

shall apply if and when the person from whom the property passes, whether under a will or a settlement or settlements or a non-testamentary disposition is at the time of his death a member of the military, air, or naval forces of His Majesty the King, engaged on active service in connection with any war being waged between the Commonwealth of Australia and any other Power, and his death is the direct result of such person being engaged on such active service aforesaid.

The PREMIER: When the Bill was discussed in this Chamber reference was made to the contributions and increases that might otherwise be imposed upon members of the A.I.F., and I gave an assurance that an amendment would be submitted in the Legislative Council to deal with that point. In collaboration with the member for Nedlands, the amendment was drafted and was accepted in the Council. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

Resolution reported, the report adopted, and a message accordingly returned to the Council.

House adjourned at 9.18 p.m.

Legislative Council,

Thursday, 16th November, 1939.

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

ASSENT TO BILLS.

Message from the Lieut.-Governor received and read notifying assent to the following Bills:—

- 1, Municipal Corporations Act Amendment (No. 2).
- 2, Dentists.

MOTION—NATIVE ADMINISTRATION ACT.

To Disallow Regulations.—Withdrawn.

Order of the Day read for the resumption of the debate from the 31st October on the following motion by Hon. C. F. Baxter (East):—

That regulations Nos. 65 and 106R made under the Native Administration Act, 1905-1936, as published in the "Government Gazette" on the 8th September, 1939, and laid on the Table of the House on the 12th September, 1939, be and are hereby disallowed.

HON. C. F. BAXTER (East—in reply) [4.35]: The Minister for the North-West having agreed to amend these regulations, I ask leave of the House to withdraw the motion.

Motion, by leave, withdrawn.

RETURN—GOVERNMENT MOTOR CARS.

HON. A. THOMSON (South-East) [4.36]: I move—

That a return be laid upon the Table of the House containing the following information:—

- 1, The name and type of Government motor vehicles supplied to each department?
- 2, The total cost of such motor vehicles?
- 3, The total amount, if any, paid by way of traffic fees on the said vehicles?
- 4, The value of the parts, including bodies, that were manufactured in the State?

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [4.37]: I am not going to raise any objection to the motion, other than to say that the hon. member might have given some reason for asking for such a return. I think it well to remind hon. members that a return of this kind will be costly to prepare; and, unless there is some useful purpose to be served, I do not think it reasonable to ask for returns of this nature.

HON. A. THOMSON (South-East—in reply) [4.38]: I am rather surprised at the remarks of the Chief Secretary. I cannot see that the preparation of the return will involve great cost because it will be based upon information which has already been supplied to Mr. Baxter showing the number of vehicles in use by the Government. Surely, if the Government can state the number of its vehicles in answer to a question, the return should not prove to be an extraordinarily costly one to submit. If the department keeps proper books of accounts, the first request should be easily acceded to.

Hon. J. Nicholson: I suppose all the vehicles are insured.

Hon. A. THOMSON: Possibly. Surely to goodness, the information sought in the second request dealing with the cost of the vehicles should not be very difficult to supply.

Hon. J. M. Macfarlane: Would there not be a motor vehicle account?

Hon. A. THOMSON: There ought to be. That is what I desire to know. I probably know the answer to the third as to the total amount paid by way of traffic fees. The position is that we have a considerable number of trading concerns, and that fact prompted me to ask for the return. Two prominent business men in the city were

astounded at the number of vehicles used by the Government and said it would be interesting to discover whether the departments that are competing with private enterprise are permitted to run their motor vehicles over the roads delivering goods and materials from the various Government undertakings free of charge as far as concerns license fees. Finally I desire to know the value of the parts, including bodies that were manufactured in this State. The Government, through the Minister for Labour, is making special efforts to increase the secondary industries of this State and has appointed a special officer to endeavour to foster local industries. Therefore I should be interested to know the value of bodies or parts of local manufacture used for the 500 motor vehicles employed by the Government.

The Chief Secretary: How do you suggest we could find out?

Hon. A. THOMSON: If the books are properly kept and the department is sincere in its advocacy of supporting local industries, there should be a record to show whether the bodies of the lorries have been manufactured in the Eastern States or in Western Australia. I regret that the Chief Secretary should have raised the point about the preparation of the return involving unnecessary expense. With the possible exception of the information sought in the fourth request, not more than half an hour should be necessary to prepare the reply, provided the books of the department are properly kept.

Question put and passed.

BILL—DAIRY INDUSTRY ACT AMENDMENT.

Report of Committee adopted.

BILL—STATE GOVERNMENT INSURANCE OFFICE ACT AMENDMENT.

Second Reading.

Debate resumed from the 9th November.

HON. H. SEDDON (North-East) [4.44]: Last session a Bill dealing with the State Insurance Office was approved by this House in order to give the office legal authority to continue the work it had been carrying on

for years in connection with workers' compensation insurance. At the time, that was the extent to which this House was prepared to go in the matter of legalising the office. Now we are asked to extend its scope to include motor insurance. I cannot support any activity by the State Insurance Office beyond what we agreed to last year.

THE HONORARY MINISTER (Hon. E. H. Gray—West—in reply) [4.45]: I cannot imagine any man who appreciates the development of motor transport opposing this Bill, and I feel that he would be a brave man to confront the body of public opinion, especially of owners and drivers of motor vehicles. I commend Mr. Seddon for being so courageous as to announce his opposition to the Bill. During the debate several references have been made to an agreement. Last session this House decided to restrict the activities of the State Insurance Office; it refused to pass the Bill unless the measure was confined to workers' compensation business. That decision, however, does not impose upon the Government any responsibility in regard to the Act.

Hon. J. J. Holmes: Why bring down this measure now?

The **HONORARY MINISTER**: There was no misunderstanding last session. The Government's policy is plain; we want to extend the scope of the State Insurance Office. During the year there has been a change, and a good case has been presented in favour of the Bill. The measure proposes to authorise the State Insurance Office to transact all classes of motor vehicle insurance, no more, no less.

Hon. J. Cornell: The Bill goes further than that.

The **HONORARY MINISTER**: If it does, I shall welcome an amendment to restrict its operation to motor vehicles insurance. An attempt has been made to introduce a multitude of subjects that have nothing to do with the objects of the Bill. The House must think of the welfare, not of the private insurance companies, but of members of the public. The State Insurance Office, with its limited scope and difficult insurances, is a complete financial success. It is entitled to be judged on its work; and furthermore, the convenience and interests of the general public must be con-

sidered. There will be thousands who, actuated by sentiment and solid business reasons, will desire to insure with the State office.

Hon. J. Cornell: It would be a farce to confine the State office to business that the private companies do not want.

The **HONORARY MINISTER**: Why should a man who wishes to insure a third-party risk with the State Insurance Office be compelled to go to a private company for a comprehensive policy for his motor vehicle? It is not common sense; it is unfair, and it would be putting the public to unreasonable difficulty, giving the bad end of the business to the State Insurance Office and the good end of the business to the private companies. Those members who consistently oppose State trading must recognise that there are thousands of people who ordinarily would oppose State trading, but are vehement supporters of State and Commonwealth Banks and State insurance, as instanced by the huge support of the business community of the Commonwealth Bank in every State. When the law makes insurance compulsory, every endeavour should be exerted to organise the cheapest insurance possible. This can be done only by passing the Bill giving the State Insurance Office authority to transact all motor vehicle insurance.

A survey of the operations of the insurance business conducted by the State Government Insurance Office is a complete vindication of the charges levelled at it by some members of this Chamber. The results achieved under difficult circumstances justify the passing of this measure. I quote the following particulars:—

Government Fire and Marine Insurance Fund.		£	s	d.
Credit balance at 1st July, 1938	52,820	12	1	
Premiums for year ending 30th June, 1938	9,056	14	3	
Interest on investments ..	492	19	3	
	62,370	5	7	
Payments	3,619	14	3	
Credit balance at 30th June, 1939	£58,750	11	4	

**Government Workers' Compensation
Insurance Fund.**

	£	s	d.
Credit balance at 1st July, 1938	75,953	1	7
Premiums	147,329	16	4
	223,282	17	11
Payments	152,494	5	9
Balance at 30th June, 1939 ..	£70,788	12	2

General Accident Compensation Fund.

	£	s	d.
Fund shows a deficiency of ..	20,877	15	9
Premiums for year	141,706	15	2
General Reserve Account ..	302,038	4	5

It must be remembered that the Government insures men whom the private companies are not asked to insure. Taking all the ramifications of the fund into account, the deficiency amounts to but little when there is a general reserve account of some £300,000. Assuredly, it is nothing to worry about.

I repeat that, assuming this third-party insurance Bill is carried, the House owes a duty to the motoring public. It must provide every facility for cheapening the cost to motorists. The State Insurance Office has demonstrated that it can successfully carry out insurance business. This office has not to consider paying dividends to shareholders, and has not to carry the huge overburden that private insurance companies must assume to function successfully. That statement cannot be contradicted. The expenses of private companies are enormous, and yet they function with great profit to their shareholders. It is a fair statement to make that if the State Insurance Office is shut out from competing in all insurance business connected, and concurrent with third-party risks, there is a grave likelihood of premiums being far heavier than they would be if the State office was a competitor. If this Bill is carried without amendment, it will act as an efficient policeman on the activities of private insurance companies, and premiums will be kept down to a just level. Some members may work to exclude the State office altogether, including third-party insurance; others may decide to limit the State office to third-party risks only. The great point is that the board will only be able to form an opinion on arguments put up by private companies, should the Gov-

ernment enterprise be excluded; but if the State Government Insurance Office can put up a good case for lower premiums, its arguments must prevail. The Legislative Assembly of Victoria had a long debate on this very question, and carried the inclusion of the State office by a majority of nine. If that is a safe step for Victoria to take, it is also a safe step for Western Australia. The passing of the Bill should result in a decrease of premiums for covering third-party risk. The good and careful driver is now paying too much for insurance.

I will speak very candidly. The Government must be allowed to compete for all motor insurance business, and will refuse to assume the load of third-party risk only. In other words, the Bill will be dropped if all motor insurance risks are not included in it. A grave responsibility rests upon members if this Bill is defeated, or is restricted in its operations, and every member voting against it must carry that responsibility. I trust the House will pass the measure without amendment, thus giving the motoring public, which looks to Parliament for protection, a just deal in the matter of third-party insurance.

Question put and passed.

Bill read a second time.

In Committee.

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

Clause 1—agreed to.

