronted with an alarming gap between revenue and normal working expenses. On the basis of current charges, the railways could not expect current earnings to exceed £5½ million. This is £1,600,000 less than the estimated current general expenditure, excluding interest charges, current expenditure on rehabilitation, deferred maintenance, and the like. Bringing interest and other items to account, the actual deficiency on operations is of the order of £3,300,000. Although reluctant to revise charges until the progress of railway rehabilitation permits the provision of improved services, the Government has been unable to postpone action in the face of the further increases in costs which have already occurred or are in prospect.

Hon. F. J. S. Wise: What are you going to do about your concession rates?

The PREMIER: I will tell the Leader of the Opposition what we are going to do about that. Having regard to these circumstances, and in view of the fact that the

Commonwealth authorities have indicated that they regard the relationship between railway earnings and expenditure as an important measure of the degree of self-help which a claimant State is prepared to exercise, the Government has been obliged to provide for further increases in charges. Briefly, it is proposed to increase haulage charges for superphosphate and wheat and its gristed products by  $\frac{1}{2}$ d. per ton mile and to provide for an average overall increase of  $7\frac{1}{2}$  per cent. on other freights.

Hon. F. J. S. Wise: What is the cost per ton mile now?

The PREMIER: On what?

Hon. F. J. S. Wise: Average haulage.

The PREMIER: I understand that the average working expenses costs are 2d. per ton mile. We are carrying superphosphate today for  $\frac{1}{2}$ d. per ton mile and wheat for  $1\frac{1}{4}$ d. per ton mile.

Mr. Styants: I think the average haulage cost per ton mile is about 3.06d.

Hon. F. J. S. Wise: I think it is about 3.59d.

The PREMIER: I was going through the figures the other day and I thought it was only 2d. for working expenses but that probably excludes interest. However, I can check the figures and advise the House. Fares and coaching rates will be increased by  $7\frac{1}{2}$  per cent., except in the case of road fares, which will not be varied. The scale of road bus fares is, of course, determined by the Transport Board.

Hon. F. J. S. Wise: You are making a good bid for this £4 $\frac{1}{2}$  million grant from the Commonwealth Grants Commission.

The PREMIER: As the Leader of the Opposition knows, there is still a tremendous gap between receipts and expenditure in regard to our railway system.

Hon. F. J. S. Wise: You think you have gone as far as you should?

The PREMIER: That is debatable and I believe that if anybody was putting up a case, then they would have a fairly solid argument. However, for the time being, this is as far as the Government is prepared to go. These increased charges will mean some additional costs—not very great—to the goldmining industry, and it is intended to review the position of mines which may find difficulty in meeting the increase in freights

to determine whether such mines should receive some assistance. The proposed increases are expected to return additional revenue to the amount of £550,000 during their period of operation in the current year, and are estimated to raise total railway earnings for 1949-50 to £6,050,000, which is an improvement of £888,782 on revenue for last year. Even at this level, however, earnings will still be approximately £1,050,000 less than normal working expenses; i.e. excluding deferred maintenance, £1,729,000 less than total expenditure, excluding interests; and £2,789,000 less than the overall operating costs inclusive of interest.

#### *State Trading Concerns.*

Payments to revenue by State trading concerns, of profits and contributions for capital charges, have been estimated at £135,420 as compared with £121,505 last year. The increase of £13,915 is mainly attributable to additional profits from the State Sawmills.

#### *Taxation.*

Generally, in other items of revenue, I have budgeted for only minor variations on the collections of 1947-48. Taxation collections (excluding income tax reimbursement) should yield £1,330,600, which is £11,008 less than the corresponding figure for last year. The decrease is more than accounted for by an anticipated decline of £12,168 in probate duty, which is always a difficult item to estimate.

Hon. F. J. S. Wise: Have you some good ones on your list?

#### *Territorial.*

The PREMIER: I am afraid I cannot tell the hon. member who is on the list. Territorial revenue as a whole shows an estimated increase of £31,924. Higher royalty charges are expected to increase timber revenue by £47,346 to a total of £230,000, but land revenue will be slightly less because last year's revenue included some arrears of rent which are of course non-recurring.

#### *Other Variations.*

In departmental revenue, which as a whole shows a decline of £57,459, there are a few noteworthy variations. Under Public Health an increase of £29,752 has been budgeted for in anticipation of additional collections from

the Commonwealth in recoup of expenditure incurred in respect of tuberculosis. There is an increase of £29,920 in estimated revenue of the Public Works Department, which in the main is attributable to recoups for reimbursement expenditure incurred last year. Under the heading "Treasury Miscellaneous", collections are estimated at £1,114,353 or £128,172 less than the amount returned last year. The decrease is largely attributable to the estimated decline of £114,206 in interest collections from the Rural Bank, which last year included a substantial volume of arrears.

#### *Expenditure (£23,509,873).*

Increases in costs and normal expansion of services are expected to lift expenditure to £23,509,873 for the current year, which amount is £2,084,414 in excess of expenditure for 1948-49. In view of the fact that the Commonwealth Court of Arbitration is reviewing basic wage standards, any estimate of the State's expenditure requirements for the current year must necessarily be of a much more tentative character than usual. The court's decision could have important effects on the Budget, but in estimating total expenditure, I have not, for obvious reasons, endeavoured in any way to anticipate that decision. As in the Estimates of the previous years, however, I have made allowance for prospective adjustments of the basic wage in accordance with price changes. The provision made on this account—£400,000—is the same as that provided last year, and appears as a special item under "Treasury Miscellaneous."

Excluding the cost of basic wage increases in prospect at the time the Estimates were prepared, total public utility expenditure is estimated at £9,489,350 or £1,129,170 more than the figure for last year. In Railways, where the estimated increase is £991,138, expenditure will probably be in the vicinity of £7,779,000 compared with £6,787,862 in 1948-49.

