

# Legislative Assembly.

Tuesday, 31st August, 1937.

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

## SWEARING-IN OF MEMBER.

Hon. F. J. S. Wise (Gascoyne) took and subscribed the oath of allegiance to His Majesty the King.

## QUESTION—WATER METERS.

Mr. J. MacCALLUM SMITH asked the Minister for Water Supplies: 1, How many water meters have been installed by the department in the metropolitan area? 2, What was the cost per meter and what is annual rent charged for it? 3, What was the amount collected for excess water rates in the metropolitan area for the year ended the 30th June, 1937? 4, Is he aware that much dissatisfaction exists in the community in regard to the charges for excess water, and that the reliability of the meters is disputed?

The MINISTER FOR WATER SUPPLIES replied: 1, 38,162. 2, Meters of various types and sizes have been purchased since the department's inception. The cost under the existing contract, including fixing, is £3 ls. each. Meter rent for non-rateable services is £823. No rent is chargeable for meters on rated services. 3, Domestic excess accrued in 1936-37, £24,687. 4, No.

## BILL—INDUSTRIES ASSISTANCE ACT CONTINUANCE.

### Message.

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

### Second Reading.

THE MINISTER FOR LANDS (Hon. M. F. Troy—Mt. Magnet) [4.35] in moving the second reading said: This is the usual

Bill for the continuance of the Industries Assistance Act, which is designed to empower the granting of assistance to settlers who have not succeeded in their operations and have no security at all. The security is already mortgaged to the hilt, and the Bank is not able to make further advances to meet the emergency. This legislation was originally initiated and passed by Parliament to meet an emergency which, for one reason and another, has continued since 1915. I recollect that all parties in this House at different times have suggested that the Act should be discontinued because there was no further need for it. It has occurred to me that there was a time in the history of the State when the administration of the I.A.B. might have been wound up, but that time was allowed to pass and a new emergency has arisen. A continuance of the Act is necessary to allow finance up to harvest to those settlers who experienced drought conditions last year. I feel sure I am voicing the general opinion of members in expressing thanks to Providence for the bountiful rains that have recently fallen. They have brought about a marked change, not only in the situation in the wheatbelt, but in the outlook of the people. It is something which we hoped might happen, but of which we almost despaired, but fortunately it has happened and has wrought a change in the whole situation. I have read reports in the Press that the rain had come too late and some of the crops were beyond recovery, but I have not seen any such crops during my travels.

Hon. C. G. Latham: I do not think there are many.

The MINISTER FOR LANDS: No. Any crops that have been scorched would probably be beyond hope of recovery, but I have not seen any in my travels. That might have happened in the district of Mt. Marshall—

Mr. Warner: Not to any extent.

The MINISTER FOR LANDS: —or in Avon.

Mr. Boyle: No.

The MINISTER FOR LANDS: The rain has been of great advantage inasmuch as it will carry the crops on to harvest time, and I suppose we can say of two-thirds of the country that if the farmers suffer no pests, a good harvest is practically assured. The Bill is also necessary because a few of the settlers under the I.A.B. will not re-

ceive any returns until December. They will reap a harvest in October, but will not receive any money until November or December, and will need funds with which to carry on. The Bill is also necessary to maintain the Agricultural Bank Commissioners' security for advances made to those settlers whose debts remain unfunded and for the maintenance of security for advances made in the past under the Finance and Development Board Act. The number of accounts on the Board's books at the 30th June, 1937, was 2,248. Of these 421 represented foreclosed (bad and doubtful) accounts, and 1,827 represented funded, non-funded, and drought-relief accounts. Settlers to the number of 1,336 have received assistance during the last two years for drought relief, and of these 272 had been previously assisted under the Act. The indebtedness of these 1,336 settlers at the 30th June, 1937, was—

	£	s.	d.
Principal .. ..	157,358	3	9
Interest .. ..	4,303	1	9

In addition, £24,569 9s. 5d. remains in a commodities account for distribution or for writing off. That money remains in the commodities account for the purchase of chaff and water pending sale and delivery. During the year the Commissioners' approvals on account of drought relief amounted to £201,684. The amount of advances made during the year ended the 30th June, 1937, and brought to account at the Treasury for drought relief was—

	£	s.	d.	£	s.	d.
Drought relief advances for year .. ..	....	....	....	157,014	6	6
Net repayments by borrowers .. ..	24,726	19	2			
Recoup by Treasury ex revenue .. ..	182,267	7	4			
	157,014	6	6	157,014	6	6

The amount of drought relief written off during the year was .. .. £2,414 16 11

Apart from drought relief the following amounts were still outstanding in the Board's books:—

	Principal.	Interest.
	£	£ s. d.
Funded Section .. ..	603,746	151,511 17 7

Other statistics of interest are—

Amount written off borrowers, etc., since inception to 30th June, 1937 .. ..	1,053,499	1	7
Written off during year .. ..	431,693	0	0
Receipts for year : Principal .. ..	11,081	19	7
Interest .. ..	26,614	15	0

I think that is all the information the House needs, but may I say that I hope there will arise in the near future a time when the Act

may be discontinued definitely. I believe we are on the eve of a good season with reasonable prices, and given a continuance of good seasons and prices, farmers should be able to clear up their liabilities in the course of the next four or five years. As there is no option to continuing this legislation, I move—

That the Bill be now read a second time.

On motion by Hon. P. D. Ferguson, debate adjourned.

## BILL—FEDERAL AID ROADS (NEW AGREEMENT AUTHORISATION) ACT AMENDMENT.

*Second Reading.*

Debate resumed from 24th August.

**HON. C. G. LATHAM** (York) [4.45]: I shall not oppose the Bill, which is merely the outcome of an agreement entered into between the various State Governments and the Federal Government in respect of the Federal Aid Roads Agreement originally made in 1926. Last year we had before us a Bill to amend and extend the agreement. I suppose the House was asked at the time to anticipate the Federal Parliament's wishes in that respect. Unfortunately, we were wrong, inasmuch as the Bill provided that £100,000 was to be handed over to the State Government for other works besides road work. The Federal Parliament, in its wisdom, decided that the whole of the money should be spent on roads. I regret that decision, because I anticipated that in the future we might have provided back-country water supplies out of the money. I do not know whether that is the Government's policy; but I believe expenditure on those water supplies was intended, besides expenditure on forestry. The Federal Government had in their minds that the latter would be some relief to them, because they were making grants to the States for forestry work. There are one or two aspects of the subject I wish to discuss. I do not know what is proposed to be done with the additional money. Is the Minister bound by the agreement entered into in 1926, which agreement we have extended for another ten years? The other evening I asked him, by way of interjection, whether it was proposed to construct the Fremantle bridge and the Canning bridge from this additional money. He told me that was something I had to guess. I now propose to read to the House Clauses 5, 6,

and 7 of the original agreement, which clauses still remain in force—

5. For the purposes of this agreement the following classes of roads shall be deemed to be Federal Aid Roads:—(i) Main roads which open up and develop new country; (ii) Trunk roads between important towns; and (iii) Arterial roads to carry the concentrated traffic from developmental main trunk and other roads.

6. (1) All moneys paid to the State under this agreement and all moneys provided by the State under this agreement shall be expended solely on the construction and reconstruction of Federal Air Roads. (2) One-fourth of the moneys paid to the State under this agreement and one-fourth of the moneys to be provided by the State under this agreement shall be expended solely on the construction of Federal Aid Roads. (3) The Minister shall have the power to decide from time to time how the balance of the moneys paid to the State under this agreement and the balance of the moneys to be provided by the State under this agreement shall be expended, but so that such moneys shall be expended solely in the construction of Federal Aid Roads and/or the reconstruction of Federal Aid Roads.

That meant that one-fourth of the amount had to go into new roads, while three-fourths could go towards either construction or reconstruction. I desire to refer especially to Clause 7 of the agreement, which reads as follows:—

7. (1) Where a road being constructed or being reconstructed under this agreement passes through a town whose population (according to the latest statistics available at the time the work is being done) does not exceed 5,000 persons such road may be constructed through the town or reconstructed (as the case may be) as if the town did not exist, provided that the width of any road constructed or reconstructed through a town pursuant to this clause shall not except with the approval in writing of the Minister exceed 20 feet.

I read that to mean that no road—

The Minister for Works: What are you reading from?

Hon. C. G. LATHAM: The agreement.

The Minister for Works: Which agreement?

Hon. C. G. LATHAM: The original agreement, of which we are continuing the operation. That agreement has been amended, but those particular clauses have not been amended. In the last amendment of the Act we provided that the State need not make a contribution, but that the only money to be expended was the money obtained by the State from the petrol tax.

The Minister for Works: Are you sure that is in the existing agreement?

Hon. C. G. LATHAM: I am not perfectly sure, any more than the Minister is. Reading the amendments made in the agreement, I do not see that those clauses have been repealed. However, I can easily deal with the matter in the Committee stage. I had the Amendment Act before me just now. I want to know whether or not we are going to carry out the agreement entered into. The Minister may be able to tell me. The other evening I interjected a question as to whether an arrangement had been made for the expenditure of additional money to provide work in the city.

Mr. Cross interjected.

Hon. C. G. LATHAM: I do not want an interjection from the member for Canning, who is an authority on everything. This is entirely a matter for the Minister to deal with, and he can deal with it effectively without the aid of his back-stop.

Mr. Thorn: Non-stop!

Hon. C. G. LATHAM: Yes, non-stop. I wish to know whether there has been an amendment which justifies the Minister in spending that money in the city. I understood that money spent on works in the city had generally been obtained from traffic fees. I may be wrong, but I understand that a percentage of the traffic fees collected in the city has been retained by the Government for the purposes of certain works in the city. I also wish to mention a complaint brought to my notice by workers on the roads in the city. They complain that the Government are not paying award rates for that work. I am informed that the Government are forcing the men employed on that work to join another union. I understand that there is already an arbitration award for a union of municipal road workers and workers in parks and on racecourses. I am not quite sure what the name of that union is. I tried to find out this afternoon. Here, however, we have an extraordinary position, men doing exactly the same class of work for the Government and for municipalities and road boards, and working almost side by side, but receiving different rates of pay. Some of the work done for the local authorities is almost identical with the work done for the Government. Such a position is extremely unfair.

The Premier: There is a lot of work done on country roads by road boards.

Hon. C. G. LATHAM: But award rates do not apply outside a radius of 50 miles of the city.

The Premier: Some of the road boards pay £2 a week to those workers.

Hon. C. G. LATHAM: I do not believe that. It seems to me that the only one who has heard of that is the Premier. I have heard of rates higher than those fixed by the court being paid in the country. I know that is so in my district.

The Premier: Some of the local authorities pay £2 a week.

Hon. C. G. LATHAM: Some of the men employed by the Minister for Works are working for a lot less than the award rates. Some of the contract work is done at rates considerably below award rates, and that would still be the position if the workers were given full time.

The Premier: There is a board to deal with such matters.

Hon. C. G. LATHAM: I do not know whether there is or not. I know that members of a board go around and make valuations. Since the Premier complains of what road boards are doing, I presume he does not see any fault in what the Government are doing. I contend that the men have a justified grievance. They have approached me with a request that I should voice their grievance in this Chamber. The Government do not represent the workers of the State. They may represent the Trades Hall, but the Trades Hall is well out of touch with the ordinary worker. The only people who represent the ordinary workers of the State are on this side of the House. It is a most extraordinary thing that these men should go to the Leader of the Opposition with a request that he should voice their grievance.

The Premier: It is.

Hon. C. G. LATHAM: I have made inquiries and ascertained that what I say is perfectly right. There is an award rate considerably higher than that which the Government are paying to these men, who are doing exactly the same class of work side by side with workers who are more highly paid. It is only fair that the men employed by the Government should be paid the higher rate. May I also make this appeal? I believe it is possible to provide married men having children with full-time work. I believe there is sufficient money available for that purpose. It is possible to do that out of the money com-

ing to the Government by way of the grant. Besides, the Government know very well that they have received a considerable amount of money in excess of their anticipations from the financial emergency tax, which was imposed originally to provide a little more for men out of employment. The returns from that tax totalled £971,000 last year, and at the rate of increment obtaining over the last two years the returns this year should amount to £1,000,000 if the same rate of tax is imposed. It is fair that we on this side of the House should at least ask the Government to give consideration to the matter. I believe only £50,000 a year would be required to place those married men on full time. I am pleading not for the single men, but for the married men with wives and children, especially where the man has two homes to keep up. Married men in the city are a little better off than the married men in the country engaged on this work. Those in the country tell me that they have had to take their wives and children out there because it is impossible for them to keep up two homes. I remember, when we were in power, Mr. Kenneally saying from this side of the House that those workers were being compelled to sell their furniture, piece by piece, in order to keep things going. When we were in power, the finances of the State were in nothing like so good a condition as they are in to-day. The present Government, a Labour Government, should be able to pay the men a reasonable rate, the award rate, and give them full time. The present Government have received additional money from the Commonwealth, and that justifies them in paying award rates and giving every one of those workers full-time employment instead of part time. It cannot be the policy of Western Australia to have men working at these demoralising rates of wages. At all events, it cannot remain the policy of the State. I have been approached by these workers to see whether something cannot be done for them in what they feel to be their absolutely hopeless position. Some of them were actually receiving 2d. less following the increase in the basic wage.

The Premier: How is that?

Hon. C. G. LATHAM: The increase in the basic wage has taken that amount away from them.

The Premier: In what way?