Clause 2—Amendment of Section 2:

Hon. H. S. W. PARKER: I move an amendment—

That all the words after the words "as follows" be struck out, and the following inserted in lieu:—" (b) in relation to insurance under part IVA of the Traffic Act, 1919-1939."

My object is to confine State insurance purely to insurance under Part IV of the Traffic Act. What the Minister had to say does not concern me at all; I have the interests of the public at heart, and not any question of Government policy. The Minister showed that the only business the State Insurance Office is permitted to carry on is carried on at a loss, and that loss is £20,000. He also stated that third-party insurance was the bad end of the business. I cannot see it. He declared that the

Government would not accept that unless it had the good part as well. On the Minister's own showing, if we permit a free go with regard to motor insurance, it will not be possible to carry on under the committee that is to be set up. The committee will consist of certain gentlemen who will decide what is a fair and reasonable premium, and what are fair and reasonable conditions for all insurance companies, including the State Insurance Office. But on the Minister's own showing that is the bad end of the stick so far as the State office is concerned, and therefore the Government wants the good end of the stick, and also authority to charge any premiums it likes without any committee in control. The Minister also stated that the State Insurance Office was a complete financial success. That is not what the State office is for; its purpose is to reduce the premiums if profits are being made. We allow the State office to carry on insurance under the Workers' Compensation Act so that the industry shall pay a minimum premium; yet we are told that the State office is a complete financial success; in other words, that it is making a profit. The Minister's arguments are such that we should clip the wings of the State office as far as possible. I voted for the second reading of the Bill because, where we have compulsory insurance, it is in the nature of a tax, and it should be reduced to a minimum. We must trust the Government to reduce it to a minimum. In that way we will have some hold over the question of premiums. It has been suggested that private companies make enormous profits, and that is why the State wants to carry on. That is an entirely wrong principle. If it is correct that private companies are making enormous profits, why is the State making a loss on worker's compensation?

The Honorary Minister: I did not say that private companies were making an enormous profit out of workers' compensation insurance.

[Hon. G. Fraser took the Chair.]

Hon. J. CORNELL: I hope the Committee will take a reasonable and long view of the proposal now before us. I wish to speak on behalf of the South Province. What is applicable to that province is equally applicable to the North-East and Central Pro-

vinces and, to a certain extent, the North Province, because from those provinces comes 99 per cent. of the gold production of the State. The men engaged in the mining industry had to fall back upon the State to get cover for the risk set out in the Third Schedule of the Workers' Compensation Act. The position now is that it is proposed the State Insurance Office shall be the only activity with respect to third-party risk. This is a ludicrous position so far as the mining industry is concerned. Take the Yilgarn goldfield. There are scores of men working small shows, and from the State Insurance Office they have cover under the Workers' Compensation Act. Now we are going to say to those men, most of whom possess motor vehicles, that they must insure for third-party risk with the same firm, that is, the establishment that insures them under the Third Schedule of the Workers' Compensation Act, and then they are told that if they want to take out ordinary insurance on their motor cars, they must go away from that concern and insure with a private party. In other words, we split the risk as far as the motor vehicle is concerned. That is absurd. There appears to be a desire to declare that the State Insurance Office shall have only what the private companies do not want. And if it is reasonable to say that it can have third-party insurance, then it is reasonable also to say that it should have the other part of the insurance associated with a motor vehicle. The State office should be allowed to take the whole of the risk in respect to the motor vehicle, that is, if the person who desires to effect the insurance wishes it. If that person does not desire it, he can go elsewhere.

Hon. J. NICHOLSON: The purpose of the amendment is clear and it is justified, having regard to what took place in connection with the State Insurance Office legislation last session. The Act passed last session defined very clearly, in Section 2, the meaning of "insurance business." At the time the Bill was before the House, the question was threshed out, and views were expressed which clearly showed that the intention of this House at least was that limitations should be placed upon the business to be undertaken by the State office. One need not go into past history, but it is now proposed by the present Bill to enlarge the scope of the State Insurance Office. If

members turn to the Bill, they will find that if it is passed in its present form, it is a question whether the scope of the business might not be extended to all classes of insurance.

Hon. J. Cornell: We can safeguard that.

Hon. J. NICHOLSON: For example, it is stated in the proposed new section —

Subject as hereinafter provided in relation to all classes of insurable risks—

That is sufficiently comprehensive to cover every kind of risk. Whether it is due to the draftsmanship and was intended or not, I do not know, but the effect would clearly be to authorise the State Insurance Office to undertake all classes of insurable risk including third-party risk for owners of motor vehicles. The amendment proposed by Mr. Parker makes the position clear, by providing that the business that can be undertaken by the State Insurance Office shall be to the extent provided for in Part IV. of the amended Traffic Act. I would point out, however, that that amended Act is not in force.

Hon. H. S. W. Parker: This cannot come into force until the amended Traffic Act does.

Hon. J. NICHOLSON: The only question is as to what changes may take place. It would be desirable for the Honorary Minister to report progress so that the matter might be fully considered.

Hon. H. S. W. PARKER: As regards Mr. Cornell's fears there will be no difficulty in any shape or form. Those people who already have motor cars insured with private companies will continue that insurance.

Hon. J. Cornell: The insurance will be split up.

Hon. H. S. W. PARKER: It need not be split up.

Hon. J. Cornell: I know it need not. The hon. member does not want to give it to them. Why does he not say so and be honest?

Hon. H. S. W. PARKER: Give them what? I do not understand.

The Honorary Minister: You know they will not go to two companies.

Hon. H. S. W. PARKER: Of course, they will continue with their own company.

The Honorary Minister: They will go to the cheapest company.

Hon. H. S. W. PARKER: Yes. Many of the persons mentioned by Mr. Cornell

will not have any insurance of any description on their cars and they will insure only to the extent to which they are bound to do so. If they so desire they will insure with the State office. I cannot see the force of Mr. Nicholson's remarks. Assuming that the amendment is carried and that the Traffic Act Amendment Bill is not, this Bill will not have any effect.

The HONORARY MINISTER: My impression is that this is confined to motor vehicles. If not, the position can easily be remedied by an amending Bill. With regard to Mr. Parker's remarks, it is not reasonable to say that people will take out policies with two companies. We should make it easy for people to insure. They will insure with the office giving the best service. In comparison with other insurance companies the State office gives the best service. I hope members will take notice of Mr. Cornell's sound arguments. This is not a question of Government policy only, but one of public convenience. People driving motor cars are entitled to the cheapest possible insurance. In view of the remarks made by Mr. Nicholson, I ask that progress be reported.

Progress reported.

BILL—FIREARMS AND GUNS ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. L. CRAIG (South-West) [5.25]: I have very little to say on this Bill. It seems to be quite all right with the exception of one clause. Amongst other things, the measure seeks to amend Section 4 of the principal Act by adding certain words. Section 4 (2) of the principal Act states that the Act—

Shall apply throughout the State to any person who is an Asiatic or African alien, or who is an Asiatic or African alien claiming or deemed to be a British subject.

The Bill proposes to add to that—

and to every person who is a native within the meaning of the Native Administration Act 1905-06.

That includes natives and half-castes, and is all very well except in certain cases. Every year natives on sheep and cattle stations in the North have their holidays.

I have lived on a station for only a short time, but I understand that as a rule the natives have a holiday of two or three or six or seven weeks twice a year. When they are on their holidays they do not live on the ordinary food supplied by the station. They do not eat mutton but live on game—iguanas and kangaroos, chiefly. When they begin their holidays the manager or owner of the station provides them with a gun and cartridges with which they obtain their food. Perhaps there are 30 or 40 natives in the group or perhaps only a few. If the Act is amended as is proposed by the Bill, the station owners and managers will be prohibited from giving guns to the natives. Section 5 of the Act provides that no person,—and that will include a native and a half-caste—shall have in his possession any firearm and no person shall sell, dispose of, deliver or acquire or be concerned in the sale, disposal, delivery or acquisition of any firearm to or by another—

Hon. G. W. Miles: It is already in the Act?

Hon. L. CRAIG: Natives were not covered, but the Bill includes them. The measure proposes to amend Subsection (2) of Section 4 of the Act by adding the words "and to every person who is a native within the meaning of the Native Administration Act 1905-1906." If natives are brought under the provisions of Section 4 of the Act they will immediately become subject to the provisions of Section 5 which states that persons shall not without a license have in their possession any firearms. For natives to possess a license for a gun in the circumstances I have outlined, would be impracticable. One gun is handed by the station owner or manager to all the natives and is passed amongst them when they are on holiday. Being wise, the natives make the women carry the gun.

Hon. J. Cornell: The women have to carry everything.

Hon. L. CRAIG: That is so. The point is that if this Bill is agreed to and the provisions of the Act are enforced, no guns will be handed to the natives when they go on their "pink-eye." One might as well endeavour to stop the rain from falling as to prevent the natives from going on their "pink-eye." That is a holiday they insist upon. I could suggest an amendment that might meet the case, although the phraseology is not as good as

I would like it to be. Section 9 of the Act of 1931 says—

No license shall be required by any person.

and then proceeds to enumerate the persons exempted, such as naval, military or air services of His Majesty, etc. My suggestion is that the following words should be added to the section—

(d) Or any native who is bona fide employed or engaged on a pastoral property north of the 26th parallel of latitude, who uses a firearm only for the production of food.

That would be a reasonable amendment.

Hon. G. B. Wood: What about pastoral properties in the vicinity of Kalgoorlie?

Hon. L. CRAIG: It might be dangerous to allow natives to use firearms there because of the numbers of people in the district. I am not wedded to the amendment, but wish to ensure the exemption of natives who are engaged on pastoral properties in large numbers, and who would only use the firearms for the production of food.

Hon. E. H. Angelo: The natives are employed on stations under permit.

Hon. L. CRAIG: It would not be necessary to include the words "under permit" because today all natives are under permit.

Hon. G. Fraser: Do you think the Act would be policed in the North?

Hon. L. CRAIG: We should not pass laws that we do not intend to administer.

Hon. J. Cornell: Would it not be better to specify only natives south of the 26th parallel of latitude?

Hon. L. CRAIG: The effect would be the same. If we exempted natives above a certain parallel of latitude the effect would be the same as if we brought within the Act only those who were south of that parallel. The Bill in other respects seems to be in order. I support the second reading, but hope that in Committee some amendment along the lines I have indicated will be agreed to.

