

grow potatoes at Port Hedland. Paragraph (d) of the motion asks that the committee inquire into any practical means whereby the transport of cream to factories could be expedited. Transport of cream to factories has got down to a fairly fine art, and I do not see how we can improve much on it. I am satisfied that the farmers who are endeavouring to carry on can be trusted to do what they have in the past and steadily improve the output and quality of their product. Mr. Roche's attempt to improve the dairying industry is well meant and I do not say at this stage that I will oppose the appointment of a Select Committee, but I do not think his action is well-timed and I would not be enthusiastic about any result we might get under present conditions.

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

House adjourned at 5.1 p.m.

Legislative Assembly.

Tuesday, 20th October, 1942.

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The SPEAKER took the Chair at 2.15 p.m., and read prayers.

QUESTION—GAS-PRODUCERS.

As to Importations.

Mr. SEWARD (without notice) asked the Minister for Industrial Development: 1, Is it a fact that a further consignment of Nasco gas-producers, believed to number 90 odd, arrived in this State by boat last week? 2, If so, in view of his statement on the 7th October that gas-producers cannot be shipped to this State, how does he explain this happening? 3, Is it a fact that the Nasco gas-producer is made from 16 gauge iron, whereas Western Australian manufacturers are compelled to use 10 gauge or one-eighth

inch iron? 4, If so, seeing that all gas-producers used in this State must first pass an approved authority, is approval given for the Nasco make? 5, If so, will he withhold approval from any make of gas-producer that fails to meet the required standards? 6, If not, and as such action would greatly assist local manufacturers, why will he not take that action?

The MINISTER replied: 1, Yes. 2, I was assured by Commonwealth Ministers, when in Canberra early this month, that no further shipments of gas-producers would be made to Western Australia. Attention is drawn to the message published in yesterday's issue of "The West Australian" regarding the creation by the Commonwealth Government of a Shipping Ministry, the main object of which is to ensure that every ton of shipping space available should be used to aid the war effort of Australia and the United Nations. 3, No. 4, The Commonwealth is the approving authority and approvals granted in any one State have automatic application to all States. 5 and 6, Answered by No. 4.

LEAVE OF ABSENCE.

On motion by Mr. Wilson, leave of absence for two weeks granted to the Minister for Mines on the ground of ill-health.

BILL—SUPPLY (No. 2), £1,350,000.

Standing Orders Suspension.

On motion by the Premier, resolved—

That so much of the Standing Orders be suspended as is necessary to enable resolutions from the Committees of Supply and of Ways and Means to be reported and adopted on the same day on which they shall have passed those committees, and also the passing of a Supply Bill through all its stages in one day.

Message.

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

In Committee of Supply.

The House resolved into Committee of Supply, Mr. Marshall in the Chair.

THE PREMIER [2.25]: I move—

That there be granted to His Majesty on account of the services of the year ending the 30th June, 1943, a sum not exceeding £1,350,000.

Members will know that this is the usual procedure. We have already introduced the Estimates, and a Supply Bill has been passed covering the first three months. Until the Estimates are passed and the Appropriation Bill dealt with, it is necessary to pass a further Supply Bill. The first Supply Bill granted from Consolidated Revenue £1,850,000; from General Loan Fund, £200,000; and Advance to Treasurer £300,000, making a total of £2,350,000. The expenditure for the first three months provided from that authority has been, from Consolidated Revenue Fund, £1,922,000 and from General Loan Fund, £121,000. The additional Supply asked for in this Bill is £1,350,000 from the Consolidated Revenue Fund. It is anticipated that this will be sufficient to finance our requirements until the passing of the Appropriation Bill. No further supplies are required from the General Loan Fund, as the balance remaining there will be sufficient for our purposes.

As the Estimates are now before the Chamber, members will have an opportunity to discuss on them any item or matter of expenditure. It is unnecessary for me to dilate further; this Bill is merely a formal one to get a Supply for the intervening period until the Appropriation Bill is passed.

Hon. N. Keenan: When is the Commonwealth Government going to pay the agreed amount, and how much is it?

The PREMIER: Does the hon. member refer to our receipts of taxation?

Hon. N. Keenan: Their receipts; they are no longer yours! What arrangements have been made to give effect to repayment?

The PREMIER: I will deal with that later.

MR. WATTS (Katanning): I have no objection to the motion proposed by the Premier but, like the member for Nedlands, would like to know what arrangements have been made in connection with the Federal payments arising out of uniform taxation. I hope the Premier will be able to tell us what is the position before we proceed with other business. This motion is just the usual procedure. As the Premier says, we have the Estimates before us, and can deal with them, but we have not done so yet. As a consequence, it is necessary for him to introduce this motion, which I support.

MR. McDONALD (West Perth): This Bill asks, by way of Supply, for a sum of £1,350,000 from Consolidated Revenue. I notice that in each of the last two years the amount asked for by this Bill—brought down at almost exactly the same time of the year—was £1,200,000. I would like the Premier, when replying, to say why the additional £150,000 has been asked for. The State, of course, now lives on a Treasury ration, and we have to cut our financial cloth accordingly. The Commonwealth Government, I venture to say, has not a very impressive record regarding prudent expenditure. We know that it is essential to spend large sums in time of war—colossal sums—but there has been a vast amount of waste in Commonwealth expenditure. The Commonwealth Government itself has recognised that fact some months after it became apparent to almost everybody else in Australia, by appointing Brigadier Gorman to be a sort of inspector of waste and extravagance. However much overdue this appointment is, it is certainly timely. If, however, he has to clean up by himself, he will not be able to do it.

I communicated with Canberra six months ago, and had conveyed to the Commonwealth Government my view that there should be appointed a number of accountants of high standing and complete independence, whose job it would be to go around all the Commonwealth services and make certain that the money found by the taxpayers was being spent with the utmost economy. These men would be able to tread on anybody's toes without caring a damn what was thought of them, because they would be not in the Government or the Army, and they would afterwards return to their civil occupations and not have to play their tune according to someone else's piping. That suggestion was, of course, completely ignored—if it ever reached the authorities—until some five months later when one man was appointed. He, I believe, is an extremely capable man. He is not an accountant, but a lawyer, and, with all deference to lawyers, they are people who as a rule do not know much about accounts.

What I would like to know is, what in the much more restricted field, but none the less important one, of State activities, are we doing to eliminate all unnecessary expenditure under present conditions?

There have been increases in the obligations of the State through the advances of the basic wage and through increased costs of many commodities which the State has to meet.

The Premier: The pay-roll tax?

Mr. McDONALD: Yes. On the other hand there has been a substantial diminution of responsibilities through the complete absence of unemployment and the very high purchasing power now enjoyed by almost everybody in the State because of wages and overtime, widows' subsidies, pensions and other benefits; and also, no doubt, because of the contracts which show a reasonable return where work is carried out by the Public Works Department for Commonwealth authorities. So, in spite of the increases in the obligations of the State, it seems to me that possibly today we should be able to show a decrease in our expenditure, and a decrease in these appropriations, which, on the Supply Bill, does not appear to be evident.

It may be that nothing better can be done, or nothing much better than what is being done. But I would like the Government to consider that this is a time when we must depart from our usual official methods and establish a proper procedure, to ensure that all waste is done away with and everything done by the State is carried out with the utmost economy. I think the Treasurer will agree with me that the time has now arrived when many people are feeling the effect of continuous taxation over a period of years; and the call for loans for war purposes is such as to give reasonable anxiety as to how far the community can continue to meet the demands. There are two ways of financing the war, one by increasing taxation and the other by cutting down expenditure not immediately related to war expenditure and war effort. I would like the Premier to consider appointing a special officer to go through the Government departments and ascertain ways and means by which economies may be effected. I should like to see a competent outside man of standing, accustomed to business and accounts, appointed to discharge this duty. In this State 30 or 40 years ago the Government of the day engaged the services of outside men—men of financial and organising experience—who went right through the Civil Service so that they might give an independent view of the problem. This is very often

different from the official view of those who have grown up in the Public Service.

I do not wish to disparage the Public Service for a moment, but a lifetime spent in the service means that inevitably the public servant looks at things in the light of his training and experience. Therefore an outsider who investigated opportunities for effecting economy might render a great service to the State, and enable the Government to reach the happy position of being able to show the people that it has set an example by the economies effected. I hope something can be done so that the precept as to economy and austerity will be set by the rulers of the State as an example to the people. One of the reasons for my remarks is the observation that our expenditure, instead of declining, appears to be making an advance, and this at a time when we are all called upon to keep our expenditure lower, unless it is associated directly with the war effort.

THE PREMIER (in reply): Everyone knows from his own experience that costs generally are increasing. To a certain extent inflation has been going on for some little time, and the cost of commodities and services expressed in terms of money is higher than it was previously. This can be seen immediately in the basic wage payments. Many people are employed by the Government and the basic wage has increased to the extent of seven or eight per cent., and so the total expenditure in this direction has increased relatively. Our interest bill never becomes less; in fact, it continues to grow. This year interest and sinking fund payments will show an increase of £20,000 to £25,000.

Under the new arrangement with the Commonwealth Government in the matter of uniform taxation, the hospital tax collections now come into our revenue. Of course the equivalent will be taken out and expended on hospitals, but the amount appears in our revenue expenditure. It is paid into a trust account and is expended by the Health Department. This represents well over a quarter of a million, so that for the three months our expenditure figures will be inflated by about £70,000 on that account. Then we have expenditure on account of the pay-roll tax, war damage insurance, which has not been paid previously, and civil defence, which is quite a new item that has

come into our accounts to a considerable extent only this year.

Mr. Sampson: And that is limited to certain districts.

Hon. N. Keenan: How much have you received from the Commonwealth towards A.R.P. requirements?

The PREMIER: I cannot give the exact amount. However, that matter can be dealt with thoroughly when the Estimates are being considered.

Hon. N. Keenan: It means balancing your accounts. The money is paid by the Commonwealth to be spent here.

The PREMIER: But we also spend a large sum out of our own revenue account. I would not tie myself down to exact figures, but it is on the basis of £60,000 a year or more. The proportion for the first three or four months of the year would thus inflate the expenditure to the extent of £20,000 or £30,000. That will indicate to the leader of the National Party why expenditure has increased. All such items collectively mean increased expenditure. While the population has not increased, the services entail additional expenditure. I have requests from all sorts of organisations for the expenditure of money. For instance, the University authorities, as a result of the Royal Commissioner's report, which, if given effect to, would entail an additional expenditure of £15,000 or £20,000 a year, want additional money. This matter has not been definitely decided, but apparently they cannot manage, as they have an annual deficit of £3,000 or £4,000. Everybody is desirous of securing every facility regardless of whether it is a concern of the State or not, and wants more money to carry on the same amount of work.

Mr. Sampson: The Civil Defence Council limits its payments to certain approved authorities.

The PREMIER: But it all means money, and that is all we are concerned about at the moment.

Mr. Sampson: In many cases the council provides 50 per cent. of the expenditure but in other cases nil.

The PREMIER: It is all money; some of it comes from the Commonwealth. The net result is that we want additional money to meet our liabilities.

Mr. Sampson: Interest charges should be lower because the rate of interest is continually being reduced.

The PREMIER: The member for Nedlands desires to know the amount of money received under the uniform tax scheme and the position regarding taxation. In the first three months of the financial year we collected taxation to the amount of £673,428, but £170,121 of that was arrears due to the State from 1941-42 and not collected during the last financial year. This £170,121, of course, is being retained by the State. Other items are goldmining profits tax £2,291, financial emergency tax £4,787 and hospital fund contributions £20,840. The total cash payment received from the Commonwealth amounted to £291,961 and the total income tax reimbursement was £490,000.

That is how we stand. We have been allowed to retain the money which would ordinarily have been in arrears from income-tax payments for last year. The Commonwealth has said to us, "We shall make payments to you less the amount you have collected in income-tax arrears." The arrangement is that that amount of money shall be retained by the Commonwealth until the income-tax rebate legislation goes off the statute-book, the Commonwealth paying the States interest at the rate of three per cent. for the whole of the time it retains possession of that money. If ever the income-tax rebate legislation is wiped out—as to which I personally am doubtful—and the States revert to their own systems of taxation, there will be no income-tax yield for some little time, and the arrears which ought to have occurred during the first three or four months of the year will not be there, because the Commonwealth will have collected income-tax during that period. Eventually the money will be handed back to the States, together with the three per cent. interest during the time it has been retained by the Commonwealth, the object being to give the States some finance during the period that must necessarily elapse before income-tax payments come in.

The Commonwealth does not give us the full amount of, say, £600,000 for the first three months, but tells us, "You have collected from your own income-tax £200,000, and you keep that for the time. At the end of the term we will pay you £400,000, plus three per cent. per annum interest, aggregating about £500,000." It is not anticipated that we shall expend every

penny of the amount we are asking for. In order to be on the safe side, we are spending very little by way of loan. Loan money we shall use as sparingly as possible now when it is difficult for people to carry on. All the employees available will be devoted to war effort of some description. We are short of manpower, and it would be rather foolish for the State to embark on non-essential loan works at this stage. I anticipate that in the forthcoming year loan expenditure will be less than it has been for 15 or 20 years. We are deliberately curtailing loan works in order that the Commonwealth may have the necessary funds for defence purposes. Even if the State wanted to carry out loan works, we could not get the manpower to do it. As the Minister for Lands has already said, we want large manpower in order to guarantee the State's food supply. As regards exports of frozen lambs, for instance, we could get 5,000 or 6,000 lambs daily to kill and export; but we can treat only 3,000 or 4,000 per day.

