

Legislative Council

Wednesday, 12th August, 1953.

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

QUESTIONS.

STEEL CORROSION.

As to Process for Eliminating.

Hon. H. HEARN asked the Chief Secretary:

(1) Has the Government observed in recent issues of magazines and newspapers the prominence given to the world-wide problem of rust on steel and its consequent cost?

(2) Is the Government aware that this corrosion not only eats into the parent metal and so reduces its effective life, but also cracks and lifts any paint or other coating applied, thus increasing the cost of subsequent maintenance?

(3) Has the Government knowledge of the extent to which State Government departments, particularly the Railway and Water Supply Departments, are faced with the problem of corrosion and the extent to which this involves added cost of maintenance and replacements?

(4) Is the Government aware that some years ago an Australian invented a process by which it is claimed mill scale and rust are positively removed from steel leaving no ill effects on the parent metal, and that the cost of treatment by this process is comparatively low?

(5) Is the Government aware that this process is being extensively used in the Eastern States by Commonwealth and State Government departments as well as by private industry?

(6) Is the Government aware that the Water Supply Departments of the Governments of South Australia, Victoria and New South Wales have for some time been using this process for the treatment of their steel piping, and as a result report very considerable saving in maintenance costs?

(7) Is the Government aware that a local company secured the rights for the application of this process, and that recently, a plant was installed in Perth, and is now operating?

(8) Is the Government aware that a considerable quantity of steel has already been treated for local private industries?

(9) Have departmental officers of the Government inspected this plant and investigated the claims made for the process?

(10) If so, did those investigations prove satisfactory, and is it the intention of those departments to take advantage of the benefits of this process?

The CHIEF SECRETARY replied:

(1), (2) and (3) The Government is aware of the problems of rust and of maintenance of steel structures, pipelines, etc. Government departments have been active for many years in employing improved and more economic methods for the prevention of corrosion.

An officer of the Public Works Department, Mr. P. J. Hill, has just returned from a 16 months period abroad under a Mond-Nichel Fellowship (London) on "Investigation and research into current practice overseas on corrosion and methods of prevention". It is expected that his report will be available to the department at an early date.

(4), (5), (6), (7) and (8) The Government is aware that a local company is operating a process that has been in use in the Eastern States for some time, but has no detailed knowledge of the extent of its business.

(9) Officers of the Public Works, Metropolitan Water Supply and Railway Departments have inspected the plant and are investigating the method and its economic value.

(10) Investigations are still in progress.

STATE SHIPPING SERVICE.

(a) *As to Return of "Kybra" to Esperance Run.*

Hon. G. BENNETTS asked the Minister for the North-West:

In view of the statement in the Governor's Speech that due to the probable withdrawal of the "Kybra" from the North-West run, approval has been given to the

provision of another vessel and also that five vessels are now on the North-West service, will the Minister return the "Kybra" to its proper run, namely, Fremantle to Esperance?

The MINISTER replied:

In order to cope with increasing cargoes along the North-West coast, it is essential that the "Kybra" be kept on this run. Because it will take more than two years to build a ship to replace "Kybra," there appears at present no possibility of its being placed on the Esperance run within that period.

(b) *As to Cost of Vessels, Repairs and Losses.*

Hon. L. A. LOGAN asked the Minister for the North-West:

Will he supply the following information:—

(1) The cost of the repairs to the "Koolinda" for the last general overhaul?

(2) The loss to the State on the North-West Shipping Service during the last financial year?

(3) Accumulated losses of the State Shipping Service over the last five years?

(4) Approximate price of the two vessels "Dulverton" and "Dorrigo" which the Government is endeavouring to purchase from the Federal Government?

(5) Approximate cost of the new ship, for which tenders have been called?

The MINISTER replied:

(1) £49,350.

(2) £495,568.

(3) £1,911,700. All but £96,000 of this amount has been recouped through subsidy from Treasury by the Grants Commission.

(4) Price still under discussion.

(5) Tenders closed on the 6th inst. but no advice has yet been received from the Australian Shipping Board, which handles this matter.

NORTH-WEST.

As to Air Freight Subsidy on Vegetables.

Hon. C. W. D. BARKER asked the Minister for the North-West:

(1) Is he aware that—

(a) owing to drought conditions and lack of water conservation, it is impossible to grow vegetables in Derby or Wyndham this year;

(b) it costs £2 1s. 8d. to send perishables vegetables, valued at £1 6s., from Perth to Derby by air freight?

(2) Will the Government give favourable consideration to the restoration of the air freight subsidy on vegetables consigned to Derby and Wyndham, during the remainder of this season?

The MINISTER replied:

(1) and (2) The Government is at present examining the problem of high air freights on fresh fruit and vegetables to all centres in the North-West.

SAVOY HOUSE, LONDON.

(a) *As to Information on State Development.*

Hon. J. McI. THOMSON asked the Chief Secretary:

(1) Who are the principal officers at Savoy House—

(a) handling general information;

(b) handling migration?

(2) Have any of these officers visited Western Australia in recent years?

(3) What system is adopted with regard to keeping Savoy House informed on the following—

(a) rural development;

(b) rural expansion;

(c) land under production; and

(d) undeveloped land?

The CHIEF SECRETARY replied:

(1) and (2) It is not known exactly who are the principal officers in the Agent General's office, apart from the Official Secretary, who are handling general information and migration and this information will need to be obtained from London. If this information is particularly required it will be obtained.

(3) (a), (b), (c), (d) The Agent General's office is supplied with all departmental publications relating to rural development and land matters, including quarterly reports by the Government Statistician. Reports are also forwarded monthly by the Rural and Industries Bank showing the position in the State in regard to crops, stock, feed and water supplies in the farming districts.

(b) *As to Screening of Migrants.*

Hon. J. McI. THOMSON asked the Chief Secretary:

What screenings, if any, are British migrants subjected to, regarding—

(a) assisted migrants;

(b) unassisted migrants;

(c) nominee migrants?

The CHIEF SECRETARY replied:

(a) and (c) These British migrants are screened medically and accepted for passage subject to investigation by the Commonwealth Migration Officer.

(b) Unassisted British migrants are only subject to normal passport regulations and security measures.

RAILWAYS.

As to Losses on Lines.

Hon. G. BENNETTS asked the Chief Secretary:

Will he supply the House with the following information:—

Losses on the following systems of our railways for the past 12 months—

Kalgoorlie to Esperance;
Perth to Fremantle;
Fremantle to Midland Junction;
Perth to Albany;
Perth to Bunbury;
Midland to Wongan Hills?

The CHIEF SECRETARY replied:

This information is not available at present although sectional financial results are being compiled. The information being prepared, although not identical with the sections enumerated in the question, will be made available to the hon. member when completed.

KALGOORLIE ROAD BOARD.

As to Censorship on Publication of Proceedings.

Hon. J. M. A. CUNNINGHAM asked the Chief Secretary:

(1) Is he aware that a censorship has been imposed by the Kalgoorlie Road Board on publication of news of the board's proceedings?

(2) In view of happenings within the board during the past three weeks, does the Minister approve of a strict censorship being imposed?

(3) Is the Minister aware that the censorship is so strict that the board threatens to prosecute persons who communicate information to the Press?

(4) At this stage, does the Minister think there is sufficient ground for a governmental inquiry into the affairs of the board under Section 364 of the Road Districts Act?

The CHIEF SECRETARY replied:

(1) Under the Municipal Corporations Act all ordinary meetings shall be held with open doors except upon such occasions as the Council shall, by resolution, otherwise direct. Such resolution may be moved without notice.

Under the Road Districts Act unless the general bylaws of the road board otherwise prescribe, it is the prerogative of the board to decide whether the Press or rate-payers shall be admitted. The Kalgoorlie Road Board has no general bylaws.