HON. G. B. WOOD (East) [5.33]: I support the second reading, and also Mr. Craig's remarks concerning natives. On some large farms as well as on stations, there may be two or three guns that are owned by the manager or proprietor of the property. On numerous occasions those firearms may be utilised for the shooting of eagle hawks or foxes. If this Bill goes through without amendment, it will be im-

possible to allow the natives who have been using these guns to continue doing so, nor would it be possible to issue licenses to them. Perhaps a nomad crowd of natives will call at a property and ask permission to hunt foxes. That property may be somewhere in the agricultural areas. The natives would not be possessed of a gun of their own, and as things are today, the necessary permission would be given to them by the manager or owner of the property. The Bill, as at present worded, would prevent the natives from obtaining the use of any such weapons. I hope the Minister will give earnest consideration to amending Clause 3.

HON. E. H. ANGELO (North) [5.35]: I support the second reading, but ask the Chief Secretary to take notice of what Mr. Craig has said. Probably he will agree to some amendment that will give natives employed on stations the right to use guns, when the owner or manager is satisfied that they are competent to do so. It will be a difficult matter to secure licenses for all these natives. I am glad to see provision in the Bill to make it harder for natives generally to gain possession of firearms, and am prompted in that opinion by what I learned in Broome a few months ago. I spent three weeks in the town, went carefully into many questions associated with natives, and was not at all satisfied with the position as it then was. It appeared that many Japanese divers used the native women, and in return provided the natives with a good deal of money for gambling and other purposes. I was told by two or three reputable people that if any trouble occurred there with the local Japanese the natives would side with them against the Europeans. That being so, we should take every precaution to see that such natives are not allowed to use firearms. The position is dangerous enough as it is up there.

Hon. L. Craig: My amendment would deal only with pastoral areas.

Hon. E. H. ANGELO: I am glad that care is to be exercised concerning the use of firearms by natives generally. I agree with Mr. Craig that it is all right for natives on stations to be allowed to use a gun occasionally, and it would be a hardship upon all concerned if that were not allowed. I am, however, glad to see that the Bill will make it more difficult for

natives generally to obtain possession of firearms.

HON. J. CORNELL (South) [5.38]: I support the second reading. If Mr. Craig wishes to preserve the status quo with regard to natives in the North, and exempt from the provisions of the Bill all who reside north of the 26th parallel of latitude, he will have no difficulty in gaining his object if at the end of Clause 3 he adds the following words:—"and reside south of the 26th parallel of latitude." Such an amendment would mean that natives north of that parallel would not be affected.

Hon. E. H. Angelo: That would not help in the difficulty raised by Mr. Wood.

Hon. J. CORNELL: Mr. Craig wishes to exempt natives residing north of the 26th parallel. Some difficulty would be experienced in drafting an amendment to cover every point that has been raised.

Hon. E. H. Angelo: Mr. Wood referred to natives engaged by pastoralists and farmers.

Hon. J. CORNELL: Natives may be engaged today, but they may not have any engagement tomorrow. There is a fundamental difference between natives south of the 26th parallel of latitude and natives north of that point.

Hon. G. B. Wood: What about natives of the Fraser Range type?

Hon. J. CORNELL: They are nearly all dead. The few who still exist work for wages. The natives to whom Mr. Craig referred are differently situated from those who reside in the agricultural areas. How it will be possible to draft an amendment to provide for all the natives, I do not know, but it would be a simple matter to provide for those north of the 26th parallel.

HON. A. THOMSON (South-East) [5.40]: In parts of the farming areas there are many half-castes who have proved most useful as trappers, in the extermination of rabbits and foxes. The suggestion has been made to me that they should be given a permit to carry firearms. That point should be taken into consideration.

Hon. L. Craig: They can get a permit now.

Hon. A. THOMSON: But they have been refused a permit.

Hon. L. Craig: There must be some good reason for that. It is possible for them to get a permit.

Hon. A. THOMSON: The man I have in view is a very much cleaner living man than are many white people, and he has been refused a permit. I am in accord with the desire of the Government to tighten up the control over firearms and to ensure that all guns shall be licensed.

Hon. J. Nicholson: The difficulty is to exercise control, and at the same time give freedom.

Hon. A. THOMSON: I realise that difficulty. Consideration should be given to the farming areas and to meeting the wishes of Mr. Wood. If the natives to whom reference has been made are allowed to use a gun, they would be able to get rid of a great deal of vermin that at present escapes.

HON. V. HAMERSLEY (East) [5.42]: It would be a serious thing to prevent all natives from using firearms. Natives are particularly useful in the extermination of foxes, eagle hawks and parrots.

Hon. G. W. Miles: And galahs.

Hon. V. HAMERSLEY: These pests are a great menace to settlers, especially those in the pastoral areas where foxes and eagle hawks abound. Natives have a very quick eye and are particularly good in destroying foxes and eagle hawks. If they were deprived of the right to use a gun, in many instances they would not be employed. Natives are not only useful in connection with stock, but are of material help in keeping down rabbits, foxes and other pests. They are often better at that work than are white men. It is easy to secure the services of natives because they prefer to live in the country, which is not always the case with white people. The Bill could be amended so that the services of the natives in this class of work might be continued. To do otherwise would be to cause a good deal of loss to employers in the country.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West—in reply) [5.45]: The discussion on the Bill has indicated clearly how difficult it is to provide a measure that will meet every situation that may arise in connection with the use of firearms. I

am inclined to think there is a good deal in what Mr. Craig had to say and we may possibly frame an amendment that will cope with the phase outlined by him. At the same time, I think it would be extremely difficult to amend the Bill so as to meet the position referred to by one or two other members without detracting seriously from the efficiency of the legislation.

Hon. J. Nicholson: Unless you were to provide that a permit could be issued by the constable in charge of the district.

The CHIEF SECRETARY: Yes, but the suggestion seems to be that the farmer is the best man to determine whether a native is suitable for carrying a gun. I think the farmer is, in many instances, the last man in the world to determine such a question. As to Mr. Hamersley's remarks, the Bill will certainly not prohibit a native or a half-caste from having a firearm, but will require him to secure a license before being allowed to possess one. From my knowledge of many half-castes in the southern portion of the State, I know there is no reason why they should not be in exactly the same position as a white man. If a half-caste wishes to carry a firearm, he should apply for a license just as the white man is required to do.

Hon. J. Cornell: Quite a lot of half-castes carried guns during the earlier war without having a license.

The CHIEF SECRETARY: That is so. Naturally such legislation is not introduced without adequate reason. Country members may suggest that foxes, eagle hawks and other vermin constitute a menace to the farmer; I assure them that some natives who carry guns today are much more of a menace to people in the rural areas.

Hon. A. Thomson: I agree with you.

Hon. V. Hamersley: Yes, that is quite correct.

The CHIEF SECRETARY: I have introduced the amending legislation in consequence of urgent representations made by the Commissioner of Police. Doubtless it would be absurd to give full effect to all the provisions of the Bill, and I shall certainly attempt to draft an amendment to get over the difficulty mentioned by Mr. Craig. If the second reading of the Bill is agreed to, I shall postpone the Committee stage till Tuesday next in order

to see what can be done to meet the objections that have been raised. As to the position in the southern parts, I do not think we should consider for one moment granting any exemptions there. Members must realise that the nation is at war. While I do not suggest that any native or half-caste would take up arms against the Government, there is obviously necessity to have absolute control over firearms, and the Commissioner of Police has certainly made urgent representations that the legislation should be introduced. As a matter of fact, I had intended adopting that course last session but having gone further into the matter very fully, I can assure members that the passage of such legislation is highly desirable. As to the clause dealing with air guns, it may be suggested that to exercise similar control over them as we do over firearms is going a trifle too far, as the license fee might be too great and so forth. If the Bill becomes law, a license for an air gun will have to be taken out but the fee will be purely nominal, probably a shilling, and we will provide by regulation for the renewal of the license from year to year without further payment. In many instances, of course, the air gun will not last for more than 12 months, and frequently, when the novelty wears off, the weapon is no longer used.

Hon. J. Nicholson: What is the definition of "air gun"?

The CHIEF SECRETARY: There is no definition included in the Bill.

Hon. J. Cornell: Would that cover a shanghai?

The CHIEF SECRETARY: I do not think so.

Hon. J. Cornell: The word "fabric" is used in the definition.

The CHIEF SECRETARY: Yes. We have information regarding the use to which air guns have been put and I can assure members that it is rather astounding. The same thing applies to firearms, and therefore it becomes essential to have the best possible control over weapons that may be used in such a way. While I realise some members may feel a little dubious as to how the amending legislation will apply, I assure them that the Bill is necessary.

Question put and passed.

Bill read a second time.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 24th October.

HON. C. F. BAXTER (East) [5.57]:

Because insurance is compulsory under the Workers' Compensation Act, the necessity has unfortunately arisen to make provision to compel those who, even though aware of the risk they run, fail to effect insurance. While I support the Government in the introduction of legislation to overcome the difficulty, the Bill sets out that returns must be made by the insurance companies every 12 months. The returns will provide particulars regarding the number of employees and insurances affected by each company under the Workers' Compensation Act. That will deal with the employers who have taken out insurance policies. In addition, power is provided for inspections to be made. Inspectors will be allowed to enter upon premises, call for documents, books and records and will be able to do so at what is referred to as "any reasonable time." That is asking us to go a long way in authorising power properly to control the compulsory provisions of the Workers' Compensation Act. We are asked to agree that people may be harassed as a result of these inspections. The very fact that inspectors are to have power to enter business places is significant. I have gone into the matter carefully and I have placed on the notice paper an amendment which I think will overcome difficulties that may be envisaged. One effect it will have, if accepted, will be to do away with more inspectors than are required to carry out the work contemplated by the Bill. Further, the encroachment upon private business places will be minimised where insurances have been taken out. From my point of view, the drawback to the Bill is that companies are only required to furnish annual returns. I think that would provide a very inadequate record. Upon the slightest suspicion, inspectors can approach any premises; that is undesirable. Provision is made for the insurance companies to give details of the number of employees covered. That is not done at present. If an employer desires to effect insurance under the Workers' Compensation Act, he merely furnishes a statement of liability for wages amounting to, say, £2,000 a year, but he does not give

the number of employees in receipt of that wages bill.

Hon. J. J. Holmes: Do I understand that the Minister is prepared to accept your amendment?