That is a typical instance of the difficulty in connection with manpower. Whatever we spend on works will have to come out of revenue. I emphasise that due economy will be exercised in expenditure of every description. Indeed, that almost automatically comes about because of shortage of manpower. There have been many enlistments from our Public Service, and the resultant vacancies are being largely filled by women. The various departments are all crying out for labour to supply the places of enlistments. There is now a smaller personnel in our Public Service than is usually the case. The reason is that so many men and women are required in connection with war efforts and private employment. By amalgamating public service positions so that three persons are now employed where formerly five or perhaps six were employed, manpower and expenditure are being saved. It is apropos to mention that Western Australian enlistments are almost double what the enlistments are in the Australian States generally. As regards women, our average per thousand is considerably more than the average in the Eastern States. I have the figures here, but they are confidential, and for security reasons I shall not quote them. While figures cannot be made public, the statement that the percentage of enlistments here is considerably higher than

elsewhere in Australia shows what Western Australia has done; and that applies to industrial efforts as well.

Mr. Doney: It has resulted in rather a serious position of affairs.

The PREMIER: That is true, but it exhibits the public spirit ruling in Western Australia.

Mr. Doney: It has a rotten reaction on our agricultural industry and our essential industries of all kinds.

The PREMIER: Representations have been made to the Commonwealth Government on that aspect. However, I do not wish this debate to degenerate into a grouch, for which there will be plenty of opportunity when the motion of which the Leader of the Opposition has given notice today comes up for discussion. The high Western Australian enlistments have been made possible only by the fact that our manhood is not so largely engaged in war industries. I would not like the task which the South Australian Government will have upon the conclusion of the war, seeing that over a third of the South Australian people is being utilised in munition manufacture, which probably will cease suddenly on the attainment of peace. The 40,000 South Australians who are either remuneratively or very remuneratively engaged in war industries—

Mr. Doney: Immediately the war stops, the soldiers will have to be absorbed into industry.

The PREMIER: A third or over of the South Australian people are engaged in war work, and therefore South Australia will have a tremendously greater problem in the direction of repatriation than a State which has only, say, 10 per cent. of its people thus employed. I would not like to solve South Australia's problem after the war finishes. However, we are anxiously desirous to do everything we can in the direction of war work now. Our facilities for that work have not been taken advantage of to the extent we think they should have been. It is for that reason there have been so many more enlistments in this State. The Bill itself is merely a formal one introduced for the purpose of obtaining supplies.

Mr. McDonald: Do you not think we could do something to have an investigation made into the means of saving money?

The PREMIER: That is going on.

Question put and passed.

Resolution reported and the report adopted.

In Committee of Ways and Means.

The House resolved into Committee of Ways and Means, Mr. Marshall in the Chair.

THE PREMIER [2.56]: I move—

That towards making good the supply granted to His Majesty for the services of the year ending the 30th June, 1943, a sum not exceeding £1,350,000 be granted out of Consolidated Revenue.

MR. McDONALD (West Perth): I hope the Premier will take seriously my suggestion as to means of economy. I come in touch with the critics. That is due to my position in this House. The Premier does not come in touch with critics to the same extent. I can tell the Premier candidly that it is undoubtedly being said amongst the people that the Governments are making no attempt to economise.

The Premier: That is not so.

Mr. McDONALD: The remark applies particularly to the Commonwealth Government. I do not want to see that attitude being adopted more widely. It would be a bad thing for our war effort if the impression grows. I can assure the Premier that there are people who say, "I am asked to put my hard-earned money into loans and taxation, and I see people going round in flash cars, and I know that all sorts of expenditure are being paid for at high rates, and I see evidence of waste." People are disposed to say, "My good hard-earned money, the last of my life's savings is not going into Government coffers if it is going to be thrown away without a decent return." That is why I ask the Treasurer not to regard lightly the opportunity of showing an example to the people of this State. If he wants to assist the war effort and counteract a feeling amongst the people that is not helpful to us, to the effect that there is waste in expenditure in the Federal sphere, one of the best ways to do it is by showing that the State sets an example by cutting down expenditure to the absolute minimum and removing the impression that the State—although it is not in the same category as the Commonwealth as regards expenditure—is on a business-as-usual footing with appropriations being made as usual, even though it has not greatly increased its expenditure. Any such impression has reactions on the mental attitude of

the people that will not be helpful to the State. I ask the Premier not to ignore the view that the people will take of the expenditure of our State finances.

MR. DONEY (Williams - Narrogin): There can be no doubt that the views just expressed by the member for West Perth are very timely. I should like the Premier to make a statement on this matter and say just exactly what measures are being undertaken by him to ensure that the lowest possible amount of money is being spent during these times. I can recall—and so for that matter can everybody here—that in the peak years of the depression, from 1931 to 1932 and possibly a little later for all I know, there was a small committee of three very able men drawn from the Treasury and their one job was to watch items of proposed expenditure, no matter how small they were, and ruthlessly cut them down or cut them out altogether if they thought such a course necessary. I think it will be agreed that today there is a much more pressing need than existed then for the exercise of the utmost economy, but I have not heard of any such method being in operation now as was in force then.

THE PREMIER (in reply): The member for Williams-Narrogin put his finger on the spot when he spoke of examinations by the Treasury into matters of expenditure. The member for Nedlands will be aware that when he was a member of the Government during depression times, the Treasurer of that day, on many occasions, did not know where he was going to get the money to meet the salaries and wages of civil servants.

Hon. N. Keenan: We were on a monthly allowance.

The PREMIER: Notwithstanding that fact the Treasurer received many requests for expenditure of all kinds from people who were in absolute destitution, but he had no money to do what he and his Government were anxious to do, namely, to assist people in their time of dire trouble. I have had experience of Ministerial office both before and after that time. At that stage of the financial history of this country a committee of Treasury inspectors was appointed to keep a thorough watch on all departmental expenditure of every type. That has been going on ever since. In 1924 when I first became a member of the Government,

a Minister making a request for, say, £100,000 for his department was responsible only to the Treasurer. Once the Treasurer had allocated the money the Minister had discretion in the manner of its expenditure.

During the depression that procedure went by the board. Nobody was allowed any discretion. The Treasurer, who was the Premier, had no discretion, because his needs were greater than the amount he had at his disposal and consequently even though he was anxious—as each member of the Government was anxious—to spend money on enterprises on which he had set his heart, he was unable to do so because the money was not available. So there grew up a system of what was known as Treasury control rather than Ministerial control, and that has been going on ever since. There are men termed “Treasury inspectors” who, independent of any Minister or Under Secretary of any department, regularly go round all the departments and check up on expenditure. If I want to know anything about the expenditure on any particular item, a Treasury inspector can get the information for me within 24 hours. That system has not been allowed to fall into desuetude but has been expanded.

Mr. Doney: Do they work as intensively now?

The PREMIER: Yes, but unfortunately their activities are limited because there are not enough inspectors. The State services have been depleted. One officer is acting as Assistant to the Public Service Commissioner. Others are doing other work and we have to make use of less men to do all our jobs at present, including Treasury surveillance and supervision. On top of that, after the depression it became necessary for every State to make application to the Commonwealth for assistance, and now we have a Grants Commission. Some people may think that the Grants Commission carries out its duties in a perfunctory manner and does not bother much about this or that, but is prepared to accept any figures handed to it by State officers. However, the Commission does nothing of the kind. It is a very live body. Its members want to be satisfied in their own minds that there has been due economy by what are called the claimant States. If there is any extravagance, the Commission puts its finger on the spot and says, “You cannot get money from the Common-

wealth to indulge in what we think is extravagant expenditure.”

Members can read in the Commission's reports directions in which the Commission considers we have spent too much money in one way or another, perhaps too much on social services or on education. As the Minister for Works could forcibly remind us, the Commission has criticised us for allowing local authorities to take all the fees for the registration of cars. The Commission obtains the financial accounts of the States and compares them. When it considers that expenditure is high it conducts a detailed examination. The Grants Commission does not consist of three men who come over here—as they will do next month—have a look round, and then go back and engage in an academic discussion and suggest a certain amount of money for distribution. The Commission has an organisation of four or five people who spend all their time examining and comparing the accounts of the various States to see whether one State is spending extravagantly in comparison with other States.

On top of that the Commonwealth Treasury comes along and says that Western Australia is spending too much. We are told that in New South Wales, Victoria, or some other State, a certain service costs a certain amount of money and we are asked why we cannot do it for the same amount. We have to justify any expenditure that takes place. It is very easy to say that the Government is extravagant! Everybody will agree that the Commonwealth Government is at present spending much more money than any Government would be justified in spending in ordinary times.

Mr. Doney: That is the rotten part about it.

The PREMIER: The Commonwealth Government says there is a job to be done and it must be done quickly. If it costs a good deal more to do than seems necessary, that does not matter if it is a question of the successful prosecution of the war. A lot of the expenditure involved is extravagant, in my opinion, but the reason is that everything has to be done at once and in haste. Certain items are slipped over and there is no very serious inquiry into the matter. The Commonwealth Government has not a lot of inspectors checking up on the expenditure. It is using some of its personnel for war purposes. In fact, it is short of personnel

and has asked this State to make certain administrative officers available. For instance, the Conservator of Forests is in Melbourne doing war work, the Secretary to the Premier's Department is Director of Manpower, and the Auditor General is doing a lot of work for the Department of War Organisation of Industry.

Thus, in my own administrative departments, three highly qualified Government officers of this State are assisting the Commonwealth Government. Those gentlemen are exceedingly capable and we have handed them over to the Commonwealth, which is employing them almost full-time on war work. That indicates that the Commonwealth is short-staffed. If the Commonwealth has not sufficient men to do constructive work, it appears to me to be unwise for us to be critical of its not appointing men to check up on expenditure.

Mr. Doney: We do not complain about extravagance in expenditure in regard to urgent war work. My point is that the Commonwealth Government is equally spendthrift, war or no war, in comparison with the States.

The PREMIER: Of course, we all think we are ourselves virtuous! So far as the State Government is concerned, our expenditure is on a niggardly basis in comparison with the ultra-generous and extravagant basis of the Commonwealth Government's expenditure.

Mr. Doney: I am glad you admit that.

The Minister for Lands: We are on an austerity basis!

The PREMIER: Yes, whereas the Commonwealth Government seems to have money to spend in every possible direction. However, we can excuse the Commonwealth Government on the ground that it must get the job done.

Mr. Doney: That is all right today.

The PREMIER: While I am not carp- ingly critical, I know from what I have seen that there are many ways in which money is being wasted in Commonwealth departments, but that can be pardoned because the Commonwealth has nobody to check up, and is doing a big job which needs all the energy and administrative capacity of its personnel. We have the two checks I have mentioned. Apart from that, the experience of every member of

this House should be some reliable guide in regard to expenditure. Many members have come to me and to other Ministers asking for some service to be rendered to their districts, and they are aware that they have to justify the expenditure of any money before they receive a sympathetic hearing, much less a cash consideration. Members who submit claims for expenditure from loan or revenue funds know that it is not easy to obtain money from this Government even for desirable projects. As for getting money for extravagant expenditure on undesirable enterprises, that is almost an impossibility.

I repeat that the experience of individual members is a valuable guide as to the way in which money is being expended by this Government. I should be glad to hear of any member who has put up requests to the Government which he himself, if he were in power, would not grant—on the score that this Government is "easy" and could be relied upon to grant his wishes—and who has succeeded in getting what he wanted! Such a claim cannot be made. On the contrary, members are in a position to tell the public that they have put to the Government many requests which they think should have been granted but which have not been granted because money was not available. The Government is not easy to influence in regard to expenditure. Seeing that members have had that experience, in addition to those I have also indicated, I do not think it will be easy to sustain a charge of extravagance in relation to the disbursement of public moneys by the present Government.

Question put and passed.

Resolution reported and the report adopted.

All Stages.

In accordance with the foregoing resolutions, Bill introduced, passed through all stages without debate and transmitted to the Council.

BILLS (3)—THIRD READING.

- 1, Administration Act Amendment.
- 2, Collie Recreation and Park Lands Act Amendment.
- 3, Jury (Emergency Provisions).
Transmitted to the Council.

BILL—MUNICIPAL CORPORATIONS ACT AMENDMENT.

Second Reading.

THE MINISTER FOR WORKS [3.41] in moving the second reading said: This Bill embraces three amendments which have been requested by the Country Municipal Councils' Association and endorsed by the Local Government Department, for the purpose of—

(a) giving councils power to appoint councillors as honorary treasurers without such councillors incurring disqualification;

(b) requiring the consent of the Minister to the removal from office of a town clerk, engineer, or building surveyor; and

(c) giving the Minister power to extend the date for the holding of the annual general meeting of ratepayers.

Regarding the appointment of honorary treasurers, it has been claimed that in the smaller municipalities the state of the finances will not permit of the appointment of a paid treasurer, whereas, if a councillor were appointed in an honorary capacity, he could materially assist on the financial side of the council's business. It is understood that in most instances the honorary treasurer would be the chairman of the finance committee. As such appointments, although honorary, would be in the nature of an "office," it is necessary that the councillor so appointed shall be specifically rendered free from disqualification as a councillor. That appears to be a reasonable request.

Mr. Doney: Is it supported by the representatives of the metropolitan bodies?

The MINISTER FOR WORKS: This amendment is to be inserted in the Act at the request of country municipal councils. The larger bodies in the metropolitan area can afford to make other provisions.

Mr. Doney: I follow that.