Information available is to the effect that only such news items or matters pertaining to the board as are authorised by the chairman or secretary shall be published in any newspapers or broadcast over the radio. In giving this information the board states:—

It is not intended to keep news from the public. Any ordinary news items will be authorised out of hand to Press reporters at meetings. There will be items, however, when premature publicity would upset delicate negotiations; when advance information to the public would nullify pending action by the board. When any such negotiations or actions are complete this information will be released to the Press for publication.

(2) The board, with its past experience, should be in a better position to decide as to whether or not strict censorship should be imposed. However, the answer to No. (1) does not indicate a strict censorship and the action of the board as set out in the answer to No. (1) appears reasonable.

(3) It is understood that the board has threatened to prosecute persons who communicate information to the Press or radio contrary to the arrangements as set out in No. (1). However, the board has no power to prosecute.

(4) A special audit was carried out at Kalgoorlie recently as a result of which certain action was taken by the board. It is not considered necessary to institute governmental inquiry into the affairs of the board under Section 364 of the Road Districts Act at this stage.

KWINANA.

As to Cost of Hotel Construction.

Hon. A. F. GRIFFITH asked the Chief Secretary:

(1) What is the estimated cost of construction of the proposed State hotel at Kwinana?

(2) What is the anticipated expenditure on this project during the current financial year?

(3) From what source does the Government anticipate this money will be derived?

The CHIEF SECRETARY replied:

(1) The cost has not yet been computed.

(2) No expenditure of Government funds is anticipated on this project during this financial year.

(3) A premature announcement on this question could be prejudicial and, in any event, as the Government expects to get the money from private sources, it is not justified in making any disclosure.

HOUSING.

As to Commonwealth-State Homes, Rentals.

Hon. A. F. GRIFFITH asked the Chief Secretary:

(1) Has there been any increase in rentals of Commonwealth-State rental homes during the past six months, in—

- (a) metropolitan area;
- (b) country areas?

(2) If so, what is the extent of such increases?

The CHIEF SECRETARY replied:

(1) and (2) The only variations in rents have been occasioned by increases of rates imposed by authorities other than the State Housing Commission. There have also been adjustments made to correct differences between rents previously charged on estimated capital costs of houses built under the McLarty-Watts Government and the economic rents assessed on final capital costs in accordance with the formula laid down in the Commonwealth-State rental agreement. During the past six months the State Housing Commission has made no increases on account of any charges over which it has control.

LANDS.

As to Extending Settlement, Esperance District.

Hon. G. BENNETTS asked the Chief Secretary:

In view of the possibilities that prevail in the Esperance district, will the Minister for Lands and Agriculture consider visiting this area for the field day, with a view to extending the land settlement scheme in this district?

The CHIEF SECRETARY replied:
The Minister is arranging to attend.

CHAIRMEN (DEPUTY) OF COMMITTEES.

Election by Ballot.

The CHIEF SECRETARY: I move, without notice—

That in accordance with Standing Order 31a, Hon. E. M. Davies, Hon. A. L. Loton and Hon. H. S. W. Parker be elected to act as Deputy Chairmen of Committees during the current session.

Hon. H. S. W. PARKER: I desire to nominate Hon. Sir Charles Latham and Hon. C. H. Simpson, and I should like to have my name withdrawn. I have mentioned those two members because they were recently selected by their respective parties.

The PRESIDENT: There being four nominations, a ballot must be taken.

Ballot taken.

The PRESIDENT: As a result of the ballot, I declare Hon. E. M. Davies, Hon. C. H. Simpson and Hon. Sir Charles Latham to be the Deputy Chairmen of Committees during the present session.

COMMITTEES FOR THE SESSION.

Standing Orders.

The CHIEF SECRETARY: I move—

That in accordance with Standing Order No. 34 the following members be elected to serve on the Standing

Orders Committee during the present session viz.:—Hon. H. S. W. Parker, Hon. J. McL. Thomson and Hon. E. M. Davies.

Hon. J. M. A. CUNNINGHAM: I nominate Hon. Sir Charles Latham and Hon. L. Craig as members of the Standing Orders Committee.

Hon. H. S. W. PARKER: I wish to be relieved from serving on this committee. I have been a member of it for 19 years in this House and three years in another place and perhaps someone else would like to have the honour of the position.

Hon. J. McL. Thomson: I wish to withdraw my name, otherwise it will require a ballot.

The PRESIDENT: In that case I declare Hon. Sir Charles Latham, Hon. L. Craig and Hon. E. M. Davies to be members of the Standing Orders Committee.

Library.

The CHIEF SECRETARY: I move—

That in accordance with Standing Order No. 34 the following members be elected to serve on the Library Committee during the present session, viz.:—Hon. J. G. Hislop and Hon. L. A. Logan.

Hon. J. M. A. CUNNINGHAM: I nominate Hon. L. C. Diver and Hon. C. H. Henning as members of the Library Committee.

Hon. C. H. Henning: I do not desire to stand.

Hon. L. C. Diver: I have no desire to stand.

Hon. J. G. HISLOP: I wish to have my name removed from that committee. I have served on it for some years now and to my knowledge there has not been a meeting for two years. It is a complete farce.

Hon. A. R. JONES: I nominate Hon. H. Hearn as a member of the committee.

Hon. H. Hearn: I desire to withdraw, too.

Hon. E. M. DAVIES: I nominate Hon. F. R. H. Lavery.

The PRESIDENT: There being no further nominations, I declare Hon. L. A. Logan and Hon. F. R. H. Lavery to be members of the Library Committee.

House.

The CHIEF SECRETARY: I move—

That, in accordance with Standing Order No. 34, the following members be elected to serve on the House Committee during the present session, viz.:—Hon. W. R. Hall, Hon. H. Hearn, Hon. E. M. Heenan and Hon. A. L. Loton.

Hon. J. M. A. CUNNINGHAM: I nominate also Hon. H. S. W. Parker and Hon. L. A. Logan.

The **PRESIDENT**: There being four members required and six nominated, it will be necessary to conduct a ballot.

Ballot taken.

The **PRESIDENT**: The ballot has resulted in the election of Hon. E. M. Heenan, Hon. H. Hearn, Hon. W. R. Hall and Hon. A. L. Loton.

Printing.

The **CHIEF SECRETARY**: I move—

That in accordance with Standing Order No. 34, the following members be elected to serve on the Printing Committee during the present session, viz.:—Hon. G. Bennetts and Hon. J. M. A. Cunningham.

Hon. A. L. LOTON: I nominate Hon. N. E. Baxter.

Hon. A. R. JONES: I nominate Hon. H. Hearn.

The **PRESIDENT**: There are four nominations, and there are two vacancies to be filled. It will be necessary to take a ballot.

Ballot taken.

The **PRESIDENT**: The ballot has resulted in Hon. N. E. Baxter and Hon. G. Bennetts being appointed to the committee.

BILL—SUPPLY (No. 1), £16,000,000.

Standing Orders Suspension.

On motion by the Chief Secretary, resolved:

That so much of the Standing Orders be suspended as is necessary to enable the Supply Bill to pass through all stages at any one sitting.

First Reading.

Received from the Assembly and read a first time.

Second Reading.

The **CHIEF SECRETARY** (Hon. G. Fraser—West) [5.32] in moving the second reading said: This is the usual Bill which is submitted to Parliament at the beginning of each session so that sufficient money may be provided to carry on the services of Government until such time as the Estimates are passed by Parliament.

The Estimates are in course of preparation and will be introduced in another place as soon as possible.

This Bill requests the supply of a sum of £16,000,000 which it is anticipated will be sufficient for a period of three months.

Last year's Bill asked for £13,000,000, the actual expenditure for the first three months of the financial year amounting to £15,218,000.

The amount of £16,000,000 requested now is composed of—

	£
Consolidated Revenue	10,500,000
General Loan Fund	4,000,000
Advance to Treasurer	1,500,000

The request for Consolidated Revenue is £1,500,000 more than asked for last year, this being due to unavoidable increases in the costs of labour and materials.