Hon. C. F. BAXTER: Yes, but I want to explain the position to the House. I am afraid the provision in the Bill for the inclusion in the return of the number of employees covered, will be observed only with the greatest difficulty. The amendment I have framed will simplify the position and will deal with it much more effectively. The department will easily be able to trace those that are uninsured, and that is what is required. It will be obligatory upon insurance companies to furnish returns within 30 days of the proclamation of the Act, giving particulars regarding the employers insured with them and, thereafter, monthly, two other lists within 14 days of the expiration of the month. One will give a record of new policies taken out and the second will deal with what appear on the companies' books as lapsed policies. Members will appreciate the fact that as long as a policy has not lapsed, it is still current, although premiums may not have been paid, and the company concerned still has to shoulder the responsibility of insurance cover. The Bill contains penalty clauses that are necessary to enable the requirements of the Act to be carried out effectively. If my amendment be agreed to, and monthly reports are seenred as I suggest, the department can easily establish a card index system which would make it a simple matter for any officer to ascertain whether firms were insured. That would be a simple way of dealing with the position instead of haphazardly visiting premises and making individual inquiries regarding the effecting of insurances. A little more cost may be involved, but I do not think that can be avoided because it has certainly become necessary to police the Workers' Compensation Act. Anyone who has had experience of this Act will agree with me that many employers evade their responsibility for insuring their workers. Parliament must see to it that such evasion no longer continues, because we know there are cases of unfortunate workers who, having been injured in the course of their employment, have been unable to obtain compensation for the reason that their employers are men of straw. I understand the Govern-

ment is prepared to accept my amendment, which is practically the essence of the Bill, the other clauses being machinery clauses. If the Bill passes, we shall have on our statute-book an Act that will safeguard our workers in the future and right a position that at present is wrong. I support the second reading.

HON. L. B. BOLTON (Metropolitan) [6.2]: I have very little to add to the speech delivered by Mr. Baxter. I support the second reading. It is a pleasure to me to support an amendment to the principal Act which empowers the Government to police this insurance. That is a power the Government should have had many years ago, but the necessary machinery was lacking. If we agree to the amendment proposed by Mr. Baxter, then the Government will have at its disposal the necessary machinery to police the Act. Workers' compensation insurance must be kept up, and it is right that the Government should, as I say, be empowered to enforce the provisions of the Act. Instances have been mentioned in this House of small firms who take the risk of not insuring their employees. Other firms take the risk of insuring themselves. The amendment will have the effect of preventing that, because the Government can now require such firms to deposit a large sum to enable them to carry on their own insurance. I believe Mr. Baxter's proposed amendment will overcome all the difficulties and enable the Government to police the Act as it should be policed. I support the second reading.

THE HONORARY MINISTER (Hon. E. H. Gray—West—in reply) [6.4]: I am pleased that a Workers' Compensation Act Amendment Bill should be so well received by the House. I appreciate the attitude of hon. members towards it. I hope I am not making a mistake.

Members: No.

The HONORARY MINISTER: Mr. Baxter's amendment has been submitted to the Government, which offers no objection to it.

Hon. J. Nicholson: It seems to be watertight.

Question put and passed.

Bill read a second time.

In Committee.

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

Clause 1—agreed to.

Clause 2—New sections 10A and 10B inserted in principal Act:

Hon. C. F. BAXTER: I move an amendment—

That Clause 2 be struck out and the following inserted in lieu:—“2. New sections are inserted in the principal Act after Section 10 as follows:—

10A. (1) Every incorporated insurance office which has received the approval of the Minister under the provisions of section ten shall within thirty days from the commencement of this section transmit to the Minister a statement showing the names, addresses, and occupations of each employer who had in force at the date of the commencement of this section a policy or contract of insurance with that insurance office against liability under this Act.

(2) Every such insurance office shall within fourteen days from the end of the first clear calendar month after the commencement of this section, and thereafter within fourteen days from the end of each succeeding calendar month, transmit to the Minister—

(a) a statement showing the names, addresses, and occupations of each employer who has during the month in question effected a policy or contract of insurance with the insurance office concerned against liability under this Act: and

(b) a statement showing the names, addresses, and occupations of each employer in respect of whom the insurance office concerned has during the month in question marked in its books as lapsed a policy of insurance under this Act.

(3) Every such statement shall be signed by a responsible officer of the insurance office concerned.

(4) No person, except with the express authority of the Minister, shall have access to, inspect, or peruse any such statement aforesaid, and the information contained therein shall be treated as strictly confidential and shall not, except for the purposes of this Act, be disclosed to any person. Any person who discloses any information contrary to the provisions of this section shall be guilty of an offence against this Act.

Penalty: One hundred pounds.

(5) If any statement required by this section is false in any particular to the knowledge of any person who signs the same, such person shall be guilty of a misdemeanour, and being convicted thereof, shall be liable, at the discretion of the court, to be imprisoned for

any term not exceeding one year, or to a penalty not exceeding one hundred pounds.

10B. (1) Any person authorised in writing by the Minister in that behalf may make such inquiry from any employer whose name does not appear in any statement required under section ten A (1) or ten A (2) (a) or whose name does appear on any statement required under section ten A (2) (b) (unless in the latter case the employer's name appears in any statement required under section ten A (2) (a)), as may be necessary, to ascertain whether any such employer has obtained a policy of insurance as required by the provisions of section ten.

(2) Every person authorised by the Minister under the provisions of this section shall produce his written authority from the Minister, when interrogating any such employer in the execution of his duties under this Act.

(3) Every person aforesaid shall, before entering on the performance of his duties under this Act, take and subscribe before a justice of the peace an oath or affirmation to the effect that he will not, except for the purposes of this Act and the exercise of his duties hereunder, disclose to any person any information acquired by him in his official capacity, and every person who wilfully acts in contravention shall be guilty of an offence against this Act.

Penalty: One hundred pounds.

(4) Any person who obstructs, hinders, prevents, or interferes with any person so authorised in the exercise of the powers conferred upon him by this section, or who refuses or fails to produce for the inspection of any person so authorised as aforesaid any policy or contract of insurance when requested by such person, and obliged under this section so to do, shall be guilty of an offence under this Act.

Penalty: One hundred pounds.

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

Clause 3, Title—agreed to.

Bill reported with an amendment.

BILL—ADMINISTRATION ACT AMENDMENT.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to the Council's amendment.

BILLS (2)—FIRST READING.

1. Reserves (No. 2).
 2. Income Tax (Rates for Deduction).
- Received from the Assembly.

BILL—INCOME TAX ASSESSMENT ACT AMENDMENT.

Received from the Assembly.

First Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [6.15] in moving the first reading said: I wish to inform hon. members that a table has been prepared showing the incidence of this proposed taxation as compared with the incidence of existing taxation. I am taking the unusual course of asking that the table be distributed amongst members so that they may have an opportunity to study it for themselves, and thus be in a better position to debate the measure when it reaches the second reading stage. I move—

That the Bill be now read a first time.

Question put and passed.

Bill read a first time.

Sitting suspended from 6.15 to 7.30 p.m.

BILL—TRAMWAYS PURCHASE ACT AMENDMENT.

Second Reading.

Debate resumed from the 9th November.

HON. E. H. ANGELO (North) [7.30]: The Government is indeed hard up because it is exploiting every avenue where money can be raised. This Bill indicates one avenue where the Government thinks it can raise a certain amount. I do not blame the Government for attempting to raise money in this way. I have discussed this proposal with some of the administrative officers of the Perth City Council, and asked what would be the effect if the Bill is passed. They told me it will mean one of two things—either the rates in the Perth municipality will have to be increased by a penny—

Hon. J. M. Macfarlane: And in Subiaco and Nedlands.

Hon. E. H. ANGELO: Yes, or alternatively the council will have to retrench a fair number of employees and discontinue some of the very important work that is now being undertaken. As to raising the rates by one penny, would not that be hard on the ratepayers of Perth and the adjoining bodies at the present time? The ratepayers of Perth will be badly hit. There will be increased Commonwealth taxation, increased State taxation, and

the cost of living has gone up, though fortunately the increases have been kept within limits. Therefore 1939-40 promises to be a very bad year indeed in which to bring in a measure of this sort. On the other hand, if the passing of the measure means the retrenching of some of the staff that is doing really good work, how is Western Australia likely to benefit? The Minister has told us that a large sum of money is necessary to keep 6,500 to 7,000 men in employment of some kind. If the Government gets this money and the council is deprived of it and men have to be retrenched, how much better off shall we be? The Government will have to provide for so many additional men representing the number retrenched by the City Council. A question that should appeal to members is, who is going to make the better use of this money, or who is going to get the better value for it, the Government or the Perth City Council?

Hon. J. Cornell: I think it is fifty-fifty.

Hon. E. H. ANGELO: I do not think so. Mr. Bolton, a few days ago, told us what a wonderful city the council is making of Perth. Everyone must agree that the Perth City Council is spending its money wisely and well and is building up a city of which we should be extremely proud. I would rather see the money involved in this Bill spent by the City Council in the direction in which it is being used at present. Consider further what a song the Government makes if the Commonwealth Grants Commission suggests a reduction in the amount of the grant we have been accustomed to receiving. Committees are appointed and cases are made out for presentation to the Commission. This case is almost on all fours. The State has been accustomed to getting a certain amount from the Federal Government, and rightly so, and any curtailment of the amount is resented. The City Council has been accustomed to receiving this 3 per cent. from the Government—money to which it is justly entitled—and now the city is to be deprived of that money. For this reason I cannot agree to the proposal in the Bill. The Government would have been far wiser had it said to the City Council, "We intend to stop these payments, but will stop them gradually. We are not going to ask you to forego the whole of

the amount represented by the 3 per cent. straight away, but will introduce a measure to give you 2½ per cent. next year, 2 per cent. in the following year, and so on." That would have given the City Council about five years in which to make the necessary arrangements in lieu. The council has been receiving this money for many years, and apparently is to be deprived of it without getting any notice whatever. I hope the Government will see its way to amend the measure and spread the reduction over five years, or even three years, and not come down like a sledge hammer and take the whole amount immediately.

HON. J. A. DIMMITT (Metropolitan-Suburban) [7.38]: Mr. Nicholson and Mr. Bolton have probably covered most of the ground in dealing with this measure. When the Bill was before the House a few nights ago, Mr. Cornell made a series of statements that I think should be answered before the debate is closed. Mr. Cornell said he asked himself whether he was going to be a party to the continuance of something in perpetuity, which, when properly examined, was one of the compromises arrived at when the tramways were purchased. From inquiries I have made, I find there was nothing at all in the nature of a compromise between the Government and the Perth City Council in 1912. Actually the Government insisted upon purchasing the tramways, notwithstanding the strong objections then raised by the City Council. Under the agreement with the tramway company dated the 17th April, 1897, the council held the following rights:—

1. Three per cent. of the gross earnings to be paid to the municipality in lieu of rates.
2. The tracks to be kept in repair by the company.
3. The council to have the right to use the poles for lighting purposes.
4. The council to have the right to use the lines for scavenging and other purposes at any time.
5. The council to have the right to purchase in 13 years without goodwill.
6. The council to have the right to purchase in 20 years without goodwill.
7. The whole undertaking to revert to the council in 27 years without payment, except the actual price paid for freehold land.