The MINISTER FOR WORKS: Under existing circumstances, if a councillor were appointed in a country district, he would be liable to disqualification; hence the provision in the Bill. The proposal of the Country Municipal Councils' Association that the removal from office of town clerks, engineers and building surveyors be subject to the Minister's approval, has been endorsed by the Local Government Officers' Association. In support of this provision, which is included in the Bill, it was pointed out by those interested that a similar provision exists in the Road Districts Act in relation to road board secretaries, and that

the Local Government Acts of other States embody provisions for staff appeal boards. Members will appreciate the fact that road boards are considerably more controlled through the Local Government Department than are municipalities. The department audits the accounts of road boards, and the appointment, or removal from office, of secretaries and engineers to such bodies has to receive departmental approval. The legislation dealing with road boards affords protection to officials, but that is not so in connection with municipalities. The Victorian Local Government Act was amended last year to provide somewhat similar protection to municipal clerks, treasurers, surveyors or engineers, and such valuers and rate-collectors as are officers of a municipality, and also to building inspectors. Any inquiry under that amended Act is conducted by a person appointed by the Governor.

Under the 1938 South Australian Local Government Act Amendment Act an appeal board is provided to which any municipal clerk may appeal. The board comprises the president and secretary of the Local Government Association, the president and secretary of the Local Government Officers' Association, and the vice-president of the Municipal Association, who is chairman of the board. The New South Wales Act provides for an inquiry to be held by a person appointed by the Governor and covers shire clerks, engineers, health inspectors, gas managers, electrical engineers, persons in charge of trading undertakings of the council, and overseers. As members are aware, under ordinary circumstances the personnel of municipal councils is subject to periodical changes. In the exercise of their official duties, the chief executive officers may at any time come into conflict with ratepayers who, in the course of time, may become members of the council. It is therefore considered only reasonable that such officials should be given some sense of security when called upon to enforce provisions of the law, sometimes to the extreme annoyance of various property-owners and ratepayers.

The only other matter dealt with in the Bill is that relating to empowering the Minister to extend the time for the holding of annual general meetings of ratepayers. In this respect, certain difficulties have always been experienced in this State, and the local authorities have been insistent regarding the

request for an amendment. The Act at present provides that the annual general meeting shall be held in the month of November and before the date of the annual election, namely, on the last Saturday of November. The Act further stipulates that certain audited financial statements must be presented at the annual general meeting. In urging the amendment that has been embodied in the Bill, the Country Municipal Councils' Association during the past few years has explained that as the municipal year ends on the 31st October, very little time is allowed in which to comply with the requirements of the Act, and consequently it has been found impracticable on many occasions to have the financial statements ready, with the result that meetings have had to be postponed. It was also pointed out by the municipal authorities that a number of the councils had trading accounts to prepare, and that the balance sheets and audited statements could not be got ready in November as required by the Act.

The Bill proposes that, upon sufficient reasons being submitted, the Minister may extend the time for the holding of the annual general meeting of ratepayers to a date in the following month. Members are aware that for many years past very little interest has been shown in these annual meetings, and it is therefore considered that there would be no objection to the time being extended, should circumstances justify such a course, to a date after the holding of the elections in November. It must also be remembered that municipal councils can be compelled to convene special meetings of ratepayers upon receipt of a petition signed by only 21 ratepayers. This simple procedure should give ratepayers all the necessary protection in the way of affording them opportunities to voice any serious complaints they may have.

Mr. Patrick: You generally get a crowd at special meetings.

The MINISTER FOR WORKS: Yes, and a petition signed by only 21 ratepayers is all that is necessary to secure a special meeting. The suggested amendment will not interfere with those municipal councils which find it possible to comply with the provision in the Act as it now stands. Such an amendment will not interfere in any way with those municipal authorities which can hold annual meetings during the

month of November. I will not particularise, but I know there are certain municipalities that are well staffed. I refer to those which can afford to employ competent staffs and can get out their accounts in time before the election takes place on the fourth Saturday in November. That is a rare occurrence, for very few of the country municipalities have a sufficient staff to enable them to get out their financial statements ready for presentation in time for the annual meeting. After long experience and the exercise of a good deal of patience they are now asking for this amendment, and point out that they find it impossible to comply with the provisions of the Act as now worded.

Mr. Doney: Is this Bill a product of the last meeting of the Country Municipal Councils' Association?

The MINISTER FOR WORKS: These requests were put up on the occasion of the last deputation which waited on me recently. I think they were all hardy annuals. The hon. member will find that the three matters that are of importance to country members are embodied in this Bill and that the local authorities are in agreement concerning them. I move—

That the Bill be now read a second time.

On motion by Mr. Doney, debate adjourned.

BILL—GOLDFIELDS WATER SUPPLY ACT AMENDMENT.

In Committee.

Resumed from the 13th October. Mr. Marshall in the Chair; the Minister for Works in charge of the Bill.

Clause 2—New section:

The CHAIRMAN: Progress was reported on this clause.

The MINISTER FOR WORKS: I promised to get some information for members as to the need for this particular amendment to the Act. It is in the same form as appears in the Health Act when similar matters are being dealt with. With regard to flats, the Health Act provides that where any building is let or occupied as flats, each flat shall be deemed to be a separate house. There was some confusion with regard to stand-pipes. There is still need for stand-pipes to be provided for. I find that where an occupier, who is not a ratepayer, outside a rateable area desires water to be laid on he can have that done by agreement with

the Water Supply Department or the Water Board, subject to payment of certain rates. Although the pipes may be called stand-pipes it merely means the laying on of water outside a rateable area. Even though it be in the city, if the main does not pass the building, the land is not rateable for water. There are cases, especially on the goldfields, where by mutual agreement between the party concerned and the Water Board, water is laid on by what is known as a stand-pipe.

Hon. N. Keenan: What is a stand-pipe, where referred to in the Bill?

The MINISTER FOR WORKS: I think it means a pipe that was put in by the department in an area that is not a rateable area, and where there is an agreement between the householders concerned and the water supply authority. I think such arrangements have been made although definite authorisation has not yet been given, but that will be corrected by this measure. There seemed to be some doubt whether there were any flats in Kalgoorlie. I have endeavoured to ascertain how many separate buildings existed there on one block. I was assured there were no less than 15 dwellings on one holding in Kalgoorlie. That was a surprise to me; there appear to be quite a number of flats in Kalgoorlie. In the case of flats, the owner usually pays the rates for the whole building. Then arises the question of excess water. In Kalgoorlie the quantity of water that is covered by the rates is supplied at 6s. 8d. per 1,000 gallons. After that, 5,000 gallons are supplied at 4s. per 1,000, and thereafter the charge is 2s. 6d. per 1,000 gallons. In the case of a building made up of flats, the water would be supplied through one meter. What would be the position in the case of 10 flats erected as one building? The regulations provide for the first 5,000 gallons of excess at 4s., whereas for the supply of water to that building provision should be made for 50,000 gallons at 4s., and thereafter at 2s. 6d. That would bring things into line with what would apply to 10 other householders in the same street. Then, after the occupants of the flats had used the water covered by the rates they could secure an additional 5,000 gallons at 4s. and the balance at 2s. 6d. per 1,000. The department is doubtful whether it has a legal right to make such an arrangement. The regulation made under the Act only empowers it to charge 5,000

gallons at 4s. per 1,000 and thereafter at 2s. 6d. per 1,000. The amending measure will, however, permit it to make an agreement with the owner. I am assured also that in cases where the owner is absent an arrangement could be made with the occupier, who must also have water.

Mr. Doney: Who would determine the responsibility for the excess water?

The MINISTER FOR WORKS: In the metropolitan area the owner has to be responsible for excess water, and makes his own arrangement with the tenant. In the case of large flats in the city, each flat must be served with water.

Mr. Doney: You were dealing with the case where the owner is absent and the occupier must be supplied with water.

The MINISTER FOR WORKS: In that case the occupier will make an arrangement with the department to be supplied with water, but he will hold himself responsible for the payment of the rates. I am assured that this amending measure will bring the methods into line with what occurs in the metropolitan area. It would not matter very much if the word "stand-pipe" did not appear. At the same time it is desired that the word should remain in to cover any case that may occur. It is not usual to have an arrangement for the provision of a stand-pipe, but where it is asked for an authority is required for its installation. The department must have a legal right to say to the owner of a block of buildings that he must pay at the rate of 4s. per 1,000 gallons for the first 5,000 gallons excess that are supplied, and thereafter 2s. 6d. Otherwise a smart owner may insist, after using the 5,000 gallons, that all the rest of the water must be delivered at 2s. 6d. per 1,000 gallons. The amendment will enable officials on the goldfields to administer the Act in the same way that the supply of water is administered in the metropolitan area. It does appear that in Kalgoorlie there are numbers of houses on the same block, and this Bill will enable the departmental officials to make the necessary agreement with the owners.

Hon. N. KEENAN: I cannot follow the Minister. I was under the impression that the practice was to make assessments, not to enter into agreements.

The Minister for Works: That is so.

Hon. N. KEENAN: The Minister spoke about arrangements. He indicated that the

party for whom water was supplied would agree on the one hand, and that the water supplier would agree on the other hand. Surely that is not the case. I presume the same thing takes place as takes place in the metropolitan area. An assessment is made upon the owner. I thought a flat meant a portion of the same building under one common roof. There may be two buildings on the same block of ground. They may be very close together, but so long as they are separate, they are not flats.

Mr. Doney: You would not call two a group.

Hon. N. KEENAN: I may be wrong in my view.

The Minister for Works: The measure refers to self-contained flats on one piece of land.

Hon. N. KEENAN: The word "flat" simply connotes to me a portion of a building let as a separate dwelling. We have, for instance, the flats in Mount-street called "Wittenoom Building." Then there are St. George's Mansions and other similar buildings. They are distinct from buildings separate from each other.

The Minister for Works: How would you manage in regard to excess water?

Hon. N. KEENAN: It is necessary to approach the position from two angles. There is no difficulty in the case of a single building; but with regard to separate buildings there is a difference, because one or more of the buildings may be responsible for a greater quantity of water than another. The simplest way out of the difficulty would be to allow the owner to solve these questions for himself. If he has a number of multiple buildings on a piece of land, he takes the risk of this kind of thing happening. It should not be the concern of the department.

The Minister for Works: It would be.

Hon. N. KEENAN: Why?

The Minister for Works: The department could not enforce the charges.

Hon. N. KEENAN: The department might receive more revenue by issuing separate assessments.

The Minister for Works: Any ratepayer, having used the quantity for which he must pay 6s. 8d. per thousand gallons, is then entitled to 5,000 gallons at 4s. per thousand gallons.

Hon. N. KEENAN: If each of the separate buildings was assessed the department

would receive more money for the water consumed.

The Minister for Works: That is so. It puts the consumers on the same basis as other private owners.

Hon. N. KEENAN: Suppose there were two or three or four houses adjoining, but on separate pieces of ground, and there was one stand-pipe!

The Minister for Works: That would not be allowed. A person must not get water from his neighbour.

Hon. N. KEENAN: The stand-pipe would be on the public road. All the dwellings on those separate properties would be liable to be rated. This is not the contention of the Minister; far from it. What he wants to arrive at is this: He desires to cover the position of one single property being sub-divided, not by title, but by the fact of a number of separate dwellings being erected on it. He wants the department to have the right to assess each of those separate dwellings and to have a meter for each. If excess water is used, then he can apply the rate which is proper to such excess, and thus not allow—as it might be possible—one owner to get a large reduction because of the sliding scale that applies through the excess water used. For instance, the Minister knows that Maritana-street in Kalgoolie is a very long street. If there were a stand-pipe or other appliance in any part of Maritana-street and nowhere else in that street, then, strictly speaking, under this clause the department could claim rates for the whole of Maritana-street.

The Minister for Works: No.

Hon. N. KEENAN: Why not?

The Minister for Works: That could only be done by agreement.

Hon. N. KEENAN: However, that is not intended; it would be absurd. All that is intended is that the department should be enabled to recover rates in respect of separate buildings erected on one block of land. I am not prepared to accept the Minister's explanation of the clause.

Mr. DONEY: The member for Nedlands, having expressed himself as he did, ought to have submitted an amendment. I do not see in the clause the number of weaknesses charged against it by him. The difficulty which he sees and which must be overcome has, apparently, been overcome in the best way by this provision. I am far from agreeing that it is perfect,

but I cannot think of a better. I admit having heard the Minister say that he must have some statutory justification for making the term "group of dwellings" include not only what we would regard as a group of dwelling-houses, but also a building containing flats. The reference in the clause to the stand-pipe throws the onus for the payment of rates for both water and excess water upon the owner, and therefore no difficulty can arise, so far as the department is concerned, in collecting the rates. I admit I cannot understand why the same provision should apply to two such differing conditions. A group of dwellings is the term used to describe say, three, four or five small houses on one isolated and comparatively small piece of land but by no stretch of imagination could that seem to describe one dwelling place containing a number of flats. I do not know whether it would suit the Minister to amend proposed Subsection (2) by adding after the words "dwelling houses" the words, "or as to flats or a house containing flats." That would overcome the chief objection I have in mind, but it would not overcome that of the member for Nedlands. I do not regard his objection as of such consequence as my own.

THE MINISTER FOR WORKS: This Bill deals with two sets of conditions.

Mr. Doney: They would have been better dealt with by two separate subsections.

THE MINISTER FOR WORKS: This is a stereotyped subsection and appears in the Metropolitan Water Supply Act.

Hon. N. Keenan: What is the reference in that Act?

THE MINISTER FOR WORKS: That is the information I have. It enables the Goldfields Water Supply Department to be placed in the same position as the Metropolitan Water Supply Department, and be entitled to rate each flat separately although not supplied by a separate service, and then be able to recover rates from the occupier should it be desired instead of from the owner. This course is sometimes desirable where the owners are absentees, and sometimes with a view to the department assisting the owners who, under the Goldfields Water Supply Act, are finally liable for the payment of rates and water charges. Under the section in the Metropolitan Water Supply Act we are entitled to, and do, rate each flat separately. If there are 10 flats we do that, and then make the owner responsible.

