

Legislative Council.

Tuesday, 2nd December, 1941.

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

BILL—METROPOLITAN MARKET ACT AMENDMENT.

Read a third time and returned to the Assembly with amendments.

BILL—FACTORIES AND SHOPS ACT AMENDMENT.

Second Reading.

Debate resumed from the 27th November.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [4.37]: I regret that this contentious measure has been introduced in these troubled times. If passed it will weigh heavily on employers of labour. The Eastern States have drawn on our craftsmen, and the Army has also absorbed many of them as well as much of the human material which would respond to training, leaving available only the inefficient and those of below normal intellect. This creates a tax on industry, especially when coupled with the operations of the price-fixing authorities. The latter claim to do a great work, and undoubtedly in some respects they do, but they still leave much to be desired in the matter of giving consideration to industries—particularly the dairying industry. Professor Copland, in today's paper, admits that there is a general rise of 10 per cent. in the cost of commodities since they took over. Outstanding consideration has been given respecting tea, matches, ice-chests and iron goods which are sold through the large retail stores. When it comes to dairying the price-fixing authorities have been adamant, and have not allowed any increase to meet the higher costs.

When we remember that dairying prices have been static for the last three or four years while the wholesale margins have been round about five per cent., and we are now told that the cost of commodities has been increased by 10 per cent., we can realise exactly what it means to those directly engaged in the industry, as well as to those who are manufacturing and distributing. We can see exactly where the industry stands from that point of view. Whilst, admittedly, the price-fixing authorities have been set up for a good purpose, they have fallen short in dealing with many cases still needing help. This also applies to the manufactured commodities of the dairy farmer such as butter, cheese and similar lines. Again, the industry has suffered injury through the increase in the basic wage and through the shortening of the hours of transport workers. Holidays, too, have been increased, and now the Government desires to grant a handsome Christmas box by applying the 44-hour week, compulsory holidays and preference to unionists, regardless of whether the workers are of the standard grade. This is being proposed at a time when we read of a relaxation of industrial conditions in the other States.

Like a knight of old the Minister for Labour set out to slay the giant of adverse State trade balance. I venture to say that no member of this Chamber has heard of its death or even of its loss of good health. On the contrary, with the passage of this Bill, we shall learn of its continued robust growth. Nothing short of uniformity of hours, wages and other conditions will have any effect. It is well-known that there is a discrepancy in nearly all those conditions obtaining here as compared with those in South Australia, from which State comes much of the goods that go to make up our adverse trade balance. A close comparison between Western Australia and the Eastern States will show that the overloading of industry here is not the way to bring about the desired result. I have come to the conclusion that the right attitude for me to adopt will be one of opposition to the second reading of the Bill. Even though some of the clauses are sugar-coated, there are too many unpalatable provisions to please me.

I have consulted advocates of the employers who appear in the Arbitration Court and they confirm in every detail the

facts presented by Mr. Baxter last Thursday. Experience has shown, and this Bill confirms the fact, that the Government ignores the findings of the court and places it in a very degrading position for such a tribunal. The Government cuts across the court's jurisdiction by not accepting its well-weighed and expert decisions and by bringing before Parliament such proposals as are contained in this Bill.

Reference was made by Mr. Baxter to the butchering trade award which, of course, refers to the household or consumers' trade. This is one of the most recent awards brought about by consent. Many conferences between the contending parties were held with the object of equalising the viewpoints of the city and suburban butchers. Naturally the differences could not be fully harmonised, but it was something to get a decision and have it sent to the court and given the force of law. This having been done, I regard the Bill as a clear case of the Government having listened to the disgruntled or militant members of its party. I am in sympathy with the trade regarding the hours it is required to keep open and would support an application to the court, if further proceedings are desired later, so that due consideration may be given to the needs of the city as well as the suburban man. This, I feel sure, will eventuate after both sides have gained some experience under the new award. Therefore I am supporting the court, not the Government, in the matter of that award.