This right of reversion to the City Council in 27 years was valued by experts called in for the purpose by the City Coun-

cil in 1912 at £500,000. But this valuable right was cancelled by the Government when it purchased the tramways, and the Government made no compensation to the City Council. As a matter of fact, the Government granted only three of the rights I have enumerated—to pay 3 per cent. of the gross earnings in lieu of rates, to keep the tracks in repair and to allow the council to use the poles.

Hon. J. Cornell: Parliament did that, not the Government.

Hon. J. A. DIMMITT: So the position today is that, instead of in this year 1939 the whole undertaking reverting to the council practically without cost, the Government is seeking to take away the 3 per cent., which is the council's right, and which, in my opinion as a matter of justice and equity, the council should continue to receive.

The Chief Secretary: In perpetuity?

Hon. J. A. DIMMITT: Yes. Mr. Cornell, further in his speech, said he well recollected the debate that took place in this House and that the same old horse was dragged in then, namely that private enterprise could do the job better than could the Government. In his saying this, I claim that Mr. Cornell was wrong. The argument in 1912 was not the Government versus private enterprise; the argument then was the purchase of the undertaking by the Government or by the municipality. Private enterprise did not enter into the discussion at all. Mr. Cornell also referred to the electric light agreement and said that, in a manner of speaking, what the council lost on the merry-go-round, it made up on the swing-boats. He further said the agreement that the Perth City Council should be supplied with current for 50 years at a loss to the suppliers was iniquitous. Anyone would imagine from Mr. Cornell's statement that the City Council had imposed its will on the Government in 1912, and had, in fact, taken the Government down. Such is not the case, and I think he will now agree with me that the position actually was that the Government was very anxious that the council should obtain its current from the Government's electric generating station in order to reduce the cost of generating electricity for the tramways. These are the actual facts. In February, 1912, the council had completed the purchase of the elec-

tricity and gas services from the Perth Gas Co., and owing to the fact that the Government had compulsorily acquired the principal power station at West Perth, the council was faced with the need of providing a new power station to supply its own requirements. The council called in expert advice to deal with the situation, and it was decided that the council should erect a new station for the purpose of generating alternating current on the site at East Perth now occupied by the Government Power House. However, in the meantime the Government had purchased the tramway concern, and was faced with the need for a new power station; and on the advice of its consulting engineers it suggested to the Perth City Council that one generating station would be more economical than two, and suggested further that the Government, erect the station. The council eventually agreed to the principle of one station for the two undertakings, and suggested the appointment of a trust to control the erection and operation of one generating station under the combined management of the Government and the council. The Government refused to adopt this suggestion, and insisted that the power station should be erected and operated by it; and eventually the council was compelled to consent to this arrangement. A draft agreement was made for the supply of current to the council in perpetuity at cost price, or not more than .75d. per unit. Although the draft agreement was supported by the Premier of the day, the Government subsequently sought to reduce the period to 21 years; but finally the agreement was drawn up for a period of 50 years. Thus hon. members will see that the agreement was drawn up by the Government, and it was the Government that laid down the terms of supply—not the council. A maximum of .75d. per unit was fixed by experts acting for both the Government and the council; so that if the Government cannot produce the current at the price estimated by its experts, then surely that is no responsibility of the council. And let me point out that were it not for the council's load, the cost of generation which the Government would have had to face since 1913 would be very much greater. This position still obtains to-day. So that the Government has had some substantial benefit from its contract with the council, because

if it had not the bulk supply which the council purchases, then its generating cost for the smaller output would be considerably higher.

In discussing the three per cent. which is paid in lieu of rates, Mr. Cornell said that it would be as logical to declare that as the railways run through part of the City Council property, some railway revenue should be paid to the council. But this argument will not bear investigation at all, because, as hon. members are aware, the railways run on Crown lands set aside for railway purposes, whilst the tramways run on public highways which are built and maintained by the City Council. Perhaps Mr. Cornell is not aware that tramways are rateable under the provisions of the Municipal Corporations Act.

Hon. J. Cornell: Then why are they not rated?

Hon. J. A. DIMMITT: Because when the Council gave the tramway concession in 1897, it stipulated that the company should pay three per cent. of the gross earnings in lieu of rates. I agree with Mr. Nicholson, Mr. Bolton and other members that this payment should be continued, because the council is not empowered to rate a Government undertaking. Members well know that the Government is exempt from payment of municipal rates. Therefore, to do justice to the municipality, the only thing left for this House is to reject the Bill. I intend to vote against the second reading.

HON. V. HAMERSLEY (East) [7.50]: I remember well the discussion of negotiations between the Government and the Perth City Council concerning the purchase of the tramways. I always looked upon the Government's purchase of the undertaking as a wonderful steal. The Government had no right to act so drastically as it did with regard to the Perth municipality. At any rate, the payment of three per cent. to the council was to compensate it for what the city was losing. I understood that the payment would be for all time, in view of the wonderful asset which had been taken from the city, the fact being that the whole of the tramway properties were to revert to the council eventually. We know that in other parts of the world the same kind of action has taken place, and that cities there have

found tramway properties excellent revenue-producers. The City of Perth, however, has lost a concession honourably granted by it to a private company. The private company laughed from ear to ear at the wonderful price it had got out of the Government. Well, the Government took charge. I suppose that was one of the early stages of the State controlling what was very much better controlled by private enterprise.

The Chief Secretary has said that the arrangement relative to the payment of three per cent. was left to the future, until Parliament might otherwise decide. The hon. gentleman added that he felt this was the time when Parliament should decide otherwise. Similar words, I believe, were regarded as the Braddon Blot in connection with Federation. Originally it was decided that three-fourths of the Customs revenue should be returned by the Commonwealth to the States for a period of ten years, and thereafter until Parliament otherwise decided. It was never dreamed that the Federal Parliament would decide otherwise than on equitable principles. Neither was it ever dreamed that the Western Australian Parliament would be so unjust as to shatter the interests of the Perth City Council in the Perth tramways. Nevertheless, the Commonwealth took the whole of the Customs revenue, saying, "We will give you as an act of generosity a certain sum of money per head of the population just so long as it may suit the Federation to do so." Similarly it was never dreamed by the City of Perth that the sacredness of contracts would be so utterly disregarded by the Western Australian Parliament. A great wrong is proposed to be done to the citizens of Perth by the cancellation of an honourable agreement. We have before us a Bill practically to rob the Perth municipality of that which is its due. I certainly am opposed to the Bill, which I regard as atrociously unfair.

On motion by the Chief Secretary, debate adjourned.

BILL—FINANCIAL EMERGENCY TAX.

Assembly's Message.

Message from the Assembly received and read notifying that it declined to make the amendments requested by the Council.

BILL—LAND TAX AND INCOME TAX.

Assembly's Message.

Message from the Assembly received and read notifying that it declined to make the amendment requested by the Council.

BILL—BUILDERS' REGISTRATION.

Second Reading.

HON. J. A. DIMMITT (Metropolitan-Suburban) [7.58] in moving the second reading said: The principal object of the Bill is to provide as far as possible that none but competent and experienced men shall undertake, or be entrusted with, the construction of buildings and other structures. Probably most hon. members know that reputable builders have in the past had—and no doubt, unless the Bill passes, will in the future have—to contend with unfair competition from irresponsible and incompetent persons who practically blow into the building trade, make a nuisance of themselves by doing bad jobs and letting owners down or by getting into financial difficulties and letting suppliers down, or in most cases by doing both. The Bill seeks to protect the owner, the supplier and the workman from the danger of incompetent and unreliable persons engaging in the building industry. The protection to be afforded is by the registration of builders who contract for or undertake the building of structures the cost of which exceeds £400. Persons not registered will be permitted to build structures of £400 or less value. Thus there will be no restriction on the less experienced builder, because he will still be able to conduct his activities on relatively unimportant jobs. He will be bound only by the restrictions of the Health Act and the Building Act. But when it comes to buildings of a value of over £400 then registered builders only will be allowed to undertake this work, and the only test so far as registration is concerned will be competency. Surely competency is essential when a builder is dealing with structures involving large sums of money.

To deal with the registration of builders the Bill proposes to set up a board to be known as the Builders' Registration Board of Western Australia. This board will consist of four members, and they will be the president of the Royal Institute of Archi-

fects, a representative of the 'Master Builders' Association, and a representative of the Western Australian Builders' Guild, together with the Principal Architect, who will be the chairman of the board. The powers of the board are clearly laid down in Clause 8, paragraphs (a) and (b). Paragraph (a) sets out that the duties and the powers of the board shall be to determine the course of training (including practical experience in the work of a builder) to be pursued and undertaken by and the examination of persons desiring to be registered under the Act. Paragraph (b) sets out that there shall be compiled and kept a register containing the names, addresses and qualifications and other prescribed particulars of persons who are admitted to the register pursuant to the measure, and that a copy of such register and of any supplementary list shall be published. The other paragraphs of the clause provide for the issue or cancellation of certificates of registration, the cancellation or suspension of the registration of any person, the annulment of such cancellation or suspension, the taking of proceedings for offences against the Act, and generally to carry out the provisions of the Act. Clause 10, paragraph (b), sets out that any person who has been engaged as a builder or supervisor of buildings for a period of not less than two years, and is competent to carry out and supervise building work, is entitled to be registered as a builder.

Hon. L. Craig: Any builder?

Hon. J. A. DIMMITT: Any builder who has been engaged as a builder or supervisor of buildings will automatically become registered. A builder will have to prove his efficiency to the board. The same clause also provides that any person who has completed the prescribed course of training and has passed the prescribed examinations shall also be entitled to be registered. So that those already engaged in the building industry, who are competent, will automatically be registered, and any other person on qualifying will also be entitled to registration. The Bill will not create a close corporation, nor does it represent any attempt to restrict the number of builders. It does, however, provide for the registration of only qualified builders, and that is protection for the public who are very definitely interested.