If this were a road board district the road board would collect on the unimproved land value, but the Water Supply Department effects its own valuation on the annual rental value, and rates on that. It would be difficult to rate on the unimproved land value. I do not know that we could do so except where there is a dwelling house on a block of land. I will now deal with this contentious matter of the stand-pipe. We should know what actually occurs and not take the supposititious case that all Maritana-street could be rated as a group of houses. In the pioneering years it was found necessary in some instances to erect a stand-pipe in a convenient place to supply a number of residences, which were of a very temporary character. There was no justification for spending a large sum of money in supplying expensive reticulation mains. Such stand-pipes were only laid at the request of the consumers. Before these people were asked to pay anything the matter was the subject of an agreement. It would be outside of a rating area and a mutual agreement would be arrived at to rate them at so much per dwelling house for the stand-pipe. As for the other point, the case is unanswerable that we must have the right to rate these places separately.

Hon. N. Keenan: That is admitted.

THE MINISTER FOR WORKS: Then take the case of an ordinary residence in Kalgoorlie. Three thousand gallons is allowed for each £1 of water rate, and the first 5,000 gallons of excess water is charged at the rate of 4s. The balance is at 2s. 6d. per 1,000. If we can rate these ten flats separately, that is how they are treated, but we must have the right to do that; otherwise a man with ten flats on a holding would cut out the water at 6s. 8d. per thousand gallons and demand that after the first 5,000 gallons of excess water, the charge be reduced to 2s. 6d. That is the legal complaint. The Leader of the Opposition will agree that, under present conditions on the goldfields, a man would pay his rates and cut out the appropriate amount of water at 6s. 8d. per thousand gallons. He would next use the 5,000 gallons at 4s., and then demand the remainder at 2s. 6d., which would place him at a decided advantage over the ordinary householder. If he had ten flats, he would have to pay for 50,000 gallons at the 4s. rate before being entitled to the rate of 2s. 6d., but at the present time that position

cannot legally be enforced by the department. This proposed new section merely brings the position into line with the Metropolitan Water Supply Act.

Hon. N. Keenan: I cannot find the section to which you refer in the Metropolitan Water Supply Act.

The MINISTER FOR WORKS: It is there.

The Premier: I cannot find it either.

The MINISTER FOR WORKS: Let us leave out the vexed question of stand-pipes and take this clause. It is by mutual arrangement. People cannot be rated outside a rateable area, and it has happened in many cases. When it comes to a group of houses, the board shall be entitled to receive and recover water rates from the owners and occupiers thereof in the same manner as if the supply had been distributed to each dwelling-house in the ordinary way. It brings the owners of flats on to the same basis as the ordinary ratepayer. At present they get better terms. This provision is necessary after all the years from 1902 because of the building of flats in the Kalgoorlie district. The department has the right to rate separately, but the agreement of which I speak is made with the owner of a group of flats in Perth, and he also has to make himself liable for payment of rates and excess water and make his own arrangements with the tenant. Perhaps that is why it cannot be definitely discovered in the Act. This provision must be somewhere in the Metropolitan Water Supply Act.

Mr. LEAHY: Quite a lot has been said about stand-pipes. There is not very much of that sort of thing on the goldfields now. I would like to know where in the outside areas a stand-pipe is necessary. The houses and flats are pretty well all connected up.

Mr. Patrick: This is not a stand-pipe out in the street.

Mr. LEAHY: We will say it is.

Mr. Patrick: It is not.

Mr. LEAHY: What is really meant by a stand-pipe?

Hon. N. Keenan: It is very doubtful.

Mr. LEAHY: Most houses in Kalgoorlie today are connected. No great penalty will be inflicted on the people of the goldfields if this measure goes through. The usual practice is for the owner of the property to pay the annual water rates and for the tenant

or occupier to pay for the excess water. It often happens that towards the end of the year, and after having used a considerable amount of water, the occupier nicks off, leaving the owner responsible. There may be need for some control there. It is nice to know that the member for Nedlands is ardent in his desire to protect the goldfields people.

Mr. Doney: It is not only the goldfields; there are other places concerned.

Mr. LEAHY: Once a goldfields man, always a goldfields man! Personally I can see nothing alarming to the people of the goldfields in this measure.

Hon. N. KEENAN: I am not trailing my coat on the floor. First let us clear the atmosphere. Every member who has spoken wants to assist the Minister in getting a proper return for water supplied to goldfields residents. The real point, which the member for Hannans has not entirely grasped, is this—that where there is a number of houses built on a single block, if only the owner is rated, he gets supplied, because of the sliding-scale for excess water, at a more reduced rate than any one house would be entitled to. The Minister explained that he might get a very large quantity of water at 2s. 6d. per thousand gallons, which no one single person could possibly get, because an individual would use very little more than the 5,000 gallons. The first amount is not supplied at 2s. 6d. but 4s. The department wants to get more revenue, and it is a fair request to make. Unfortunately, however, the language used covers more than the consequences of that request. As far as I can ascertain, that language is not to be found in any statute applying to the metropolitan area, although the Minister is under the impression that it is. I move an amendment—

That in line 2 of the proposed new Subsection (1) after the word "houses," the words "erected on any block of land the subject of one certificate of title" be inserted.

Mr. DONEY: I have a prior amendment.

The CHAIRMAN: I cannot help that if the member for Nedlands insists upon moving his amendment.

Hon. N. KEENAN: I ask leave to withdraw my amendment temporarily.

Amendment, by leave, withdrawn.

Mr. DONEY: I move an amendment—

That in line 2 of proposed new Subsection (1) after the word "houses," the words "or a building containing flats" be inserted.

I have already given reasons in support of the amendment.

Hon. N. KEENAN: If the amendment is passed, it will preclude me from moving my amendment, the object of which is to limit the provision to dwellings erected on one block.

The CHAIRMAN: The question before the Chair is the amendment moved by the member for Williams-Narrogin.

The MINISTER FOR WORKS: I oppose the amendment. A similar provision is contained in the Metropolitan Water Supply, Sewerage and Drainage Act, and has been in the Water Boards Act since 1904. Under those Acts, the appropriate authorities have been able to assess each flat separately. Would the hon. member say that flats constitute a group of dwelling-houses?

Mr. Doney: No.

The MINISTER FOR WORKS: I would.

Hon. N. Keenan: All flats are under one roof.

The MINISTER FOR WORKS: But amenities and conveniences have to be provided for each, and so they are self-contained dwellings.

Amendment put and a division taken with the following result:—

| | | | | | |
|------------------|----|----|----|----|----|
| Ayes | .. | .. | .. | .. | 11 |
| Noes | .. | .. | .. | .. | 18 |
| Majority against | | | | | 7 |

AYES.

| | |
|---------------------|-----------------|
| Mr. Boyle | Mr. Seward |
| Mrs. Cardell-Oliver | Mr. J. H. Smith |
| Mr. Hill | Mr. Watts |
| Mr. Keenan | Mr. Willmott |
| Mr. North | Mr. Doney |
| Mr. Sampson | (Teller.) |

NOES.

| | |
|----------------|--------------|
| Mr. Coverley | Mr. Needham |
| Mr. Cross | Mr. Nulsen |
| Mr. Fox | Mr. Shearn |
| Mr. Hawke | Mr. Tonkin |
| Mr. W. Hegney | Mr. Triat |
| Mr. Johnson | Mr. Willcock |
| Mr. Kelly | Mr. Wise |
| Mr. Leahy | Mr. Withers |
| Mr. Millington | Mr. Wilson |
| | (Teller.) |

Amendment thus negatived.

Clause put and passed.

Clause 3—agreed to.

Clause 4—Amendment of Section 83:

Mr. DONEY: The proposed new section deals with the period that must elapse

during which rates may remain unpaid before the authorities have the right to take action to recover. The Minister, in moving the second reading, made it plain that he wished to bring the Act into line with other similar statutes affecting local governing bodies. Had he made the period five years instead of 12 months, he would have been in line with other authorities. I regard the 12-months period as harsh by reason of its brevity. In connection with an earlier Bill I secured an amendment substituting three years for 12 months. I move an amendment—

That in line 3 of proposed new Subsection (1) the words "twelve months" be struck out and the words "three years" inserted in lieu.

Amendment put and passed.

Mr. DONEY: I move an amendment—

That after the word "thereof" in line 4 of proposed new Subsection (4), the following words be added:—"and such directions, unless subsequently varied by the magistrate, shall be adhered to."

I have urged on a previous Bill that the magistrate's decision should be final, and safe from interference by a water board secretary or any interested person. However, I have realised that it might become necessary to alter the time and place of sale. At present the water board secretary—in the country usually the road board secretary—may without reference to the magistrate change both time and place, and also without making such change known to the magistrate. In one case certain people who had been privately advised of the change were the only persons present. The question of a change should be referred to the magistrate for a further decision.

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

Clauses 5, 6—agreed to.

Clause 7—New Schedule:

Mr. DONEY: I move an amendment—

That in line 4 of paragraph 1 of the proposed form of petition the words "twelve months" be struck out and the words "three years" inserted in lieu.

The reasons in this case are the same as those applying to the previous amendment dealing with the same matter.

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

Clause 8, Title—agreed to.

Bill reported with amendments.

BILL—SUPPLY (No. 2), £1,350,000.

Returned from the Council without amendment.

BILL—MAIN ROADS ACT (FUNDS APPROPRIATION).*Second Reading.*

Debate resumed from the 13th October.

MR. DONEY (Williams - Narrogin) [4.35]: I shall vote against the second reading of the Bill for the reason that it necessitates the repetition in their entirety of two objections which I raised to a similar Bill put before the House last year. This is not the type of continuance measure to which we have been accustomed—measures wherein a reference to some past year has had to give place to a reference to a later year. Here we have a newly printed Bill although it is a reprint of last year's measure with the one exception that it covers, instead of the period 1941-42, the current year, 1942-43. Surely there is no need for a new Bill in the circumstances! Why all the trouble of reprinting the measure has been gone to, I do not understand. I recall the Minister saying in November of last year that the then Bill would not operate beyond December of 1942. A little later in his speech he repeated that the measure would apply for only one year's licensing period. I cannot hold that that statement tallies with what is happening now.

My comment, speaking on the second reading then, was that the statement that the Bill was restricted to one year only might mean much or might mean little, according to what was in the Minister's mind, but that if it meant what it said, then the Minister certainly should give the House an assurance that a Bill for a similar purpose would not be introduced later. I pressed the Minister to amplify his statement that his Bill was only for the one year, the year then current. The Minister, in replying, answered many objections to the Bill; but they were objections that I had not made and that I did not remember any member having made. I do recall though that the matter on which I particularly desired to have more light was not mentioned by the Minister at all. The change which I foresaw then has actually occurred in the shape of the Bill before the Chamber.

I have made it plain in past years when similar Bills were before us that the main

objection was that it would be country district roads funds that would suffer by the proposal. I made it plain, or tried to make it plain, that nine-tenths of the sum involved would come from the country roads fund and roughly ten per cent. only from the fund for similar purposes, handled by the metropolitan local governing bodies.

Mr. Cross: All of it has been paid for out of the city fund.

Mr. DONEY: That statement is not true. The funds come from a petrol tax; and whilst that is contributed to by city car owners, those owners also use the country roads, and it is just as much for their benefit as for that of country car owners that country roads should be in good condition. Over and over again the Minister in charge of the Bill has denied that the sum to be paid into Consolidated Revenue comes from moneys set aside for country roads. I, just as persistently, have maintained that the Minister is wrong. I still think he is wrong; in fact, I am sure he is. This is the position: Twenty-two and a half per cent. of the traffic fees collected in the metropolitan area are, according to last year's Bill, which is now an Act, and according to this year's Bill, side-tracked into Consolidated Revenue instead of being paid into the Metropolitan Traffic Trust Fund and thereafter used on metropolitan roads. The amount thus temporarily, in 1941-42, lost by the metropolitan local governing bodies and gained by Consolidated Revenue, was £30,199.

It is just at this point the Minister tells the metropolitan local governing bodies they need not fear that they will permanently lose that amount, because means would be found to recoup it to them. Therefore, the Minister said, those bodies had absolutely no need to worry, but could safely approve of the Bill. At the same time he tells the country bodies that they have no need whatever to fear the effects of the Bill, because they are specifically excluded from any of the penalties. Anyhow, it is perfectly plain that the metropolitan local governing bodies do not themselves find this sum of £30,000 odd. It is important that members fully understand that seeing that the Government itself manifestly does not find it. We, therefore, have to ascertain to our own satisfaction who does find it. In previous years I have characterised the Minister's method of finding this money as juggling; but even the cleverest of jugglers must get his rab-

bit from somewhere. This is how the Minister explained his position year by year, the explanation each year being the same. He says an amount equivalent to that diverted to Consolidated Revenue will be made available to the Commissioner of Main Roads from petrol tax for the purposes specified in Section 33 of the Main Roads Act; and I agree that that is so.

Section 33, I may mention, provides that those funds are to be used for the construction, maintenance and improvement generally of the roads and bridges in the metropolitan traffic area. Now this is just where the Minister and I are at loggerheads every year. He says that a recoup to the metropolitan local governing bodies from the petrol tax would not reduce the amount that the country local governing bodies spent upon their roads. I wish the Minister would favour the House with an explanation of how that can possibly be so. If the Minister replies, I hope he will confine his explanations to the objections that have really been raised, leaving alone those other points such as may occur to the Minister as needing some explanation. Always these other explanations come in to the exclusion of those the House should be given. Dealing with the source from which the amount of £30,000 is recouped to the metropolitan traffic areas, the Minister knows that four-fifths of the petrol tax goes to the fund for road purposes, and that 91 per cent. of that fund is spent on country roads and only nine per cent. on metropolitan roads.