It is anticipated, however, that expenditure from General Loan Fund should be slightly less this year.

It was estimated that the deficit for the 12 months ended the 30th June, 1953, would be £440,940, the actual figure amounting to £507,883.

Revenue for the financial year was £38,884,236—an increase of £1,084,034, while expenditure at £39,392,119 exceeded the estimate by £1,150,977. I move—

That the Bill be now read a second time.

HON. C. H. SIMPSON (Midland) [5.34]: As the Chief Secretary has indicated, this is the usual interim Supply Bill introduced at the beginning of each session. I think that all of us understand that the Bill must be passed as otherwise the services of the country could not be carried on. It provides members with an opportunity to say what they care to either in respect the Bill itself or on any other matter which is of concern to them and which is covered by governmental operations or administration. I think that perhaps members of this House do not take sufficient advantage of the opportunities thus presented in saying what I consider it is their duty to say, because we must remember that the chances members have of airing opinions or contributing towards the volume of debate are more severely limited in this House than in another Chamber.

The Bill seeks authority for the spending of £16,000,000 as an interim authority until such time as the Estimates are brought down, debated and approved. As the spending of that huge amount of money is something that concerns us all, it is our responsibility carefully to scrutinise Government expenditure and to make constructive suggestions where we can as to the way in which more revenue might be derived or economies might be exercised.

The Premiers' Conference that has been held during the last two or three days has given evidence of the difficulty of the money market; and in view of that circumstance, it is our duty to study whether economies can be practised and to put our views before this House for the consideration of the Government. Those financial difficulties apply both in the Commonwealth sphere and in the State sphere and they apply to all the States. There are some, I think, who run away with the idea

that the Commonwealth Government has plenty of money; that it is a fairy god-mother with a bottomless pool into which it can dip just as and when it likes and to any extent.

All States, including our own, have been inclined over past years to overspend and then to press the Commonwealth Government for the necessary finance each year to balance their budgets, complaining bitterly if their demands have not been met. It might be interesting to gain some idea of the principle of uniform taxation and the system of distribution. I cannot remember that it has ever been explained in this House how revenue is raised and the means by which it is dispersed.

I think that the present Premier was rather undignified when he referred to the allocation by the Commonwealth Government as insulting and contemptible. He put what was really a gun at the head of the Commonwealth Government in saying that in order to balance our railway budget we would call upon the Commonwealth for so much money and if the Government did not produce it, the blame for the necessity to increase our freight rates would lie entirely at the door of that Government. That can only be classed as propaganda.

Up till the last three years, loan money was fairly freely available, and I know that the problem in this State was not one of studying means of getting the wherewithal to spend but of trying to apply to the best advantage the moneys placed at our disposal. Then, through no fault of the Commonwealth Government or of ours, we were confronted with a drastic decline of money for allocation; and our railways in particular—I can speak feelingly on this because I was Minister for Railways—were faced with the position that they had entered into long-term commitments for supplies of materials on the assumption that certain moneys would be available two or three years ahead.

In connection with items of this kind, it is necessary to design the vehicles that are needed. It is not a matter of getting them off the shelf. Considerable time is required to assemble the necessary materials, to draw designs and get them approved and then start on the job of actual fabrication. What happened was that we had more than enough money to fulfil the first year's quota; a good deal of difficulty in fulfilling the next year's quota; and in the third year we had to make special arrangements with suppliers to proceed with the job without delay but to be content in some cases to wait for money which we could not immediately provide.

Getting back to the question of uniform taxation, members will realise perhaps that prior to the advent of the war Governments generally provided for their own commitments and made their own collections in order to make up their budgets. There was a direct responsibility between those who raised the money and imposed

the tax and those whom they taxed, and all Governments were anxious not to tax people too heavily but to give them the best possible value for the money that was extracted from them.

In 1942, after the war had been under way for some time, the principle of uniform taxation was introduced following a lot of discussion. That certainly had the benefit of reducing the manpower that had been required to administer taxation measures, and it had other benefits by reason of its simplicity and the convenience it afforded the taxpayers. In 1942 the Commonwealth Government passed the Income Tax Reimbursement Act, and in 1946 the States Grants Tax Reimbursement Act, which came into operation on the 1st July of that year. After a good deal of discussion, the Under Treasurers adopted a formula, following consultation with the various State Cabinets, which applied as from the date of the commencement of that Act. That was supposed to continue for five years and then be reviewed. While it introduced certain anomalies in the initial stages, it was estimated that they would be resolved by the year 1957-58.

Those members who followed financial matters at that stage will remember that there was some discussion because the formula adopted under the uniform tax plan penalised the thriftier States and benefited those which had been spending more lavishly. That was particularly noticeable in Victoria where the rate of taxation was relatively low as compared with that in New South Wales, where taxes were much higher. As the formula was based on the previous five years' expenditure it is obvious that the most money went to the State that had spent the most. Under the 1947-48 formula, the basic sum that was to be distributed among the States was £40,000,000, and that was supposed to be adjusted each year according to differences of population and the amount of money that had been spent in each State.

There were, of course, what were called the standard States and the claimant States and it was the duty of the Grants Commission to go into details of receipts and expenditure in each State and operate under the principle that the wealthier States had some obligation to help meet the demands of the poorer States which, on the other hand, had to satisfy the Commission that they were at least doing what they could to balance their budgets in the same way as were the standard States.

There were supplementary grants made by the Commonwealth Government in addition to that basic amount, because under the 1947 formula the base amount of £40,000,000 for the initial year would only have risen this year to £120,000,000, while, in fact, for 1952 that figure was exceeded by £27,100,000 and this year by £22,500,000. Broadly speaking,

under the taxation plan, assistance to the States can only be provided in four ways.

The first is the reimbursement of tax collections; the second is loan money allocations—and it must be remembered that the amount that the Commonwealth can make available in this way is limited entirely to the savings that the people have entrusted to the Government, which cannot hand out more than it has. The third is the adjustment of claims made by the claimant States to the Grants Commission. The fourth heading is the special grants that are made to States that have perhaps been affected by flood or drought or, in our own case, by the incidence of the railway strike last year.

I had the very interesting experience of being sent by the Government to a meeting of the Loan Council in 1951 in order to gather some idea of how it dealt with this very important question of finance. The system of voting was that the Commonwealth had two votes—generally the Prime Minister and the Treasurer attended—the Commonwealth Treasurer being chairman. Each of the six States had one vote and the Commonwealth, in the event of a tie, had the casting vote, which, in effect, meant that if two States voted with the Commonwealth and the votes were then equal, the Commonwealth had the casting vote, which decided the question in its favour. It was no use a Premiers' Conference carrying resolutions that the Commonwealth should advance an extra £40,000,000 or something like that, as obviously it could not give out what it did not have.

Many hours were spent in criticism and the giving of reasons why the Commonwealth Government should do various things, each State putting forward its own claims for special consideration. That is easily understood, because each State is anxious to proceed with its developmental programme while realising, at the same time, that if a meeting of the Loan Council were to give an advantage to any State by departing from the formula, that could only be done at the expense of the other States.

On the question of uniform taxation. I do not think the Government of this State, at the moment at least, is anxious for the taxing powers to be handed back to the States. There is something to be said for that view and, on broad grounds, much to be said against it. The advantages are that it is convenient to the taxpayer and makes for economy in the manpower necessary for administration. Further, it is more efficient in wartime, and if any change were to be made, we would have to continue with the present system for the time being until each of the States had passed the legislation necessary for the handing back of taxing powers. On the disadvantage side, in the

initial stages, the thrifty States would be penalised and the more lavish spenders benefited.

There is a tendency to encourage lavish spending by the States and it removes that direct relationship between the man who imposes the tax and he who has to pay it. Under our present system, the States look to the Commonwealth Government to supply the necessary cash and each naturally gets as much as it can to spend for the benefit of its people. The Commonwealth authority is charged with the responsibility of collecting the money and that Government naturally becomes unpopular if it collects more than the taxpayer thinks he should pay.