Hon. C. G. LATHAM: I am not going to tell the Premier. He had better ask, and he will find it is true. Moreover, at the end of their period of work the financial emergency tax is deducted from the earnings of these men.

The Premier: Then they must be over the basic wage.

Hon. C. G. LATHAM: If they want to get a rebate of the deduction, they are told to make application to the Commissioner of Taxation at the end of the year. The Premier might make inquiry into that phase.

The Premier: I know all about it.

Hon. C. G. LATHAM: It is about time the thing was remedied. These men have 9s. taken from their pay. It is all very well for the Minister for Mines to smile over it. The men are told that if they want any refund, they must apply to the Commissioner of Taxation. I repeat, the Premier had better inquire into the matter. That information came to me from a reliable person, and I believe it to be perfectly correct. Such a thing was never intended by Parliament.

The Minister for Mines: It would not have happened at all if Parliament had passed the emergency tax for which the Government asked.

Hon. C. G. LATHAM: That would not have made the slightest difference. Those men are not receiving above £3 15s. per week. It is only fair that they should be paid the amount they earn at the time they draw it, and that money should not be taken from them. I hope the Premier will do something about the matter. It is an atrocious thing. It must be a recent occurrence, because it was only one day last week that these men interviewed me. They say they can get no good out of the Minister for Employment about it. They say he has a man standing at the door, and if they want to see him, the man at the door asks them to explain their business; the Minister is either too busy, or is not in, or will not see them. This is the only place where we can ventilate the grievances of the men, and we are going to do it. The member for Canning is so well off that he can afford to giggle, but we cannot, because the position of these men is desperate.

Mr. Cross: I was giggling at your stupidity.

Hon. C. G. LATHAM: Oh, yes. I ask the Minister for Works to go into this ques-

tion to see whether it is not possible for something to be done for these men. Whether this additional money is to be expended on roads or bridges, or whatever the direction in which the Government intend to spend it, I hope the men will be placed on full-time employment. It seems that the position of everyone else has been improved. We have done everything to bring people back to normal, except the unfortunate worker. With this additional money in the hands of the Government, it is about time something was done for the worker. Unless something is done, I am going to voice that protest every time I have the opportunity to do so this session. With the extra money coming from the Commonwealth Government, the Government of this State should be able to do what I have suggested for the 6,000 men. The Government have boasted of the reduced numbers of unemployed, but something needs to be done for those still out of work. I believe there is a certain amount of truth in the contention put up by the Government when they were on this side of the House to the effect that the more that is circulated in putting men into employment, the more employment will be found in other directions. That was the policy they put up when they were on this side of the House. Now that they are in power they do not seem to think that it is a wise policy.

Several members interjected.

Hon. C. G. LATHAM: That was the policy of the Minister for Works. I do not say it was our policy. The cry was that these men should be given full-time work, and that if only a half of those out of work were put on full pay, employment would automatically be provided for a great many more men. There is a certain amount of truth in that. For four years, unfortunately, the workers have asked this Government—their own Government, the Government which by name represents them—to do something for them. I want to see something done, and I think this is a suitable opportunity to do it. I want the Minister to do something.

The Minister for Works: You remember the historic occasion when full-time work was promised?

Hon. C. G. LATHAM: I do not remember that any full-time work was promised by the Opposition. I assure the House that when we went to the country both the National

Party and the Country Party told the workers that they could not inform them what would be done until the financial position was examined. We had the unfortunate experience at one time of taking over a Treasury that was absolutely empty. Even trust funds had been used in anticipation of a flotation of loans which never eventuated. The Minister knows that is true.

The Minister for Works: I know it is not true.

Hon. C. G. LATHAM: There were authorisations for expenditure of £4,000,000 for which money could not be found because the flotations did not take place. I am not blaming the previous Government; it was not their fault. They did what previous Governments did. They took from trust funds certain moneys in anticipation. Suddenly, the avalanche of the depression came, and we could not raise funds. That was the position in which we found the Treasury when we took over. There was no money, but the position has changed to-day. We had a month-to-month allowance. The Treasury to-day is not concerned with a month-to-month allowance. There is money for a year.

The Premier: Only to the end of November.

Hon. C. G. LATHAM: I think the amount of money allotted is to the 31st December, and it is anticipated that in November there may be another flotation. If my memory serves me aright, the carry-over from last year was sufficient to last until the 31st December. Then the money provided under the new Loan Agreement will be for the 12 months following. There is always a six months' carry over. I notice that this Government at the end of the year had a surplus of £300,000 from loan funds.

The Premier: No.

Hon. C. G. LATHAM: Yes, a surplus of £300,000. We are waiting for the statement of accounts to verify that. Calculating from the quarterly returns available, there was £300,000 carry-over. That could have kept these men in employment. It seems a very unwise policy that it was not used in that direction. A very careful watch on the situation was maintained by the Minister for Lands, while the Premier was away on important State business, and he was able to get that amount re-allotted under the last agreement entered into by the Premiers. We have £500,000 while the other States have only £100,000. I do hope the Minister

will look into this matter of unemployment. I would like to frame the Government's policy in respect of workers' wages for I believe they can be given full-time employment.

The Premier interjected.

Hon. C. G. LATHAM: There is a total difference between the financial position now and then. The Premier knows it.

The Premier: I have said so.

Hon. C. G. LATHAM: The Premier has repeatedly said so. In London the Premier told the people that in Western Australia everything was lovely in the garden.

The Premier: I did nothing of the kind.

Hon. C. G. LATHAM: It was cabled out. The Premier needs to get a better publicity man when he goes to London next time.

The Premier: I said the prospects were good and I think the hon. member would have said the same.

Hon. C. G. LATHAM: I would not have said it at the time the Premier was over there. The gold-mining prospects were good. The gold-mining industry has certainly been a good fillip to industry generally.

The Premier: Were not the prospects in the agricultural industry good?

Hon. C. G. LATHAM: No, not at all good.

The Premier: Not at the end of May when we had all that rain?

Hon. C. G. LATHAM: As a matter of fact that was only over part of the State, and until recently the rainfall has been a good deal below the average. But I think I had better not continue in this direction. I notice your complacent smile, Mr. Speaker.

Mr. SPEAKER: I was going to suggest the same thing myself.

Hon. C. G. LATHAM: I do not want to carry on with that particular subject, but I do want to see these men get a better deal than they are receiving to-day. The men employed by the Government are getting a wage below that which the local authorities are paying men working alongside them. The Government employees should receive the same rate of pay as those who are paid by the local authorities.

The Premier: I wish everybody else did as much for these men as the Government are doing. Take your own industry for a start.

Hon. C. G. LATHAM: It is all very well for the Premier to talk like that. The Premier should have gone on the hustings and helped the primary producers to get fair

prices for their commodities. We would then have been able to pay a far better wage to the people employed in that industry. The Premier opposed the fixing of an Australian price for commodities which the primary producers had to sell.

Mr. SPEAKER: The Leader of the Opposition is off the track again.

Hon. C. G. LATHAM: Of course. But the Premier will interject. What he wants to do is to try to prevent me from making the point I desire to make, namely, that with this additional money the Government would be justified in giving an increase to the unemployed men, and especially the married men. They should be put on full-time employment straight away, and not just before election time. It is to-day that they need assistance. I know how impossible their position must be. They have rent to pay and, particularly in the winter months, wood to pay for. Living is considerably dearer now than it was a little while ago, and although the basic wage has been increased a little, these men are continuing to exist on the earnings they derive from part-time employment. The worker must have been grateful to our Government for making a quarterly adjustment.

The Premier: Yes, especially when wages were going down.

Hon. C. G. LATHAM: If it cuts one way, it cuts the other.

The Premier: It cut your way that time.

Hon. C. G. LATHAM: They must be very grateful for the quarterly adjustment instead of having to wait until the end of the year. Both the workers and the civil servants got the benefit.

The Premier: It reduced wages very quickly.

Hon. C. G. LATHAM: Not more than the fall in the basic wage. How could it reduce it below the basic wage fixed by the Arbitration Court? It did not anticipate the fall in the basic wage.

The Premier: Yes it did.

Hon. C. G. LATHAM: It did not. It was always fixed quarterly on what the basic wage was, on the date it was fixed.

Mr. SPEAKER: The hon. member had better discuss the Bill before the House.

Mr. Marshall: It is about time.

Hon. C. G. LATHAM: I am discussing employment under the Bill. This money may be spent on material and labour. Of the two, expenditure on labour is the most im-

portant. Despite the fact that I may hurt the feelings of the member for Murchison or some other member, I am going to continue to voice my opinion on this matter, because the worker will not get any assistance from the Government unless we press the point from this side of the House. I am not opposing the second reading of the Bill at all, but the consideration of it gives me an opportunity of voicing the protests of the workers at being employed on a low rate of wages. I am anxious to see that the Bill is passed so that the money can be made available. I asked the Minister the other night whether he had any money from this grant for July. I believe he said he had not. Of course it is only the additional money that we have not had in respect of July and August instalments, and I presume we will not get it until this Bill is passed. I presume the other States have to pass the Bill, too. I suppose the Commonwealth will not pay the money to one State without paying it to the others. We shall have to wait until the other States pass amending legislation.

The Minister for Works: They have passed it.

Hon. C. G. LATHAM: I doubt whether they have. I have watched carefully, but have not noticed any legislation being put through.

The Minister for Works: As each State passes the legislation it will be paid the money.

Hon. C. G. LATHAM: Supposing a State does not pass it?

The Premier: Then they will not get the money.

Hon. C. G. LATHAM: I am not sure about those agreements, but we will probably discuss the matter later when we come to the Aviation Bill, because there is some doubt as to what will happen to that also. I am not going to prevent the Government getting this money. I am anxious that they should get it, and I am also anxious to see that the worker gets a better deal than he has had in the past.

HON. W. D. JOHNSON (Guildford-Midland) [5.13]: In speaking at some length on this Bill I shall do so because I must convince the Minister and the Leader of the Opposition that they are both wrong.

Mr. Marshall: It ought to be difficult on the facts.

Hon. W. D. JOHNSON: It is a job, but I want to try to make the House realise that there is more in this little Bill than would appear on the surface. This is an authorisation Bill giving the State Government power to bind the State to a form of agreement which alters in a very material provision the Agreement contained in the authorisation Act passed last session. The Leader of the Opposition has pointed out the difference in the two agreements—the authorisation Act covered an agreement which dealt with a very important part in regard to the method of expending the Federal money, and this Bill is making material alterations. The main clauses of the Agreement of last session—now referred to in this Bill as the principal Act—were Nos. 4 and 5. Those clauses definitely direct how the payments to the State shall be used. Under those clauses Nos. 4 and 5 the States are told exactly how they can use the money. There are important provisions in the Agreement covered by the Act of 1936 which we are not very much interested in; the Agreement outlines where our money is coming from, so much from Customs imposts, so much from Excise imposts, and so on. But we are not very much concerned as to how the money is raised. What we are concerned about is the amount we are likely to receive, and how the amount so received shall be expended. It is this provision that I propose more particularly to speak to. Those clauses Nos. 4 and 5 of the Agreement direct that the specific portion of the payment made by the Commonwealth shall be expended on the construction, reconstruction, maintenance and repairs of roads or other works; and then upon forestry, as already pointed out by the Leader of the Opposition. The Leader of the Opposition also explained—and it is important—that this new authorising Agreement deletes the very important words: "Or other works and upon forestry" and inserts "or other works connected with transport as the State may think fit." This Agreement is a tightening up of Federal directions. It limits the State and prohibits the expenditure of any money on activities other than those associated with road transportation. It is true the Minister may interpret those words to mean that he may use the money other than that for the maintenance and construction and reconstruction of roads to relieve the burden placed on the railways of the State by the

perpetual construction of main roads running parallel to the railways, and bringing them up to such a standard that the competition of the roads becomes a serious matter indeed. My reading of the words in the Agreement would give the Government power to divert—if we could use that term—to take some of that money and relieve the railways in any particular. After all, the railways are associated with transport. It may be said that it is democratic that the raising authority should also direct the spending of the money so raised. I have no objection to the Commonwealth Government taking control of that portion of the money that is allotted to the Commonwealth; they can direct how that money shall be expended, and there is no restriction whatever upon the Parliament of the Commonwealth. They, individual members as well as the Government, can exercise to the full their right to express their opinions in regard to how the money that goes to the Government shall be expended. But it is not true democracy to ignore the responsibility to the State Government in its relation to development and administration of the affairs of the State. State Parliaments are still the ruling authority on many very important activities of the Australian nation. The Governments of the States are elected by the representatives of the people to fulfil all the rights of the States under the States' Constitution. The Federal Parliament evidently appreciates this as far as the Federal tax is concerned, because in regard to that tax they do consult the State Government, and they actually enter into agreements—we are discussing one now—in regard to the State's expenditure and the State's association with the tax. There is an agreement between the Government and this State in regard to this particular money raised by means of a Federal tax. I argue that the Commonwealth realise the responsibility of the State in regard to development, because they confer with the State in regard to the distribution of the money that is raised. The raising of the money under this Agreement is actually condoned and supported by the State. The special impost is carefully explained in detail in the Agreement—a clear indication that the Commonwealth not only desire to consult the States, but actually want the States to understand how the money is raised. So much is given to the