#### *Railway Rehabilitation, etc.*

The Railway Estimates include an amount of £508,000 for rehabilitation and regeneration representing deferred expenditure, which cannot be classed as a normal operating cost for the year. As the first stage in a programme of depreciation, an amount of £535,000 has been provided in

replacement of fixed assets. In addition, an amount of £167,200 is included for machinery at Midland Junction in accordance with a three-year programme of expenditure on this work. The extreme difficulty of budgeting nowadays for even a short period ahead is well illustrated in the case of the Railway Estimates. These are subject to unpredictable increases in prices and the basic wage, and in addition, to the outcome of various negotiations now in progress. For example, the largest union of railway workers is asking the Arbitration Court for a review of its conditions; and higher penalty rates for night work are being sought by locomotive men.

#### *Tramways.*

Tramways expenditure is estimated to rise by £82,115, as a reflection of increased costs, and provision for the replacement of plant and trolleybuses. Another significant increase in public utilities is in respect of "Other Hydraulic Undertakings," which is expected to incur additional expenditure of £31,784 largely on account of belated maintenance.

#### *Special Acts.*

Provision has been made under "Special Acts" for the expenditure of £5,120,643 or £173,106 more than last year. Interest and sinking fund payments under Loan Acts show increases of £69,017 on last year, and additional payments of £103,646 are expected to be incurred under other statutes. The more important of the increases under the last mentioned head comprise additional payments to the Reforestation Fund, and for superannuation and pension benefits.

#### *Departmental Expenditure.*

Amounting to £5,173,868 last year, departmental expenditure, excluding the cost of miscellaneous services provided for in the Treasury vote and prospective increases in the basic wage, is currently estimated at £5,806,606. With a few insignificant exceptions, the estimates for all departments show increases which reflect to a large degree the cost of a full year's operation of the basic wage and other salaries adjustments that operated for various periods last year.

### *Miscellaneous Services.*

In "Miscellaneous Services Expenditure," the estimates show an increase of £196,952 on last year's actual expenditure of £2,896,322. In this connection it will be recalled that when dealing with last year's estimated and actual expenditure under the same heading, I explained that the figures were not directly comparable, because the cost of the basic wage adjustments was not met from this item, but from the expenditure of the department's incurring the additional wages costs. Omitting provision for basic wage adjustments, expenditure on miscellaneous services shows a reduction of £203,048, the most important element of which is the decrease in the loss on the State Shipping Service.

### *State Shipping Service.*

Last year the loss on operation of the State Shipping Service, excluding capital charges, cost the Revenue Fund £413,110, that being the amount required to make good the cash deficiency. This service so necessary for the development of the North obviously cannot be regarded as a business undertaking, but it is equally obvious that there are limits to the ability of the State to finance the mounting loss on operations. Representations were made to the Commonwealth for assistance but the reply received pointed out that our shipping freights were much lower than those charged on other Australian coasts, and we were recommended to increase our charges. That an increase in charges was inevitable has been apparent for some years, and the stage has now been reached where we are obliged to make a revision of passage rates and fares.

### *Increase in Freight and Passage Rates.*

In an endeavour to keep the increases to a minimum, we are proposing adjustments which will be equivalent to an over-all increase on earnings of slightly over 20 per cent. There will be an increase of 30 per cent. on general freight and passage rates to all Western Australian ports and a further surcharge of 15s. per bale on wool and 3s. per head on rams. The Darwin freight, having been already substantially increased, will remain unaltered. Darwin fares will be increased by approximately 50 per cent., but no alteration is to be made in fares for women and children who are residents of

the North-West. Additional earnings amounting to about £100,000 annually will accrue from these adjustments, which will increase coastal charges to a level approximately 50 per cent. above that operating before the war. The increase is substantially less than those made in freight rates between Eastern States ports where, despite more favourable conditions for shipping operations, charges have been increased by 160 per cent. to 310 per cent. on pre-war levels.

Mr. Rodoreda: How do they compare with railway freights?

The PREMIER: I do not know whether the hon. member was in his seat when I commented on the increase in railway freights, but I indicated that an increase would be made.

Mr. Rodoreda: Yes, but what is the comparison?

The PREMIER: The Leader of the Opposition must remember also that whilst he was away last session increases were also made in railway freights.

Mr. Rodoreda: And in connection with the State Shipping Service also.

The PREMIER: Only to Darwin. These proposals and a return to more normal commitments for maintenance should result in a reduction of the cash deficiency to £250,000, which is less by £163,110 than the figure for last year. As I have already explained, last year's expenditure included the cost of overhauling the "Koolinda," which was abnormally heavy.

### *Hospital Trust Fund.*

The Hospital Trust Fund will receive £112,981 more in the current year than in 1948-49, notwithstanding the fact that it has been relieved of the cost of maintaining the Wooroloo Sanatorium. The total contribution to the fund, estimated at £1,000,000, provides for increased unit costs and heavier patronage of public wards and public hospitals generally.

Turning to other departmental expenditure, we expect to incur substantial increases in public health and related services. In total, expenditure on Public Health, Medical and Mental Hospitals is estimated to amount to £720,774, at which level the figure represents an increase of £235,711 on that of the previous year. Expenditure on tuberculosis

services, including the cost of operating the Woorooloo Sanatorium largely accounts for the increase of £200,215 in Public Health. Last year the bulk of these costs was met from the Hospital Fund.

### *Education.*

The expenditure on Education is expected to absorb £1,852,311, which is greater by £92,676 than the amount spent last year. The major portion of the increase is on account of salaries which will reflect the increased teaching staffs in schools, the increased number of students in the Training College and increases in basic wage adjustments and margins. The establishment of additional bus services as part of the programme of schools consolidation, modernisation of school furniture and payment of subsidies for the establishment of school libraries are also factors adding to expenditure.

### *Attorney General's Department.*

It is expected that the Attorney General's Department will require to provide for an increase in expenditure of £50,764 owing to the additional cost of operating price control for a full year, the occurrence of the elections and to increased salary rates.