Undoubtedly, if taxation reaches a certain level, it destroys the incentive to the individual to produce, so there is much to be said for a reduction in the rate of taxation as that would not only provide the individual with incentive to produce, and accumulate reserves, but would also give him those reserves that he would then be all the more prepared to lend to the Government for developmental purposes. The States are inclined to say to the Commonwealth in one voice, "You are to be criticised and censured because you are not giving us enough money and are halting our programme of development", and in another voice, to the people, "Look at the way in which the Commonwealth Government is imposing taxation on you and making conditions difficult." In that way the vicious circle seems to continue.

I come now to deal with railway matters and here it has been said that governmental economies might be achieved. The Premier said that the Commonwealth Government was putting forward the proposed reduction of taxes as election bait, but I think I can say with equal application that the promise of the Premier prior to our own State elections to remove certain charges on the railways and reduce fares was similarly election bait. In regard to the week-end surcharge, which was very little and which I do not think prevented one man from travelling during the week-end, we held the view that there was a certain amount of revenue drawn from that source which helped the worker, who had to travel to work during the week, by not having his fares raised a little higher.

Optional travel during week-ends was put at a higher rate—by that small amount—with the idea of preserving as far as possible lower fares for those with no option but to travel to work. We realised that there was a huge deficit on our suburban rail service operations, but it must be borne in mind that the bulk of the revenue of the railways as a whole, must be paid by country users. We adopted the principle that there was no

reason why the metropolitan traveller should not pay the full cost of operation of his services.

I know a man who a number of years ago was receiving £3 per week—before World War I. He and his wife could then travel to Perth for 1s. 2d. return. Now the basic wage is four times greater than it was then and the return fare from that centre is still only 2s. While the worker's capacity to pay has trebled, the increase in the amount he is asked to pay for the same service is far less than that. We cannot expect to maintain services where the amount collected in fares is so disproportionate to the cost of operation and we held the view that a skeleton service for the time being was necessary and desirable pending the arrival of the diesels, which would lessen the cost of operation, bringing it closer to the revenue derived from that source.

We still think that was sound common-sense, but there have been 300 odd trains added to that service since then and many of them have run without carrying many passengers at all. That is handy from the customer's point of view. I travel by such trains sometimes and save perhaps a two hours' wait, but I realise the injustice of asking the general public or the country users of the railway system to pay for something that is handy to me but which provides a service that I could provide for myself. That is one direction in which the Government could economise.

My colleague mentioned railways last night and, while I intend to speak more fully during the debate on the Address-in-reply, I think the charge that economies could be effected by reducing the personnel of our railways to a greater degree, is not consistent with facts. I tried hard to bring about economies in that way and achieved a number but was satisfied that by and large there was little room for drastic retrenchment such as many people thought possible. As compared with similar services elsewhere, handling the same tonnage, our system was below the level of manpower reckoned necessary by those other services and I think that is a fair test as to whether our railways are carrying more staff than they should.

Our view is that lines in country areas, and particularly in agricultural districts, were placed there to develop those parts of the State and while they might show a loss, that must be balanced against the improved value of the land that is served. In the case of the Goldfields areas, our view was that while the question of the price of gold might be revised at any moment, it was wise to wait and see what could be done before taking any drastic steps. I am sure that any move to pull up lines wholesale will never be approved by Parliament, because it will affect so many members, each of whom is in duty

bound to express not his own views, but those of his constituents who, with one voice, will ask for the lines to be retained.

Hon. L. Craig: Yes, at someone else's expense.

Hon. C. H. SIMPSON: It is hard to persuade the electors served by railways to take that view. My suggestion is that a committee of independent people should survey the question and make recommendations which might be possible of adoption. Where lines are pulled up, road services will have to be supplied so that the people of such areas will have a transport service upon which to rely.

Hon. L. C. Diver: It would still have to be at the cost of someone else.

Hon. C. H. SIMPSON: If we are to develop the country we have to allow for the lines that are paying to cover those that are not.

Hon. L. C. Diver: Definitely! I agree with the hon. member.

Hon. C. H. SIMPSON: That is a sound principle. Again, if we are to promote decentralisation and encourage rural development moneys should be provided by the Government to subsidise this very necessary means of transport. Railway transport charges represent a basic cost. There is the cost of hauling produce to the city and the cost of transporting processed goods back, all of which enters into the final figure. Therefore, it is desirable to keep those costs as low as possible and one means of helping the Government out of its difficulty, as it appears likely that no more loan moneys will be made available, is to seek from the Loan Council approval in an endeavour to have loans floated within the State.

The State Electricity Commission loans have been well filled and I think the people of Western Australia are confident in the future development of their State, which, of course, requires money and they know that a loan would be something well worth supporting. However, to encourage people to subscribe the necessary money they must be satisfied that the Government to which they entrust it is using every possible means to effect economies. That is why, at this stage, it is our duty to ask the Government to study the means of making all possible economies for the benefit of the State because that would inspire a measure of confidence in the Government on the part of the people and they would be inclined to help it out of its difficulties.

HON. A. F. GRIFFITH (Suburban) [6.2]: I take this opportunity of speaking to the Bill, but purely with the intention of obtaining some satisfactory answers to the questions that I asked the Chief Secretary earlier this afternoon. I consider that when members ask such questions they are entitled to receive full answers to them. The Chief Secretary might have thought, perhaps, that he gave me the

answers to which I was entitled, but I am sure that if he will have a further look at them he will agree they are not very satisfactory. The first question I asked was as follows:—

What is the estimated cost of construction of the proposed State hotel at Kwinana?

To which the Minister replied that the cost had not yet been computed.

My second question was—

What is the anticipated expenditure on this project during this current financial year?

I did not ask what funds were to be spent from Government revenue this year, but perhaps, in view of the fact that "The West Australian" featured a leading article yesterday pointing out that although the Government did not have money to build schools and other necessary public buildings, it appeared to have money to build a State hotel at Kwinana, I venture to suggest that the answer to my second question contained a desire to cover up and to assure the public that no Government funds were to be expended on this project.

The third question that I asked was as follows:—

From what source does the Government anticipate this money will be derived?

The Minister gave the following answer:—

A premature announcement on this question could be prejudicial and, in any event, as the Government expects to get the money from private sources, it is not justified in making any disclosure.

To whom would it be prejudicial? I would very much like to find some private source with which I could conduct some business without disclosing to it all the capital I intended to expend, although it morally undertook to advance me whatever sum of money was required. When the Government envisaged the building of this State hotel at Kwinana, it must have had some idea of what the capital cost would be. As things appear at the moment, no legislation that might be brought to this House for the establishment of a State hotel at Kwinana will receive my support.

The Minister for the North-West: Naturally!

Hon. A. F. GRIFFITH: To me the second question I put was very important because the last State election, held on the 14th February, 1953, was fought on the very subject contained in this question. That question read as follows:—

Has there been any increase in rentals of Commonwealth-State rental homes during the past six months in—

- (a) metropolitan areas;
- (b) country areas?

The answer I received undoubtedly stated that increases in rents had taken place because the first few words of the answer were—

The only variations in rents have been occasioned by increases of rates imposed by authorities other than the State Housing Commission.

I am sure the Chief Secretary will agree that the word "variation" means that the rents have either gone up or down and to the best of my knowledge and, I am sure his, they have not come down, but if they have I will be pleased to know that, too. The answer went on to state—

There have also been adjustments made to correct differences between rents previously charged on estimated capital costs of houses. . . .

If the State Housing Commission has no power to impose increases in rents I would like to know what power the Government has to adjust rents. There must be a clause in the Commonwealth-State rental agreement granting power to the Government to adjust these rents.