States, as I have already explained, from amounts raised by Customs imposts and Excise imposts, etc. I am of opinion that the Commonwealth also realise the importance of associating the State with the Commonwealth in regard to the imposing of this very great burden upon the importation of petrol, and I think the Commonwealth Government are using the States for the purpose of popularising this tax, and by making it appear that it is really a tax that is supported and agreed to by the States as well as by the Commonwealth. I want the House to bear with me while I deal with the expenditure of this money as it appeals to me. We have before us two Bills for the purpose of amending the Main Roads Act, one dealing with the responsibility of the State in regard to this particular expenditure, and the other relating to the internal working of the Main Roads Act. Both Bills are rendered necessary by the introduction of the Bill now before us. The Minister eulogised the work that has been done during the past 10 years under the Main Roads Act as amended from time to time. There is no doubt a good deal of work has been done, and it is very creditable work from the construction point of view. I agree fully with the Minister in his rightful eulogy of the part that has been played by the Main Roads Board in connection with the development by means of roads. If we endorse the Agreement which is before the House, the two Main Roads Bills that are also before us are necessary, but if we refuse to pass this Bill, those two Bills will go out automatically. Those two Bills deal with the money that is definitely earmarked by the Agreement under consideration and that earmarking is definitely dictated by the Commonwealth and restricted to Parliament in regard to the expenditure of this large amount of money. I am going to give the House some figures. I submit, and I think Ministers will agree with me, that it is very difficult to get figures to-day in regard to any State activity. I find, and other members also must find, it very difficult now to get details of expenditure, because they are so much mixed up between Commonwealth and State. Instead of there being an annual Budget and an annual discussion on expenses and works to be done, the Government have not the same responsibility to-day, because everything is done by monthly

estimate. That is why we cannot have an annual estimate; they have to work from month to month, with the result that members are not consulted, and so we have not any opportunity to express our opinion. This makes it impossible for members to take part in a general discussion on works, and it also makes it difficult for me or others to get figures that would enable me to go closely into matters of this kind. However, from the Treasury I did get some figures, and from other sources I have secured other figures, and I want the House to try to follow me in this; it is difficult, I know, but I will endeavour to make it as plain as I can, so that members will see this matter in the way that I view it. The Minister dealt with a 10-year period of working under this Agreement between the Commonwealth and the State, known as the Federal Aid Roads Agreement. I am not going back to follow the Minister in outlining the works done in a period of 10 years; I do not propose to attempt that, nor is it necessary from the point of view that I wish to place before the House; but I am going back to take a five-year period, from 1932-3 to 1936-7. During these years Western Australia received the following amounts:—In 1932-33 it received £342,624, and the total amount received by the Commonwealth in that year was £5,048,837. In 1933-34 Western Australia received £415,483, and the Commonwealth received £5,758,529. In 1934-35, Western Australia received £447,309, and the Commonwealth received £6,396,979. In 1935-36 Western Australia received £506,516, and the Commonwealth received £7,280,742. In 1936-37 Western Australia received £558,476, and it is estimated that the sum of £8,542,600 will be received by the Commonwealth. In the five-year period we received a total of £2,270,408 out of a total of £33,027,687.

Hon. P. D. Ferguson: What percentage is that?

The Minister for Works: The Commonwealth did not obtain all that money.

Hon. W. D. JOHNSON: I will deal with that. I have given the total received by the State for the five years out of the total received by the Commonwealth. During that period the State expended on roads more than the sums actually received by the Commonwealth out of our share of the petrol tax, and also spent large sums of money

from loan. In 1932-33 from the trust account—that is an account established under the agreement—we spent £390,821, and out of loan in the same year we spent £83,004, making a total in that year of £473,825. In 1933-34 from the Trust Account we spent £383,174, and from loan £200,112, making a total expenditure of £583,286. In 1934-35 we spent from the Trust Account £470,411, and from loan £138,338, making a total of £608,749. In 1935-36 we spent £515,317 from the Trust Account, and £132,902 from loan, making a total of £648,219. In 1936-37 we spent from the Trust Account £588,272, and from loan £125,823, making a total of £714,095, spent on road construction as dictated by the Commonwealth authorities. The Minister interjected that the Commonwealth did not obtain all that money. The total amounts received by all the States in 1932-33 was £1,922,048, and the Commonwealth retained in that year £3,126,789. In 1933-34 the total amount received by the States was £2,207,683, and the Commonwealth retained £3,550,846. In 1934-35 the States had £2,465,908, and the Commonwealth retained £3,930,999. In 1935-36 the States had £2,778,899, and the Commonwealth retained £4,501,843. In 1936-37 it is estimated there will be distributed to all the States £3,260,480, whilst the Commonwealth will retain £5,280,120. I give these figures because I wish to draw special attention to this large expenditure, and I intend particularly to endeavour to prove to the House that we should inquire into the last ten-years agreement before we enter into an agreement for the next ten years. We want to know more about the ten years that have past, exactly how this huge sum of money has been expended, and ask ourselves whether we are going on under practically the same conditions for another ten years. I submit there should be a very close investigation, a complete inquiry into all the details associated with the last ten-year period, and this House should understand the position thoroughly before agreeing to another ten years such as the last ten years have been. Let us endeavour to get figures that will convince us of the necessity for an investigation. I have said that certain sums of money were received from the Commonwealth, and spent by us, and certain loan moneys were raised. After going as closely into the matter as I could I believe that if we distributed the moneys on

the basis of 70 per cent. for labour and 30 per cent. for material, we would get pretty close to the actual distribution of the money as between labour and materials. The Minister has circulated for the information of members a return showing the amount of money the sustenance worker can earn. I have received an outline of the earning capacity of the sustenance worker for the period 1932-33 to 1936-37. I propose to endeavour to show to this House the enormous amount of money the sustenance worker has been called upon to pay into this road construction fund. In actual fact we have had a trust fund and a loan fund, and then we had the impost on the worker, a contribution from him to the fund. It is in this regard that I claim that the whole thing is unfair, and I say that after ten years' experience we should not enter into another ten-year period without knowing what we are doing. The basic wage is fixed on a unit of four, that is a man, his wife and two children. It is based on that because it is claimed that it is a reasonable estimate of the responsibilities of a home and the maintenance of children, etc. I do not propose to analyse the 14s. man, the 21s. man, the 28s. man, the 35s. man, the 42s. man, and the 49s. man. Just as it is fair for a man, his wife and two children to create the basic wage it is fair for me to take the 28s. man, the man with a wife and two children, as the average worker for the whole of the groups. I am going to make a comparison between the amount of money contributed by the worker in standing-down periods, when his power to earn is restricted, and then propose to give in detail, on the basis of 70 per cent. labour, the amount that such a man would contribute. The total expenditure I have already given from all sources, that is road expenditure, in 1932-33, in this State was £473,825. If I allow 70 per cent. of that as expended on labour, the total amount spent on labour would be £331,638. Of that amount the worker was unable to earn within 30 per cent. of the basic wage. I do not say he was not paid the basic wage during the time he was working, but the sustenance rate inclusive, necessary to raise the basic wage for the whole period, would require an addition in 1932-33 of 30 per cent. During that period, through the worker not being able to use his full time, to get full-time employment, through the period of standing-down, which reduced the amount of money he

actually earned, he contributed £99,503. In 1933-34 the total road expenditure was £583,286, and 70 per cent. of that would be £408,300. On the basis of 30 per cent. the worker in that year contributed £122,490. In 1934-35 the total road expenditure was £608,749, and 70 per cent. of that is £426,124. The worker contributed, on the basis of 29 per cent., £123,576. In 1935-36 the total road expenditure was £648,219, and 70 per cent. of that would be £453,753. The percentage in the case of the sustenance worker was 24, so that he contributed £108,901. In 1936-37 the total road expenditure was £714,095, and 70 per cent. of that is £499,867. The worker only found 20 per cent. in that year, so that he contributed £99,973.

Mr. Doney: Are you justified in calling that a contribution?

Hon. W. D. JOHNSON: The contention is that we spent during the five-year period or road construction £3,028,174. If we take 70 per cent. as being a reasonable distribution for labour, that would represent an expenditure in labour of £2,119,722, and the worker contributed during that period £554,443. I have taken the contribution by Western Australia, which I arrived at in the way I shall indicate. It may not be absolutely accurate, but the method is quite sound for the purpose of calculation and investigation. I wanted to find out how much Western Australia had contributed towards the £33,000,000 odd that I have referred to. To get at that, I took the total number of motor vehicles used throughout the Commonwealth and, so as to make it easier for myself, I included all the petrol used in connection with aviation. Then I took the number of motor vehicles in Western Australia and found that they represented 7.73 per cent. of the total for the Commonwealth. Thus I argue—and I think my contention is sound—that the amount of petrol consumed per motor car in the Eastern States will be identical with the consumption per car in Western Australia.

Mr. Patrick: Could you not have obtained the actual figures?

Hon. W. D. JOHNSON: Perhaps I could, but I did not want to go into a lot of detail.

Mr. Patrick: It would have enabled you to be more accurate.

Hon. W. D. JOHNSON: That may be, but I wish to place my point of view before the House. The position is that Western

Australia, taking 7.73 per cent. as being our proportion, contributed £2,566,955. We received from the Commonwealth—and these figures are definite—during that period of five years that I have referred to in detail, a total of £2,270,408. From loan funds and from excess expenditure from the trust funds because of the amounts left over from the previous period of five years, there was an amount of £757,766. For the purpose of arriving at the contribution in Western Australia, I added that amount to the £554,443 paid in by the sustenance workers. That is the feature I want this House fully to appreciate. The sustenance workers have been contributing day by day, year after year, to subsidise this scheme of road construction by not being able to utilise their labour to the extent permitted other workers. The amount of money spent in Western Australia in excess of the amount received for road construction was £1,015,662. Is this expenditure to go on? During the past 10 years we have been spending more than we received. We have raised loans for the purpose of carrying out road construction over and above the amount supplied to the State by the Commonwealth. All the time the workers have been retained on that task of road construction by means of sustenance payments that reduced their earning capacity. In the first place, what is reasonable about an agreement that says the Commonwealth Government shall retain £5,000,000 in one year and give £3,000,000 to the States? What is there reasonable about such an agreement that retains to the Commonwealth the right to say how their £5,000,000 shall be expended, thereby giving the members of the Federal Parliament an opportunity to advise, criticise and suggest—in other words an opportunity to fulfil their job of directing the affairs of the Commonwealth? What is there reasonable about it when we are debarred a similar right? If it is right for the Commonwealth, why are we in Western Australia denied the privilege of having some say in the expenditure? What right have the Commonwealth to tell members of this House, "You shall have no say in the matter. If you want the money for road construction, you must take it on our terms"? What is there right about the agreement when it prescribes how this particular expenditure shall be incurred so as to popularise a tax, for which purposes they make use of the State? I support the tax; I have no objec-

tion to it. On the other hand, is it not wrong for the Commonwealth to discuss the details with the States and then deny the right of this State to a voice in determining how the money shall be expended? That is what I want the House to realise. The Federal Government are taking authority from the State Parliament. We are paid to undertake certain duties. Here we are dealing with a huge sum of money. The activities involved, as disclosed by the figures, are comparatively enormous. Road construction is the main source of employment for those who are, unfortunately, on sustenance. Yet with regard to the work those men are doing, not one member of this House has any say as to how the money shall be expended.

Mr. Rodoreda: How could you remedy the position?

Hon. W. D. JOHNSON: If the hon. member agrees with me, he will assist me in securing an investigation that will help us to determine how we can remedy the position. Why should we adopt the agreement in this manner? We have suffered under these conditions for the past ten years. Why ignore the experience of ten years and rush in to adopt another agreement for a further period of ten years? I want this House to inquire into what has happened during the previous ten years before members agree to the passing of the Bill. If I cannot do it in any other way, I shall move for the appointment of a select committee to investigate the position. That will enable us to ascertain how we have been treated, how we have got through, whether we could have done better without the money, and whether there are reasons why the State should make further representations to the Commonwealth Government with regard to this expenditure. Then, again, why should motorists have all this consideration? Who is it that influences the Commonwealth Government to limit this revenue to road expenditure? What right has any one section to dictate how the money shall be expended? That is exactly what is happening. Motor users have sufficient influence with the present Federal Parliament, and have had it for the last 10 years, to direct that all the money they contribute shall be expended for their benefit. They say, "If you are going to tax our petrol, you will have to give us good, smooth roads over which to travel." I ask this House to compare the position with the conditions relat-

ing to the emergency tax. The workers in this State pay that tax, but they cannot dictate as to how the money so contributed shall be expended. When that particular taxation proposal was introduced, we all thought the tax was to be used for the relief of unemployment and to improve conditions while affording relief in respect of a certain amount of distress that we knew existed. We were given to understand that the money was specially earmarked for purposes of that description. It was not long before we appreciated that our ideas regarding the financial emergency tax were all wrong. Why was it imposed as an emergency tax? The emergency consisted of the fact that men were out of work. Because of that, we were asked to agree to the provision of extra money under the heading of taxation. Those workers who have been paying that particular tax for years have no power or, at any rate, have not been able to exercise sufficient power to direct how the money they have contributed should be expended. On the other hand, that particular form of taxation has been paid straight into general revenue, and so the Government have been able to use the money as they desired. What is there about the motor car owner that he can direct that all the money he contributes shall be expended in a given direction? Why are we to build new roads? Why should we effect those improvements for the tourists? I submit that the State cannot continue to build roads at the rate we have been doing in the past. I do not say that we are building the roads for tourists in the sense that we are making provision for sightseers. What I mean to convey is that we are building roads to enable the representatives of business firms to travel in comfort all over the State, to expand the area they cover in their attempt to secure more business. I submit we can have regard to the comparison to be drawn between the ordinary motor car owner and the producers with their spring carts and motor trucks. The latter are not allowed to use the main roads. The producers, who represent the backbone of Australia, are told that they must cart to the nearest siding, and they are limited and restricted under the provisions of the State Transport Co-ordination Act. The motor owners who have got the ear of the Commonwealth Government and can influence the provisions of agreements of this description, can travel, willy-

nilly, as they like and any time they like, because of the smoothness and safety of the roads the sustenance workers have built for them.