### *Agriculture.*

Expenditure on Agriculture, estimated to increase by £45,944 to £303,307, contemplates additional provisions for the activities of research stations and increased commitments for salaries.

Hon. J. T. Tonkin: It does not contemplate anything with regard to vermin.

The PREMIER: I suggest to the hon. member that he wait a while until we come to the Agricultural Estimates. He will have full information when the Agricultural Vote is discussed.

Hon. J. T. Tonkin: It is obvious that you have made no provision for that in your figures.

### *Police.*

The PREMIER: The only other departmental expenditure on which I propose to comment is that of the Police Department. Here I have budgeted for an increase of £31,791 to provide for additional strength and grade and basic wage increases.

### *Past Problems Continued.*

That completes my review of the Estimates for the current year. From a budgetary viewpoint, it is evident that 1949-50 presents the same problems as those of the two preceding periods—

Mr. Marshall: Only greater.

The PREMIER: —when increases in prices and wages resulted in additional expenditures, which were not matched by offsetting increases in the revenue available to the State from its own sources of collection. Although the Estimates endeavour to anticipate the rise in expenditure due to normal cost of living adjustments of the basic wage, they are none the less subject to substantial variations for unpredictable changes in other cost elements.

Turning to revenue, there is also a considerable measure of uncertainty about the size of the special grant.

### *Transport and Finance.*

It will have been noted that the operations of the State's transport systems have represented a serious drain on its finances. If it were not for the losses incurred by our transport systems, the revenue and expenditure of the State would be comparatively in equilibrium. The railway system has, from causes relating back a number of years and through obsolete and inefficient locomotive power and other factors, been limited in its ability to earn revenue and has been subjected to extra costs in its running. Steps have been taken to secure considerable additions to locomotive power, and the first of the locomotives for delivery should commence to arrive before the end of this year.

It has to be realised, however, that the railway system and the State Shipping Service are developmental agencies essential to the State's economy, and in a State the size of Western Australia, with its scattered population, transport services must inevitably find difficulty in approaching a balance between revenue and expenditure. With a steady increase in the State's population and in the volume of freights and services, and with the regeneration of plant and organisation as rapidly as can be achieved, the finances of the State's transport systems should gradually achieve a more satisfactory basis.

*Expenditure Essential.*

In the meantime, to support the State's population according to social and other standards comparable with other States, and to attract and satisfy a steady increase in our population, expenditure must be undertaken in spite of the present trend in rising costs of goods and services. Taking the long view, industry has to be encouraged and new industries attracted to the State in order that our economy may be strengthened and opportunities for employment and advancement afforded to the people of the State. Money must be expended and projects of no small magnitude undertaken for the expansion of rural production and development, from the Kimberleys in the north to the lower great southern and south-eastern areas of the State.

While every prudence and reasonable economy require to be exercised in the supervision of the State's expenditure, it is not practicable or desirable to attempt to make reductions in expenditure which will halt or retard the progress of the State, or limit the opportunities or reduce the social standards of the people, having regard to conditions obtaining in other States.

Western Australia is entitled to plan boldly and confidently in the justifiable belief that the true interests of the State require that it should go forward steadily to a future in which it will stand in population, production and development in a position equal to that of the older States of the Commonwealth.

*Future Prospects.*

For the people of the State, the current year promises the opportunity for the continuance of their enjoyment of high levels of employment and incomes. Rural industry can expect good returns, and the secondary and other industries can be employed to capacity in meeting current demands for goods and services. That promise, however, cannot be fully realised unless all sections of the community are prepared to recognise the paramount need for industrial tranquillity.

In this State, of course, there is a greater awareness than in other parts of Australia that the way to improved standards of living is through uninterrupted and sustained productive effort. Unfortunately, however,

we cannot avoid the consequences of industrial disturbances in the Eastern States from which we obtain so many of our essential requirements for industry. So, in some measure, the future wellbeing of our community will depend upon an early return to industrial sanity and peace in the bigger States.

I regret that, on account of the need for me to attend the forthcoming meeting of the Loan Council, I shall be absent during the time some members will be discussing the Budget. While in Melbourne, I hope to interview the Grants Commission, as the amount of the grant to be recommended for payment this year is of vital importance to our financial position. On my return, I shall endeavour to reply to any questions raised by members and at the same time give the House an account of the Loan Council's decisions.

To conclude, I wish to express the Government's appreciation of the work done by the Civil Service and to those workers in industry and commerce who have helped in the productive work of the State. I also desire to thank members for the attentive hearing they have given this review of the State's financial position. I move the first division, namely—

*Legislative Council, £3,521.*

Progress reported.

# **BILL—WORKERS' COMPENSATION ACT AMENDMENT (No. 2).**

*Message.*

Message from the Governor received and read recommending appropriation for the purposes of the Bill.

*Second Reading.*

Debate resumed from the 26th July.

**MR. HEGNEY** (Pilbara) [8.33]: The Minister, in moving the second reading, outlined the reasons for the amendments, and I find myself substantially in agreement with most of the proposals in the Bill. The first amendment clarifies the position with regard to those workers who, though injured prior to the 8th April, 1948, were still on compensation. Therefore, if this provision is approved, those workers will receive, if they are entitled to a lump sum, the amount of £1,250 and, as regards weekly payments, they will be entitled to the provision made



in the Act as operating from the 8th April. The same benefit will apply to those workers in the mining industry who are suffering from silicosis; they, too, will be entitled to the sum of £1,250.

This is an important branch of our social and industrial laws and I believe that every member is desirous of making progressive and desirable improvements to this legislation from time to time. Unfortunately, owing to the increasing cost of commodities and the consequent increase in the basic wage, as well as the decrease in the purchasing power of the pound, the advantages conferred on injured workers by the recently approved Act are rapidly diminishing, and I have no doubt that if the basic wage continues to rise, the time will not be far distant when Parliament will have to address itself to liberalising certain provisions of the Act in order to keep them in conformity with rising costs.