Mr. Cross: That is true, too!

Mr. DONEY: Does it not follow that any draft, whether big or small, upon that fund, must reduce the metropolitan bodies' spending power by a little and the country local governing bodies' spending power by a great deal in the proportion, as I have already explained, of roughly ten to one; because taking the figure of £30,199 as a basis for the moment, actually the country bodies would pay £27,481 and the metropolitan bodies £2,718? It can be seen, therefore, that the question where the money comes from is not nearly of the same consequence to the metropolitan bodies as it is to the country bodies, and it is absurd to suggest that there can be any other source from which the money comes. On previous occasions when this matter has been debated in this Chamber, the Minister for Works and the Premier have met all complaints of the type I have

referred to by the statement that the country should be thankful indeed that a generous Government—to wit, this Government—allots it as much as 91 per cent. of the petrol tax. Even if the State Government were responsible for the ratio I have mentioned, there would still be no generosity about it, but it happens—and I shall make it plain—that this Government has nothing whatever to do with that ratio, which was determined by the Federal Aid Roads Agreement.

The Minister for Works: Oh, no!

Mr. DONEY: The Minister may hold a contrary view. He will be able to explain by and by, but I hope he will not take up so much time in so doing as will allow him to forget about the other points. At the same time I am quite willing to be put right in respect to this matter. I understand that although the agreement may be and indeed must be between two parties, nevertheless this Government had no voice in determining what that ratio should be.

The Minister for Works: Yes, it had.

Mr. DONEY: I shall be glad to have that point explained, but I did not consider the Government had anything to do with it. The Grants Commission with all its faults—and I am one who asserts it has many faults—at least recognises that 91 per cent. must needs go to the rural areas because of their immense road mileages. Had the proportion available to the country been any less, the city would inevitably have been a good deal worse off than it is today. The Minister in his second reading speech made it plain—and he made it plain last year and in the two preceding years—that the reason for the Treasurer's raid on the Main Roads Fund was that he was required to take such action by the Grants Commission. I do not hold that to be sufficient reason. Things have come to a pretty pass if it is so! Here we have a small committee of three men appointed by the Commonwealth Government, whose powers very substantially exceed those of the Western Australian Government in matters of finance. That is a most extraordinary and deplorable position. Judging by the attitude of the Government towards the question with which we are dealing, I do not think it is unduly concerned over the position, not nearly as much as I would wish it to be. Certainly we can submit recommendations, suggestions or re-

quests to the Grants Commission, but of what avail is that? It is not incumbent upon the Commission to be influenced at all by what we may suggest.

I regret to say that the Government has expressed itself as quite willing to believe the Commission when it says that if Western Australia will do what it is told, its grant will be increased. The Premier, if not the Minister for Works, will agree that that has not been his experience in the past. It might be recalled that a few years ago, and for several years, the constant plea of the Grants Commission was that Western Australia had grossly undertaxed its people. It made plain that an increase to this State—it had that year considerably reduced our grant—would depend on whether taxation rates were suitably raised. Since then—and this dates from 1930-31—the Collier Government and the Willcock Government, with what I regard as suspicious speed, responded very readily indeed to that crudely baited appeal and, by heavy annual increases, have pushed the per capita taxation of the Western Australian people from £3 6s. in 1931-32 to £8 6s. 3d. in 1940-41. I take it that the figure is substantially higher now.

The State Government no doubt reasoned that Western Australia's position would be hugely improved by having—had the Grants Commission kept its word—not only this new taxation return but also an additional sum from the Grants Commission. But of course the Commonwealth Government and the Grants Commission failed to implement those pleasant anticipations of the State Government. Indeed it was plain that they thought along entirely different lines. They probably saw it this way: That if the Government was that much better off by having all that additional taxation money, not all the more but all the less did it require anything extra by way of a heavier Federal grant. In any case, the Minister knows that no additional sum actually came to hand but actually a lower sum. This matter has been dealt with for so many years that it is difficult indeed to say anything fresh. But if the Minister could only be induced to give necessary attention to those points raised in past years that were not explained by him, maybe certain conditions would be different. I remind the Minister of the need for mak-

ing the explanation I have rather copiously referred to.

MR. CROSS (Canning): I am not surprised at the attitude adopted by the member for Williams-Narrogin.

Mr. Doney: That is something new!

Mr. CROSS: There is nothing new in the ultra-selfish attitude of the Country Party in regard to this matter. It is about time there was a show-down concerning the distribution of the petrol tax in its relation to the Main Roads Fund. If the local government authorities in the greater metropolitan area realised that more than 50 per cent. of this tax is collected in the metropolitan area and 90 per cent. is spent in the country there would, in fact, be a show-down. The hon. member says that nothing fresh can be said on the subject, but I think it can. It is about time there was a readjustment, particularly in those areas within a 25-mile radius of the city. In the past 10 years practically every main road in the State has been rebuilt not only with money from this fund but also to a large extent with loan money, and the city people are called upon to pay a great deal of the tax. While it is true that certain metropolitan motorists use some of the country roads—

Mr. Seward: Sometimes.

Mr. CROSS: —I venture to say that not 10 per cent. of the people in the greater metropolitan area do so. Although more than half this tax is raised in the greater metropolitan area 90 per cent. is spent on country roads. There should be a re-allocation and a larger amount should be set aside for those local government authorities within a 25-mile radius of Perth, because that is where 75 per cent. of motor vehicles travel.

Mr. Doney: You had better give evidence before the Grants Commission.

Mr. CROSS: It is time a change was made in the allocation. Immediately the war is over there will be a demand for increased road mileages in local government areas near Perth. That applies not only to the South Perth, Canning and Melville road districts but to the Darling Range, Swan, Gosnells and Armadale road districts in which I visualise a great increase in settlement. If it is fair that the people living in those areas should pay a greater proportion of the petrol tax, it is only fair also that a larger amount of money should be spent in those areas where it is needed, par-

ticularly when it is realised that the major portion of country roads have been built from the main roads fund and from loan funds. For that reason I support the Bill, and urge the Minister to take the earliest steps to make a re-allocation and provide fair play for citizens around the greater metropolitan area.

MR. WATTS (Katanning): I oppose the Bill. I think the Government has brought it down mainly because, as the member for Williams-Narrogin has told us, it desires to get more money from the Commonwealth Grants Commission. That seems to me a somewhat forlorn hope, for the reasons the member for Williams-Narrogin gave the House.

The Premier: We got it this year.

Mr. WATTS: But that was not commensurate with the effort made to obtain it. I should have thought it would have been sufficient to have gained that from the Grants Commission on the tremendous increase in taxation alone. I admit that argument does not apply at the moment as strongly as it did over past years. Before the question was raised respecting the use of loan money on roads and the interest payable thereon as one way to determine the right to an increased grant to the State, the previous Government increased taxation, and certainly the present Government did that. I am not at the moment criticising the Government for having increased taxation. It may have had strong justification for that course, but I do not think we have strong justification for going on when the taxation phase has substantially passed out of our hands to those of another party, and for saying to the members of the Grants Commission that we are going to keep on adopting their suggestions through the years in order that we may get more money from them. That policy has not worked out in the past.

The Premier: We did that for two years following.

Mr. WATTS: On the increase in taxation we were justified in getting double the grant that we received five or six years ago; but the grant has not been doubled, nor is it likely to be. The position is that the Commonwealth Grants Commission has not rewarded the State to the extent that the Government, in following out its apparent desire, was justified in expecting. The State has done a great deal more than was jus-

tified on the suggestion of the Grants Commission and, as the member for Williams-Narrogin has clearly indicated, we have not been properly rewarded for so doing. There is another objection to the Bill. When brought down last year it followed on various earlier attempts, which had been rejected by Parliament, to legislate in this direction. The Minister, as far as I can gather, purposely brought down a Bill having one year of life. I understood it was a measure for one year, introduced to overcome a difficulty the Government was experiencing with the Grants Commission in this regard. I know the idea at that time was that we would not have another Bill of such a nature this year, but here is the Bill before us! I do not think members are justified in supporting it on this occasion. As a matter of fact, I do not recollect any opposition on my part to the Bill last year.

I had opposed previous measures, but last year the Minister seemed to meet my objection and appeared to me to be justified in submitting the Bill to get over the difficulty experienced with the Grants Commission, for which reason it was to apply for one year. I did not think we would be expected to agree to a renewal of the measure this year. The Minister in not placing the measure before Parliament as a continuance Bill clearly showed he did not indicate it was one capable of being continued year by year to meet circumstances. He brought down the one Bill because he wanted the House to consider the matter in all its ramifications, and not merely to deal with the question of whether we were to carry on the legislation for another year. I understood it was very definitely to be for one year only. That aspect should be considered by members before they agree to the passage of the Bill.

As the member for Williams-Narrogin has established, I also think that the effect of the legislation will be, as was pointed out last year, more harshly felt in the country districts than in the metropolitan area. That hon. member has held that point of view consistently, and I believe he has on this occasion established it beyond any reasonable shadow of doubt. While I do not suggest there should be expenditure on country roads where not justified nor do I suggest it should not be incurred in the metropolitan area where justified, I still think the effect will be felt on the roads in the far

distant parts of the State, and in the outer parts of country districts. I have not travelled in the North-West but I know by repute and from correspondence that roads and tracks there are impassable at certain times of the year. There has been expenditure of some of this money, and the expenditure of more would have been justified despite the sparsity of population in that part of the State. There were other parts of the State where the condition of the roads was execrable. They have been substantially improved by the expenditure of money from the Federal Aid Roads Grant and by means of other funds expended by successive Governments.

The Premier: Yes, from loan funds.

Mr. WATTS: I know the work has been fully justified. It has been urged that it was not justified on the ground that it was not directly reproductive, but I contend that such expenditure had indirect reproductive results in quite another way. As the result of the expenditure of that money, portions of the State had been opened up and much more would have been developed if more of that type of expenditure had been undertaken in years gone by. It would have opened up parts that even today are ill-served with roads. I naturally will not blame any Government that spends a reasonable amount of loan funds on work of that nature, because it secures results that are indirectly reproductive—and that is to the benefit of the State.

There are other parts of the State where roads have not been improved and that applies not only to the North-West but to the outer rural areas, including the back parts of my own electorate. It is perhaps easy for the member for Canning to say that 10 per cent. of the metropolitan motorists do not use country roads. They use them a great deal more than he has suggested. Before the last year or two, we know how much the country roads were used by metropolitan people, and how ill-provided for were those who went to the country on their legitimate business before the roads were improved. I do not believe for one moment that the Government thinks it necessary to re-allocate the moneys, and certainly more substantial reasons must be advanced for it before I shall be prepared to consider the proposition. I do not think we should accept the blunt, and very incomplete statement by the member for Can-

ning or that much notice should be taken of it. While on some subjects that hon. member may be exceptionally well-informed, he is most ill-informed on this one. He should not lose sight of the fact that the metropolitan area, with all the amenities of which it is possessed, would not have been placed in that position had it not been for the areas situated at a great distance from it. The member for Canning has possibly forgotten the days when he was farming in the Great Southern areas. That was long ago.

Mr. Sampson: It is wiser to forget that anyhow!

Mr. WATTS: I suggest the measure serves to remind us how much the metropolitan area has been, and still is, indebted to the back country and to the pioneers who settled those outer areas. Those pioneers who went outback are entitled to be provided with some more reasonable means of transport than is available today. I think the legislation was intended for one year only, and I am sure it will have a greater ill-effect in the country areas than in other parts that have been referred to. For these reasons and for others that have been so ably submitted by the member for Williams-Narrogin, I do not propose to support the second reading of the Bill.

THE MINISTER FOR WORKS (in reply): The period of one year was insisted upon by this House and another place because the question involves one year's registration fees, and furthermore it was contended that nobody could see sufficiently far ahead to be able to say that the money would be available from the main roads grant. I assure members that there is enough money in the fund to meet this amount.

Mr. Doney: If the Minister is so certain as to the position, how was he able to assert that it would be for one year only?

The MINISTER FOR WORKS: I said the Bill dealt with one year's license fees only—the amount of 22½ per cent.—and we were not justified in going further because, in the opinion of the House, the money might not be available. We were satisfied with one year then and we are asking for one year now. I remind members, too, that we are still working under the Grants Commission. Whether we like it or not, that body still has something to

say. It will examine the accounts and continue to advise the Commonwealth Government. Following the adoption of the uniform tax scheme, the Grants Commission will be called in to advise the Commonwealth Government on the financing of the State, just as it has been consulted in time past. We received a telegram which read—

It may assist your Treasurer when preparing his Budget to know that no adjustment was made in our ninth report on account road debt charges. Our decision was governed by special circumstances affecting road finance including reduced Federal road grants, declining motor taxation—

This is the important part—

and action of Government in using part of license fees to meet annual charges on road debt.

We cannot get away from that—"to meet annual charges on road debt." Members opposite give us no credit for generosity in spending 91 per cent. of the Federal aid roads money in the country, although I remind the member for Williams-Narrogin that the agreement with the Commonwealth provides that the money shall be spent on the construction, re-construction and maintenance of roads. There is no reference to the metropolitan area or any other district.

Mr. Patrick: That was the original agreement.