Hon. C. G. Latham: The Government can, if they like, build feeder roads with this money.

Hon. W. D. JOHNSON: I want the House to realise the unfairness of it all from the railway point of view. Western Australia is merely in the pioneering stage yet and has to expand enormously before that stage is passed. The State can be pioneered only with railways, which have been the means by which our present progress has been made and by which we must continue to expand for many years to come. Why are we deliberately entering into this agreement for a further ten years, when we realise that every penny we spend to-day acts adversely upon our railways.

Mr. Patrick: Do you think we ought to refuse to accept the money?

Hon. W. D. JOHNSON: If the hon. member has a mind no bigger than his interjection indicates, I will not argue with him. If it is a matter of refusing to accept the money, or if we accept it, we must obey the directions of other people. I ask the hon. member: What are you drawing your salary for?

Mr. Patrick: Do you say you would not take it?

Hon. W. D. JOHNSON: I do not say that I would not take money, but I want to know what has happened during the last ten years before I endorse an agreement covering a further period of ten years. Why should we have all this money to expend on roads when we cannot get sufficient money to provide water supplies? I have already pointed out that we are in the pioneering stage in the development of Western Australia. One of the main limitations to that development is the insufficiency of water conservation throughout the agricultural areas.

Mr. Rodoreda: That is the greatest need.

Hon. W. D. JOHNSON: We are asked to agree to the expenditure of money here and there on roads, although we know the need for money for the provision of water supplies that are badly needed for the development of the State. What is the use of allowing our State assets to depreciate and decay while we go on building magnificent roads?

Take our schools. Those in my electorate are in a shockingly dilapidated state. It is not fair for youngsters to be housed in classrooms where the painting is all soiled, and where it is abundantly clear that repair work has not been carried out for a long period. That kind of thing exists everywhere, and yet we have an abundance of cash to spend on roads! Just as we need money for water supplies, so do we need money for the maintenance of our schools. Even the school grounds, right throughout the metropolitan area, are not a credit to the Government or the State. Local bodies are continually improving pathways, and everywhere we look we find surroundings are being beautified, but the State Government have not done anything to school grounds because of lack of money. Yet we can go on building roads! Again, our Workers' Homes Board are limited in their operations because they have not sufficient cash to enable them to accede to anything like the number of applications they receive. There again the money it is proposed to spend on roads could better be spent in the building of homes. We propose to perpetuate road construction to the detriment of other necessary and urgent works. Our sustenance workers, too, deserve more consideration. I was pleased to hear the Leader of the Opposition raise his voice on the subject of full-time employment. We could go into this matter a little more seriously than we are doing at present. But I am aware of the difficulties in regard to improving social services. I know that if we start to increase expenditure on sustenance, the Disabilities Commission will penalise us.

The Minister for Mines: They have penalised us already to the extent of £117,000 this year.

Hon. W. D. JOHNSON: So long as we go on concurring in agreements made, so long as we tolerate the dictation of the Commonwealth, then so long will the existing state of affairs continue. We can have an inquiry, and through our Parliament, make representations to the Federal authorities. Why should we make any alteration to an agreement at the present time when a Federal election is pending? Why not wait until the election is over, and see whether the people of Australia will cause a change to be made? We can at the same time see whether that

change is going to be of advantage to this State, and whether the dictation will be as pronounced as it is to-day. There may then also be the opportunity, as a result of the election, of getting a totally different agreement. But I do not want to go into that phase of the subject now; I want to let members see that it is not at this moment we should be considering the agreement. Rather should we delay its consideration. In the meantime we could have an inquiry and await the result of the elections, with the possibility of there being a change of Government, and with that a changed point of view, and also a change in regard to what is feasible and fair for the States as compared with what we, at any rate, are getting to-day. If we are going on spending money for the next ten years at the rate at which we spent it in the last ten years, we are going to have a surfeit of made roads. There are difficulties to-day in the way of finding roads to construct.

Members: Oh, no!

Hon. W. D. JOHNSON: I am aware that members would like to have roads everywhere, but if one travels through this country of huge distances, he will find it difficult to deny that there is no part of Australia, in proportion to area, where more and better roads have been built. I am not prepared to say that we should cease to expend money on roads, but I do say that we should not spend it at the rate we have been following for the past ten years. We should take into consideration the enormous expenditure that has already been incurred on the thousands of miles of completed roads, and we should ask ourselves whether our road policy is not ahead of other developmental works. After the Bill passes the second reading, I propose to move that it be referred to a select committee, so that we may check up on the expenditure that has been carried out, and the distribution of the money that we are to receive in the next ten years.

Hon. C. G. Latham: But we have already passed the agreement.

Hon. W. D. JOHNSON: I am aware of that, but we have a glorious opportunity of going no further. We are justified in holding up the work of road construction for a time. When we did get a little latitude, we were able to use some of the money we received, for other works. Under the new

agreement we have not that liberty, and so I want the House to appreciate that the new agreement is more restrictive than the previous one. It is not my intention to make another speech when I move that the Bill be referred to a select committee, so I ask the House at this stage to take into consideration the points I have advanced, and to ask whether we have not already built enough roads for the time being, whether we should not go on maintaining our other assets that are going into decay, and whether the sustenance workers' employment is to be on the basis of their work during the last ten years. I know that the Government can control that position, and I am also aware that if they give full-time employment to sustenance men, they will come into conflict with the Disabilities Commission. That, too, is an aspect that can be inquired into by the select committee. It may be argued in regard to social services that it is reasonable for the Disabilities Commission to adjust the level so that one State's contribution will compare fairly with that of the other States, but when it comes to work of this description, one cannot go into details, and try to effect a levelling up, because the disabilities of the road workers are totally different in this State from the conditions prevailing, say, in Victoria. It might be argued that the old-age pensioner gets the same in Victoria as he does in Western Australia, and that therefore the social services should be the same, but that argument will not prevail with regard to sustenance workers, and it is not a question that should be levelled up or down by the Disabilities Commission. They can decide, however, the industrial standards, and how they compare with those of the other States. So we too will be able to make it clear with the aid of the select committee that the disabilities of the workers in Western Australia should not be compared with those of the workers in the Eastern States for the purpose of determining what they should receive. It is all right for the Commission to go on improving the social standards, but they deny us the right to do that by the operation of agreements of the kind we are discussing. Before we enter into the proposed agreement—

Mr. Patrick: We have already entered into it.

Hon. W. D. JOHNSON: —we should review what we have done under the expired agreement.

Hon. C. G. Latham: And go without this money?

Hon. W. D. JOHNSON: There is no need to go without this money. We should investigate the position and see to it that the State Parliament carries out its responsibilities. I do not think the Commonwealth would say, "Because you are going to closely investigate this question, we will penalise you during the period of the investigation."

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

**MR. NORTH** (Caremont) [7.30]: I desire to support the Bill. It seems to me, in spite of the remarks of the member for Guildford-Midland (Hon. W. D. Johnson), that the Bill seeks to continue the policy of Federal aid road construction except insofar as the extra halfpenny is included in the new agreement, and therefore I should be very loth to risk losing so much money unless we could be sure of securing those funds in some other way.

Hon. W. D. Johnson: We have not signed the agreement.

**Mr. NORTH**: We are more or less committed to the existing agreement on the 2½d. basis, but now, by passing this legislation, we are to get 3d.

Hon. C. G. Latham: An amount of money for the month of July has been paid on the basis of the old agreement.

**Mr. NORTH**: I am largely in agreement with the member for Guildford-Midland on the point that this State is being committed to a vast expenditure for roads, while other necessities are being neglected. Still, there are two ways of looking at that. One is the way stated by the hon. member; the other is to urge that the other necessities such as the improvement of schools, and such like essential works, should receive attention as well as roads. That is what I should like to see done. The member for Guildford-Midland discussed the question from the financial point of view, which naturally must lead to many arguments, but on the engineering side I see no objection whatever to dealing with all our needs, including roads, apart from the compact which requires that the money be used for road work only. Suppose we decided that all the men now working on the roads should be employed in the most efficient way possible under the latest engineering methods. We would then go to the Com-

missioner of Main Roads and instruct him to secure the latest road-making machinery used in other countries such as Germany and the United States of America. Then we would have colossal machines making roads at a great rate and employing only about one-fourth of the number of men now employed, but still spending the same amount of money. Having the balance of the men to spare, the problem would arise of employing them to improve our schools and carry out other works that have been mentioned to-night. This will not be possible at present, but I feel sure that that question will be revolved in the minds of the people, and that before the 10 years period of the agreement has expired, we shall find far fewer men engaged on the roads and many more employed on other important works such as those to which reference has been made. I could include other works that have not been mentioned. Take Parliament House. Some members might say it is a luxury, that it is not necessary that the structure be completed. But we are on the point of completing 50 years since the parliamentary institution was inaugurated in this State. We have nearly 50 years of Responsible Government behind us, and still we cannot afford to complete Parliament House buildings. This means that the conveniences for members must continue to be very limited, which is a very poor advertisement for the State. There are many other works that I shall leave to the imagination of members—works on which men now working part-time could be employed at their own trades. It has been discovered that quite a number of men engaged on relief work are tradesmen who have been forced out of their natural avenues owing to the depression. However, I did not rise to speak along those lines, and merely to support the Bill would not be adequate reason for rising. I should like to stress some of the salient conditions of the new agreement and the advantages that will accrue from the increased rate. The extra halfpenny, I understand, is to be employed for certain purposes connected with transport. For many years, I with other representatives of the metropolitan constituencies have noted the generous expenditure of millions of pounds of money on roads in the country. We have always applauded that expenditure and have always agreed that the farmer was the back-

bone of the country. Still, it does occur to us sometimes that a mere backbone alone is not sufficient. A backbone may be a very good framework for a carpet snake or a serpent, but we need a backbone with ribs, arms, sockets and similar gadgets. Similarly, although the farmer is the backbone of the country, we do not want a form of growth that will support merely a snake or a serpent. We need a body having other parts in addition to a backbone. It is the fact of the extra halfpenny coming into the question that caused me to speak on this Bill.

Mr. Cross: We ought to have got more than that.

Mr. NORTH: The time has come when we should consider the need for creating ribs and other features necessary to make a complete body politic. I think it would be reasonable to suggest that, as motorists are said to find the money for road construction, they should be considered in regard to the accident phase of the question. A learned counsel advised me not long ago that the phrase "connected with transport" might be construed to cover hospital cases. It is well known that hospital cases due to accident are connected directly with transport. Again, we have the phase of danger to motorists in the metropolitan area by reason of level crossings over the railways. It might well be stressed at this juncture that some of the hundreds of thousands of pounds to be made available might be applied to various works such as the provision of railway subways and bridges in the metropolitan area. There are two subways in question in connection with the Claremont electorate; one at Claremont needs widening and another needs to be constructed at the Cottesloe station. To finance that work out of loan money would entail a heavy burden, but here the money is available and the work could be done on a more or less cash basis. Is not this a reasonable request? We have had this backbone cry for 50 years, and we all believe in it. I agree that the farmers are the foundation of the country. But nobody wishes to live amongst the foundations; to do so would be like living amongst ruins. What we need are storeys built on the foundations until they become a skyscraper. Similarly with the metropolitan area. We cannot live simply by exporting produce overseas. We must look to the time when the Lyons Government, having retained office for another 20 years, will be busily assisting in the development

of Western Australia, bringing industries here and building up the country so that we shall be able to consume our own produce, the farmers finding a market on the spot in a population of 5,000,000 people. Then we shall be able to say in truth that we have a body politic and not merely a backbone. If my arguments have any weight at all at this juncture, I shall feel pleased, but if not I shall feel that I have done my duty to my electorate by urging that we are more in need of railway subways and bridges than of hundreds of miles of extra roads in the country. I do not grudge the provision of roads in the country; I welcome the policy that makes their construction possible. I should like to see all the farmers who have left the land back on their holdings, instead of having so many farms abandoned. But that will not get us out of our difficulties. Therefore, I urge the Government, when they are spending the proceeds of the extra halfpenny, not to confine their consideration to the bridges that have received so much publicity in the last few years.

Mr. Patrick: Or to trolley buses?

Mr. NORTH: I do not think we asked for trolley buses. From long experience we have learned that the best way to get something is to ask for the very opposite. Then there is a chance of succeeding. I trust that the Bill will be passed and that the proceeds from the extra halfpenny will be spent on necessary works in and around the city to the end that many more lives might be saved than would be saved by spending the money on constructing additional country roads.

**MRS. CARDELL-OLIVER** (Subiaco) [7.43]: I support the Bill, but at the same time I, too, regret greatly that the money is being allocated entirely for road construction. I should like to see it allocated in such a way as to ensure that workers will be kept in a fit condition to construct roads. At present many sustenance workers employed on the roads are not really fit to undertake the work. The member for Claremont (Mr. North) spoke about the backbone of the country. May I suggest that I represent the wishbone of this House, and if my words fail me, I have an illustration that I should like to exhibit to the House. It represents what I should like to see here. There is a milk bottle suspended in a cloud and a poor child trying to reach it, but it is beyond his reach. Another child,



well clothed, has a bottle of milk in her hand. She is well fed.