The new provision for the appointment of inspectors is not likely to be opposed by any member. It is designed to ensure that employers pay the premiums on the amount of wages they actually disburse to employees. Other provisions dealing with these inspectors are more or less machinery clauses designed to give inspectors power to carry out their duties.

I agree with the Minister that, as far as the maximum payment is concerned, Parliament intended that £6 a week should be the figure. As the First Schedule now stands, it is fairly clear that the amount of £6 would be exclusive of the £1 a week payable in respect of the wife of an injured worker. That is my impression, and I urge the Minister to consider leaving the First Schedule as it stands. Doubtless it was some time in the early part of last year when the Minister and his officers were drafting the Bill. The basic wage in February of that year was £5 12s. 9d. Between April and July it rose to £5 15s. 9d. and today is £6 13s. 2d. The indications are that the basic wage will continue to rise.

If we take a worker on the basic wage who was injured, he would receive two-thirds of £6 13s. 2d., which is approximately £4 8s. 9d., but if he had a dependent wife, he would receive £5 8s. 9d., while such a worker with one child would receive another 10s., making the compensation £5 18s. 9d. I do not think that Parliament would be

acting unwisely if it retained the present provision in the Schedule. Let me refer to the fact that a married couple on the old-age pension would receive £4 5s. a week. Men who come under the provisions of the Superannuation Act of 1871—ex-Government railway employees—would receive up to £2 10s. and, without affecting their pension rate, would be able to receive a gross amount of £6 15s. a week.

Take a man injured in the course of his employment: Even though it may be said that £6 should be the amount and that a man on compensation should not receive the equivalent of the basic wage, Parliament should, in all the circumstances allow the present provision to stand respecting the additional £1 a week for the dependent wife. As the Industrial Arbitration Act stands, the indications are that the basic wage will continue to rise, and this type of worker injured in the course of his employment would be unintentionally treated unjustly. I appeal to the Minister not to press that amendment, but to retain the provision in the existing Act.

I hope the Minister will have regard to the circumstances and withdraw this amendment. It was my intention to explain in detail the conditions of men suffering from silicosis, but as I understand the member for Boulder, who is keenly interested in the subject and who has certain facts to place before the House, intends to deal with it, I shall leave that aspect of the Bill to him. I feel certain he will dispose of it in an able manner.

I find myself in disagreement with the provision in the Bill dealing with the premiums rate committee. Under the parent Act, which was proclaimed last April, four members were appointed to the Committee, the Auditor General, the manager of the State Insurance Office, a representative of the non-tariff insurance companies and a representative of the tariff insurance companies. The Bill provides that the committee shall consist of seven persons, namely, the Auditor General, the three members of the Workers' Compensation Board, the manager of the State Insurance Office and one representative each of the tariff and non-tariff companies.

I have prepared an amendment which appears on the notice paper and which seeks to alter this clause to provide for a committee of five members, namely, the three

members of the Workers' Compensation Board, the manager of the State Insurance Office and one member representing all the other insurers. I am dealing now specifically with the constitution of the premium rates committee. The Workers' Compensation Board is constituted in accordance with the provisions of the Act. The chairman is an independent person and there is a workers' representative and a representative of the Employers' Federation. The latter, I would say, represents 90 per cent. of the insured persons.

The premiums rate committee, if it is to consist of the persons whom I have indicated, would in my opinion be more effective than a committee of seven and I hope my amendment will be accepted by the Minister. The Bill also provides that the committee shall supersede the board with respect to laying down the basis on which the premium rates shall be calculated. As the Act stands, it is provided that the Workers' Compensation Board shall be the body to determine that basis. It is not my intention to go into details as to what the rates should be, because the basis is clearly defined in the Act. In all the circumstances, I consider that the Workers' Compensation Board should lay down the basis. The Bill provides that the committee visualised by the Minister shall be the body to do that. Personally, I do not think the tariff and non-tariff companies should be parties to laying down the basis.

I hope the Minister will not press his amendment but, on the contrary, will continue to allow the Workers' Compensation Board to perform this function, as provided in the present Act. The Act was passed only last year and proclaimed on the 8th April last, and therefore it would be too much to expect the Minister to introduce amendments of a radical nature. I have much pleasure in supporting the main provisions of the Bill.

**MR. OLIVER** (Boulder) [8.48]: The Minister for Education is to be congratulated on the Bill, and I am of the opinion that it will remove a number of anomalies and give effect to his intention when the Act was proclaimed. I am mainly concerned with that part of the Bill which seeks to amend Section 8. This section deals with the industrial diseases enumerated in the Third Schedule. Frankly, I am somewhat

concerned about the proposed amendments, as I consider they do not go far enough. As the Act now stands, a worker suffering from an industrial disease is compensated only on the basis of assessed disability. That was something which I think was never at any time contemplated by the Minister. In company with other members I have discussed the matter with the Minister and I understand he does intend to do something about it.

I wish to read to the House some correspondence I have had with Dr. Outhred, who until quite recently was the medical officer in charge of the Commonwealth Health Laboratory. He is accepted throughout the world as an authority on industrial diseases. I propose to read my letter to him and his reply, as I think the information will be of value to members. My letter is addressed to Dr. K. Outhred, District Office, Joint Coal Board, Wollongong, New South Wales, and is as follows:—

The recent amendments to the Workers' Compensation Act have brought about, what we consider to be a very undesirable position, insofar as silicotic miners are concerned.

We have, by interview with the Minister, endeavoured to have the position rectified by amendment of the Act. The Minister has signified his agreement to implement any recommendation made by the Workers' Compensation Board on the subject. The Workers' Compensation Board has undertaken to accept your opinion as final on the matter which I will now endeavour to explain to you.

The effect of the Act is to pay a silicotic miner the exact percentage of his assessed disability, which means that if the miner is granted compensation on the basis of 20 per cent. disability, he receives weekly payments up to 20 per cent. of £1,250 which equals £250—this is in final settlement of the disability.