Should the Bill pass the second reading, I hope that my vote in Committee will help to reduce the effect of the more objectionable clauses. The Honorary Minister expressed a desire to give relief to industries by permitting union labour to be used in shifts. This is not necessary because the court, in its most recent award given only a fortnight ago, granted permission to the cake and biscuit industry to work night shifts; and the same relief could be given in the matter of munition workers. Without discussing the Bill much further, I say that by introducing the measure, the Government has cut across the jurisdiction of the Arbitration Court to a great extent. The primary object of the Act is to ensure that reasonable hours of work and trading are laid down, that fair remuneration is paid to a worker, that proper health safeguards are instituted, that adequate sanitary laws

are provided and that conditions of employment commensurate with commonsense are prescribed. What a measure of this kind has in common with the financing of unions is a puzzle to me. The Government should either allow the Arbitration Court to perform the functions assigned to it, or abolish the court. I shall oppose the second reading, hoping that the Bill will be defeated.

HON. W. J. MANN (South-West) [4.48]: As I propose to vote against the second reading, I think it only fair to state my reasons. I have always held the opinion—and have expressed it in this House—that the function of the Arbitration Court, as Mr. Macfarlane reminded us, is to hear the evidence and weigh all the facts and issue awards. This Bill is merely an endeavour to give effect to the platform of the party represented by the Government, and for this reason there can be no real cavil against the Government for having brought it forward. At the same time, the mere fact that it is the policy of the Government to enact such provisions is no reason why we should accept them. The court has awarded a working week of 44 hours in most industries, and I am prepared to allow the court to deal with the cases that this Bill purports to cover. The only part of the Bill in which I saw any virtue in the first place was that regarding shift work, and granting permission to female workers to do shift work. I have the same information as was given to the House by Mr. Macfarlane, which is that it is within the power of the Arbitration Court to make awards providing for shift work. That court can do it, has done it and I presume will do it again. Therefore the only part of the Bill that is of any value is, in my opinion, of little effect.

Clause 14 of the Bill deals with the hours that butchers' shops may remain open. That, again, is a matter for some other tribunal. It seems to me there is a false conception about the hours that butchers' shops are compelled to remain open. Over the week-end I took the opportunity to speak to three butchers, two in the city and one in the suburbs. I was surprised to learn that the early morning trade in butchers' shops is but a very small proportion of what it was a few years ago. The explanation given to me was that many people now own refrigerators and ice chests and therefore do not require breakfast meat delivered early in the morning.

The suburban butcher I interviewed was in a thickly populated suburb. It is one of Perth's biggest suburbs and is, I should say, a purely industrial suburb. He surprised me by saying that, although he did a big trade during the day, between the hours of 6 a.m. and 8 a.m. he sometimes served scarcely half-a-dozen customers. He thinks it would inflict no hardship upon his trade if the opening hour were fixed at seven or even eight o'clock; but he is strongly opposed to fixing the closing hour at five o'clock, because he said that from that hour until 6 o'clock his customers made a very large proportion of their purchases.

Hon. J. J. Holmes: The Arbitration Court, with a full knowledge of the conditions of the industry, recently made an award covering it.

Hon. J. M. Macfarlane: It was a consent award.

Hon. W. J. MANN: I am furnishing the House with the information that was given to me. The suburban butcher said that during the early hours he and his men were able to cut, prepare and get out the orders, but that the shop trade during that time was negligible. The butchers were, however, worried about the proposal to close their shops at five o'clock. They complained that it would mean a large reduction in their turnover and that it would inconvenience many of their customers. They said that it is the practice of men who cease work at five o'clock to drop into the shops, pick up their meat and take it home either by tram or train. The six o'clock closing hour therefore served a useful purpose.