Mr. SPEAKER: I hope the hon. member will connect her remarks with the Bill.

Mrs. CARDELL-OLIVER: I shall, Sir! The one child is a child of the sustenance worker who makes the roads. Therefore, you can see, Mr. Speaker, that this has a direct bearing on the Bill. I especially brought this picture with me in order to speak on the Bill. The Minister for Agriculture—whom we are all very pleased to see back here—I am especially glad to see because I represent the wishbone and not the back-bone. I hope the Government will provide some money for milk for these children, so that the children of the sustenance workers will be able to grow into healthy workers.

**THE MINISTER FOR WORKS** (Hon. H. Millington—Mt. Hawthorn—in reply) [7.46]: I propose briefly to reply to what has been said about the Bill, but I hope I am not expected to make this a speech on the Address-in-reply. It is surprising how many things have been introduced into the debate. With regard to the Bill, let me say first of all that the Leader of the Opposition quoted from an agreement made in 1926. The original Main Roads Act was passed in 1925. Amendment Acts were passed in 1926, 1929, 1930, 1931, 1932, and 1936. The original agreement, from which the Leader of the Opposition quoted, appeared in the Schedule to the principal Act, and applied to the arrangement originally made between the Commonwealth and the States. At that time the Commonwealth, although laying down a policy for the States, found £1 and the States had to find only 15s. to place against the £1 of the Commonwealth as a fund. However, the Commonwealth dictated the terms under which the money should be spent. The member for Guildford-Midland (Hon. W. D. Johnson) would have had a grievance then, because the Commonwealth determined how State loan funds should be expended. We did protest, but at that time the Commonwealth were engaged in carrying out a roads policy for Australia. In that respect we can give some credit to Mr. Bruce. I understand that some credit is also to be given to him for the formula under which the money was distributed later. In 1930 the legislation was amended and consolidated. I assume that

the clauses quoted by the Leader of the Opposition were repealed by Section 2 of the Main Roads Act of 1930. That section says definitely that all previous legislation on the subject is repealed.

Hon. C. G. Latham: Was that in 1930?

The MINISTER FOR WORKS: Yes.

Hon. C. G. Latham: I think it was in 1931.

The MINISTER FOR WORKS: No; in 1930. The Bill was introduced by a Ministry of which the Leader of the Opposition was a member.

Hon. C. G. Latham: I think you will find it was in 1931.

The MINISTER FOR WORKS: The Act of 1931 is called an Act to consolidate and amend the law relating to and making provision for the construction, maintenance, and supervision of main roads and developmental roads, and for other relative purposes. Section 4 of the Act, which was introduced by a Ministry of which the Leader of the Opposition was a member, reads—

Every regulation, rule, proclamation, order in council, declaration, determination, appointment, instrument, book, document, valuation, and every act of authority and other act, matter or thing which was subsisting or operative immediately before the commencement of this Act under or for the purposes of any statutory provision which is hereby repealed and hereby re-enacted . . . . .

Hon. C. G. Latham: But we are dealing with the Federal Aid Roads new agreement.

The MINISTER FOR WORKS: It says that the Main Roads Board is abolished. That is a complete alteration.

Hon. C. G. Latham: That has nothing to do with the agreement relating to finance.

The MINISTER FOR WORKS: Keep quiet! You could not explain the matter to the House; so I will. Under this a Commissioner was appointed. An entirely new method was introduced by the Act. In 1931 the hon. gentleman's Government also introduced a Bill, and we find that in the Schedule, in an agreement signed by J. H. Scullin, on behalf of the Commonwealth, and by James Mitchell, on behalf of the State, an entirely new method is provided. Instead of the Federal Government finding so much money in a lump sum and the State Government having to supplement that, there is the introduction of a percentage of the tax. As to how the money was to be spent, it is dis-

tinently set out that all the moneys paid to the States under the agreement—the 1931 agreement—or under the principal agreement as varied by the later agreement should be expended upon the construction, reconstruction, maintenance and repair of roads. That is in the 1931 agreement, which states—

The Minister may satisfy himself by such means as he thinks fit as to whether moneys paid to the State under this agreement or under the principal agreement as varied by this agreement have been expended as provided in the last preceding clause.

Last year that agreement was continued. In reply to the question what authority there is for the expenditure of money I say that we have to observe the conditions laid down in 1936. Clause 2 of the Bill repeats the 1931 agreement—

All moneys paid to the State under this agreement and all moneys provided by the State under this agreement shall be expended solely on the construction and re-construction of Federal Aid Roads.

The clause goes on—

All moneys paid to the State from the sums provided under Subclause 2 of Clause 2 of this agreement shall be expended upon the construction, reconstruction, maintenance, or repair of roads or other works connected with transport, or upon forestry, as the State may think fit.

That is what we have to authorise us. But the direction in which the money is to be spent is not contained in the present Bill. That was determined in the 1931 and also in the 1936 agreement. I remember on one occasion the member for Irwin-Moore (Hon. P. D. Ferguson) inquiring, upon my stating that 93 per cent. of the moneys derived from the Federal agreement were spent in the country, where the other 7 per cent. were illegally spent.

Hon. P. D. Ferguson: You have not answered that question.

The MINISTER FOR WORKS: Every penny of that money could be spent in the vicinity of Perth quite legally, and I defy the hon. member to show me anything to the contrary in the agreement.

Hon. P. D. Ferguson: The intention was that it should be spent in the country.

The MINISTER FOR WORKS: No. The intention was that it should be spent at the discretion of the Minister. Here is the authorisation—

The Minister may satisfy himself by such means as he thinks fit as to whether moneys paid to the State under this agreement or under the principal agreement as varied by this

agreement have been expended as provided in the last preceding clause.

It is just as well to have that clear.

Hon. C. G. Latham: It is not very clear now.

Hon. P. D. Ferguson: You could not get enough main roads within 20 miles of the city to spend the money on.

The MINISTER FOR WORKS: The hon. member suggested that because money was spent within a reasonable distance of Perth, it was money illegally spent.

Hon. P. D. Ferguson: I have not suggested that at all.

Hon. N. Keenan: Is not the Minister there referred to the Federal Minister?

The MINISTER FOR WORKS: No; the State Minister. That is the only limitation in respect of the expenditure of money on roads. The Leader of the Opposition also inquired whether money had been received under this agreement. I do not know that there is any need to quibble about it. I asked the Commissioner of Roads whether any money had come in under the agreement after July. It seems there had not. Apparently the Leader of the Opposition went to the Treasury. I cannot tell whether the money has been paid to the Treasurer of this State under the agreement that is not signed. I was assured the money had not been paid. I could only ask the question. Now I come to the reason for the alteration of last year's agreement. That alteration was not made at the wish of the Government. When the agreement was renewed at the Adelaide conference, and when the additional amount was agreed to by the Federal Government, and of course by the State Governments, it was the Prime Minister himself who suggested the alterations as to the manner in which the additional money coming from the halfpenny was to be spent. He pointed out that some of it would have to be used for the construction or reconstruction of certain Federal roads. He also said it would be used for works other than roads. No one took exception to that until the Federal Parliament came to deal with the agreement. It was Dr. Earle Page who got in touch with the acting Premier of this State, Mr. Troy, and stated that their supporters objected to the alteration concerning the manner in which this money had to be spent, and they would bring pressure to bear. He wanted the word

"forestry" struck out and also the words "other works." Eventually they agreed to the clause as it now appears, namely that the money be spent for maintenance, construction and so forth of roads and other works connected with transport. He said that was as far as they would go. I have a telegram which indicates that all the other States agreed to this, so it was just a question whether we agreed or not. Dr. Page said that unless we agreed there was a danger of the agreement being rejected. We agreed.

Hon. W. D. Johnson: It is a pity we cannot get a show-down on these things.

The MINISTER FOR WORKS: I would not have liked to face this House and say that we disagreed; that we refused to accept the agreement, the only one in existence, of which I know, which favours the State. It certainly does favour Western Australia. Under this we get from the Federal Government a straight-out gift. We shall receive considerably over £600,000, but it has to be spent on transport or rather on roads or works connected with transport.

Mr. Cross: That would cover bridges.

The MINISTER FOR WORKS: There are those who say in regard to this particular grant that it should be used for other than road purposes. Even when the Federal Government made an attempt to authorise the States to do this, they were barred by their own supporters. Much as we would like to have discretionary power to spend this additional money on work which has been nominated by members in the discussion, the fact remains that this is a sectional tax. That is what must be remembered. It is a sectional tax on motorists. Those who pay the tax demand that the part that goes back to the States shall be spent on roads.

Mr. Doney: They cannot demand it.

Hon. W. D. Johnson: Not only motorists use petrol; others use it.

Several members interjected.

Mr. SPEAKER: Order!

The MINISTER FOR WORKS: The number of others who use petrol would be negligible. It is not for me to justify the Federal Government who have altered the agreement, but that is where the pressure comes from. As to the main issue, namely, how this money should be spent, the point is that it is found by the road users and they demand that it shall be used in this way. There is always an objection—a very decided objection—to a sectional tax, to the taxing of any particular section of the community.

Even the beer drinkers objected to this. They are very heavily taxed. Actually the grievance is against the Federal Government. As far as the portion which comes to the State is concerned, that is spent quite legitimately on the roads, the users of which paid the tax. I should say that the grievance would be against the Federal Government, which I think the member for Guildford-Midland (Hon. W. D. Johnson) stated collected £8,000,000 by means of the petrol tax, £5,000,000 of which goes to general revenue. That amount is not used for roads.

Hon. W. D. Johnson: That defeats your argument.

The MINISTER FOR WORKS: There is a sectional tax which the Federal Government use for any purpose they like. The portion remitted to the States is used by those who pay the tax. If there be an argument in respect of this additional £100,000, how much more should there be an argument in respect of the £5,000,000 annexed by the Federal Government and not used for road making purposes?

Hon. W. D. Johnson: I approve of that. It should be used as general revenue. All taxes should be used for general purposes and not for special purposes.

The MINISTER FOR WORKS: The motorist has certainly been taxed heavily, but there is a restitution in regard to the amount they have returned to the State.

Hon. W. D. Johnson: We are spending on roads much more than we get.

The MINISTER FOR WORKS: Another question has been raised. I do not know whether you will permit me to reply to it, Mr. Speaker. It has been stated that the Commissioner of main roads is not dealing fairly by his employees; that he employs them under an agreement not as good as some other agreements. The fact is that the Commissioner of Main Roads for all practical purposes has an agreement which is State-wide. Under that agreement many concessions are made to which the Leader of the Opposition did not refer. The concessions are made to those who are working on the main roads and on other jobs connected with the Public Works Department. They have an agreement which has just recently been signed after being reviewed and, I think, improved. The Municipal Employees' Union also have an agreement. It may be that in certain respects their agreement is better than the agreement signed with the Commissioner of Main

Roads for all works throughout the State, but it certainly does not extend throughout the State. It is very limited in its scope. It applies to the metropolitan district and certain municipal and road board districts. The fact remains that the agreement under which the Main Roads Board operates, is one agreed to by representatives of the men concerned, and the question now raised by the Leader of the Opposition, I think, has been settled. An arrangement is made with certain local authorities whereby we find labour and they find material, transport and supervision in connection with certain works. The Municipal Employees Union took the view that the men working under those conditions should work under the municipal employees' agreement. That has been arranged. There is no need for the Leader of the Opposition to interfere. I think these men are well able to look after themselves. They do not need to go to the Leader of the Opposition.

Hon. C. G. Latham: I did not ask them to come to me.

The MINISTER FOR WORKS: The men who approached the Leader of the Opposition are not the type who make agreements, but men who make disagreements; they may be pimps and tale-carriers. The unions themselves have made these agreements and are satisfied with them. The agreement under which the main road workers are employed is better in many respects than the municipal employees' agreement. It is always possible to pick the eyes out of an agreement but, if these men have signed an agreement, does the Leader of the Opposition suggest that they break away a few weeks after it has been signed, before the ink has dried? I do not think the Leader of the Opposition would suggest that. That sort of thing would not make for industrial peace. The time to settle matters of this kind is before an agreement is signed. This agreement was signed and the men considered it good.

Mr. Hegney: The conditions are better than those provided by some country road boards.

The MINISTER FOR WORKS: Yes, better than the provisions made by any number of road boards.

Hon. C. G. Latham: Their employees are all on full time now, and your Government employees are not.

The MINISTER FOR WORKS: It cost the hon. member's Government several hundred thousand pounds in one year to provide sustenance.

Hon. C. G. Latham: That is so. If your Government had been in power then the money paid by this Government would not have been disbursed.

The MINISTER FOR WORKS: The giving of sustenance which was the policy of your Government has practically disappeared.

Hon. C. G. Latham: You would have had no policy at all had you been in power then, just as you have none now.

Mr. SPEAKER: Order!

The MINISTER FOR WORKS: We have a policy so different from that of the hon. member's party that we cannot understand his policy.

Mr. SPEAKER: Order!

The MINISTER FOR WORKS: I have been led away.

Hon. C. G. Latham: I have not led you away.

The MINISTER FOR WORKS: The Leader of the Opposition charged the Main Roads Commissioner with breaking away from an agreement.

Hon. C. G. Latham: That is not true. I did not mention the Commissioner.

The MINISTER FOR WORKS: The agreement to which the hon. member referred was between the Commissioner and the union.

Hon. C. G. Latham: There is something in what the member for Roebourne said.