There is nothing new about the idea of the registration of tradesmen. No plumbing work can be undertaken except by a registered plumber. Electricians are licensed, architects are licensed, crane and engine-drivers must be certificated, leading scaffolders are licensed, and now the Bill seeks to license the builder who is in control of numbers of workers such as I have enumerated, who must be licensed or certificated before being allowed to follow their callings. Surely it is reasonable that the builder in his turn should prove his competency to supervise the work of those I have mentioned. When a similar Bill was before the House in 1934, it was viewed with suspicion by certain members. Country members especially seemed to regard it with quite a lot of suspicion, but I would point out that the country man, perhaps more than the metropolitan dweller, is in need of this Bill. In the metropolis an architect is close to the job and is on it very frequently. When a substantial building is being erected in the country, almost invariably it is under the control of a city architect and one is very fortunate indeed if he gets a visit from the architect once a week. So it is more necessary for the country man to have a competent builder, bearing in mind that the architect is not always there to watch and control the job. The following people are intimately associated with the building industry and are very anxious that the Bill should be passed:—The Master Builders' Association, the Master Plumbers' Association, W.A. Hardware Merchants' Association, Timber Merchants' Association, Royal Institute of Architects, Perth City Council, Perth Chamber of Commerce and the W.A. Chamber of Manufactures. It will thus be seen that quite a number of people are particularly interested in having the measure passed into law. I hope members will agree to the Bill and so ensure that none but competent and reputable persons will be able to undertake the construction of buildings, and by this means we shall reduce the possibility of inferior structures, negligence and even fraudulent practices.

Hon. J. Cornell: I would surmise that even the trade unionists would not be against it.

Hon. J. A. DIMMITT: They are favourably disposed towards it. As a matter of fact the people who approached me were representatives from the W.A. Builders'

Guild and the Master Builders' Association. Further, I have been in conference with them on several occasions. Actually, a Bill such as this will have the effect of helping to secure the safety of workmen and the public because competent builders will handle their contracts with due regard to the safety of their staff and the public. The Bill will also have the effect of giving greater security to the investing public, and do something to stabilise the building industry, which is so tremendously important in the employment field. Therefore I hope that members will give it favourable consideration, and pass it in due course. I move—

That the Bill be now read a second time.

HON. J. NICHOLSON (Metropolitan) [8.10]: In supporting the Bill I would like to congratulate Mr. Dimmitt on the manner in which he presented it. I feel that there is the greatest justification for a measure of this kind in a city such as Perth, and throughout the metropolitan area, because of what has taken place in past years. Local authorities and town surveyors and engineers have experienced a great deal of trouble in the past because of the incompetence of many of the builders who have come forward to carry out the erection of structures in the city and suburbs. The underlying note of the Bill is that of ensuring competency on the part of those who are undertaking the business of building in any part of the metropolitan area, and it is important to know that the measure will also go a long way towards helping to safeguard the public from the risk and danger that is always imminent when an incompetent person undertakes the erection of a building of any importance. There has been a limit, it is true, placed by the Bill with regard to those who have not reached that stage of competency required by the Bill, and it is a wise limit that will not prevent or exclude builders from carrying out ordinary work that they are capable of doing. The limit is £400, and in fixing that figure a great deal of wisdom has been displayed because the man who is desirous of qualifying and proving his ability will be given the opportunity, after presenting himself to the board, to prove whether or not he is qualified to be registered as a builder and to undertake bigger works. Having regard to the fact that the safety of the public is

ensured by the registration, and having regard also to the fact that so many other industries are already registered, it is only fair and proper that in a trade such as that of building, the safeguards sought to be introduced by the Bill should be provided. I have much pleasure in supporting the Bill.

HON. L. B. BOLTON (Metropolitan) [8.13]: As sponsor of a similar Bill which came before this Chamber five years ago, I wish to say that I am just as keen a supporter of the measure today as I was on that occasion, because I realise that it is in the best interests of the building industry of the State. Conditions, however, are different today, and I believe that the country representatives who fought very bitterly against the Bill of five years ago will give the present measure their support. As has been ably pointed out by Mr. Dimmitt, it will be to their advantage as well as to that of those in the city. Two reasons prompted me to take charge of that measure when I did. The first was that I saw in it a greater opportunity for the proper training of apprentices than existed at that time, and a greater opportunity than I think exists today in the building industry. I know, of course, that we have the Builders' Apprenticeship Board. Looking at my remarks of five years ago, I discover that I made a feature of the point that properly registered builders of standing, who would have a greater continuity of work, were more able to train apprentices to this great industry as they should be trained. I hope that if the Bill is passed—as I believe it will be on this occasion—the board will see to it that every possible effort is made to train in the industry all the apprentices it is possible to train. The other reason for my sponsoring the previous Bill—and the reason I support this one—is that I saw in it a good opportunity of maintaining peace in the industry. When I stressed that point on a former occasion, certain members were a little sceptical about my being on the right track. But I believe I was and am still on the right track. The fact that Trades Hall is not opposed to this measure does not mean that it should not receive the support of this House. If in any industry—I do not care whether it be the building or any other industry—we can, by coming together, help

to maintain the peace we so desire, we shall be doing good for that industry.

A point stressed by Mr. Dimmitt was that only the better type of builder will be registered. Those builders will be men of standing who are more able to complete contracts of purchase and contracts of employment. Strange to say, only yesterday I had an experience that is worth repeating to the House. I advertised for a farm hand, and amongst the applicants was a certain man. When I asked him where he had recently been employed, he said, "I finished a job in the country about a month ago and since then I have been working for a builder in the city; but I had to turn it up." I said, "How was that?" and he replied, "I worked the first week without any wages. The builder told me he had been unable to get an advance, as he had expected. I carried on for four days of the second week. I worked ten days in all and not having received any payment I turned the job up."

The Chief Secretary: He should go to Trades Hall.

Hon. L. B. BOLTON: He probably will go to Trades Hall, although as a matter of fact tomorrow he is going to the country.

Hon. J. J. Holmes: They will find him.

Hon. L. B. BOLTON: I hope they will. Trades Hall is a useful institution at times. If it could only be restricted as I would sometimes like it to be restricted, I think it would serve a very useful purpose in the community.

Hon. C. F. Baxter: It restricts training, surely.

Hon. L. B. BOLTON: There are times when I would restrict Mr. Baxter. If I could have restricted him a few years ago, I might have been able to get this measure through. I sincerely hope he will see the error of his ways and support the second reading of this Bill. As pointed out by Mr. Dimmitt, the registration of such bodies is no new thing, and there is no reason why, if the measure is agreed to, it should not be to the benefit of the building industry of this State. I support the second reading.

On motion by the Honorary Minister, debate adjourned.

BILL—TRAFFIC ACT AMENDMENT (No. 2).

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson)—West [8.20] in moving the second reading said: The Bill seeks to repeal Section 13 (2) (c) of the Traffic Act which provides for the payment each year of certain moneys from the Metropolitan Traffic Trust Account to the local authorities in the metropolitan area, and the board controlling King's Park. In lieu of that provision, it is proposed to insert a new sub-section authorising the grant of an annual sum not exceeding £2,000 to the King's Park Board, and the appropriation of the balance now paid to the local authorities to the consolidated revenue fund. As hon. members are aware, Section 13 (2) of the principal Act stipulates that all fees paid each year for licenses or transfers of licenses or registrations in the metropolitan area shall be paid into the Treasury to the credit of the Metropolitan Traffic Trust Account. After the costs of collection have been deducted from the fees credited to this fund, 22½ per cent. of the balance is appropriated to the Main Roads Contribution Trust Account pursuant to Section 4 of the Main Roads Act Amendment Act, 1932. The moneys in this account are applied to the provision, construction, reconstruction, improvement, maintenance, and supervision by the Commissioner of Main Roads of roads and bridges in the metropolitan area.

After this appropriation has been made, the net balance remaining in the Traffic Fund is divided equally and apportioned as follows:—

- (1) One half is paid to the local authorities and the King's Park Board in such proportions as the Minister may determine, together with any amount unexpended out of the other half of the net balance after the latter has been applied in meeting payment of the following:—
- (2) (a) the cost of repairing the roads and bridges specified in subsection 2 (b) of Section 13 (including Stirling Highway, Perth Causeway, and the North Fremantle Bridge).
- (b) Interest and sinking fund on one half of any money appropriated by Parliament for the construction, reconstruction, or widening of any main road within the metropolitan area, provided such payment shall not exceed one-fifth of the net amount

available for distribution to the local authorities.

When the system of pooling metropolitan traffic fees was first introduced in 1919, it was argued that there was an urgent need for the provision of funds for the repair and reconstruction of roads in the more sparsely-settled metropolitan districts, which were carrying heavy traffic radiating from the more populous centres of Perth and Fremantle. The Minister of the day in supporting the proposal for a pool stated that—

Pooling is the only equitable way to deal with license fees and in my opinion the only honest way, in order that the money may be used in the districts where the work is done.

It was never suggested, however, that revenue from the license fees should bear the major expense of all subsidiary as well as main roads, or that it should be used by local authorities so as almost entirely to relieve the general and loan rates of the responsibility of contributing to road and traffic expenditure. Yet that is the position in many cases today, and some instances are known where the amounts short spent by the local authorities have been sufficient to meet to a very substantial degree the whole of their loan payments of interest and sinking fund. On the other hand, the State has had to shoulder the whole of the burden of servicing some £3,000,000 of expenditure from General Loan Fund which has been incurred in providing roads in all parts of the State. Details of such expenditure over the past 10 years are interesting. I do not propose to give the amounts spent in the various years, but will quote the total expended over the period. In the metropolitan area the amount was £31,140; in other areas, £931,607; making a grand total of £962,747. Of the grand total of £962,747 from loan funds for the 10 years, the country districts received approximately 97 per cent. and the metropolitan area 3 per cent. Those are figures that country members who on occasion have been somewhat critical of Government expenditure should take some notice. Referring to this aspect of our finances, the Grants Commission in its sixth report, comments as follows:—

Notwithstanding the substantial increases in the Federal Aid Roads Grants, the three claimant States are spending large sums from loan

funds on roads. Most of this expenditure is unproductive. Little or no attempt is made to recover even a portion of the annual debt charges from local authorities, and in Western Australia and Tasmania no part of motor taxation revenue is used to meet the annual debt charges on the loan liability for roads.