For certain reasons I am anxious to know what those adjustments or increases are. With all due respect to the Chief Secretary, I consider that my question has not been answered. The first few words of the answer given to my first question imply that there has been an alteration in rent, but the answer to the second question that I put—"If so, what is the extent of such increases?"—gives no information whatsoever. I am not satisfied with that answer and in justification to those people who are living in Commonwealth-State rental homes and who have had variations made in their rents, they are entitled, by way of a question put by a member of this House, to find out what those variations are.

I ask the Chief Secretary now if he will undertake to find out what they are and advise me personally at a later stage. If the Chief Secretary cannot tell me, I will have to find some other means of ascertaining what they are. I am sorry he cannot undertake to make some attempt to find out this information for me. Surely we are entitled to know. I am struck by his silence and I will, by way of question at a later stage, find out—I hope—what I want to know.

The Chief Secretary: We are very courteous in this House; we do not interject.

HON. G. BENNETTS (South-East) [6.10]: I did not intend to speak to the Bill, but to confine my remarks to the Address-in-reply. However, after receiving some notification from people in my district with regard to the establishment of a State hotel at Kwinana, I think the matter should be cleared up. This morning I noticed that the "Kalgoorlie Miner"

on Monday last, had published a leading article on the subject and at the time the announcement was made of the Government's intention, the Commissioner of Railways was in the Esperance district.

Certain amenities required by the people in that area were brought to his notice, but he told them that the loss on the Esperance line amounted to many thousands of pounds and that nothing could be done. It was then pointed out to him that the previous Government had expended a great deal of money in the Kwinana district and that it was also the intention of the present Government to build a State hotel there. Nevertheless, I did not think that the money was to come from Government funds.

As the Chief Secretary said, I consider the money will be obtained from various local sources. Perhaps it will come from local governing bodies, in the same way as has been done in South Australia. The Community hotel in one of the Adelaide suburbs was built from money obtained from the local governing body there and it is very progressive. The Goldfields people think, however, that the money is to come from Government funds and they are very hostile because they consider that already too much has been spent at Kwinana.

I am in favour of the expenditure of money at that centre for its development because I think it will assist the State in the future. However, I do not want to see the whole of our funds spent in that small district when expenditure is required so urgently in other parts of the State. I would like to see more money spent at Esperance on the War Service Land Settlement Scheme and some put towards the establishment of a super works at Esperance which would no doubt result in helping to develop a flourishing district there. I support the Bill.

HON. N. E. BAXTER (Central) [6.13]: I trust that this sum of £16,000,000 which we will no doubt agree to, will be spent wisely and judiciously by the Government. I cannot say that that has always been done by Governments in the past. I appeal to the present Ministers to take every step to save loss and waste in their departments. In the past Government employees have been inclined to a certain amount of slackness and to waste money rather than save it. At times they spend more money than is necessary on certain projects, and greater saving could be effected.

After perusing the report of the Western Australian Government Railways Commission I was rather surprised to hear the Chief Secretary, when introducing the Bill, referring to the great shortages of labour and materials today. At present there are 12,000 men employed on the railways, which represents an increase of 1,800 since 1948. I admit that such an increase requires greater expenditure, but there has also been an increase in freights charged

on goods such as food and livestock over the past few years. Again, with this increase in the number of employees surely much more could be done with regard to railway maintenance. I know that the wet winter has had a great deal to do with the bad condition of our railways today though it is not the sole cause. Some of it is due to the lack of new sleepers and ballasting on the lines.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. N. E. BAXTER: Prior to the tea suspension I was discussing railways and the state of the lines as they are at present. I told the House a lot could be done in the way of maintenance to the railway lines and rail beds. I must repeat again that more sleepers are needed and I feel the Government should set itself out to see that those sleepers are available. We have the timber in this State and if we cannot find enough to provide the necessary sleepers, there is certainly something wrong.

Hon. L. A. Logan: They cost money.

Hon. N. E. BAXTER: Admittedly they cost 17s. each, but that would soon be made up to a great degree by the lessening of the derailment rate. Over the past 12 months the figures I have seen indicate that there were 678 derailments. Certainly some of these were small, but, on the other hand, there were some which caused delay in railway traffic and a huge cost in the repair of the lines and the putting back of the rollingstock on those lines.

The ballasting of the track is not being carried out in some country districts. The ballasting of the road beds there is deplorable. Who is to blame for this? Without blaming any particular person, I would say it is the job of the superintending engineer. These engineers are not carrying out their work properly. Certainly the men have to do the job, but these officials have to direct them, and they are not doing it properly.

Hon. G. Bennetts: There are too many heads.

Hon. N. E. BAXTER: The hon. member is right. There are far too many heads. When a case is reported, two or three administrative officers come out, not in the one vehicle but in a vehicle apiece. They then hold a conference for about an hour or an hour and a half before doing anything. This means more delay all the time. Surely the Commissioners should be able to obviate this sort of thing; that is what we expect of them. If they are going to continue along those lines the railways will cost more money each year.

From a recent report in "The West Australian" it would seem that the Government is considering pulling up certain country railway lines. The one in which I am particularly interested is the Bura-kin-Bonnie Rock section. One of my col-

leagues discussed this recently in the House and I would like to support him in what he said in this direction. I wish to express my opinion on the railway accounting system in regard to the freights on such lines as the Burakin-Bonnie Rock line. It is a very poor system indeed.

Our railway system could be compared to the fingers of my hand. The system spreads out throughout the State and just as the fingers of my hands have earned a lot of money for me and for the State, so these different lines are continually earning money for the Government. If we were to cut off any one particular section it would affect the whole system adversely, just as would the cutting off of one of my fingers.

Before the Government considers pulling up any of these lines which have a considerable economic and financial value, I hope it will go into the matter very thoroughly. From facts and figures I know that the section to which I referred does not show a loss to this State. Apart from the 2,500 bales of wool produced at that centre, there are the wheat and the cartage of super, which would also help to cover the cost of maintenance of that line.

On an average, there are only about two trains running through there each week and a few more perhaps during the wheat-hauling season. I cannot believe for two minutes that that 60-mile sector of line does not pay. This is only so according to the railway accounting system. On the other hand, that same accounting system suggests that from Northam to Perth is a very paying section, because it gets the huge credits from the back lines, whereas actually the amount of goods produced for despatch over the railway line from Northam to Perth would not be nearly as great as the amount collected further up in the country. The accounting system is a very poor one.

Another matter I would like to take up is that of health and deep sewerage in the country. It appears to be the policy of the Health Department that within quite a number of large country towns deep sewerage is to be insisted upon; the department seems to be imbued with this idea. I have been in places where the department has told us that the septic system will not operate and that they propose to establish a huge scheme for country sewerage in those towns, and particularly in the town in which I live. One forceful argument against it, however, is that the Government has not enough money to put it into operation; otherwise it would do so.

The ideas of the department in regard to the disposal of sewerage effluent are amazing. Even with an ordinary septic system the department insists that this, that and the other be done. I have discussed the matter with the local health

inspector and have asked him why all this fuss was being made. I said that we had the land to dispose of the effluent by means of french drains, etc. He said that was not satisfactory and that it was dangerous as there might be a chance of it running into the river and other waterways and causing an epidemic.

I then referred him to the farm at Werribee and said that on the farm there were a number of employees and about 300 children going to school and that there were no signs of an outbreak of any epidemic over there, even though the sewage is spread over the fields. I asked him how he could possibly say that there was fear of an epidemic in the country towns. His reply was that in health matters we are far ahead of Victoria. I leave it to the House to decide whether we are ahead of Victoria or not. I say we are not, as I feel sure the officers in Victoria are as competent as the officers we have in this State.

There is another small grievance I wish to ventilate. In the papers recently we have seen quite a lot about the increase in the metropolitan water rates. One paper carried great headlines to the effect that several people had had their rates increased 100 per cent. It amused me to see that statement when one considers that in some of our country towns the increase is not a mere 100 per cent., but 350 per cent. I can verify that at any time. In the business in which I am interested 1,000 gallons of water cost us 6s. 9d. Yet the people in the city are screaming their heads off at an increase of 100 per cent. The people in the city have no cause to grizzle at all. Certainly not as much as we have in the country!