The MINISTER FOR WORKS: Let the hon. member ask the men if they would break away from the agreement and work under the Municipal Employees' Agreement. In the country districts the agreement under which the men work is better than that under which municipal employees are engaged in metropolitan and other districts. That is all I wish to say in respect of this measure. I am not going to agree to the Bill being referred to a select committee. There is nothing to consider. We are certainly getting something from the Federal Government which amounts so far as this Government are concerned to a gift, although of course it is collected in the form of a tax from our own people. We want to get this measure through as soon as possible.

without undue delay because payment will not be made until the agreement is signed.

Question put and passed.

Bill read a second time.

*To refer to select committee.*

**HON. W. D. JOHNSON** (Guildford-Midland) [8.13]: I move—

That the Bill be referred to a select committee.

I move this for the reasons I have already outlined. I simply want an investigation in regard to the 10 years operations from 1926 to 1936, before we enter into another agreement from 1937 to 1947. This House should take every opportunity to check up on these matters. There is only one way to check up. It is no good members saying they understand this. They do not. It is purely a matter where the Commissioner of Main Roads directs the expenditure. He is in consultation with the Minister but the Minister is not in consultation with Parliament. I warn members that gradually but surely all our activities are being filched from us and we are just hangers-on without the power to function other than in a very limited sphere. In regard to the expenditure on roads and the development of this country we are silenced. We have no say. For 10 years operations have been carried out under these conditions, and we should seize the opportunity we have under the Standing Orders to investigate closely the operations of those 10 years before we bind ourselves to a further ten. I am not going to take up more time. I merely want to protect this country and to do my job. It is not right that £5,000,000 should be used by the Commonwealth for general purposes—while at the same time they should dictate to us how we should spend £500,000 or £600,000. Members can cover it up and say it is cheap money. What a poor old policy that is! Because we can get the money, we should hesitate to inquire where it comes from, whether our share is a just one, and whether or not it is hampered by humiliating conditions. The whole thing should be investigated. I do not wish to reflect on members; they can please themselves, but I have no apologies for raising this matter. And, mark my words, there will be an investigation; it will be made the subject of inquiry, and this Parliament will appreciate that the

workers of Australia are not willing to continue being dictated to by a Government that do nothing but hamper them in the earning of a reasonable wage within reasonable hours. The Commonwealth Government already find they have power to help the old-age pensioner in order that they might gain votes at the forthcoming election, but there are our sustenance workers also who require consideration. My remarks may not be fair, my opinion may be wrong; appoint a committee and investigate all phases of the question. If it be found that the previous operations were right, we can fall in with the new agreement, and we shall then have the consolation of knowing that we did inquire into it, instead of leaving it to Cabinet's direction and decision.

**THE MINISTER FOR WORKS** (Hon. H. Millington—Mt. Hawthorn) [8.17]: I am opposed to the motion. Merely two or three small amendments to an agreement that was ratified by the House last year do not need much inquiry.

Question put and negatived.

*In Committee.*

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

Clauses 1 and 2—agreed to.

Clause 3—Retrospective operation of Section 2 of this Act:

**Hon. C. G. LATHAM**: I would not have risen again had not the Minister tried to introduce into this a mixture of the Main Roads Act and the Federal Aid Roads Act. They are totally different, and there is no connection between them. The Federal Aid Roads Act is an agreement that was entered into in 1926, when the late Hon. A. McCallum, as Minister for Works, was led into it. It was continued in 1931, when it was found that the State Government could not raise the 15s. that had to be raised for every £1 of Federal money received. Consequently, a variation was provided which came into effect on the 31st July, 1931. That ended the first ten years agreement, but had nothing to do with the repeal of the Federal Aid Roads Act. It was merely for the purpose of imposing a tax on petrol, and for the purpose of constructing main roads. Previously the Federal Government had made grants for that purpose. The amendment made in 1931 continued

until last year, when it expired on the 30th June. In this House we put through a Bill continuing for another six months the operation of that first agreement. So I contend that the whole of the original agreement was continued, except that portion amended by the 1931 agreement, which, however, did not touch clauses 5, 6 and 7. On looking at the new agreement, I am inclined to think that the old agreement has lapsed, but it is not quite clear, even now.

The Minister for Works: The new agreement alters the whole aspect.

Hon. C. G. LATHAM: Neither the new agreement nor the amendment of 1931 deals with Clauses 5, 6 and 7, although the Minister may have the idea that those clauses were dealt with. The new agreement we passed last year contained a provision that Subclause (2) of Clause 4 of the original agreement should cease to have effect on the 1st July, 1937. Why was that put in, if it did not imply the continuance of the agreement? If the agreement was dead, that clause was dead also. If the new agreement goes through, the Government will be able to expend up to one-fourth of the new money in any way the Government like. The additional money the Minister is waiting for will be available for any works.

The Minister for Works: Did you say the Commonwealth Government are paying the 2½d. now?

Hon. C. G. LATHAM: Yes, in the Eastern States.

The Minister for Works: But the agreement has been signed in the Eastern States.

Hon. C. G. LATHAM: They are getting the original amount everywhere, but it is held up in this State until this agreement be passed. When the new ½d. comes along, the Minister may do as he likes with it, so long as he spends it on works in connection with transport; that is to say, except the £8,000 that can be claimed by the Commonwealth.

The Minister for Works: The Commonwealth would not sign the agreement we put through last year.

Hon. C. G. LATHAM: It was passed and agreed to in the Federal House.

The Minister for Works: Only after review.

Hon. C. G. LATHAM: Whatever arrangements have been made, each of the States in the East is getting its 2½d. for the months that have passed. As soon as

this Bill passes, the additional money will be paid to this State. I know that. I desire that the Bill shall pass as quickly as possible. I do not wish to send it to a select committee, for what could we learn from a select committee?

The Minister for Works: Still, I object to your raking up the 1926 statute.

Hon. C. G. LATHAM: In reading the agreement, one would be led to believe that it amended the original agreement and continued it for another ten years.

The Minister for Works: But there was no Federal agreement in those years. The Commonwealth was making us a grant.

Hon. C. G. LATHAM: In 1926 Mr. Bruce signed the agreement, and Mr. Collier signed the agreement, apparently on the 1st July.

The Minister for Works: That was for the purpose of finding 15s. from the State for every £1 put up by the Commonwealth.

Hon. C. G. LATHAM: But this is a variation of the agreement. It was agreed to relieve this State of the 15s. and take the money from the Federal tax. It does not matter where it comes from; it is all Government money. South Australia and Western Australia imposed a petrol tax, but this was found to be a violation of the Constitution Act. The Federal Government then said, "We will increase the petrol tax and pay the increase back to the States." This was done.

Mr. Marshall: They did not do that and are not doing it.

Hon. C. G. LATHAM: They increased the tax and paid the increase back.

Mr. Marshall: But they retained about £6,000,000.

Hon. C. G. LATHAM: They are taking some money out of the tax. Without any additional tax, they are going to pay another halfpenny per gallon to the States, and of this our share will be between £100,000 and £120,000. We are better off than all the other States by that distribution. The Federal Leader of the Opposition said that we were spending the money on railways, and thought that was foolish. I have never raised that point myself. All I am concerned about is that we have an opportunity to build roads whilst the money is available. I hope the agreement will be put into force.

Clause put and passed.

Clause 4, Title—agreed to.

Bill reported without amendment, and the report adopted.

# **BILL—STATE GOVERNMENT INSURANCE OFFICE.**

*Second Reading.*

Debate resumed from the 24th August.

**MR. McDONALD** (West Perth) [8.34]:

I am glad to see the Minister for Agriculture back in his seat. This Bill has been before us on many occasions, but I hope this time we shall be able to take some step to arrive at finality.

Mr. Cross: Then, put the Bill through.

Mr. McDONALD: The Minister for Employment quoted a number of figures showing the relative expenses of the State office compared with those of private offices, and compared the services rendered by the State office and those rendered by private offices in the way of rates charged to the public. It is difficult to prove a case by figures. I could produce figures on the one side and the Minister could produce others on his side, and it would be hard to come to any conclusion as to what the real position was. Only by getting around the table and discussing the figures and comparing them can we get any true idea of the situation. The Minister referred to workers' compensation rates charged in this State. He suggested that the rates charged by private offices were too high. Information has been placed before me from various sources showing that in several branches of workers' compensation risks the rates are such that the losses exceed the amount paid in premiums. Whilst that position obtains, it does not matter what the expenses are for offices, agents, commissions, etc., because they would make no difference. The business is carried on at a loss even without any expenses being included. I have figures supplied to me by an insurance office to show that in the case of pastoralists, who are insured in this State at a rate of 50s. per cent., all the tariff offices in the last three years made a loss amounting to 102 per cent. of the premiums received; and in the case of farmers, whose rate is 60s. per cent., the loss in the last three years has amounted to 99 per cent. of the premiums received.

Hon. P. D. Ferguson: What percentage of the expenses was charged to the losses?

Mr. McDONALD: That does not matter. The actual payment under the Act to persons injured was in the case of farmers 99 per cent., and in the case of pastoralists 102 per cent. of the total premiums received. I cite these figures to show that private com-

panies in these two classes of business are apparently granting rates not only as low as they can be, but lower than they can reasonably be expected to continue. The figures will show that in respect to these two classes of business it cannot be said that private companies are charging excessive premiums, because the business is conducted at a loss.

*[The Deputy Speaker took the Chair.]*

Mr. Styants: They can hand it over to the State office.

Mr. McDONALD: That may be done. The Minister referred to motor car insurance. I have some figures on that point. The Australasian Insurance and Banking Record, the authoritative journal published in Australia dealing with these subjects, in its issue dated the 21st June, 1937, expressed the views of insurance companies, and set out what it has to say on the insurance of motor vehicles. With respect to Western Australia it states that the annual premiums for the fullest comprehensive policy for cover for a car on a £300 basis will, on the revised schedule, amount to £13 a year, compared with the following scale of charges elsewhere:—London or Glasgow, £18 15s.; the United States (restricted to third party cover), £46 10s.; Montreal (restricted to third party cover), £32; Holland (restricted to third party cover), £17 14s.; and Germany, £32 10s. The article goes on to say that with the exception of South Africa, where traffic is not congested, the Australian motor insurance rates are still the lowest in the world. That does not necessarily dispose of the argument of the Minister that even if the rates quoted by private companies are the lowest in the world, the State office is able to do the business at still lower rates. The Minister quoted the comparative rates of private companies insuring motor cars under the revised schedule, and the rates at which Government cars were insured by the State office. I am informed by underwriters, who wish to have their views placed before members, that they have always been prepared to insure Government cars at about 30 per cent. below the ordinary tariff rates.

Hon. C. G. Latham: I think it is 35 per cent.

Mr. McDONALD: And to give also other concessions. The insurance of Government cars is regarded by them as a particularly favourable class of vehicle insurance. They

say that in the past they did insure Government cars at a rebate of 30 or 35 per cent. below the ordinary tariff rate, and they are prepared to insure them to-day at approximately the same rate as was mentioned by the Minister as being the rate at which the State office is insuring Government cars.

Hon. C. G. Latham: I know one company which would insure them at a cheaper rate.

Mr. McDONALD: The manager of one company assures me that he is prepared to insure Government cars at a rate lower than that quoted by the Minister as being the State office rates. We cannot from these figures convince ourselves that the State office is able to give cheaper rates to the public than are given by private offices.

Mr. Styants: Would they do that for members' cars?

Mr. McDONALD: They would have to inquire into members' past history as drivers. The private companies also point out that their cover in the rates which are now quoted for cars includes £1,000 payable in the event of the death of the driver in an accident. I do not think such a benefit is conferred by the State office. The manager of another large company told me that last year his company paid out 114 per cent. of the premiums received for the insurance of motor vehicles. It does not matter much about the expenses, as for every £100 paid in premiums the company lost £114, so that they cannot carry on those rates without finding themselves in serious trouble. We all know that there is greatly added cost involved in repairs to modern cars owing to their construction, to the increased speed at which they go, and to the danger involved in that additional speed. All those considerations are reflected in the increased rates for motor car insurance. The Minister also said that the expense ratio of the State Insurance Office was very small. I do not flatter myself that many members will remember what I said last year on that point, and I shall not deal with it at any length now. The Minister said the ratio was 1.8 per cent. for carrying on the business compared with the premiums, or less than 2 per cent. Last year I pointed out to the House, when discussing a similar Bill, that for the Tasmanian State Insurance Office for the five-year period from 1929 to 1933, the general ratio of expenses to premiums for all classes of insurance,

was from 39.4 per cent to 44.9 per cent. Either the Tasmanian people are very poor managers, or the man in charge of the office here is nothing short of a genius, because he can do for 1.8 per cent. what the Tasmanian man requires from 39 to 44 per cent. That is not the experience of one such office alone. The report for 1935 of the Queensland State Office provides a series of ratios of expenses to premiums compared with the ratios applicable to private insurance offices. I shall not deal with the private offices; those particulars can be found in my remarks in "Hansard" of last year. The Queensland returns for 1932 show the expense ratio to premiums was 38.2 per cent., whereas in 1933 it was 39.9 per cent., and in 1934, 36.4 per cent. Thus, when we considered the Minister's figures, which, of course, are quite correct on the data supplied by the State Insurance Office, it is impossible for us to convince ourselves that our State Office can possibly carry on with a ratio of 1.8 per cent. The Minister very properly pointed out that even if a number of other items were added to the expense debits of the State Insurance Office and brought the ratio up to 10 per cent., the position would compare very favourably with the expense ratios of the private offices. But the question is whether we can keep the ratio down to 10 per cent., particularly when we see that for the Queensland and Tasmanian offices the expense ratios are very much the same as those for the private offices. Thus it is very unlikely that we shall be able to show such a startling improvement over the conditions applicable to the other offices. With regard to New Zealand, in the figures quoted by the Minister with reference to workers' compensation insurance for 1935-36, the expense ratio is something like 20 per cent. of the premiums received. It is obvious that our expense ratio of 1.8 per cent. to premiums received, means that we are not debiting to the accounts of the State Insurance Office a great number of expenses that other offices are taking into consideration. I mention these facts, not to say that our State Insurance Office will necessarily, if it carries on, have an expense ratio of from 39 to 44 per cent., if proper debits are taken into account, but to show that in Parliament, unless we have an investigation of the figures and know what actual debits are taken into account here and in the other States, we cannot be in a position to arrive