Another example of the operation of the Act is given in the following:—A miner prohibited because of silicosis with tuberculosis is paid compensation only for the percentage of silicosis, which means if the silicosis is assessed to be 30 per cent. of the total disability he is paid up to £375—no compensation is paid for the balance of disability caused by tuberculosis.

The Workers' Compensation Board's major objection to reverting back to the provisions of the old Act is low percentage claims. They agree that a silicotic miner should be paid full compensation, but that there should be a statutory starting-point of disability, and we have agreed, subject to your opinion, to this provision being inserted in the Act.

You will, no doubt, recollect, when giving evidence before the Compensation Commission, stating that the ante-primary stage of silicosis measured up to a 25 per cent. to 30 per cent. disability, the early stage of silicosis represented a disability between 40 per cent. and 70 per cent.

We, of course, are mainly concerned with the state when a compensable silicosis is detectable, and I have suggested it would be positive when the disability is assessed at 20 per cent. It is on this question of the commencing point of disability that all the parties concerned have agreed to accept your opinion.

I will now read the doctor's reply to my letter—

Replying to your letter of 11th July, which I was very pleased to receive, I believe there are medical problems underlying the matter of low percentage claims for silicosis.

The most important one lies in the interpretation of certain increased marking in the x-rays of miners. These markings are of linear or rectangular pattern, and fall short of the nodular markings of silicosis or the mottled shadows of coal miners' pneumoconiosis. Nevertheless, they are so constantly present in the x-rays of mine workers after a few years underground, that there can be no doubt that they are caused by dust inhaled at work. The fact that they are commonly present also in coal miners' x-rays indicates that they are not a specific effect of silica dust.

These marks are due to a very mild form of "fibrosis" or hardening of the lungs. The radiological condition is entered at the laboratory as "Fibrosis plus." Whilst the condition is widespread, only a very small proportion of the men showing such marks are ill or in any danger to their health. There is no abnormal risk of tuberculosis, and, even if they remain at their usual work underground, less than one in seven showing such markings will develop true silicosis.

If the health of men showing these marks in their x-rays is impaired, it is due to a complicating condition such as bronchitis, asthma or pleurisy, which is usually of a transient nature, and clears up after a change to open air work or a holiday.

Any case of true silicosis should, I feel, receive full compensation. The problem cases are those with early marks in their x-rays. In many parts of the world these are not compensated at all. Very occasional cases in W.A. with firmly established bronchitis, become permanently unfit, and should, I believe, be fully compensated.

In Western Australia over the past 20 years an increasing number of mild cases have been awarded full compensation, whether by medical boards or by the medical officers of the laboratory, myself included. They have been classed as "Minimal Silicosis," "Pre-nodular Silicosis," "Pneumoconiosis" (a more correct term) etc., and

the disability assessment has ranged from 10 per cent. to 25 or 30 per cent. These cases form the bulk of the low percentage claims.

Follow-up of a number of these men after a few months or years has revealed that many are in good health and engaged in heavy work, and a few have succeeded in returning to the industry. The inference is obvious—either they were not incapacitated, or only temporarily so—but it is these cases that have made the compensation officials suspicious of low percentage assessments.

On the other hand, one can see the point of view of the medical boards, which is, that although these men may appear to be in good health or only mildly or temporarily ill, there is incontrovertible evidence in the x-ray that some damage has been done to their lungs.

I personally subscribe to the view that some form of partial, but not full, compensation, or ex-gratia sum, should be paid to those men who show linear marks in their x-rays and, in whom physical examination reveals evidence, other than the man's statement, of impairment of health, even if of a temporary nature only. Some such partial payment should also be made to those men who show linear marks and whose health becomes impaired mainly by some non-industrial complaint.

I think that your proposal will meet the requirements of the case, but would put the starting-point at 30 per cent. In other words, in the presence of percentage assessments of 30 per cent. or more, whether for silicosis or pneumoconiosis, full compensation should be paid, and with lesser percentages the proportionable amount should be paid. Payments in the latter group might take the form of a lump sum, a full weekly payment continuing until the percentage sum is exhausted, or a percentage weekly payment.

Such men should, perhaps, be permitted to earn what they can without reduction of compensation, and in any case, should have the right to receive additional compensation, up to the total amount, on subsequent production of evidence of an increase in incapacity due to the industrial condition.

As to the question of men prohibited because of silicosis with tuberculosis receiving only part compensation it is my firm conviction that the tuberculosis in such cases is actually a direct complication of the silicosis, which produces its effect by reducing the man's resistance to tubercle germs lying dormant within his body. The entire condition is caused by the silicosis, and the idea of a portion of disability being due to silicosis alone and portion to tuberculosis alone is based on ignorance of its nature.

That is the portion of the correspondence that is relevant to the subject with which we are dealing. The Minister has been provided with the originals, and I understand

that at a later stage he will be introducing legislation to provide for that condition. But I think it has been made plain to members that the present Act does an injustice to people suffering from silicosis.

Another portion of the Act that I wish to mention, and which concerns the people I represent, is that part of Section 8 which deals with workers coming to Western Australia after the commencement of the section. This part of the Act is probably very little understood by members, and I am positive it is not understood at all by anyone outside the House. It almost resembles the thimble and the pea, because if it is a blind it will deny compensation to hundreds of workers who would be morally entitled to it, if not legally so. The section provides that anyone coming to Western Australia from the Eastern States, or any other part of the world outside of Western Australia, must before entering the mining industry, take the precaution of providing himself with a medical certificate from a medical referee appointed under the Act, and he must lodge the certificate with the registrar. The ordinary procedure followed by workers seeking employment in the metalliferous mining industry of Western Australia is to obtain a certificate from the Commonwealth Health Laboratory. In fact, no worker is allowed in the industry unless he has one, or a provisional ticket.