Continuing, the Commission offers the following comment in regard to Tasmania and Western Australia:—

Now that positive action has been taken to deal with the transport problems of the State, it is felt that the time is opportune to divert a proportion of motor taxation revenue towards meeting a part of the very large annual debt charges on loan moneys spent on roads. The marked increase in Federal Aid Roads Grants and in motor taxation should enable this to be done without much difficulty. A similar course is suggested for Western Australia. In other States a substantial proportion of motor taxation is applied in the manner above indicated, and the budgets of those States are correspondingly relieved.

These are the comments of the Grants Commission in connection with the methods we have adopted up to date in regard to these particular fees. The position in the other States is set out in the following summaries which were supplied to the Minister in 1937, by the various Eastern States licensing authorities:—

South Australia: Collected by one central authority; all credited to General Revenue; no portion directly accrues to any local authority; Parliament from General Revenue votes funds for main and district roads—

	£
Amount collected 1936-37 ..	638,638
Amount voted from Revenue ..	362,970
Amount voted from Loan ..	324,633

Of the above amounts, £164,764 comprised grants to local authorities under the provisions of the Highways Act.

The City of Adelaide does not come under that Act and no allocation was made to the City. Under the Local Government Act the City of Adelaide receives approximately £1,370 per annum.

Victoria: All collected by the Police Department and paid to the Country Roads Board Fund in the Treasury. This fund is applied to—

- (a) Payment of interest and sinking fund on the State's proportion of Loan expenditure incurred under the Country Roads Act on the construction of roads;
- (b) maintenance and reconditioning of main roads, State highways, tourist roads and Murray River bridges.

Municipalities are responsible for main roads within their districts, but they are assisted so far as the above fund will permit.

Tasmania: All collected by the Police Department; paid into Consolidated Revenue; appropriated each financial year to a Trust Account called the State Highways Trust Fund, for expenditure on State highways proclaimed by and under the control of the State. No amount of the fund is allocated to any local authority, nor is any expended in the city of Hobart.

Queensland: All collected by the Police Department; paid into Main Roads Trust Fund and used for the maintenance and construction of roads under the Acts. No direct payments are made to any local authorities, but they benefit by the work undertaken. Out of a total of 145 local authorities, 143 benefited last year.

Local authorities, including (presumably) Brisbane, contribute on a fixed percentage basis in regard to certain classes of roads. They do not contribute anything in regard to State highways, mining access roads, or tourist tracks. An amount of £250,000 is diverted annually from the Fund to Consolidated Revenue, and the Fund is relieved of interest and sinking fund on an equivalent amount of Loan money.

New South Wales: Registration and licensing is vested in the Commissioner for Road Transport and Tramways.

Revenue is paid to:—

Road Transport and Traffic Fund;

County of Cumberland Main Roads Fund (Metropolitan Area) (50 per cent. of the fees collected in the county);

Country Main Roads Fund;

Public Vehicles Fund;

State Transport (Co-ordination) Fund.

The proceeds of the County of Cumberland and Country Main Roads funds are paid to the Department of Main Roads, and spent on the construction and maintenance of proclaimed main and secondary roads; the County of Cumberland fund being spent within that area which is broadly the metropolitan area within approximately 40 miles of Sydney. The country fund is spent outside that area. The distribution is on the authority of the department, either direct or through local authorities. The department bears the whole cost of work in the County of Cumberland except secondary roads, where the contribution is one half. In the country for State highways, the department pays in full; trunk roads, Department three-quarters; ordinary main roads, Department two-thirds. There are no secondary roads in the country.

The public vehicles fund, which is for registration of motor buses, is distributed to shires and municipalities as nearly as possible on the mileage of various routes. It is used for the purpose of reconstruction and maintenance of roads used for omnibuses.

Public vehicles other than omnibuses: the tax is used for resuming or acquiring land or other expenditure for improvement of transport, or relief of congestion, or protection of

pedestrians. Service license fees in connection with the operation of buses are appropriated 50 per cent. to Department of Main Roads, and to municipalities and shires in the two transport districts in the same proportion as the motor buses registration fees. Proportion of bus and service license fees paid to Sydney for year ended 30th June, 1937 = £734 3s. 2d.

State Transport Co-ordination Fund fees are applied to meet the cost of administration and enforcement of the Act. Mileage charges are paid to the Railways Fund and the Tramways General Fund, calculated on the extent of competition with the particular service.

Road Transport and Traffic Fees: fees are utilised for administration of department including cost of collection of tax; to recoup consolidated revenue for Police services; provision of traffic facilities. The balance at the end of each year is transferred to Country Main Roads Fund.

I have gone to the trouble of reading the conditions applying to the other States, so that members may have a proper viewpoint on this matter. They will note that the summaries I have quoted show that Western Australia is the only State in which all license fees are not collected by a central government authority, and that except in the case of Tasmania, each of the other States uses some part of its motor taxation to meet its annual debt charge on the loan liability on roads.

The adverse effect of the State's failure to make provision to this effect is reflected in the general deduction made from the Commonwealth Grant to Western Australia. In this connection, I would refer members to paragraph 204 of the Grants Commission's report wherein it is stated:—

We think that in view of the considerations mentioned in this chapter (in the case of Western Australia, motor taxation, unproductive loan expenditure, and the advantage derived from the exemption of gold mining companies from Federal income tax), we should make a general deduction from the grants of the three States. We therefore adjust the . . . figures by deducting £22,000 from South Australia, a similar amount from Western Australia, and £23,000 from Tasmania.

Having regard to this adjustment, members will realise that the enactment of this measure will not only result in a direct improvement in the revenue position, but will have secondary repercussion when the Grants Commission reviews our accounts in future years.

Hon. A. Thomson: It seems to me that the Grants Commission is dictating the

policy of the Federal Government in this matter.

THE CHIEF SECRETARY: On several occasions it has pointed out a number of things that we are doing in this State that are not being done in other parts of Australia. We have endeavoured to meet the requirements of the Commission in respect to one or two items in particular. A little while ago I took the opportunity to explain to the House that one of the reforms instituted by this Government, as a result of the criticism of the Commission, was to present our accounts in a proper manner to the extent that this meant a matter of several hundreds of thousands of pounds to the Treasurer when presenting his accounts. Members at the time were generous enough to congratulate the Government upon its action in that regard. I am afraid some of them have soon forgotten their congratulations and turned them into criticism of the Government for not being able to balance the budget in a way they thought ought to be done.

With regard to the position of the local authorities under the proposed legislation, action in that regard. I am afraid some of it is not intended that grants to these bodies should cease. In this connection another Bill to amend the Main Roads Act will shortly be before the House. This will enable the Minister to make grants to the road boards and municipalities from the Main Roads Trust Account equivalent in the aggregate to the proportion of the motor license fees they would receive under the existing Traffic Act, provided they expend at least that amount on the provision and maintenance of roads in their districts during the year. That means that the local authorities, which at present spend their Traffic Fund payments in the manner originally contemplated when the pool was first introduced, will be as well off under the new proposals as they are now.

Hon. A. Thomson: I wish we could persuade people to that effect, but judging from the letters we have received that will be difficult.

THE CHIEF SECRETARY: There is always another side to letters of that description. Figures for the road board year ended the 30th June, 1938, and the Municipal year ended the 31st October, 1938, show that in the aggregate, the local auth-

orities would not have been at any disadvantage if the new system had been operative during that year. The figures are as follows.—

Local authorities within the Metropolitan Traffic Area:—

	£
Total receipts from Traffic License fees, Transport Board fees, and Grants for Roads	137,348
Total expenditure on construction maintenance of roads	143,104

On those figures there would have been no reduction in the aggregate amount of money provided for the local authorities in the construction and maintenance of roads. The new proposals will involve only a relatively insignificant reduction in departmental expenditure from the Federal Aid Roads Fund. During the past 10 years, such expenditure has been as follows:—

FEDERAL AID ROADS.

Year.	Metro- politan Area.	Other Areas.	Total.
	£	£	£
1929-30 ...	103,464	875,361	978,825
1930-31 ...	66,094	426,240	492,334
1931-32 ...	19,760	208,732	228,492
1932-33 ...	43,648	357,192	400,840
1933-34 ...	12,489	371,385	383,874
1934-35 ...	31,911	462,230	494,141
1935-36 ...	30,472	486,999	517,471
1936-37 ...	24,842	563,602	588,444
1937-38 ...	56,764	629,543	686,307
1938-39 ...	106,295	773,166	879,461
Totals ...	£495,739	£5,154,450	£5,650,189

Of the grand total of £5,650,189, Country Districts received approximately 91 per cent. and the Metropolitan Area 9 per cent. These figures will be extremely interesting to most members. They certainly indicate a tremendous expenditure for so small a population as that of Western Australia; but the Government can claim that the people generally are reaping the benefit of splendid roads which compare favourably with those constructed elsewhere.

Hon. A. Thomson: And the work has been of great benefit in providing employment, which is an important factor.

THE CHIEF SECRETARY: Yes. That is one of the main reasons why so much money has been spent on main roads. Work of that description is perhaps the best that

the Government can put in hand to absorb large numbers of men, and that is why the country districts have been specially favoured during the past few years. In the metropolitan area there is no opportunity to employ so many men, because, apart from thoroughfares like Stirling Highway, there are no roads to be constructed, whereas in the country work can be put in hand over long distances, thereby providing men with employment over a considerable period. From that aspect, the Government has seen fit to take advantage of two opportunities: To improve our road system throughout the State and provide work instead of sustenance.

Hon. E. H. Angelo: But the effect has been detrimental to railway earnings.

The CHIEF SECRETARY: We must advance with the times. While it is only right that we should afford protection to the railway system, it is equally necessary, so far as our means permit, to give the people in the country areas as reasonable facilities as we can. From that standpoint, we are somewhat fortunate in this State in that we have been able, with the departmental officers in charge of affairs, to provide a system of roads that will bear comparison with those elsewhere. It is also interesting to note that the expenditure from other sources such as the State petrol tax, transport fees, and departmental metropolitan traffic trust allocations, over the same ten-year period as that to which I have already alluded, has been as follows:—

Year.	Metropolitan Area.	Other Areas.	Total.
	£	£	£
1929-30 ...	37,810	24,624	62,434
1930-31 ...	26,913	37,247	64,160
1931-32 ...	16,038	40,787	56,825
1932-33 ...	49,551	14,904	64,455
1933-34 ...	43,727	4,780	48,507
1934-35 ...	56,187	5,595	61,782
1935-36 ...	44,523	4,317	48,840
1936-37 ...	51,013	284	51,297
1937-38 ...	67,959	7,352	75,311
1938-39 ...	61,129	843	61,972
Totals ...	£454,850	£140,733	£595,583

Of the grand total of £595,583 for the 10 years, the metropolitan area received approximately 75 per cent. and the country

areas 25 per cent. As the legitimate interests of local authorities will be in no way prejudiced by the proposals now under consideration, and having regard to the strictures of the Commonwealth Grants Commission and the necessity for balancing the Budget, the Government believes that there is no justification for continuing the present pooling system. Today the income from license fees has reached proportions never contemplated when the pool was originally created, in 1919. The total fees collected in the metropolitan area for the first complete year of the pool, namely, 1921, amounted to only £15,367, whereas for the year ended the 30th June 1939, the total was £197,951. There is a tremendous increase—from £15,367 in 1921 to £197,951 for the last financial year.