The MINISTER FOR WORKS: That is how it now reads. As to the additional halfpenny we received from Mr. Lyons, increasing the amount from 2½d. to 3d., we have some discretionary power in the spending of it, but there is also a stipulation that the Commonwealth may call upon us to expend that money as it desires on Commonwealth roads. Members should bear in mind the terms of the agreement. For some years I have had to approve of the programme drawn up by the Commissioner of Main Roads and have approved of the expenditure of these amounts. I remind members also that of the £3,400,000 odd spent from loan funds—that is what we are dealing with now—97 per cent. was spent in the country, and to service that amount we require £167,000 of interest each year. This affects the Treasurer and the Treasury. It is not generous on the part of representatives of country districts to object to our receiving this 22½ per cent. because it is ours.

Mr. Doney: The word "generosity" was your choice.

The MINISTER FOR WORKS: The hon. member should apply it, too.

Mr. Doney: Is there any reference in any agreement to the 91 per cent. and the nine per cent.?

The MINISTER FOR WORKS: The wording of the agreement is that the money shall be spent on the construction, reconstruction and maintenance of roads. We have interpreted and administered the agreement in that way, and I think most Governments would do likewise. Considering that one-half of the Federal tax is collected in the metropolitan districts, we have been generous in spending 91 per cent. outside. Of loan funds—money for which the Government is responsible—97 per cent. has been spent in the country, and we have to meet the consequent annual burden. This is the point to which the Grants Commission called attention.

We in this State have a peculiar method of using the proceeds of the registration fees. In other States part of the money so collected is used to service road funds. Here, the servicing charges have to be found from ordinary revenue each year, and a sum of £169,000 is a fairly heavy slug for general revenue. We are trying to get some of that money from registration fees, from the people who use the roads, and this is all that Parliament will grant us. We tried to get the amount of the registration fees collected in the metropolitan area and were refused on two occasions. We were then told by representatives of local authorities in the metropolitan area that they would have no objection to our taking the 22½ per cent. into revenue. The metropolitan local government bodies are not worrying us; now the objection is coming from the country. This is our money and I think country representatives should stand off, seeing that 91 per cent. of main road funds and 97 per cent. of loan money have been spent in the country.

Mr. Doney: You know it is necessary to spend the money in the country.

The MINISTER FOR WORKS: We have been penalised by the Grants Commission because we made no arrangement to service the charges on that loan money.

Mr. Doney: Did you spend those comparatively huge sums for reasons of gener-

osity to the country or because such expenditure in the country was essential?

The Premier: When we did that, the people of the metropolitan area did not think we were very generous to them.

The MINISTER FOR WORKS: If the member for Williams-Narrogin and the Leader of the Opposition are not disposed to give us any credit for what we have done, I shall not plead for it. I am stating the facts. Any fair-minded man would act as we have done. This is only fair treatment. "Fair" is a better word than "generous." I think those are the only points calling for reply.

Mr. Doney: No, there is one more, as to the use of country road funds. You recoup them from the Federal tax?

The MINISTER FOR WORKS: Yes.

Mr. Doney: The petrol tax goes into the road fund. Ninety-one per cent. has been spent on country roads and 91 per cent. of the recoup comes from the country, and our funds are losing by that amount.

The MINISTER FOR WORKS: A balance sheet would show that, independently of the large proportion of the £5,000,000 spent from petrol funds in the country during the ten years, there still stands against loan funds—97 per cent. of which is spent in the country—an amount of nearly £3,500,000, and in each year, in order to pay interest on the loan money spent in the country, a sum of £169,000 has to be found from revenue. That is the way to make up the sum. If the hon. member casts up the accounts, he will find that the country area is indebted to the metropolitan area.

Mr. Doney: The Minister is not answering the point.

The MINISTER FOR WORKS: There is no point to answer.

Mr. Doney: The Minister knows very well that there is a point to answer.

Mr. SPEAKER: Order!

Mr. Doney: The position is quite elementary.

Mr. SPEAKER: Order! The Minister for Works has the floor.

The MINISTER FOR WORKS: I say quite definitely that the Grants Commission has a just grievance against this State's policy in not using any of the registration fees in order to service interest on road loans.

Mr. Doney: The Commissioners do not impose the same penalty on other States, though.

The MINISTER FOR WORKS: No. That is why we have been penalised.

Mr. Doney: What about Tasmania, for example?

The MINISTER FOR WORKS: We are completely out of step with the other States, and that is the Grants Commission's grievance. Our short-sighted policy has been responsible for penalising us considerably, and the Treasury suffers and the State suffers. Here we are trying to put the matter right to the extent of a paltry £22,000, and the member for Williams-Narrogin objects. How much did last year's £30,000 mean to the Treasurer? The amount was doubled. Although the Treasurer controls the collection of money to some extent, I still say that Western Australia is working under the Grants Commission, and that we are justified in falling in with the Commission's wishes. Therefore this Bill is introduced now, dealing only with the percentage of registration fees collected for the licensing period. That is all we are asking the House to deal with.

Mr. Doney: I know all that.

The MINISTER FOR WORKS: If there is a desire to make this measure permanent, I shall raise no objection. Perhaps the Leader of the Opposition might want to substitute some other words.

Mr. Doney: Has anybody said that?

The MINISTER FOR WORKS: We shall be prepared to make the measure permanent, but at present are satisfied to have it for the one year.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Marshall in the Chair; the Minister for Works in charge of the Bill.

Clauses 1 to 5—agreed to.

Clause 6—Payment to the Main Roads Contribution Trust Account:

Mr. CROSS: I again call attention to the great injustice suffered by the metropolitan area. I have in mind a road along which a new bus service is run to South Perth. That road is only about 12 feet wide, though the South Perth Road Board has spent thousands of pounds in widening it. Even now it is not nearly wide enough. It is, in fact, extremely dangerous. I hope the Minister will declare that road a main road, or else make a grant of £5,000 or £6,000 from this fund so that the road can be ren-

dered safe by being widened to 24 feet. By the exercise of extreme care, people used to be able to cross the road without injury; but there are now two bus services using the road, which makes it extremely dangerous, especially in these black-out days.

Clause put and passed.

Clause 7, Title—agreed to.

Bill reported without amendment and the report adopted.

ANNUAL ESTIMATES, 1942-43.

In Committee of Supply.

Debate resumed from the 15th October on the Treasurer's Financial Statement and on the Annual Estimates, Mr. Marshall in the Chair.

Vote—Legislative Council £1,890:

MR. SEWARD (Pingelly) [5.29]: I desire to offer my congratulations to the Acting Treasurer on the full statement he made to the Committee when introducing the Budget. The outstanding question before the State at the present time is, of course, the taking-over of the income tax and also of the entertainments tax by the Commonwealth Government. The proposal means that the future development of Western Australia may be seriously held up. The Minister in his speech drew attention to certain statements of Commonwealth Ministers which at all events reflect badly on Commonwealth representatives. They led us to believe that the incidence of uniform taxation was to continue only for the duration of the war; but no sooner had the conference broken up, or the Bill been introduced into the Commonwealth Parliament, than they immediately gave utterance to the opinion that it would prevail for all time. They said if there was any doubt about that, steps would be taken to ensure that it would prevail for all time.

The Acting Treasurer stated that during the war period there could be no question of the expansion of existing social services unless the Commonwealth were willing to provide the finance. I am not so much concerned with social services as I am with the development and progress of the State, particularly in view of the fact that after the war it will be necessary to place in industry all those who are today in the Forces or are in process of being drafted into the Forces. This is the first year in which the

Commonwealth Government, according to its rule to single out Western Australia from among the other States, has reduced this State's wheat acreage. None of the other States has been subjected to that restriction, although some of them—particularly Victoria, New South Wales and probably Queensland—by reason of the difference in their soil and also by reason of the fact that they have fresh-water rivers, are better suited to undertake other branches of agriculture besides wheatgrowing. I maintain wheatgrowing is the basis of agriculture in this State. So, when this alteration in taxation came into force, we were faced with the problem of making a drastic alteration in our internal economy, and to do that of course money is required.

For example, we have to consider the question of the establishment of water supplies in many of our country districts. I refer particularly now to districts along the Great Southern Railway. Towns and districts there have almost reached the limit of their possibilities unless water conservation is considerably improved by the provision of storage facilities similar to the Canning Dam. Provision of water for those districts is absolutely essential before their material progress can be contemplated. Again, there is the question of our railways. If the expenditure upon these is to be curtailed, owing to our receiving by way of uniform taxation the average of our income tax collections for the past two years, then I can quite clearly see that the expansion of the State will be seriously curtailed. In their last report the Commonwealth Grants Commissioners pointed out in regard to this State that, if its primary production suffered a set-back, the financial position of the State would be most serious. It is with that particular phase of the State's activities I am more concerned.

When delivering the Budget Speech, the Acting Treasurer stated that for the development of our agricultural industry there is still much scope, as we have barely scratched the surface of rural capacity in the areas south of the capital. He said he realised that it was foolish to prophesy, but that he felt it fairly safe to suggest that, with victory won, in the years immediately following peace with international trade expanding, there would be a very great demand for our primary products. He added that we

were in an exceptionally favourable position to meet the demand that would arise. I feel sure that in arriving at those opinions the Acting Treasurer had not taken into account our present-day farmers. Had he done so, I do not think he would have found any ground for rejoicing or for confidence in the future of our agriculture.

I have not the slightest hesitation in saying that, unless the conditions of the farming industry are rapidly altered, few returning soldiers—particularly those who have had any connection with agriculture before joining the Army—will be induced to take up agriculture as a means of livelihood. Nor do I think we shall be enabled to entice those who formerly lived in centres of large population and were engaged in commercial enterprises. They will regard with mixed feelings the prospects of taking up life in country districts, as they have been accustomed to high wages and the conveniences attendant upon city life, such as entertainment and educational facilities for their children. They will contrast the conditions with those existing in the country today and will find them the exact opposite. Life on the land is one continual fight with parasites, both human and animal. Men are compelled to work long hours for very small remuneration and must endure hardships, particularly as regards living conditions for their families and educational facilities for their children. There is certainly nothing in rural vocations to entice returning soldiers to them, and that is greatly to be deplored, because without the slightest doubt a rural life is the ideal life for a man—a good, healthy, out-door life. He and his family should enjoy the best of health in the country.

Unfortunately, as I say, unless our agricultural conditions are altered, I cannot see much prospect of enticing the people into the agricultural industry. If proof is required of that assertion, I recommend members to peruse the latest report of the Commissioners of the Agricultural Bank. In that they will find that the Bank has a total of about 2,578 reverted holdings on its hands. Here I may mention a rather extraordinary point. If we turn to any two sets of figures relating to the State's statistics, take the number of reverted holdings set out in the report of the Agricultural Bank Commissioners, and compare that with the number of unoccupied holdings set out

in the Statistical Register, we shall find they do not agree.

Similarly, we find the national debt to be stated by one authority at an amount different from that stated by another authority. Why is it that we cannot arrive at a uniform method of computing these figures? Surely, if we have a certain debt, then all authorities should quote that debt at the same amount, but if one refers to the State "Year Book" he will find a certain figure quoted, and then if he turns to the Commonwealth "Year Book," he will find a different figure quoted. I have adopted the figures quoted by the Agricultural Bank Commissioners and I accept their statement that 2,578 holdings have reverted to the bank. There must be some grave reason for that. The first thing we should do, before talking about placing our returning soldiers on the land, is to ascertain what is wrong with life on the land and the difficulties confronting it. We should then set about altering those conditions so that we may persuade people to take up that life, instead of allowing them to drift back into the city.

Another matter that greatly concerns the farmer at the present time is how he is to get on during the coming year. He has been allotted a certain quantity of superphosphate—I think it is approximately 60 per cent.—but it must be borne in mind that the superphosphate he will secure during the coming year will be of a lower grade than that which he has been accustomed to purchase—18 per cent., as against 23 per cent. in former years. Finally he is going to be permitted to sow at the rate of only 40 lbs. to the acre. In my opinion, and in the opinion of most of the farmers with whom I have discussed the matter, that will result only in a waste of super. Men who have been farming for years and who are good, practical farmers, consider that to sow 40 lbs. of 18 per cent. super will waste the super. If they cannot use any more than that quantity, it would be far better to devote it to the top-dressing of pastures, particularly those that have been top-dressed in the past, than to grow wheat in that manner. It has been suggested by farmers that instead of putting in, say, 200 acres with super at the rate of 40 lbs. to the acre they should put in 100 acres with 80 lb. of super to the acre. I have told them I understand they are not permitted to do that. But it seems to me far saner

to sow half the acreage with double the super than to put in a smaller amount of super over a larger area, which will probably have the result of the year's operations ending in a deficit.

It was unfortunate that super was allowed to be sent out at the end of last season and at the end of the previous season. If I remember rightly, at the end of June, that is at the end of the normal seeding time, letters were sent out to the farmers urging them to order their super for the following year's requirements. Had that not been done and the super mixed with lower grade super this year the mixture would have been better, and there would have been more of it. That was not done though I raised the question at the time. As a matter of fact a lot of super went out but instead of being used it is being kept by certain farmers. That is creating an unfortunate feeling amongst many farmers. Some men complain that farmers with a lot of money have their sheds full of super and will be favourably placed next year, whereas the man who was not able to buy extra super has to take a reduced amount of a lower-grade commodity. That is an unfortunate policy, which should not have been carried out.