I shall, as I said, vote against the second reading of the Bill. I recollect that I, with some other members of a select committee, not so long ago made a peregrination of the city and inspected a number of trading establishments. We were surprised to learn that some of the complaints which we had heard had been very much magnified. The contentions of those who were responsible for the measure into which we were inquiring were not borne out. Anything further I might now say would probably be a repetition of what has already been stated. The ground has been covered very well. If the House, in its wisdom, carries the second reading, then I shall endeavour to have the Bill amended in one or two directions when we reach the Committee stage.

HON. L. B. BOLTON (Metropolitan) [4.55]: While there may be some good reasons to amend the Factories and Shops Act, I am definitely opposed to the Bill on the ground that it is the function of the Court of Arbitration, not of Parliament, to control and adjust the working conditions and wages of industry in this State. The court was constituted to function on those lines. One might say it is specially fitted and trained in that direction. Yet we have the Minister suggesting in many instances the over-riding of awards of the court and the doing of things that the court, although it might have the power to do them, might in its wisdom decide would not be in the best interests of either the workers or the employers. The Bill seems to me another instance of a "try-on," of using the war as a lever to secure some legislation that would not be attempted under normal conditions.

Sometimes I think the Government brings forward amendments to our industrial legislation as a sop to its followers, well knowing that this Chamber, which is the safeguard of industry in the State, will not entertain it. This then gives the Government the opportunity it is always seeking about election time, to make capital out of the actions of the Legislative Council. The public, however, is awake to that position; it knows, as was suggested by Mr. Cornell, that this is mostly eye-wash and is being used simply for electioneering purposes, otherwise I cannot understand any Government wasting time in preparing such legislation.

The PRESIDENT: Order! I cannot allow the hon. member to reflect upon any member of either House.

Hon. L. B. BOLTON: I am sorry, Sir. I did not think I was overstepping the mark in what I said. Members will, nevertheless, agree with me that this is not the time for revolutionary industrial reforms. Our main object today should be to win the war; and if our industries are to help to the maximum of their power, then the less interference that we have with them from Parliament the better. All these amendments, if given effect, will mean added cost to and additional burdens on industry. There is not the slightest doubt about that. I certainly subscribe to the opinion which I have heard expressed that most of our labour troubles today and those that have occurred in the Commonwealth are due to unwarranted in-

terference with the functions of the Arbitration Courts by the late Federal Government. The present Minister for Labour in the Commonwealth Government is, in my opinion, going even further than did his predecessor. My contention is that if we want peace in industry, we must not continue to have the interference from the wrong quarter which we have put up with for so long. I repeat, the only properly constituted bodies to handle labour disputes and to provide for conditions of labour are the Arbitration Courts, and for this or any other Parliament to interfere with them is entirely wrong and unwarranted.

Why should Parliament take upon itself the right of fixing a 44-hour working week when either a greater or less period may be of advantage to some industry? Why, at a time when we need the utmost from our manufacturers and from industry, should people be tied down in the manner proposed by the Bill? In my opinion, such matters are carefully considered by the Arbitration Court, which is given an opportunity to study the position and make awards based on the evidence submitted to it. What right has Parliament to override the award in the butchering industry, as mentioned by Mr. Baxter and Mr. Macfarlane? I agree with Mr. Macfarlane that if the Government persists in bringing forward amendments of this nature, the court ought to be abolished entirely since it seems useless to establish a costly tribunal to perform certain functions and then continually attempt to abolish, amend or override its decisions by Act of Parliament.

Preference to unionists is another matter provided for in the Bill. Why should Parliament interfere in this matter? Is it not the province of the Arbitration Court to deal with that phase? The court already has that power and in its wisdom has given preference when it has been considered proper to do so. To me it appears that the Bill puts all possible obstacles in the way of manufacturers instead of assisting the output of our factories, particularly at a time like the present when we are told that the winning of the war depends on our output being greater than that of the enemy.