The peculiar thing is that the officer in charge of the Commonwealth Health Laboratory, who issues the certificates to all the men employed in the mining industry, is not appointed as a referee under this section. I have worked for half a lifetime in the goldmining industry, and it was not until four years ago that I was aware that I had to provide this certificate. I want to put before members the position as it operates at present. Several contingents of immigrants have arrived from Italy and other countries in recent months, and have gone into various occupations in the goldmining industry. None of these people has taken the precaution, so necessary under the Act, to ensure that he will be compensated at some future date if he contracts an industrial disease. So, all those people can be denied compensation, unless this section is repealed.

I suggest that whatever use the section had at the time it was proclaimed, there is no justification for it now. Any worker

seeking employment in the mining industry, and who wishes to be entitled to benefits under the Act or the Mine Workers' Relief Act, must run the gauntlet of the Commonwealth Health Laboratory. If he is unfit, or his health is not such as to warrant his being passed as a mine worker, he has no possible chance of entering the industry, so that at this stage that section of the Act is completely unnecessary, and it is possible for it to be the cause of grave injustices to workers entering the industry from other countries, and even from other States of the Commonwealth. I suggest that the Minister give serious consideration to having that portion repealed. I congratulate him on the Bill.

**MR. STYANTS** (Kalgoorlie) [9.5]: I wish to deal with a couple of points in the Bill, and in connection with the Workers' Compensation Act generally. When this measure was before us last year, we saw that considerable increases had been made in the amounts which it was decided to pay to injured workers, or to the dependants of a deceased worker who had met his death in the course of his employment. We thought that was going to be a great improvement to those people. But I venture the opinion that because of the enormous increase in the cost of living during the last 12 months, many of those benefits have been fished from the people that we intended to assist. I want to deal particularly with the silicotic miner and the silicotic plus T.B. miner, whose condition has been considerably worsened as a result of the Act which was proclaimed this year.

I understand it was the expressed intention of the Government, when appointing the Royal Commission, that, as a result of any recommendations made, there should be no increase in premiums, or lessening of benefits to the industrial workers who were unfortunate enough to meet with an accident or injury. But we find, as a result of the Act, and despite the assurance, that the conditions of compensation for the silicotic miner and the silicotic plus T.B. miner were considerably worsened. Under the previous Act, the miner who was affected, say 30 per cent. by silicosis was warned by the Department of Mines, through the Minister, and advised to leave the industry. When he decided to accept that advice and get out while his health was reasonably good, he was paid

an amount of 30 per cent. of the maximum amount by weekly payments for a period of six months. At the end of that time he could make application for a redemption of his weekly amounts in the shape of a lump sum payment. He would then get the £750—the maximum amount of compensation payable under the Act—less what he had been paid during the period of six months when he had been on weekly payments.

Under the present Act, the miner with a 30 per cent. disability through silicosis would be on a weekly payment for six months and then, when he decided to make application for the redemption of his weekly payments as a lump sum, he would not receive the total amount of compensation as provided for in the previous Act—it has risen from £750 to £1,250—but only 30 per cent. of the total of £1,250, or considerably less than he would have received under the old Act. In that way a grave injustice has been done to these men. It may be said that they were brought under the same conditions as those receiving compensation in industries coming under the First Schedule of the Act, but there was always a special reason why the silicotic miner should get the full amount rather than a percentage only of the total compensation payable. The intention was to induce him to get out of the industry while he had still a chance of enjoying a reasonable standard of health for the remainder of his life.

If this provision is permitted to remain in the Act, it will in fact be an inducement to the miner who is 30 per cent. silicotic to remain in the industry until his condition has advanced to perhaps 70 per cent., when he will be able to claim the full £1,250. When he has reached that stage his condition of health will for the remainder of his life be so poor as to render his existence not worth while. The inducement that previously existed for him to leave the industry no longer obtains. When he was able to receive the lump sum of compensation for a 30 per cent. silicotic condition, it was a nest-egg that enabled him to make another start in some other avocation; perhaps to buy himself a small business, a poultry farm or something of that kind, while his health remained reasonably good. I hope some action will be taken to include a similar provision in the present Act. Another injustice under

this legislation, which did not exist previously, is in regard to the miner with silicosis plus T.B.

Under the old Act, a man with silicosis who developed T.B. was treated under the Workers' Compensation Act, which provided for a lump-sum settlement under conditions such as I have outlined. The present Act provides that if he is 30 per cent. silicotic, with T.B. in addition, he shall receive the lump-sum settlement under the Workers' Compensation Act for his 30 per cent. silicotic condition and shall then be handed over for the remainder of his compensation to the Mine Workers' Relief Fund. That injustice should be removed. Dr. Outbred has stated that such a provision would be made only as the outcome of colossal ignorance. He was chief of the Commonwealth laboratory set up for the purpose of examining miners affected by industrial diseases and was recognised throughout Australia as an authority on this matter. He claims that silicosis is a primary cause of T.B. and that these men should be compensated under the provisions of the Workers' Compensation Act and should not be passed over to receive weekly payments at considerably lower rates under the Mine Workers' Relief Fund. He is definitely of the opinion that silicosis renders a man susceptible to the development of the first T.B. germs with which he comes in contact.

I trust that injustice will be removed from the legislation. It is too early yet to say whether the new set-up provided by the Act of last year will work out successfully. From the limited experience I have had of the work being done by the Compensation Board, I believe it will be an improvement on the previous set-up. I think the other portions of the Bill now before the House will receive general support and, within certain limitations, particularly in connection with the composition of the committee that has the right to fix the rate of premiums, I propose to support the Bill.