at a conclusion as to how far our State Insurance Office is likely to become cheaper or less expensive to the public than the private insurance offices are. I said last year that the National Party, which I represent, were opposed to the principle of State trading. We consider that the State has certain functions and should confine itself to them as is done in England. We consider that State trading, if embarked upon, is likely to make the position worse than if such enterprises were left alone. I pointed out last year that there were certain exceptions to that principle because any enterprise that is mainly developmental, such as the railways and the Agricultural Bank, could not possibly be undertaken by private enterprise. Private enterprise must balance the expenditure side with the revenue, or else go through the Bankruptcy Court. When any undertaking is mainly developmental, it cannot be a matter for private enterprise. Last year I also said that in certain instances where private enterprise failed to cater for the requirements of the public the State might step in, and also that should there be a monopoly or combination operating so as to be anti-social, and to represent so much exploitation of the public, it might again be a function of the State to step in and combat such monopoly or combination, at least until the anti-social phase of the private enterprise was removed. But there has to be some proof given before we can justifiably embark any further into particular enterprises. America was quoted by the Minister as a country where State insurance had made certain strides, but here again we are left more or less at the mercy of two conflicting opinions. Last year I referred to the remarks of Mr. Samuel Gompers, the President of the American Federation of Labour, who said—

I have believed in voluntary system of insurance. I do not believe that the Government of the country should be absolved from performing their customary functions, but I do believe that what the citizen can do on his own initiative should be done by him.

Mr. F. W. Mansfield, counsel for the American Federation of Labour, also said—

In my position I come in touch with labouring men generally. For my acquaintance with the entire subject I am satisfied with the present system of competitive insurance. I am strongly of opinion that anything in the nature of State insurance is opposed to the interests

of organised labour, and against the better interests of the working class generally.

So in America responsible men are by no means unanimous in thinking that State insurance is the best method to adopt. There is no State Insurance Office at all in England. In fact, the Government there manage to accomplish their mission as a Government in a way that I think is much more satisfactory. With regard to workers' compensation, the British Government confine themselves to ensuring that the premiums charged are on a fair basis. I will tell members what the British Government did. So far back as 1926 arrangements were made between the Government and the Accident Insurance Offices Association whereby the rates for workers' compensation should be adjusted from time to time to provide a claims ratio of not less than 60 per cent. of the gross premiums up to and including 1926, and thereafter not less than 62½ per cent. of the gross premiums. That is to say, the Home Office consider that 62½ per cent. to gross premiums should go in the payment of claims under the Workers' Compensation Act, and the remaining 37½ per cent. as a fair charge for the ratio of expenses and, in the case of private offices, for profit as well. That 37½ per cent. is, in effect, almost similar to the actual expense ratio of the private and State Insurance Offices operating in Queensland and Tasmania. That arrangement between the British Government and the insurance offices is something that in this State could quite easily be followed, and the Government could ensure that the rates of premiums were reasonable without recourse to any legislation at all, and without setting up any additional department of Government. In New Zealand where the Government have been referred to as being enterprising—and they are—a number of boards have been set up, and recently it has been estimated in the "Round Table" magazine, in a survey of New Zealand conditions, that the ratio of people depending on the State, which includes pensioners, employees, relief workers, and so on, including women and children, to the whole population was as one to every three or four. That is to say, between one-third and one-fourth of the people of New Zealand are dependent on the State in some form or other. That position has caused many in responsible positions much perturbation in that Dominion. I wish to refer briefly to the origin of this matter, having endeavoured to show that the material before the House is not sufficient to

enable us to form any satisfactory judgment as to the merits or demerits of State insurance. In 1924 the Workers' Compensation Act was amended to cover a number of industrial diseases that included certain mining diseases. It is a matter of opinion whether the latter should ever have been covered by the Workers' Compensation Act at all. As far as I can learn, in many countries, including South Africa and England, mining diseases are not regarded as proper for workers' compensation insurance at all. They are considered to be more fitted to be dealt with under special Acts of Parliament setting up special organisations that deal not only with compensation in the event of a man becoming ill, but with the treatment, control, and cure of the sickness with which he is afflicted. We started off in 1924 on that very doubtful policy of including as "accidents" within the meaning of the Workers' Compensation Act, diseases incurred in the mining industry which originally would never have been thought for one moment as classifiable as accidents. The first difficulty arose with regard to insurance because it was said with some truth that diseases incurred from time to time on mines were not really matters for insurance companies at all. It was a matter for the State to deal with and for special legislation; it was matters like insurance against sickness, unemployment, old age and so on, that came within the province of the State and not within the province of insurance business as it is usually understood. From that conflict of ideas of fundamental principles the difficulty arises under which the insurance companies considered they were unable to quote for this class of insurance, and the State office was set up to cover employers for the liability imposed on them by the 1924 Act. There are three courses open at the present time, one is to review the whole of our legislation regarding mining diseases. That would involve a fundamental amendment of the Workers' Compensation Act, a review of the Mine Workers' Relief Act and the Miners' Phthisis Act and the setting up of a new organisation altogether to care for the men, to provide for their treatment and the prevention of disease and keep it as something entirely outside insurance. That is one course open to us and that would do away with the State office because it would no longer be wanted as far as miners' diseases were con-

cerned. The second course would be to arrange, if it were possible, with private insurance companies to undertake this class of risk. When we come to that there is a conflict of opinion again. Insurance people say that they are quite prepared to consider undertaking this class of risk and quoting for the whole field of workers' compensation insurance in the State if they are given a reasonable chance to do so, and by a reasonable chance, they mean being supplied with information as to the experience of the State office regarding miners' diseases so that they might be enabled to form an opinion as to the premiums that should be quoted to cover the risk involved. But they say they have never been able to get this information although they have applied for it, and the Government, I suppose, say that the private offices have held aloof from covering this particular branch of insurance. Thus the second alternative is to give the private companies reasonable information as to the experience of the State office in dealing with miners' diseases so that they might be able to submit a quote. If the quote be reasonable then the whole field of workers' compensation can be covered by the private offices at present operating.

Mr. Marshall: God forbid that that should ever happen!

Mr. McDONALD: That is the hon. member's opinion.

Mr. Marshall: Do not tell me anything about private offices. I have been fighting them for 17 years.

Mr. McDONALD: I am told that the State office is harder in the way of paying claims than are the private offices.

Mr. Marshall: Oh no; I do more business there than you do.

Mr. McDONALD: The third alternative is to legalise the State Insurance Office, and when we come to that question the first point is that if such a course should be adopted should we legalise the office also as applying to the whole field of insurance? The present Bill proposes that the State office, if legalised, will be able to transact workers' compensation business, employers' liability, fidelity bond insurance, mercantile insurance and in fact, every other class of insurance except life, fire and marine, and that it would be able to conduct fire and marine if authorised to do so by Order in Council. I have not the slightest doubt that Parlia-

ment would not like the Governor in Council, which means of course the Government of the day, to have the authority to extend State insurance in such an important direction. That is a principle that we should not tolerate and Parliament should make up its mind if it wants the State office to function, whether it is to transact any other class of business. We must not leave the authority to the discretion of the Government of the day. That would amount to taking away the powers of Parliament in a manner that should never be thought of. I propose therefore to suggest to the Minister that he should give Parliament the opportunity to get down to the real facts of the insurance business. It is no good my quoting figures here because the Minister, too, could quote figures and we would never get further forward; but I hope the Minister will agree to the proposal to be made later that a select committee should be appointed to inquire into the whole position and then bring the facts before the House to enable members to give a decision as to what should be done. That is necessary because the State Insurance Office is becoming more and more complicated and more in need of being cleaned up, and the last complication has been brought about by the regulations made by the Minister and published recently in the "Government Gazette." What those regulations mean is a matter of some conflict of opinion and the first thing we should ask is that those regulations be clarified so that we might know exactly what is meant by them. If the Bill is referred to a select committee the whole question can be taken up on a proper basis, not only the position of the State office, but also the question of the regulations.

The Minister for Employment: The regulations are now being clarified.

Mr. McDONALD: I am glad to hear that. It may enable us to form a judgment on the regulations. In addition, if consideration is given to this matter by a select committee it will be necessary if a Bill should be determined upon, to lay down the basis on which any State office should operate, and one of the first things to be laid down should be the question of the expenses to be debited to enable the operations of the office to be compared with those of private companies. It is quite unhelpful for the State office to say, "Our expenses are 1.8 and if we add a few more things the expenses might

be more." At the same time we know that other State offices have a vastly larger expense ratio. Therefore the basis of operations should provide that the State office should show the same record of debit for all services as would be shown by any other trading organisation. Further, the position of the State office under the Bill in relation to private offices is by no means clear. We know that by Section 10 of the Workers' Compensation Act incorporated offices are supposed to be approved, and by the last clause of the Bill the State office is approved. If anything happens in the way of State competition it must be on the basis of fair and reasonable competition. I do not support any extension of State trading, including State trading under the Bill, unless it is shown that it is necessary for the reasons I have mentioned as being instances where State trading can be justified. No reasons to my mind have yet been brought forward to justify the passing of the Bill in its present form without further inquiry. I will not oppose the second reading, not because I accept the principle of the Bill, but because I want a select committee appointed to inquire into the whole matter. If after the select committee has reported I should decide that the Bill in my opinion should not be passed, then I will vote against the third reading; but I cannot have the inquiry unless pro forma I support the second reading. I commend to the Government the desirability of giving the House the opportunity of inquiring into the facts that I have related so that we may be able to determine how far the Government are justified in extending the operations of State trading as proposed by the Bill.

MR. BOYLE (Avon) [9.14]: I am accepting the Minister's invitation—going into his parlour, so to speak—but I am afraid I am not going to support the second reading of the Bill, the reasons being altogether different from those advanced by the member for West Perth who has just resumed his seat. In the first place; from the point of view of the wheatgrower we were met in 1931 with a direct challenge from the Royal Commission on farmers' disabilities which sat in that year and presented its report in May, 1931 that the farmers of the State, particularly the wheatgrowers, were not being treated fairly by the insurance companies of Western Australia, of

which there were 61 operating at that time in the State. We accepted that challenge, and I assure members there was no easy fight ahead of us at the time. According to the Royal Commissioners, not one of whom could be accused of being antagonistic to the associated companies, the worst feature of the insurance position was that the farmers had no say in the matter at all—that is, 85 per cent. of them—because they were working under the lien system which, I am sorry to say, is still in operation and operates very adversely to the farmers. The organisation with which I was connected succeeded in putting a stop to the exploitation by those particular companies operating here, and we were successful, with the aid of a non-combine company, of which only three are operating in Australia, in reducing the insurance cost to the farmers from 20s. to 12s. 6d. in the pound, a reduction of 33½ per cent. The system of reduction was comparatively easy. We linked up with a company that had abolished the agency system, for 20 to 25 per cent. had disappeared in that way. The accrued capital of the insurance companies of Australia is a fearsome thing to contemplate, but I am stressing this point because I do not wish the Government, through the Bill that the Minister has introduced, to destroy, as it will, the efforts of the non-combine companies. I am as sure as I stand here that the State Insurance Department will and must ultimately link up with the combine companies. That has been the experience with the State Sawmills. They started out with the best intentions and the best ideals in the world. To-day the timber millers are one happy family, and if I have to buy timber to build a few sheds, I may as well go to one company and give them the order as to waste time getting quotations. I feel a deal of sympathy with the Minister in trying to make an honest woman of this department. I was rather surprised to find that regulations had been issued covering the State Insurance Office, and I can only assume that it will not be long before the S.P. shops have regulations issued, probably by the Police Department. The State Insurance Office has no legal authority under which to act. Assuming, however, that the Bill were passed by Parliament and the department equipped to do business, it would be forced into the combine on account of the system of re-insurance. The whole of

the insurance business is simply an enlargement of the bookmaking business. One company accepts the insurance and lays off against the risk, and that lay-off is equal to 50 per cent. of the total premiums received. The non-combine company I have quoted—I shall not mention the name, which would be of no interest to members—found, after beginning to make headway, that the combine cancelled their re-insurance treaties. They gave three months' notice that they would no longer accept the non-combine company's re-insurances. That difficulty was overcome by means best known to the company, but if the Government entered into this business, they would have to make provision for re-insurance to the extent of 50 per cent., and that could not be effected in Australia but would have to be done abroad. The result would be that the money would not be kept in Australia but would probably go to Lloyd's—the only company I know of that would do the business—and we would be in the unhappy position of having 50 per cent. of the premium revenue going abroad—unless the office could rely on the Treasury, and I doubt whether Parliament would permit that—to swell the £200,000,000 that is pouring into Britain annually in the shape of invisible exports, such as insurance and interest on loans. The extension of the State Insurance Office is not without danger. I have a document to prove that statement. Here is a letter dated the 23rd July, sent by the Agricultural Bank to a farmer in the Midlands, whose name I will not quote—

As the ——— insurance company failed to renew the insurance on your buildings on the 4th April, such buildings are now insured as follows with the State Insurance Office.