I notice that the Grants Commission states in its report that no permanent improvement in the State's financial position can be expected until the expenditure on developing primary industries yields a higher return to the State Treasury, or the loss on such expenditure is offset by more profitable economic development in other directions. That led me to make a comparison of the budget figures for this year and other years. Towards the end of his speech the Minister made a comparison between the figures of 1900 and those of today. I have made a comparison from the tables supplied to members, which go back to 1933. The following are some of the comparisons I have made:—

| Revenue. | 1933-34. | 1941-42. |
|---------------------------------|-------------------|--------------------|
| | £ | £ |
| Taxation | 1,868,720 | 3,111,250 |
| Territorial, departmental | 2,580,803 | 2,662,107 |
| Public Utilities | 4,433,390 | 6,068,451 |
| Trading Concerns | 98,774 | 100,281 |
| | <u>£8,481,687</u> | <u>£11,940,149</u> |

The estimated revenue to be received next year is £12,394,502. When we have an increased revenue of nearly £4,000,000, we are entitled to look for a corresponding expansion in activities throughout the

State. Deficits over the same period have amounted to £1,603,915, while our net expenditure on loans for the same period amounted to £17,325,040. Our public debt has increased from £85,476,390 to £97,081,819. The increase of the public debt per head has risen from £187 to £206. This is a very big increase in our indebtedness and I looked for a corresponding increase in our activities generally. I did not find it. The population in 1933-34 was 442,027, whereas today it is 470,241, a total increase of only 28,213 to bear that very large increase in debt. The Grants Commission paid particular attention to that very large amount of public debt being carried by the relatively small population of this State.

The total area under crop in 1933-34 was 4,215,360 acres whereas in 1940 it had declined to 3,988,000 acres, or nearly 300,000 acres less. The area under wheat has declined from 3,183,216 acres to 2,625,401 acres. The number of sheep has fallen from 10,322,350 to 9,715,821. That is not to be very greatly wondered at when one considers the calamitous drought that occurred in the northern part of the State. Wool produced showed a decline from 78,424,200 lbs. to 74,985,000 lbs. The number of cattle has also declined from 885,669 to 832,484. The number of people engaged in pastoral, dairying and agricultural occupations decreased from 45,392 to 30,923, or a decline of 32 per cent. A decline is only to be expected, particularly in view of the number of men engaged in those industries who have been drafted to the Fighting Forces. Nevertheless it is very serious that there has been such a marked decline in all our activities.

The output from industrial establishments has increased from £12,877,288 to £20,307,286. The gold produced almost doubled, the respective figures being 637,207 ozs. in 1933-34 and 1,191,481 ozs. in 1941-42. Trade has increased from £28,000,000 to £42,000,000. Railway revenue increased slightly, but trade having increased by £14,000,000 one would naturally expect the Railways to show a larger increase than from £3,165,593 to £4,301,502. The railway mileage is 4,381 miles. When going through Eastern States railway estimates recently I was struck by the fact that construction of new lines has not altogether ceased in some of the States. That is a

matter we will have to view seriously in this State, and give facilities and revise the haulage that we have at the present time from many of our agricultural districts. When we view these figures our position appears to be such as to call for a searching inquiry to see in what directions we can make some expansion to induce population to come here and so reduce the burden of debt that our present population is now carrying—and it is an undue burden, because £206 per head is a very big debt to shoulder!

During the past few years the Government has gone to some length towards the fostering of secondary industries. We have had a Minister appointed to look after that particular phase of our activities. I was, therefore, interested to know the progress we have made and to compare it with that made by some of the other States. The Grants Commission in its report says—

There is little change in the net value of secondary production in 1940-41.

It is particularly urgent that we should give careful consideration to this matter, and in view of what I want to say directly on one phase of one of our manufacturing activities, I will quote a few figures. The number of employees engaged in secondary industries in 1934-35 was 17,774 and that had increased to 23,200 in 1938-39. The last figures, 1940-41 are 22,846. The value of secondary production increased from £6,285,000 in 1934-35 to £9,057,000 in 1940-1941, or an increase of 44 per cent. There is not much ground for gratification in the expansion of our secondary industries in view of our increased activities in the past years. If we compare them with the other three claimant States we find that we are very much behind. The Grants Commission says that in South Australia a very considerable increase has been made in secondary production. The number of employees has increased from 33,497 in 1934-35 to 52,344 in 1940-41, or an increase of 56 per cent. The value of production in that State increased from £9,557,000 to £17,616,000 or an increase of 84 per cent. in the same period. Then on little Tasmania the Commission's report states—

There was a further increase in manufacturing activity during the year.

The number of employees increased from 10,555 in 1934-35 to 15,839 in 1940-41, and

the value of production increased from £3,158,000 to £8,963,000 in the same period—an increase of 120 per cent. So, a summary of these activities shows that in Western Australia the number of employees increased by 28 per cent. in that period, while in South Australia it increased by 56 per cent. and in Tasmania by 50 per cent. The value of production in Western Australia increased by 44 per cent.; it increased by 84 per cent. in South Australia and by 120 per cent. in Tasmania. Therefore I am afraid that our secondary industries are not showing the rate of expansion I would like. I will now turn to one particular phase of our secondary industries, and, if the experiences gained there are characteristic of the other branches, it is no wonder we are not progressing considerably faster. On the 7th October I asked the Minister for Industrial Development a question in regard to gas-producers. I asked him if he was aware of the fact that a second consignment—I believed it to be such—of gas-producers had come from the Eastern States by rail. The Minister, in his reply, stated that he was unable to identify that particular consignment, but that no gas-producers could now be shipped to Western Australia as they were recently brought from South Australia by rail, and that action had since been taken to prevent any repetition of the practice.

It was rather astonishing to be told last Friday that a further consignment of 90 odd gas-producers was brought into this State by ship last week. So I asked the Minister today, without notice, a question, and he admitted that they had been brought in, and further drew attention to the fact that the Commonwealth Priorities Committee had been appointed, and hopes were held that that body would take effective action. Such an assurance does not carry much weight with me. The Minister told us on the 7th October that we had a Priorities Commission here and that that Commission was going to watch this matter, and that no further shipments of gas-producers would be brought in by sea, yet another consignment of 90 odd has arrived. I will go so far as to say that if we are to be at the mercy of some priorities committee composed of people in the Eastern States in close contact with Eastern States manufacturers, then our manufacturers in Western Australia will be lucky to continue in operation.

Apparently three makes of gas-producers are being brought into this State. I had thought there was only one. According to the Minister's reply there is the Nasco, and also the Brigg being imported from South Australia, and a further one, the Riordan, which comes from Victoria. The only one I am in a position to deal with is the Nasco. I asked the Minister today if he was aware that the Nasco gas-producer is made of 16-gauge iron, whereas the manufacturers of gas-producers in Western Australia have to use ten-gauge iron. The Minister said, "No." That answer is almost characteristic of the Government answers that we get today. I was astounded only a little while ago at an answer I got from the Minister for Railways, with which I will deal directly, in regard to the transportation of wheat. I was equally astounded when, a few days ago, the member for Irwin-Moore asked a question in regard to pillaging on the wharves and was told that no increase had taken place. The Minister had got that information from the Fremantle Harbour Trust. What information the Fremantle Harbour Trust has to give the Minister on that matter I do not know, but I venture to say that that body is the only one in this State which would make the astounding statement that there is no increase in pillaging on the wharves.

Mr. Fox: It is in a position to know.

Mr. SEWARD: It is not. If the hon. member consults the insurance people or the retail business people he will learn the true position. I heard of one instance of a complete consignment of gloves worth £600 which disappeared.

The Premier: Most of that is not on the wharves. There is not much difference at Fremantle in the amount of stuff that goes on the wharves and that which leaves it.

Mr. SEWARD: The retail people tell me that, unquestionably, this pillaging has increased.

The Premier: They are talking of the journey from Adelaide to Fremantle rather than the position at the Fremantle wharves with which you are concerned.

Mr. SEWARD: At all events I would like the Minister to give some evidence to show that these Nasco gas-producers are not made of 16-gauge iron, because my information is to the effect that they are

made of 16-gauge material. As a matter of fact, only the other day I was talking to a man who has four of them fitted on to his vehicles and he told me the gas-producers were leaking, which indicated inferior quality material. What is the use of having a regulation—and it is a Federal regulation as the Minister pointed out today—stipulating that we must use certain materials in making these gas-producers when these articles, made from lighter material, are allowed to come into this State? How can our men compete? If the rule is a genuine one, these articles should not be approved here. I asked the Minister if he was in favour of sending the consignment back to the Eastern States, but he said no, because they were the property of the agents. Well, something has to be done to protect our manufacturers. They have to comply with the regulations, and rightly so.

When gas-producers were first brought out I saw some which were awful contraptions. One in particular, which I saw in the country, was a dreadful looking thing with a lot of pipes here and there, bound together with twisted wire, and water in a tin on the running board. We must not have things like that going about the country. What is the use of our taking precautions and urging the farmers to protect their crops if we allow inferior makes to be shipped here from the Eastern States and sent into the country? It is not right. But there is another aspect. Two young fellows invented a gas-producer and established a business in a country district. They came to me and said they had had to turn down orders because they were unable to bring the requisite raw materials into the State. The reason given was that there was a lack of shipping space. Yet, space can be found to send the manufactured article from the Eastern States to compete with the local article. How can we expect our manufacturers to hold their own under such conditions?

Hon. W. D. Johnson: You understand that a Minister has been appointed and it is evident he has been appointed to stop that sort of thing.

Mr. SEWARD: If the hon. member has any confidence in Commonwealth Ministers looking after the interests of Western Australia, I have not.

Hon. W. D. Johnson: I have confidence in the present Minister.

Mr. SEWARD: I have more confidence in our own people. A little while ago we were informed that a Shipping Priority Committee had been appointed here. Has that committee drawn attention to this matter? Has the Minister done anything?

Hon. W. D. Johnson: It is no use squealing after the stuff arrives here. You want to stop it at the other end.

Mr. SEWARD: Why does not the Minister insert an advertisement in the newspapers and point out how unfairly the imported article is competing with the locally-manufactured article?

The Minister for Lands: What about Section 92 of the Commonwealth Constitution?

Mr. SEWARD: Never mind Section 92. If we allow the Eastern States to ride roughshod over us, we shall get no expansion of industries here. I inquired of a man engaged in the industry, and he told me that the imported article cannot compare with the local article. We invented the gas-producer, the Eastern States copied it, and now they are sending supplies back here. Another fairly large company in one of the country districts is almost being put out of business because it cannot get raw material to make its particular type. Yet these other things are permitted to come here from the Eastern States and compete. I hope the Minister will take the matter up and in the near future give some definite proof of his interest in his department.

Let me now deal with the question of the transportation of wheat. The Minister, in delivering the Budget speech, said that owing to the large quantity of wheat in the country at the present time and the prospects of a good season, he anticipated augmented revenues for the finances of the Railway Department this year. One might fittingly ask why was not the revenue he expects to earn in the current financial year earned last year? The normal time for clearing the country bins is past, and yet, speaking generally, the country bins are all blocked up with wheat. A few weeks ago the member for Guildford-Midland asked the Minister for Railways a question, as follows:—

Is he aware that the transport of wheat from country centres to depots is so far in arrears that farmers' deliveries of the ensuing harvest are liable to be seriously disorganised, with consequent economic loss to the State?

To that question the Minister replied, "No." Following that, I asked the following question:—

In view of the statement in the Press on the 5th September last that the manager of Co-operative Bulk Handling, Ltd. had said that the original plans of the Railway Department were to move the 1941-42 wheat harvest at the rate of 22,000 tons per week, but that in April last this figure was reduced to 12,000 tons per week and later further reduced to 7,965 tons per week, has neither he nor his department seen the statement?

The Minister replied that the statement had been read. The consequence is we are going to have a horrible mix-up at harvest-time. We shall have the bins full of last year's wheat, and it will be difficult to get the sites for and material necessary to construct other bins to take the incoming wheat. I understand that farmers have been advised to look out for bags to put their wheat in. The point I wish to make is that if the railways were not able to shift the wheat last year, what chance have they of shifting double the quantity this year? They will not have the rolling-stock.

The Premier: The harvest will be about 30 per cent. less.

Mr. SEWARD: Yes, but if the railways could not shift half of last season's wheat, how can they shift three times the quantity during the current financial year? Obviously they will not be able to do it. I can only hope that the estimates on which the Minister based his statement are sounder than the estimates of the Railway Department. Anyone who has anything to do with the railways knows that they are getting into a serious state. I am aware that some rolling-stock had to be supplied to the Commonwealth as a contribution to the war effort.

Last week I received an urgent wire from wool growers stating that they were unable to get their wool on the railways because the railways would not take it. I understand that this was no fault of the department; it is the fault of the brokers at this end who cannot handle the wool when it arrives here. The brokers do not blame the department, but asked it not to accept more wool for transport. The farmer, however, does not know of this instruction and therefore blames the railways. If the brokers are held up through lack of manpower and are unable to handle the wool sent to the stores, why not get a batch of soldiers from some

of the metropolitan camps to shift the wool? The men would relish the work; it would be preferable to route marching, and it would give some of the officers an opportunity to practise the handling of men in places other than on the parade ground. Further, any such assistance would be in furtherance of the war effort.

This raises another question, that of the payment of overtime, which looms particularly large at present. There should be no such thing as overtime for war work. The soldier gets no overtime. He does not know whether the day is Saturday, Monday or Wednesday; he often scarcely knows whether it is night or day; he has to turn out at any time. Yet we have this wretched overtime. Even A.R.P. men have to get overtime pay for their work. That is wrong. Overtime payment should be cut out altogether. In the newspaper this morning, we read that if a man works on Australia Day, he is to get double pay.

Mr. Tonkin: Do you mean that the workers should work the extra time without payment, or not work it at all?