In my opinion, the water rating in some of our country districts has been conducted in the wrong way. An inflated rental value has been taken on certain businesses and yet it has not been applied in other instances. Let us compare the business in which I am interested—that of a hotel—with a small grocery business. There is a big discrepancy in the water rates that are levied. I think the department should take this matter up not on what the rental of a business is but on the earning capacity of the business.

I am not flying a kite for my own benefit, but for the benefit of the people in the country areas. I cannot understand the departmental attitude in this matter. A person who uses a large quantity of water, if it is possible for the Government to get it there, is a much more valuable asset to the department than the person who uses it to wash his face and hands. I think some consideration should be given to that aspect by the Water Supply Department.

While I am dealing with this question I would like to refer to the matter of appeals. As the House knows, the rate-

payer has a right of appeal. But, as Sir Charles Latham said last night, the wheels of government grind very slowly, and I think this certainly applies to the Water Supply Department. I know of appeals that have been made since last February against water ratings and an acknowledgment of those appeals was received three months later, but nothing further has been heard from the department since. Surely some indication could have been given to the people who appealed as to when their appeals were likely to be heard. In the meantime they have got to continue paying what I consider to be excessively high water rates.

The Minister for the North-West: They will get their refund when the appeals are heard if their cases warrant it.

Hon. N. E. BAXTER: That may be so, but if matters continue the way they are at present, it does not look as though they are likely to get any refund at all. Another point is the retrenchment of employees of the Main Roads Department. I do not know whether this is the general policy of the Government or whether it is due to an exceptionally wet season, but some of these men are being paid off. It may be that the Government is trying to save money, I do not know, but a number of the men who have been dismissed have worked in the department for many years. I know that most of the men of one gang have been put off, but two new Australians have been retained—single men retained; married men put off. There is something wrong when that happens, and I should like the Minister to have inquiries made to ascertain whether this state of affairs can be remedied.

Another question that is in the headlines at present is that of s.p. betting, and the proposed measure for off-the-course betting. At least, some of us hope that it will be proposed. Ministers, since taking office, have been complaining about the shortage of finance. They have been telling us that there is no money for this or for that. The Premier and the Acting Premier have both been to Canberra to claim more money for this State. Yet, if off-the-course betting were legalised, all the finance needed would be available to them.

Hon. R. J. Boylen: Your Government appointed a Royal Commission and did not act on its recommendations.

Hon. N. E. BAXTER: I am not responsible for the actions of that Government; I am trying to urge the present Government to do something. I appeal to Ministers to give this matter careful consideration. To try to suppress betting in a State like Western Australia is idle. Everyone must deplore existing conditions in which men, against their will, are carrying on an illegal business. Admittedly, it is a lucrative business, but those people

engaged in it would much prefer to conduct their business in a legal way, and I consider that means to this end should be devised.

Recently, "The West Australian" contained a report to the effect that in Tasmania off-the-course betting has been legalised, some bookmakers being licensed to bet within 20 miles of the capital city's town hall, and others in more distant areas. According to reports, this system is working satisfactorily. If such a system can give satisfaction in Tasmania, it should be tried here. I hold no brief for the s.p. bookmakers, but I want the Government to take action to ensure that s.p. betting is carried on legally.

In a certain town, s.p. bookmakers are apprehended and prosecuted almost every week. Yet, in another town, like Collie, there has not been a prosecution that I know of. If there has been one, it was instituted to get rid of somebody who was not wanted by the others. That is the situation today, and surely we have arrived at the stage where we should face facts and decide whether we are going to make the penalties sufficiently heavy to eliminate s.p. betting, or whether we are going to legalise it. Expressing the hope that something will be done this session, I support the Bill.

HON. C. H. HENNING (South-West [17.49]): Although I intend to offer a few remarks, I have no wish to prolong the debate unduly. But for an announcement in "The West Australian" on the 11th July last, under the heading "Irrigation Rates Go Up in S.-W.", I definitely would not have spoken at this stage. Members may recall the Press announcement, which stated—

An increase in irrigation rating for the south-western irrigation districts in the current rating year was announced yesterday. The Minister for Works (Mr. Tonkin) approved the increase on the recommendation of the Irrigation Commission.

Irrigation rates have risen almost as steeply as has the basic wage. Until the end of the financial year, June, 1950, irrigation rates were 7s. 6d. an acre plus a charge of 2s. 6d. an acre for any additional watering.

From the 1st July, 1950, the rate, on the unanimous recommendation of the Irrigation Commission, was increased to 9s., plus 3s. for any additional watering. These rates remained in operation for two years. A year ago the rate was increased to 11s. 3d. an acre for one watering, with each subsequent watering charged for at 3s. 9d. an acre. This was done on the recommendation of the Irrigation Commission, but at least three and possibly four members of the Commission gave their approval only because they were told that the metropolitan water supply rate

was to be increased at the same time. Those members of the Commission were definitely let down.

At that time, this caused a lot of unrest in the country. The latest rise was to 22s. 6d. an acre for the rate and 3s. 9d. an acre was retained for additional watering. Now let us go back a little. For the year ended the 30th June, 1950, the rates for irrigation produced £18,536, and there were over 90,000 acre-waterings. The expenditure on maintenance, drains, etc., totalled £26,434. With the additional rate during the year recently ended, the receipts amounted to £32,669, an increase of about £14,000, but the expenditure increased to £50,354.

Naturally, the basic wage increase has had an effect, the average then being slightly under £12, but I consider that the expenditure has been out of all proportion to the work that is normally done. The new rate provides for two waterings for the 22s. 6d., but it will be necessary to agree to the regulation before that can come into effect. The present regulation provides for one free watering only for each acre in respect of which the rate is paid. As things stand, however, there is no escaping the fact that the rate has been increased by 100 per cent. this year. Certainly, if the regulation were in keeping with the intention, the increase would not be 100 per cent.

Two years ago I mentioned that, during the whole period I was a member of the Irrigation Commission, a decision had never been adopted without the approval of all the members. This procedure continued until quite recently. I am sorry to say that there has now been a considerable difference of opinion as shown by the voting. The Commission consists of four officials of the Works Department, one of the Department of Agriculture, and three representatives of the farmers. One of the Works Department representatives told the Commission when I was a member that he was concerned with one thing, and one thing only, namely, to get in the money. He was not concerned with what the scheme was or what it did. When it came to voting the other day, there was a distinct cleavage of opinion. The three farmer representatives and the representative of the Department of Agriculture opposed any increase in the rate. The four Works Department representatives voted in favour of the increase. The proposal was carried only on the deliberative and casting votes of the chairman.

I am anxious that all of those people interested in irrigation should know that at least one-half of the members of the Commission were against any increase in the rate. Doubtless the Grants Commission prompted the Treasury and the Treasury, in turn, prompted the Works Department representatives on the Commission, and so the increase has been adopted. What I should like to know is

why irrigation has been singled out for treatment of this sort. Probably it is because there are not too many farmers concerned. I do not think there are more than 700 ratepayers in the irrigation areas. There might be a few more, but I doubt it. Although irrigation in this State is carried on in the South-West Province, it is practically confined to one fairly small but compact, well populated electorate.

Such an increase in the rate is definitely hard on the small man. When I mention the small man, I have in mind a number of small holders, some having areas of five acres and some of ten acres. If a man has five acres, he is rated on the minimum of five acres, namely, at the rate of 22s. 6d., and he pays £5 12s. 6d. a year. But does he get five acres of watering? Not at all. He is entitled to watering for only one-third of his area. If he has ten acres, he is entitled to watering for three acres. On top of the £5 12s. 6d., if he has another two acres, or five acres in all, he has to pay an additional £2 5s. That is definitely unfair. If members look at the report of the Department of Public Works for 1951-52, at page 38, they will find that pasture, fodder and early germination have increased considerably. Potatoes and vegetables generally have decreased, for some reason unknown to me. Most of the water used—I should say well over 90 per cent. of it—is applied to pasture or to the early germination of pasture and softening. So it means that on the whole the man who is providing the whole-milk, and the one who is providing the butterfat for processing, or for butter, are the ones affected.