That is dated the 23rd July; the insurance became due on the 4th April, and was renewed with the company with which the farmer had done business before.

*[The Speaker resumed the Chair.]*

Mr. Thorn: Quite right; I could bring you dozens of cases.

The Premier: The hon. member cannot quote from documents without laying them on the Table.

Hon. C. G. Latham: He can.

Mr. BOYLE: I am prepared to put it on the Table.

Hon. C. G. Latham: There is no authority to require its being put on the Table.

Mr. BOYLE: Surely the Premier is not right.

The Premier: I was just telling you.

Mr. SPEAKER: Order!

Mr. BOYLE: I am quoting from a document which required a farmer to insure with the State Insurance Office without reference to him, though he had actually renewed his insurance on the 14th April. Members will agree that when an insurance premium is renewed within ten days of becoming due, it indicates a good deal of celerity on the part of the insurer. This farmer received his receipt on the 14th April. Yet on the 23rd July, nearly three months later, he received this arbitrary notice from the Agricultural Bank that his buildings had been insured in the State Insurance Office, without his knowledge or consent. The document also contained a curt reminder that the buildings were "being revalued by our inspector and the insurance will be adjusted accordingly." No more arbitrary action could be found anywhere; no private insurance company would have the gall to do such a thing. Yet this condition of affairs would apply to over 5,000 Agricultural Bank clients who, in this matter, would not have souls to call their own. At an average insurance cost of £25 per man, it would amount to £125,000 of enforced revenue to the department annually, and would involve risks totalling between £5,000,000 and £6,000,000. That is what we could expect if the department were able to operate in this arbitrary manner. A farmer is insured against his will; he knows nothing about it; there has been no consultation, but he may expect that his premium will be extracted from the proceeds of his crop and interest charged on the amount. Presumably the premium would be advanced by the I.A.B. That is the only way it could be paid. If the State Insurance Office closed down, what reserve is there to ensure that the unexpired portion of premiums would be refunded to policy holders? That is a question the Minister will probably have no difficulty in answering. He might tell us what reserves there are to pay outstanding losses under the miners' phthisis section.

The Premier: There is a good wad there.

Mr. BOYLE: Is it a fact that a reserve of 40 per cent. of premiums must be held for contingency No. 1, to cover unexpired policies? That percentage is demanded under certain Acts in the Eastern States. Refer-

ence has been made to American insurance. We are a long way behind America, particularly in the matter of farmer's insurance. President Roosevelt sent a message to Congress which led to the introduction of a system of insuring crops against drought. That would not be an impossible proposition here. It could be done, and done as well as it is done in America, by a farmers' board set up for the purpose. A sum of 40,000,000 dollars has been placed behind the scheme, and the terrible droughts which have hit America and caused untold suffering to the farmers are being provided against under that system of insurance. Reference has been made to insurance in the Eastern States, notably Queensland. I am afraid the Minister will find that a happy insurance family exists in Queensland, because the particular non-combine company I have mentioned took two years to get registration in Queensland. They did not want any strangers coming into the family. In Queensland, a Commissioner of Insurance is the man who fixes the rates. He is the Lord High Executioner in insurance there.

Hon. C. G. Latham: The Pooh Bah!

Mr. BOYLE: No, because a Pooh Bah has many jobs, and this man has but one. The particular company to which I referred took two years to break through the barriers and secure registration. What I fear is this, and I believe it is a well-grounded fear. To-day we have in the non-combine companies an active policeman using its own funds to regulate the rapacity of the combine companies. For instance, a most despicable trick was played until recently on the farmers in what is known as the hail franchise. The companies expected the farmer to pay his premium for hail, and if he was subject to loss, and a hail claim was presented not exceeding £20, he received nothing, but if the claim exceeded £20, one bushel to the acre was deducted, usually amounting to 30 per cent. of the claim. That was one of the difficulties we had to face. I can imagine the 5,000 or 6,000 Agricultural Bank clients who would be insured compulsorily under the State Act having no say as to whether franchise or any exaction of that sort would be put against them. We attacked that proposition, and by a slight extra charge not exceeding 5 per cent. we abolished the franchise. When I say "we" I refer to the non-combined companies, with which I have no financial connection whatever. A few days later we saw in the Press that the

combined companies, in order to assist the farmer in his distress, had decided that franchise would be optional. That is the sort of thing that the policing of these small companies which have stood the test, which have stood up against companies having £18,000,000 in Government securities and other investments, besides £6,500,000 in paid-up capital, has prevented. To-day the three non-combined companies are holding the others at bay. I do not wish to see this State interfere to-day, because I fear, honestly fear, that the non-combined companies will go out of business upon the intrusion, if I may so term it, of the State Insurance Office. I oppose the second reading of the Bill.

On motion by Mr. Wilson, debate adjourned.

### **BILL—MAIN ROADS ACT AMENDMENT.**

#### *Second Reading.*

Debate resumed from the 26th August.

**MR. DONEY** (Williams-Narrogin) [9.33]: There appeared to be just a possibility during the debate, a little earlier this evening, on the Federal Aid Roads (New Agreement Authorisation) Act Amendment Bill, that the Government might be prepared to adjourn the discussion on the two measures in order to give their supporter, the member for Guildford-Midland (Hon. W. D. Johnson), an opportunity of testing out his ideas in regard to a select committee. The Government did not appear to be much impressed with the hon. member's arguments. I certainly was not, and I do not think anybody was, except of course the hon. member himself. It is conceivable that there may exist some reasons why there should be an inquiry into the manner of the disbursement of Main Roads trust funds. But those reasons are certainly not the strange reasons advanced by the member for Guildford-Midland. The Minister, when introducing this short Bill, admitted that the need for it was not perhaps, at the first glance, apparent. An examination of the relevant portions of Section 30 of the principal Act will, however, make the position clear to hon. members. The section reads—

There shall be paid every year to the credit of an account established at the Treasury and

to be called "The Main Roads Trust Account," the annual amount of the fees and the moneys following, that is to say, the moneys received by the State Government under the previous agreement as set out in the Schedule of the Federal Aid Roads Act of 1926 and any variations thereof, also all other moneys which may be received by the State Government from the Commonwealth for the purposes of construction, reconstruction, or maintenance of main roads.

It certainly would seem at first sight as if the words "any variation thereof," supported by the words "also all other moneys" and so on, might be construed as amply providing for the new agreement which came into operation on the 1st July. So it would have been but for this one fact, that the fund which will ultimately accrue for that extra halfpenny per gallon tax on petrol may now be used for purposes other than road construction or maintenance. Hitherto there has had to be provision in this legislation only for financing road works, but now there is necessity for the further provision for financing transport activities; and because transport may quite easily be something vastly different from road work, this short but relatively important Bill has become necessary. So far as I see, that is about all there is to it. I hope the Bill will have a quick and easy passage. I shall certainly support it.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Mr. Sleeman in the Chair: the Minister for Works in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 30:

The MINISTER FOR WORKS: The clause authorises the payment of the money into the Main Roads Trust Account.

Hon. C. G. Latham: That is the £2,800,000?

The MINISTER FOR WORKS: Yes; the additional halfpenny.

Clause put and passed.

Clause 3, Title—agreed to.

Bill reported without amendment, and the report adopted.

**BILL—MAIN ROADS ACT  
AMENDMENT ACT, 1932, AMENDMENT.**

*Second Reading.*

Debate resumed from the 24th August.

**MR. DONEY** (Williams-Narrogin) [9.40]: Probably the rough edge of any possible opposition to this rather desirable Bill will have been rubbed off during the debate on the Bill referring to the Federal Aid Roads Agreement. The purpose of the present short but important Bill is to provide for the disbursement, through the Main Roads Board, of such moneys as come to Western Australia from the Federal Aid Roads Agreement. It may seem at first sight as though the Bill trespasses somewhat upon the territory covered by the measure just disposed of, but that is not so. The functions of the two Bills are entirely separate. Perhaps the Minister may agree with me that our assent to the present Bill is really but a mere formality. The agreement came into operation on the 1st July last; and I believe I am correct in saying that already the fund has been drawn upon, of course in anticipation of acceptance by the House of the conditions in the new agreement. Whether that is so or not does not matter greatly, because I should say that the House to a man will give a ready assent to the passing of the Bill, not because our hands have been forced—and I think they have been forced—but because we are glad to support the measure on the ground that it treats Western Australia very nicely indeed, at all events from my point of view. The three-fifths population and two-fifths area formula for computing our share of the Federal tax collection is, I am glad to see, to be renewed. I like that formula, for the reason that it implies recognition by the Federal Government of our peculiar geographical disabilities in regard to distances. Probably the House will agree also that were it not for that formula, we in Western Australia would have absolutely no chance of constructing the length of road so necessary to our proper development. It is, of course, a misfortune to us in Western Australia that frequently when roads are constructed here, we have to build them from one profitable pocket of land to another profitable pocket of land over intervening stretches of quite profitless country. That is a disability which does not obtain to any great extent in any of the other States. I would like to say a word with respect to the

work done on the Perth-Albany road. The Minister, when introducing the Bill, said that some 60 miles of that road had already been treated with bitumen. I think those 60 miles would be about 30 at the Perth end and a similar length at the Albany end. The middle sector, and particularly the portion in the Williams road district, is at present in a bad state. Numerous cars have been bogged there during the last fortnight. I do not ask for any preferential treatment for that part of the road; but I do suggest to the Minister that if he will give early treatment to that sector, he will find himself in agreement with practically every motorist who uses the road. I think the hon. gentleman will concede that that road, of all our main country roads, is about the busiest. I may say also that the work done upon it is entirely satisfactory. The Minister during his introductory speech gave a resume of the good deeds of the Main Roads Board. I am sure the House was cordially in agreement with him. Hon. members will realise, and so will the country generally, the immense savings to motorists by reason of the work of the Main Roads Board, particularly the savings in regard to petrol and repairs. There have been savings, too, in the life of the vehicles, and improvements with respect to comfort and safety in travel, although I am not so sure about the safety aspect. If they mean anything at all, the savings mean that expenses have been so reduced by reason of the work of the Main Roads Board that it must be no longer a hardship to motorists to pay the petrol tax; certainly not the hardship it was in the days when the tax was first imposed. In apportioning the credit due for the very fine work done recently upon our roads I hope it will be realised that that credit should be fairly widespread. The Mitchell-Latham Government, as well as the Collier-Willcock Government, may be said to have played their part as have the Federal Government. So, too, have the Main Roads Board. Indeed, if we aimed at a true review we would agree that the majority of the credit should go to the Main Roads Board. I would declare the Main Roads Board, by comparison with other Government departments, a most efficient and smoothly-run department. One might describe it as a non-stop department. On a number of occasions I have found myself admiring this about them: That no sooner is one job finished than another job is ready to absorb the men discharged from the last. There seems never to be any dis-

turbance in the department, and that certainly is a credit not only to the very able engineer and organiser, Mr. Tindale, but also to Mr. Glendinning, the highly efficient secretary. With regard to the additional money available for transport services, I do not know whether the Minister has yet made up his mind how that money will be spent, but I would like to draw his attention to the fact that there has lately been a great deal of correspondence between the British Medical Association and the road boards of the State in regard to the provision of aerodromes in country districts. Where the land for the aerodrome is taken from Crown lands, it will present no financial difficulty, but frequently land has to be purchased for such purposes, either from the Agricultural Bank or from some private owner. I would suggest to the Minister and members generally that it would be proper to spend some of that money in assisting road boards faced with the need of buying land for this purpose. I do not know that I am called upon to say anything further in regard to the Bill other than to intimate that I find it very acceptable, and have pleasure in supporting the second reading.

Question put and passed.

Bill read a second time.

*In Committee.*

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

*House adjourned at 9.53 p.m.*

## Legislative Council.

*Wednesday, 1st September, 1937.*

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

### QUESTION—TENDER BOARD FORMS.

*Clause Relating to Unionists.*

Hon. C. F. BAXTER asked the Chief Secretary: 1, Did the Government Tender Board, at a duly constituted meeting, insert in the tender form the clause making it obligatory on the part of tenderers that all their employees should be financial members of a registered union? 2, If not, which Government Department was responsible for the insertion of such obligation? 3, Did the Crown Law Department draft the clause? 4, If so, under whose instructions? 5, Can the Minister explain the difference between a registered union and a recognised union? 6, If so, how?

The CHIEF SECRETARY replied: 1, 2, 3, 4, The position in regard to this matter has already been made clear in reply to previous questions in both Houses. Any subsequent action taken by the Tender Board was no referred to the Government. 5, Yes. 6, All unions are not registered, and, in some cases unregistered unions have agreements with the Government, and are therefore recognised.

### QUESTION—STATE GOVERNMENT INSURANCE OFFICE.

*Industrial Diseases and Accident Sections.*

Hon. C. G. ELLIOTT asked the Chief Secretary: 1, What was the accumulate profit or loss made by the State Insurance Office, in its operations, since its inception to 30th June, 1937, in respect of (a) industrial diseases section; (b) accident section? 2, What was the total amount paid into Consolidated Revenue from the industrial diseases section to 30th June, 1937?