Mr. SEWARD: Workers should not have to work longer than the normal spread of hours if it can be avoided. If it cannot be avoided, it is up to the worker to do the work without extra pay.

Mr. Tonkin: Who would get the extra pay?

The Premier: Without extra pay or penalty pay?

Mr. SEWARD: Without penalty pay. There should be no overtime. We have no set plan as to what we can do. We are dragging everyone—men and women—into the Army, and leaving our industrial activities short of manpower, as was pointed out by the Minister the other night. Then of course we have to look round and try to get people to work extra long shifts, longer possibly than they can satisfactorily work, and likewise offer all kinds of inducements in the form of double rates or time and a-half. It matters most seriously to our country if our railways get blocked up, and they are close to that position now. They are at present trying to get wheat away and flour away and wool away. What would happen if by any chance there were an attack on our shores and it became necessary to take over the railways for the moving of troops? They would break down. I have not before seen so many engines standing

in the Midland Railway yards as during last week. Whether they are there for repairs or what I do not know. Again, passengers are lucky if their trains are not more than an hour late. There is no opportunity now to give the locomotives required attention in the workshops; and as a result the locomotives are in an alarming condition, liable to break down at any time.

As the Minister pointed out, it is not possible to expand our social services. I want to have a look at one or two of those services, because of the statement made by the Premier today that a Treasury Committee having control of expenditure has existed for some years. There are one or two items, it seems to me, at which the Treasury might well have a look and see whether a little economy cannot be exercised in them without any sacrifice of efficiency. If members will refer to last year's "Hansard," page 1447, they will see that in this State we have 93 Government boards, the members comprised in them numbering 432. Of those 93 boards 56 are honorary while 37 are paid at varying rates—from, I think in the case of Collicie, 2s. per sitting up to 30s. and £2 2s. per sitting elsewhere. There is the Public Service Appeal Board, with two members at £3 per day less daily rate of salary if employed by the State, and a maximum in any one year of £450; the chairman receiving no salary.

The Premier: Those payments are statutory, enacted by Parliament.

Mr. SEWARD: Yes, I know. Then there are the Marketing Board and the Fremantle Harbour Trust; they are what might be termed reasonable boards. There is the Lotteries Commission with a chairman at £500 per annum and three members dividing £500 per annum, or receiving £166 13s. 4d. each. The Lotteries Commissioners have done a very good job; I have nothing but praise for them in that regard. Whether four members are required to do the present business of the Commission might be inquired into. I do not think three commissioners and a chairman are necessary. The chairman alone would suffice. The Transport Board consists of a chairman at £700 and two members at £300 per annum. That board, I consider, has outlived the time when three persons were required for its activities.

The Licensing Court has a chairman at £850 and two members at £100 per annum.

The activities of that court are greatly curtailed now, and I do not think they are such as call for an expenditure in salaries totalling £2,250 a year. Then we come to the Agricultural Bank, which has a chairman at £1,700, two commissioners at £1,500, and a general manager and commissioner receiving a total of £1,500, per annum. I see no need now for three commissioners of the Agricultural Bank. I daresay it was necessary to have a man intimately associated with the South-West and a man intimately associated with the wheat areas when the new Act was passed; but now that the Agricultural Bank is a running concern, possibly some economy might be effected, at all events to the extent of eliminating one commissioner. I fail to see that two commissioners and a chairman are now needed to do the work. Next I come to another board which I consider has long since outlived its usefulness, the Rural Relief Board of Trustees. The chairman receives £500 per annum, the second member £400; the director receives no payment as a trustee. Such an organisation might have justified itself years ago, but I repeat that it has long outlived its usefulness. In substantiation of that statement I give a few details of the trustees' operations during the last few years, as follows:—

| Year ending— | | | |
|--------------|-----|---|---------------------|
| 1936 | ... | Applications received, 1,233. Cases dealt with averaged 30 per month. | |
| | | Staff, 28 (20 males and 8 females) | |
| 1937 | ... | Applications, 1,233 | Salaries— |
| | | Staff, 27 | 1936-1937... £8,151 |
| 1938 | ... | Applications, 386 | 1938 £6,680 |
| | | Staff, 20 | |
| 1939 | ... | Applications, 603 | 1939 £5,789 |
| | | Staff, 17 | |
| 1940 | ... | Applications, 182 | 1940 £4,908 |
| | | Staff, 10 | |
| 1941 | ... | Applications, 74 | 1941 £3,905 |
| | | Staff, 7 | |
| | | Applications from farmers previously assisted, 223 | |

I declare without hesitation that that board has utterly outlived its usefulness, and that the director alone would be quite competent to carry out all the activities. The other evening, when an amendment of the Industrial Arbitration Act was under consideration, I drew attention to the fact that increases in the basic wage were given to members of the Public Service who were in many cases drawing from £1,000 to £1,500 a year. I have since gone through the Public Service List and found that the officers concerned number over 90, and that the increases they have received as the result of increases of the basic wage total no less than £3,705 a year. In most cases the in-

dividual increase is £48, in some cases £80. Those are increases on which a little time might well be spent with a view to effecting considerable economies without in any way reducing efficiency.

I want to touch briefly on a matter mentioned by the member for Avon during this debate. Not that the hon. member dealt with it exhaustively; he did not wish to convey an impression that his remarks were exhaustive. He stated—

In Australia the note issue in the pre-war year was £48,000,000, and this has been expanded to £110,000,000, and we are told that £90,000,000 is in the pockets of the people; that is, in circulation. Yet I do not think that any great inflationary tendency is visible today.

I know the member for Avon did not mean to infer that the expansion of the note issue was any indication of inflation existing in Australia today, although it is a remarkable fact that whenever anyone mentions the subject of inflation there is an immediate rush to quote the figures of the note issue. I do not think the note issue gives any proof of the contention being true. If the critics think it does, they are on false ground. The note issue has nothing whatever to do with inflation. The note issue is simply a barometer of the amount of money the public requires at a specific time. For instance, at Christmas time there is always an expansion of the note issue to supply the extra money required at that period of increased spending. At the present time, it will be found that the note issue is expanding, but that might be put down to a desire on the part of people to hoard their money, to keep it in their own possession. I remember that, when returning home on a transport after the 1914-18 war, an officer came to me and gave me 60 sovereigns. I said "Good heavens! Where did you get this money?" He replied, "Two of our men won it at betting." Ten days later he came to me with another 60 sovereigns, making 120 in all. He said they had been won at betting on the boat. As soon as we got into the danger zone, he said to me, "I want to draw that money out." I asked, "What are you going to do with it?" He replied, "The men who won it fear that the vessel might go down, and they think they might as well have the money with them." So they put it in a belt and kept it on their persons. That is the position today. The note issue

is expanding because possibly some people are fearful that the Government will, if the money is put into a bank, commandeer it to pay for the war. The result is that they keep the notes in their own possession. That is causing an expansion of the note issue.

Mr. Hughes: Does the Note Issue Department issue notes to take the place of the notes that are in the possession of those people?

Mr. SEWARD: I am assuming that may be a reason. Inflation is brought about in an entirely different way. I shall quote some figures from the Commonwealth Budget to show members where inflationary tendencies are coming from. There is the borrowing of money to pay for the war, while at the same time leaving an undue purchasing power of consumption goods with the people. The latest Commonwealth Budget shows exactly where we are heading. In the first year of the war, Australia spent on the war £127,000,000. The following year the expenditure was £273,000,000, while for the year 1942-43, the expenditure was estimated to be £390,000,000. Add to those amounts the sums required for civil expenditure, and we have a total of £255,000,000 for the year 1940-41: £421,000,000 for the year 1941-42, and £549,500,000 for the year 1942-43. Taxation, however, has only increased from £130,000,000 to £224,000,000, an increase of 72 per cent. Loans have increased from £62,000,000 in 1940-41 to £299,500,000 in 1942-43, or an increase of 382 per cent. That shows how inflation is being brought about. For instance, in 1940-41 loans were 30 per cent. of the Commonwealth Budget; in 1942-43, they are 54 per cent. In 1940-41 war expenditure from loans was only 45 per cent., whereas in 1942-43, it will be at least 68 per cent. When introducing the Budget, the Commonwealth Treasurer showed that he had, in my opinion, some extraordinary ideas about finance. He said that last year Australia doubled its loan figure; the Commonwealth sought to obtain £62,000,000 but got £120,000,000. He says that if Australia this year doubles the amount of loan money asked for, it will get within £60,000,000 of what is required. That is his basis of our war finance. Most people seem to think that we shall be lucky if we get within £70,000,000 of the amount asked for this year.

A matter to which I think the Premier will be well advised to give some attention

has been disturbing me for the past two or three years. I refer to the frequency of embezzlements taking place in the Public Service. For instance, an embezzlement took place recently at Kalgoorlie, while a year or two ago another one took place in which a very large sum was stolen. There seems to be embezzlement going on periodically. We have auditors continually touring the State auditing the accounts of semi-public authorities.

The Premier: That is when they discover the embezzlements.

Mr. SEWARD: By this time it ought to be practically impossible for persons to embezzle State moneys. I realise it is exceedingly hard to stop a man from embezzling if he determines to do it. But our audit officers, with their experience, should now be able to prevent at least the embezzlement of large sums of money.

The Minister for Works: The man embezzling has a receipt book down under!

Mr. SEWARD: I know. As one embezzlement is found out, the next person thieving adopts a different method so the audit officers ought to be able by now to anticipate the methods and frustrate the thieves.

Mr. Hughes: The trouble is that they are continually thinking out new methods.

Mr. SEWARD: We ought to have a system that should be almost fool-proof. The last matter to which I wish to refer is the question of rabbits. It has been causing me very grave concern. I know the trouble is due to the depletion of our manpower, the difficulty in obtaining poison and so forth. I particularly wish to refer to a statement made by the Minister for Lands. He said a little while ago he had come to the conclusion that the excise duty was not having any material effect on the price of rabbit skins. I think he said the Federal department had informed him that the demand for suitable skins for the manufacture of military goods, particularly hats, had created a need for approximately 50 per cent. greater supply of skins at a time when the total offerings upon the market were much less than normal. Mr. Chifley, however, in introducing his Excise Bill, said—

Any additional cost of production of military hats would of course become a distinct charge on Government funds. It would be impossible for the Government to countenance any increase in the cost of military hats.

It was because the Commonwealth Government did not want the cost of military hats to be increased that the excise duty on rabbit skins was imposed. The Minister for Lands also made the following statement—

Unfortunately, Western Australian rabbit skins were of poorer fur quality than those from the Eastern States, giving a low yield of fur, and few, if any, skins from Western Australia were suitable for the export trade. The export levy, therefore, had not directly reduced the price of Western Australian skins.

I prepared a table, which I shall quote, showing the movement in the price of rabbit skins immediately prior to the imposition of the levy and since. The table shows the prices from the 28th May. On that date the price of top rabbit skins in Western Australia was 47d. For each of the succeeding weeks, it was 50d., 54d., 54d., 54d., 48d., 45d., 48d., 51d., 52d., 49d., 47d., 42d., 36d., 36d., 32d., 28d., 26d., 22d., and 20d. The average price on the 28th May was 28.2d. The average price reached 30.9d. and it fell to 30.7d. on the 25th June, while on the 8th October it was 11.4d. Today it is even worse, because it has been said that, owing to the poor quality of the skins and the poor demand, grading was not warranted. The imposition of the levy has so reduced the value of skins that trappers will not bother to go out and trap rabbits.

I was interested in obtaining a return from a farmer friend of mine. He sent 186 skins to the market on the 11th September. The skins went seven to the pound. His gross return was £1 13s. 11d., the net return being £1 10s. 1d., while the excise amounted to £1 19s. He had to pay 8s. 3d. for a bottle of strychnine to get the rabbits, because manpower was not available to trap them. As for the statement of the Minister that the furs of Western Australian rabbits were not equal to those of the Eastern States rabbits, and consequently not fit for export, I have an interesting letter which came from Ongerup, is dated the 22nd September, 1942, and reads as follows:—

Re your letter of the 1st inst., to Mr. J. B. Weir of Ongerup concerning W.A. rabbit skins sent to Melbourne market.

I am the person who sent them to my people who live at Berrigan, New South Wales. My father sent them down to Melbourne where they were sold through Dalgety & Co. I purchased these 12 rabbit skins from a man who was trapping on my property here, sent them

home per parcel post. The 12 skins weighed 2½ lb., 2 lb. sold for 131d. per lb. and ½ a lb. for 110½d. per lb. At the same time as I sent the skins from here to home the trapper sent a big consignment to Perth as the market was on the decline. Yet his best price was 75d. per lb. on what was actually a better market than Melbourne.

That very effectively disposes of the doubt about the quality of our rabbit skins. They brought 131d. in the Melbourne market, whereas the top price in any market in Western Australia was 54d. last May. It is frequently stated that we do not get the value of our products in this State, and in view of that information it is time a searching investigation was made.

The Minister for Lands: I do not think Ongerup skins would be representative of the whole State.

Mr. SEWARD: No, but our top price has never been above 54d. Here is a man who received 131d. per lb. for skins that came from Ongerup. Similar skins from the same place brought 75d. per lb. in Perth. There is no justification for such a difference in price and there is every reason for the appointment of some authority to conduct a searching inquiry into this matter. I have heard the same thing said about wool prices paid here and in the Eastern States. There is a marked discrepancy. Many woolgrowers have told me that in the nineteen-twenties they sent wool to the Eastern States and received pence per lb. more than in Fremantle. It is no use our talking about this being a Cinderella State. It is our duty to investigate these things and ensure that our growers get a proper return for their products.

Progress reported.

House adjourned at 6.31 p.m.