I know some people say that a few racehorses are kept on these places. That may be so, but after all it is private property, and surely a man is entitled to carry on it whatever he likes. And let me say this, that if we condemn racehorses as a whole we are condemning a pretty good milk cow for the State because it certainly does very well out of horses. The farmer has to bear increased costs just the same as the Government. It was a long time prior to last Christmas when a price increase was last given for milk. The butterfat producer—this is nothing to do with the State—has simply been singled out to keep down the cost of living. He has been told that if he wants to carry on he has to produce and sell his product below the cost of production.

Hon. L. A. Logan: Below the present cost of production.

Hon. C. H. HENNING: Yes, the cost of production. One or two remarkable things have occurred in what is classified as maintenance expenditure. The first of three that I consider to be peculiar is the loss on imported cement. Evidently the irrigation works are a State trading concern if they are going to lose on imported cement.

The second is the addition of electric fans in the Public Works offices; and the third is the additions to the latrines. How they can be charged against the maintenance of drains is something that I cannot understand.

Also in regard to irrigation, we are not getting the full benefit. In the Collie district, in particular, for many years a certain area was rated and then it was discovered that if everyone who paid the water rates asked for the water, the Government could not supply it because there was a bottleneck in the main supply channels. If that had been cleared up and approved by the P.W.D. years ago, then there would have been a far greater revenue coming in because of the additional water that would have been available in the area. I think everyone will agree that primary production is the basic industry of this State. It has carried a very big load in producing for the State, the Commonwealth and for the oversea market. At present it is in quite a sound condition, but do not let us put too much on its shoulders because if we do, it will surely break, and if primary production breaks, God help Western Australia!

HON. J. G. HISLOP (Metropolitan) [8.4]: We must all deplore the present condition of affairs when State Premiers wrangle with Commonwealth authorities over the taxpayers' money. I am not in any way suggesting that the blame for what has been happening in the last few days is to be placed on the present Government, because we saw the same sort of thing, but in an even worse fashion, occur a couple of years ago. Ever since the war ceased there has been this constant struggle between those who build the States and those who build the Commonwealth. Between them the taxpayer, as an individual, has been completely overlooked and forgotten. He is someone who apparently does not count today in this idea of the State being over all.

It is even more deplorable, however, when we find that before the Premiers left to go to the Commonwealth Government to discuss the allocations of money, political bias was laid at the door of the Prime Minister, whichever way he should act. Whilst I do not say that the Premier was responsible for a heading in a week-end newspaper, I nevertheless deplore the heading, which is, "Hawke Suspects Election Bait if Commonwealth Prunes Tax Handout." This means that whichever way the Prime Minister acts, and no matter what his political faith, the States would feel they had not received sufficient reimbursement from him. This sort of thing is not bringing great credit to Australia.

Surely the time must arrive when some decision will be made in regard to the financial arrangements between the Commonwealth and the States. It is hard to

listen to a Prime Minister who says that he is not certain what fields of taxation he desires to hand over to the States but that his officers are looking into it. Surely a better approach to the problem would be for the States and the Commonwealth, on a non-political basis, to look at the matter from the point of view of the good of Australia as a whole. We know that other countries, even some which have large numbers of States, put forward their Federal budgets without the wrangling which goes on here. The longer this continues the less will it redound to the credit of either Parliament.

It almost looks as though the Commonwealth Government feels it would be better off if we had no State Parliaments but returned to the county government system within Australia. That may be correct, and it might be wise, but surely as Australians—now nearly 10,000,000 of us—we can look at this question dispassionately and decide whether or not our Constitution shall be altered radically. Neither side, until it comes to the point of facing the people, seems to regard finance as being of interest to the individual, or to realise that taxation in the main is the greatest deterrent today to success in Australia. We find, when it comes to a State election, that both sides will make promises of great extent to the electors, knowing quite well that they cannot carry them out unless the Commonwealth provides the finance.

The present Government, like others since the passing of the law, will find that the promises it made on the hustings will not be capable of fulfilment because it will not have the finance to carry them out. But it does not seem to prevent State Governments in any State of Australia—Western Australia is not alone in this—from offering financial emoluments to the electors whilst realising the impossibility of granting them. This is not bringing government in Australia on to a high plane. I stress that when Governments look for money at the present rate, they are actually taking forced loans from the individual taxpayers.

I believe the present attitude of the Commonwealth Government is correct in limiting the amount in order to hand back to the individuals some of the money they have earned so that they can invest it as they think fit. In such an event I have no doubt that we shall return to the prewar position when individuals were willing to invest money in Commonwealth or State Government loans, or even in semi-departmental Government loans.

This era, unless it is corrected, will be known as the era in which the middle classes, and certainly the professional classes, were, in plain terms, murdered. The very rich are still in a reasonable position; and the man who does not save is not asked to save but is provided for.

The very backbone of our country, however, which is building the Commonwealth and the British way of life, is fast being taxed out of existence. Taxation has reached a limit of which the previous century was unaware.

When reading Professor Keeton on the question of taxation and freedom, I found a passage which might interest members because it appears to me to be very true and concise, and yet to cover entirely the position that exists in our own country today. The professor has this to say:—

It is quite clear that today we are passing through an era of financial chaos, in which all standards are progressively swept away. We have seen that, in origin, a tax was an exceptional impost, levied to supplement a royal revenue that should normally have been adequate. After the Revolution of 1688 it became the means of carrying on the public administration, to be used with every possible economy. At the end of the 19th century it became a means of transferring an increasing share of the national wealth from one section of the community to another. Today it has become a means of achieving a planned economy in which the individual is no more than a cog in the machine, whose precarious existence depends no longer on his own efforts, but on the success of the master-plan. It follows therefore, that the State takes evermore extensive powers to enforce this preconceived plan upon the community as a whole. Progressively, therefore, personal liberty is curtailed and controls become a normal instrument of government. The ordinary citizen will no doubt have noticed that Government spokesmen have described the abandonment of these controls as "concessions" and a short time ago Dr. Dalton described his removal of various irritating restrictions on domestic comfort as an "experiment in freedom." This attitude of mind is extremely significant. Freedom, it would seem, today exists on sufferance. If citizens are too exuberant, their fetters will be re-imposed. Mr. Harold Wilson, it will be remembered, suspended negotiations with the Argentine to restore meat to the Englishman's diet as a penalty for the independence of a section of the trading community.

Clearly, dictatorship is in the air. This, however, should provoke no great surprise, for it is an inescapable consequence of a rigidly planned economy. "The plan" is a Procrustean bed, and if the individual fails to fit it, then he must be pruned to shape. From this standpoint, therefore, the difference between the planned State of East and West is a difference in degree only. In the West the State has so

far stopped short of physical compulsion (other than that which follows failure to comply with any one of innumerable regulations) to enforce conformity with the plan.

It appears that the only safeguard we still have is that we can from time to time alter the dictators, but the dictators seem to be imbued with the same idea of a master plan to control the individual. I think the time has arrived in Australia when Governments should look at the question of taxation, not from the point of view of the sum of money that they desire to spend, but the sum of money that in justice and by planned economy they should take from the individual, because in Australia we have lost the incentive. We can see it on every hand and I believe that a considerable proportion of the mental attitude towards gambling and to other means of obtaining money without effort is due to the fact that we have, in the main, lost any desire to save, because it means only a further impost.

I make an appeal to both sides of politics and both sides of Government, State and Federal, to realise that the time has come when if we, as a nation, are to progress, we must restore to the individual something for his efforts and allow him as an individual to assist in the furtherance of the success of his country and not to leave this so-called success, or probable failure, in the hands of a few who consider that they are the only people capable of forming a plan for the furtherance of their country's efforts.