Set out on the following page are details of collections and allocations from the Traffic Trust Account over the last ten years which will be found highly informative.

Under the heading of "cash collections," members will note the marked increase in the ten-year period—from £145,810 to £197,951. Then again, they will notice that the remainder of the first half of the net balance, which represents the proportion the Minister is able to distribute amongst local authorities, has increased from £34,908 in 1929-30 to £59,243 in 1938-39, while the second half of the net balance has increased from £52,831 in 1929-30 to £68,344 in 1938-39. It will be seen, therefore, that the total amount available for distribution among the local authorities has increased from £87,739 in 1929-30 to £127,587 in 1938-39. The table that I have presented shows how the traffic trust account has been dealt with during that ten-year period; and members will see that the distribution to local authorities amounted to over £929,000, including £409,000 remaining unexpended from the departmental half of the net balance referred to in paragraph (b) of Subsection 2 of Section 13.

Parliament in 1919 certainly could not foresee that such large amounts would be distributed among the local authorities, nor could it have been envisaged that our loan liability for roads would reach its present magnitude, nor yet that huge sums would be made available under the Federal Aid Roads Agreement. It is only reasonable to suppose that if Parliament had been in a

METROPOLITAN TRAFFIC ACT, 1919-1935—TRAFFIC TRUST ACCOUNT.

	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.
	£	£	£	£	£	£	£	£	£	£
CASH COLLECTIONS	145,810	124,044	133,988	135,472	136,084	141,390	142,414	182,535	166,476	197,951
Commission	13,754	13,596	14,665	15,094	15,765	15,813	17,327	19,133	21,011	22,691
22½ per cent. under Main Roads Amendment Act, 1932, Section 4 (2)	26,394	27,313	26,122	26,120	27,297	27,253	29,716	32,512	35,799	38,573
TOTAL EXPENDITURE	40,148	40,909	40,787	41,214	43,062	43,066	47,043	51,645	56,810	61,264
"NET BALANCE"	105,662	83,135	93,201	94,258	93,022	98,324	95,371	130,890	109,666	136,687
HALF "NET BALANCE"	52,831	41,567	46,601	47,129	46,511	49,162	47,685	65,445	54,833	68,343
EXPENDITURE FROM FIRST HALF OF "NET BALANCE"—										
Appropriation for Maintenance and Repairs of Roads under Section 13 (2) (b) ...	11,496	563	Cr.3,706	2,052	1,955	6,120	2,815	9,017	4,604	1,604
Interest and Sinking Fund under Section 13 (5) on half cost of Metropolitan Roads financed from Loan Funds	5,910	7,044	7,398	7,396	7,396	7,410	7,396	7,383	7,396	7,396
Administration Charges—Public Works De- partment	517	261	100	114	118	108	103	101	100	100
TOTAL EXPENDITURE FROM FIRST HALF OF "NET BALANCE" (DEPARTMENTAL) ...	17,923	7,868	3,792	9,562	9,469	13,638	10,314	16,501	12,100	9,100
Remainder of First Half of "Net Balance" ...	34,908	33,699	42,809	37,567	37,042	35,524	37,371	48,944	42,733	59,243
Second Half of "Net Balance"	52,831	41,568	46,600	47,129	46,511	49,162	47,686	65,445	54,833	68,344
TOTAL AVAILABLE (LOCAL AUTHORITIES)	87,739	75,267	89,409	84,696	83,553	84,686	85,067	114,389	97,566	127,587

position to anticipate these trends, then a very different system of distribution would have been adopted. A statement made by the Minister of the day, when speaking in 1919 on the proposed pooling system, throws considerable light on the contemporary attitude towards these matters. Referring to a proposal submitted a year or two earlier, he said:—

At that time, the license fees collected amounted to something like £20,000 a year, and it was proposed by the Government to add a further £20,000, making a total of £40,000, which would have been a very respectable and sufficient sum, if properly handled, to deal with the reinstatement, making and maintenance of the main roads of the State.

Just imagine a Minister of the Crown in 1919 making such a statement! It serves to indicate that no one at that time could have anticipated the remarkable increase in the amount of money that would be made available for main road construction in Western Australia. Despite that statement, we find that last year Governmental expenditure on roads amounted to over £1,000,000. Having regard to these and other considerations I have mentioned, members will agree that the proposal contained in the Bill is perfectly fair and equitable.

The net anticipated result of the proposal in the measure is that the Premier will be assisted to balance his Budget to the extent of the traffic fees collected. This money will be applied towards paying the charges on loan funds that will be expended by the State. I have given members an indication of the amount that has been so spent by the Government, not only from this particular source but from other sources in recent years. Furthermore, another Bill—which I shall introduce immediately—provides that the amount to be paid to local authorities shall not be less than under the present distribution of traffic fees, provided the money is used for the purpose for which it was originally intended.

Hon. A. Thomson: Do not the local authorities do that now?

The CHIEF SECRETARY: In some instances they have not done so. The position will be that those authorities which spend an amount equivalent to that which they received from the distribution of traffic fees, on maintenance and building of roads, will receive exactly the same amount in future.

Hon. A. Thomson: Provided they expend the same amount of money?

The CHIEF SECRETARY: Yes.

Hon. A. Thomson: An equal amount?

The CHIEF SECRETARY: Provided they produce a certificate showing the amount they have spent, they are entitled to receive the same amount from the Main Roads Trust Account. Local authorities will not be prejudiced by the new arrangement. We must remember, more particularly in view of the methods adopted previously, that by taking the traffic fees into revenue instead of paying them into the trust account, the Treasurer will be enabled more easily—shall I say—to balance the Budget. It will also enable the Treasurer to show that we are at least endeavouring to provide some portion of the cost of servicing the loan liability created by us as the result of our road policy over the last few years. In my opinion no reasonable person can logically object to this procedure, particularly in view of the fact—as has been stated by the Minister in charge of this department—that the aggregate amount to be paid to the local authorities will be the same as it would be were the present system continued. I hope the House will receive the Bill sympathetically and express approval of its principles. In any event, I hope members will give the measure proper consideration from the point of view of the State. We must recognise that while we are passing through these difficult times the Treasurer's task is becoming more difficult year by year. The State is being penalised by the Commonwealth Grants Commission because of the methods we adopted in the past. If we pass this Bill, we will in more ways than one be advancing the best interests of the State. I move—

That the Bill be now read a second time.

On motion by Hon. C. F. Baxter, debate adjourned.

BILL—MAIN ROADS ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [9.4] in moving the second reading said: This Bill, which seeks to amend Section 31 of the Main Roads Act, 1930-1938, is complementary to the measure I have just explained. Section 31 deals with the appro-

priation of the Main Roads Trust Account. The purpose of the Bill is to enable the Minister to make grants from that account to the road boards and municipalities in the metropolitan traffic area, equivalent in the aggregate to the proportion of the motor license fees they would receive in accordance with the provisions of Section 13 (2) (c) of the Traffic Act.

Hon. L. Craig: Will the amounts to be granted to local authorities be increased if the revenue increases?

The CHIEF SECRETARY: Yes. The Bill provides that no grant shall be paid to a local authority unless it has actually incurred expenditure for the cost of construction, reconstruction, maintenance or repair of roads and has established that fact to the satisfaction of the Commissioner.

Hon. E. H. Angelo: The local authorities will have to provide finance.

The CHIEF SECRETARY: There will be no greater difficulty in that respect than exists at present. When in any year the aggregate amount of such expenditure exceeds the total amount of the traffic fees paid into Consolidated Revenue, the grants will be allocated in accordance with a formula which will be fixed by the Commissioner upon a basis that, in his opinion, applies fairly and equitably to all local authorities entitled to grants. The intention is to follow as closely as possible the existing method of distribution.

The Bill also deals with the appropriation of moneys paid into the Main Roads Trust Account under and for the purpose of Sub-clause (2) of Clause 2 of the Federal Aid Roads Agreement. As hon. members are aware, the States are allotted 3d. and 2d. per gallon from customs and excise collections from the petrol tax. While the agreement stipulates that 2½d. of each 3d. and 1½d. of each 2d. shall be specifically spent on roads, the clause I have mentioned provides that the remaining ½d. payment may be applied to the following purposes:—

The reconstruction, maintenance, or repair of roads or other works connected with transport, as the State may think fit.

Although authority is thus given under the agreement with the Commonwealth for the State to expend a proportion of its Federal Aid Roads Grant on "works connected with transport," no power is given under the Main Roads Act to appropriate moneys in the Main Roads Trust Account for purposes

other than "defraying the cost of and incidental to the provision, construction, maintenance and supervision of roads." It is now desired to insert a provision in the Act which will enable the ½d. payment to be appropriated for any of the purposes authorised under the Federal Aid Roads Agreement. This proposal, if agreed to, will enable assistance to be given to local authorities in various parts of the State in providing "works connected with transport," such as aerial landing grounds. Already a certain amount of assistance has been rendered in this direction, and we are therefore seeking to make the new provision retrospective to this extent. I move—

That the Bill be now read a second time.

On motion by Hon. A. Thomson, debate adjourned.

BILL—LAND ACT AMENDMENT.

Second Reading.

Debate resumed from the 8th November.

HON. J. J. HOLMES (North) [9.10]: This Bill deals with conditional purchase lands in agricultural areas and also with pastoral leases. I have studied the provisions dealing with pastoral leases and am of opinion that perhaps two slight amendments are required. I understand negotiations are proceeding between the pastoralists and the Minister for Lands with a view to securing agreement upon those amendments. That is all I have to say with regard to pastoral leases. I presume members representing agricultural districts will, if they consider it necessary, comment upon the clauses dealing with conditional purchase land. With those remarks, I support the second reading.

On motion by Hon. L. B. Bolton, debate adjourned.

House adjourned at 9.12 p.m.