**MR. FOX** (South Fremantle) [9.17]: With other members, I agree that it should be our object to get miners out of the industry when they are suffering from early silicosis and give them sufficient compensation to enable them to start in some sort of business where they will have an opportunity of earning a living and rehabilitating them-

selves. From my own knowledge of the mining industry, I regret to see men entering it at all, and I always advise young men to keep well away from the mines. The least we can do for those that do enter the industry and help to produce the gold that is won in Western Australia, is to see that they get fair treatment when their health is impaired and they have to leave the industry. I regret that the Minister has not been able to bring down provision for increasing the weekly payments. The cost of living is rising every week and from men with whom I come in contact I know that they do not look forward to remaining long on compensation, because they have always to make up a lot of debt after they return to work. I know it is asking a good deal, and that the present Workers' Compensation Act has been a great improvement on previous legislation, but we would still welcome an increase in the weekly payments.

Mention has been made of the amount paid to silicotic miners, but I am not altogether satisfied about the sum that is forthcoming for total or partial injury in the case of a person not working in the mining industry. I am speaking of injuries covered by the First Schedule to the Act.

I have made inquiries as to the amount a man would receive if he happened to be working in another industry. Let us suppose that he had a 50 per cent. permanent injury to his back! In some cases I have been told that he would get 50 per cent. of the £1,250. I would like to know from the Minister just how it will be computed.

Before the amendment was passed last year, if a worker had a permanent incapacity under the First Schedule he received the full amount. Previous to that the amount was arrived at by making an actuarial calculation of the sum left after the man had received weekly payments. That would mean if he received weekly payments of £100 and he had £650 left, an actuarial calculation would be made and his compensation would be payable in weekly sums of, say, 30s. a week, or whatever the amount might be. There was a small rate of interest although that provision was eliminated by the previous Government. I would ask the Minister to go into this aspect of payments under the First Schedule so that we can be informed when he replies. I would like to know whether the man will be paid a

straight out percentage—one-half of the £1,250, or whatever amount it might be—whether a calculation will be made, or whether he is to get the lot.

I realise that unless the matter is decided here there will be a good deal of confusion and litigation when some of these cases come before the court. I know of some that are due to come up now, but I have advised quite a number of those concerned to wait until we find out exactly how the figure is to be computed. I trust the Minister will give us some information in his reply. He could probably go into the matter over the week-end as I do not expect him to answer on the spur of the moment.

In my opinion these insurance people should not be permitted to fix the premium rate. It would be all right if the State Insurance Office were doing all the workers' compensation business. For the life of me I cannot see why members of this Chamber should not agree to the State Insurance Office conducting all that business. If that were so the business could be carried out at cost price and there would be no argument about the premium rate. I hope the Minister will accept the amendment which has been placed on the notice paper by the member for Pilbara and I trust the House will agree to it.

On motion by Hon. F. J. S. Wise, debate adjourned.

## **BILL—GUILDFORD OLD CEMETERY (LANDS REVESTMENT).**

### *Second Reading.*

Debate resumed from the 26th July.

**MR. BRADY** (Guildford-Midland) [9.24]: The aim of this Bill is to transfer certain land to the Diocesan Trustees of the Anglican Church with a view to creating in perpetuity a suitable landmark to commemorate the early settlers who landed in the State with Captain Stirling. I feel it is necessary that the land should be taken over by a responsible authority so that the cemetery will get due recognition and attention which has not been the case for many years.

When the American troops were in the State during the war they attempted to improve the cemetery immediately behind the Guildford Grammar School Church.

However, as soon as they left the State to return to America the cemetery commenced to become dilapidated again. It is most unfortunate that that should be so, because the cemetery adjoins the Guildford Grammar School and playing area, and to some extent it detracts from the generally fine appearance of the school itself. The Grammar School lawns are laid out right up to the edge of the cemetery, and there is a contrast in the school-grounds which are so well kept and the cemetery which is so neglected. Therefore it is desirable that that particular area should be taken over by a responsible authority so that it will receive proper attention.

As member for the district I can think of no better authority than the Diocesan Trustees of the Anglican Church. According to the Bill the trustees intend to erect a suitable emblem in the form of a crucifix with the headstones worked into that crucifix. The rest of the grounds will be planted with lawn and they will be kept neat and tidy. I have looked through the file in connection with the proposal to resume this land and transfer it to the trustees, and I was most impressed by the difficulties of the early pioneers who were among Sir James Stirling's retinue when he first landed in this State.

There are one or two poignant features associated with the cemetery and one concerns four graves of a family named Heale. This man was a lieutenant in the Royal Navy and attached to the administration staff which accompanied Sir James Stirling. Lieutenant Heale lost a child of four years almost as soon as he landed in this State early in 1830. To make matters worse, within a couple of months he lost a baby of nine weeks and finally the lieutenant succumbed in 1831. That was a tragedy for a young family which had migrated to this State.

I have made other inquiries from the Swan Road Board, from the Guildford municipality, from other people associated with both the Guildford Grammar School and the Anglican Church, as well as old residents of the district. They are all of the same opinion that it is most desirable that the land should be transferred to the Diocesan Trustees. I feel that the grounds will receive the necessary attention and I personally support the Bill.

Other improvements include the truncation of the road. The work will increase the radius of the road and that will improve the vision of motorists approaching that particular corner. It is a very dangerous one at present. The work will widen the road at that point, and it will enable the Main Roads Board when it does the improvements and widens the road to remove certain trees at present obstructing the clear view that will be made possible after their removal. So all in all I think the taking over of this cemetery by the Diocesan Trustees is a desirable step. From the correspondence I have read on the file there can be no reasonable objection to the trustees receiving this grant of land which I think approximates three roods and 1-6th perches. Negotiations have been proceeding between the church authorities and the Government for over 14 years and I believe that everyone who might be affected by the transfer has been protected.

Regarding one point of the transfer, I understand that the main Roads Board will enter into an arrangement with the Diocesan Trustees to widen the road at that corner, and therefore a certain area of land of approximately 30 feet will be resumed for that purpose. If that occurs it would appear that the widening of the road will encroach on an area where the remains of some old pioneers are interred. I do feel that it would be a reasonable arrangement if the Diocesan Trustees and the Main Roads Board exhumed those remains over which it is proposed to construct a foot-path and road, and placed them in another portion of the cemetery. Apart from that aspect I am in full accord with the proposal. The transfer will provide for the pioneers a suitable memorial park to which they are entitled, and I have much pleasure in supporting the proposal to transfer the land to the Diocesan Trustees.