On a totally different subject, I make a plea for some immediate change in relation to the conditions of mental health in this State. It is somewhat depressing to read the report of the Superintendent of the Claremont Asylum when he states that legislation for the improvement of mental hygiene was contemplated, but for the present has been deferred. It should be reconsidered this year. That is contained in his report dated the 30th June, 1952. Then we find a total absence of any reference to mental hygiene in the Governor's Speech. I realise that this is an extremely difficult matter not only in just one phase of it. We heard Sir Charles Latham mention his difficulties in regard to certain offenders and on that subject I will endeavour to provide the House with some reasoned ideas at a later stage.

While I admit that it is extremely difficult, there are countries in the world which have successfully tackled this problem and I understand that the Inspector General of the Insane, Dr. Thompson, has submitted a plan which has been in the hands of the department for some two years or more—probably longer than that—and yet no real action has been taken. Surely, even if it is only in progressive stages, something should be done. But there is one point on which I want to make a plea tonight and that is for some steps to be

taken to eliminate what, in the past, has been a cleavage between mental and physical health. When the Royal Perth Hospital was being built, I, as one of the building committee, endeavoured to ensure that one section of the hospital was set aside as an intermediary area between the Royal Perth Hospital as a place for general medical treatment and Heathcote as a reception house for those requiring nervous treatment.

The cleavage between these two lines of ill-health has disappeared from the minds of the practising profession and it is now very difficult to say that an illness is purely mental or nervous or purely physical. There comes a time, every now and again, when an individual requires the assistance of the mental specialist, psychologist, psychiatrist, and a general physician. Yet there has always been this cleavage between these two institutions. I ask the Minister seriously to consider some means of linking these two together.

I realise that psychologists have been made available by the Mental Hospitals Department to work at the Royal Perth Hospital, but on occasions it has been found difficult for them to continue. In all the years that Heathcote has been a hospital for the reception of people suffering from nervous disorders, there has been no visiting honorary staff of general physicians and surgeons. I consider that the staffs of the two hospitals could be linked together in some way. I have in mind those cases regarding which I definitely have required the services of specialists of the Mental Hospital Department in association with colleagues of my own and without whose services a decision has been almost impossible, to the detriment of the patient.

One can achieve this co-operation if the patient can be treated in a private hospital, but very few such establishments are fitted for the restraining of such a patient and, under the present Act, a mental case cannot be restrained in a private hospital. It is only when a patient has been certified for treatment of a nervous disorder that he can be restrained, which is done only after signing for such treatment. I am quite willing to offer my services to the Minister, and am certain that everyone in the profession will offer his also to overcome the difficulty in the cleavage that exists between these two institutions.

Many years ago when the inquiry into the Heathcote Reception Home was being conducted by Mr. Henry Moseley, as Royal Commissioner, I suggested that that home should be a branch of the Royal Perth Hospital. I do not mind what method is adopted, but the treatment of these patients should be continued from one phase to another—from physical to mental—to ensure that a person who needs both types of treatment can receive them.

If some arrangement were made to combine these two services, it might be simple to overcome some of the difficulties that present themselves today in the Heathcote Reception Home.

I notice in the latest report presented by the Inspector General of the Insane that there are still staff vacancies at Heathcote. The arrangements made there and the facilities available are such that those in need of nervous treatment should be able to obtain it, because those facilities are probably the best in the whole of this State. It is also desirable that those who are practising privately should be able to send their patients to Heathcote and the combination of the visiting staff and departmental staff would be in the interests of both.

There is one more subject on which I would like to speak, namely, starting-price betting, which has been referred to by Mr. Baxter. He mentioned the success that had followed measures taken to overcome the problem in Tasmania. When I was visiting that State as a member of the Commonwealth Parliamentary Association party, I inquired into the starting-price betting problem and the arrangements made in Tasmania. I was taken to one of the licensed areas, which is about three times the size of this Chamber, and more like an open market. All around, starting-price bookmakers had their stalls, with their names on the walls, and there must have been at least 1,000 men, women and adolescents running around to obtain the best prices they could for certain horses, during which time the radio was blaring out information on horseraces that were being run all over Australia. If that is a success, I hope we will never see it here, because it was a sickening sight. If we are to tackle the s.p. betting problem, I hope we will not adopt the measures that have been taken in Tasmania.

THE CHIEF SECRETARY (Hon. G. Fraser—West—in reply) [8.27]: I thank those members who have taken part in the debate. Many subjects have been touched on and some interesting statements have been made. I am sure that members really believe some of them. It is not my intention to reply to each member individually and to many of the suggestions that have been put forward, but I do desire to give some reply to Mr. Griffith. During his speech he really baited me to interject, and I take this opportunity of telling the hon. member that it has been an unwritten law in this House through the years that no member interjects when a new member is making his maiden speech.

Hon. A. F. Griffith: I wanted the Minister only to say "yes."

THE CHIEF SECRETARY: I want the hon. member to know that in this Chamber we are always courteous and tolerant, and I did not desire to violate the example

which has been set. I was surprised that Mr. Griffith was disappointed at the answers given to the questions which he asked me today. I thought they were really good.

Hon. Sir Charles Latham: From your angle, yes.

The CHIEF SECRETARY: In fact, in the answers there was no attempt to hide any information, which was given freely. I thought the hon. member would have been more than satisfied with them. I suggest to him that at any time he asks questions and does not receive satisfactory answers he should come again.

Hon. A. F. Griffith: I will, do not worry!

The CHIEF SECRETARY: Let him come again on the subject on which he felt he did not obtain satisfaction. I was rather surprised, too, that he again expressed disappointment at the answers given to his second set of questions. We all know that when a member asks a question, 999 times out of a thousand, he knows the answer before the question is asked, and this is one of those occasions when the hon. member knew the answer to the question before he asked it.

Seeing that the hon. member knew the answer, I was surprised that he should have asked the question. The adjustments made to rents during the past six months were carried out because of the policy of the Government of which the hon. member is a supporter. That Government allowed a certain clause to be put into the agreement for the building of houses whereby an adjustment was made quite a long time after the persons occupied the house.

During the whole of recent months when people have taken Commonwealth rental homes they have gone into them knowing that the original rent they paid was worked out on the estimated cost of the building and because of a rise and fall clause in the contract, adjustments were, if necessary, to be made later on. All the adjustments that have been made in recent months, since the present Government took office, have been because of that clause being in the agreement; the clause for which the hon. member's Government was responsible.

Hon. N. E. Baxter: I would not say all of it.

The CHIEF SECRETARY: So, knowing the answer to the question, I was surprised that the hon. member should have given me the opportunity of telling him where his Government had fallen down. Might I say to the hon. member that the only places on which adjustments have not been made are on buildings erected by the present Government. I can assure the hon. member that no adjustment will be made of any rents for any buildings that are built by it. I was quite satisfied with the answer; I think it gave all the information required and I again tell the hon. member

that if at any time he is not satisfied with an answer, he should put his question up clearly and concisely and he will get a clear and concise answer.

There have been other matters introduced during the course of the debate such as those mentioned by Dr. Hislop and those referred to by Mr. Simpson and Mr. Baxter concerning one or two grouches about the railways. These, however, are not in my department and consequently I cannot be expected to give an answer at this stage. Those matters will be referred to the departments concerned and when I am replying to the debate on the Address-in-reply, I will supply all the answers to them. I will conclude by giving the House an assurance that all the money being voted for this Supply will be spent very judiciously, Ministers generally will watch very carefully that none of it is wasted and I am quite sure that at the end of the year when we ask for Supply again, members will say, "You used the money carefully and did the right thing last year and we will give it to you again." I feel sure that will be the position.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Read a third time and passed.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. G. Fraser—West): I move—

That the House at its rising adjourn till Tuesday, the 18th August.

Question put and passed.

House adjourned at 8.37 p.m.