Question put and passed.

Bill read a second time.

*In Committee.*

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

## **BILL—ADOPTION OF CHILDREN ACT AMENDMENT.**

*Second Reading.*

Debate resumed from the 26th July.

**MR. TRIAT** (Mt. Magnet) [9.36]: I have considered the Bill carefully and compared it with the parent Act which, as the Minister told us, came into operation in 1896. I am rather astounded that the people in that year were able to produce an Act concerning the adoption of children so closely conforming to the ideas of people who exist in the year 1949. It is astonishing that people in that virile time, when people were really virile, that is, in 1896,—

**Hon. A. H. Panton**: They were virile all right!

**Mr. TRIAT**: Yes, large families were a feature of the population then, whereas today people have few children, if any.

**Mr. Marshall**: Not by accident.

**Mr. TRIAT**: But the people in 1896 were able to frame an Act in such a manner that required very little attention in the past 53 years. The amendments made in 1915, 1916, 1921 and 1926 were small and not of major character. This Bill meets the situation today for several reasons. One portion of the 1896 Act, of course, could not apply to any great degree today, that is, the secrecy clause. Under Section 3 of the 1921 Amendment Act, Section 10 of the parent Act was amended by omitting the words, "in addition to the proper name of the child." Apart from that I do not see anything repulsive or repugnant in it. I agree that where people take a child and adopt it as their own there should be a great deal of secrecy as far as the child is concerned so that it is kept in ignorance of its true parentage, but unfortunately, throughout life, it is very difficult for an adopted child to be kept unaware that its adopted parents are not its true parents. But the secrecy clause that is proposed now will prevent a number of people from prying into other people's affairs.

**Mr. Marshall**: They are stickybeaks.

**Mr. TRIAT**: Yes, unfortunately there are quite a number of persons who are prepared to pay 2s. 6d. to obtain information regarding other people's affairs. The other portion of the Bill about which I am fearful now is the question of where a brother and sister, whilst still of tender years, are separated and adopted by different families and, although the adoptions are kept secret over the years, a time may be reached when

the brother and sister become attached to each other and marry with the adopted parents knowing nothing of their true relationship. That situation although improbable, is possible, and it would be most unfortunate. However, there are ways and means, as suggested by the learned advisers to the Minister, whereby these things could be prevented, and these children, being of the same blood, when adopted by different people would have no possibility of ever becoming attached to each other later by marriage. If that action were taken and some provision made accordingly, we would have legislation that would be wholesome and practical, to which no-one could take exception. I regard the Bill as an excellent one, but I hope the Minister will consider the point I have raised. It might never happen, but one such case would destroy confidence in the measure.

Question put and passed.

Bill read a second time.

*In Committee.*

**Mr. Perkins** in the Chair; the Minister for Education in charge of the Bill.

Clauses 1 to 8—agreed to.

Clause 9—Registration in the name of adopting parent:

**Mr. TRIAT**: I draw the attention of the Minister to paragraph (c). If any amendment to meet the situation I have mentioned were framed, it would be appropriate to include it in the paragraph.

**The MINISTER FOR EDUCATION**: I assume that the member for Mt. Magnet is alluding to the possibility of marital relationship between a brother and a sister in the circumstances he mentioned during the course of his remarks. That particular phase was discussed by me because it did occur that the problem might arise. Some little thought was given to action that might overcome the difficulty but it was considered well-nigh impossible adequately to deal with it. In the event of a brother and sister being adopted by two different families and the one became Mary A and the other John B, at the time of adoption they would be mere infants and would be residents of Western Australia. In due course one might go, say, to Queensland and the other to South Australia and would have thereafter absolutely no communication whatever.



Later on, owing to some happening such as, for instance, a war, the boy might enlist in the Army and be transferred to Queensland. John B and Mary A would know absolutely nothing about their relationship. It is very rarely that more than one child is adopted at once. Most adoptions are of single children, although there are rare cases of more than one being adopted by the one set of parents. There could, of course, be such a rare instance resulting in a rare happening that would be quite extraordinary. By what means it would be possible to acquaint two young people of the fact that they were connected by birth, it is difficult to appreciate, short of the requirement for the two children to be adopted by one parent. Apart from that I know of no method that could be devised to overcome such a rare possibility as that suggested by the hon. member. Having discussed the problem at some length, and in view of the remote possibility of such an occurrence ever taking place, I concluded it was better to allow the matter to stand, because no remedy that I could see could be found to meet the position.

Mr. TRIAT: Back in 1896 the legislation then passed included a protective section, which I read to members during the course of my remarks. There is no doubt that the possibility of such an occurrence was in the minds of legislators in those days. I uphold the principle of secrecy regarding these matters, but I think there should be no secrecy from the standpoint of the people who adopted the children with regard to the real parentage. If the adopting parents had knowledge of the real mother and father, in the event of two of the children desiring to marry in the circumstances I have outlined, they could take action to acquaint the children with the facts and prevent the marriage.

Mr. Marshall: The adopting parents might not be alive when the children wanted to be married.

Mr. TRIAT: That is so, but we could not help that. We cannot provide for everything. It would be lamentable if the Committee were to pass a law that would admit of the possibility I suggest. I think the gal fraternity might be able to devise means of overcoming the difficulty, and the Act could be amended on a future occasion.

I am glad the Minister did have the matter in mind.

The MINISTER FOR EDUCATION: The only suggestion I had in mind was as I outlined to the Committee. I do not think action through the Registrar General would meet the situation. Whatever precautions are taken, the risk will remain.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

*House adjourned at 9.51 p.m.*

## Legislative Council.

Tuesday, 2nd August, 1949.

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