Another extraordinary feature of the Bill is that relating to shift work. Why should Parliament fix a flat rate for all shift work in factories? What does the Minister, or

the Government, or Parliament, know about the different types of shift work compared with the knowledge possessed by the Arbitration Court, which makes all inquiries necessary in such a matter? Why should there be a flat rate? Those of us who know anything about factory work are aware that different rates for different shifts are necessary and that there definitely should not be a flat rate. There is no justification whatever for any interference. All munition workers will be well protected by the conditions laid down for them, if not by awards, then by the National Security regulations.

I would like to correct the Honorary Minister who, when moving the second reading of the Bill and dealing with the proposal to permit females to work two shifts, said—

The Act does not allow the employment of females for more than one shift in any one day, and in that respect it overrides the Arbitration Court and any award or industrial agreement issued by the court. It is the one and only part of the Factories and Shops Act which does override that court. Certain factories in this State have had great demands made upon them by urgent defence requirements, and considerable difficulty has been experienced in coping with the demands, mainly for the reason that the factories are unable to work female employees during a second shift.

I am surprised that the Honorary Minister suggested that that is the position. He has already had pointed out to him by Mr. Macfarlane and by Mr. Mann that that is entirely wrong. The Factories and Shops Act does not override the Arbitration Court. I would refer the Minister to Subsection 1 of Section 29, which reads—

Subject to the provisions of this Act, a woman or boy shall not be employed in or about a factory—

- (a) for more than 44 hours, excluding meal times, in any one week; or
- (b) for more than eight and a half hours, excluding meal times, in any one day;
- (c) on any holiday or at any time after 1 o'clock in the afternoon of the working day in each week on which a half-holiday is to be allowed as hereinafter mentioned; nor
- (d) in the case of women, at any time between the hours of six o'clock in the evening and eight o'clock in the morning following; nor
- (e) in the case of boys at any time between the hours of six o'clock in the evening and a quarter to eight in the morning following.

The Minister failed to make himself conversant with Subsection 1 of Section 163, which reads—

Nothing in this Act contained shall in any way affect the jurisdiction conferred on the Arbitration Court established under the Industrial Arbitration Act, 1912-1935, and any provisions of this Act as to any matters within the jurisdiction of the said court may be varied, altered, modified, or excluded by any award now made or hereafter to be made by the said court or by any industrial agreement now made or hereafter to be made under the said Act.

Following upon Mr. Macfarlane's remarks, I would remind the Honorary Minister that only a few days ago an award was made in the cake and biscuit industry which enables females to work two shifts in a biscuit factory.

The Honorary Minister: Do you know the history of that?

Hon. L. B. BOLTON: Whether there is a history or not, the fact proves that the Arbitration Court has that power. If that is so, surely it will exercise its power in regard to the munition factory at Welshpool. I understand that the need arising in connection with that factory is one of the Government's strong reasons for introducing this legislation. In my opinion there is no need for it and I am surprised at the Government introducing such contentious legislation at this stage, when we have peace in industry in Western Australia, when everything is proceeding smoothly and every worker and employer in the State is doing his utmost to assist the war effort. At such a time it is very wrong for the Government to introduce legislation of this type. I intend to vote against the second reading.

HON. E. H. H. HALL (Central) [5.8]: Not many members have taken part in the debate, but those that have done so have referred to the time as being inopportune for such measures. I have no doubt that when the Government's supporters speak we shall be reminded that that cry has been raised from time immemorial. We shall be told that in the viewpoint of certain members of this Chamber the time is always inopportune to bring about any reform. I shall be 100 per cent. behind the contention. I have had it proved to me beyond any shadow of doubt that there are members in this House who will not give anything away

to workers of any kind. Mr. H. G. Wells said to M. Stalin—

These people who are on the stage and who are in control will be educated in democratic principles and will in time see the light and give way.

Hon. L. Craig: Wells is a stupid old cow, anyway!

Hon. E. H. H. HALL: M. Stalin's reply to Mr. Wells was to the effect that he did not believe such to be the case. He said—

They are on the stage, Mr. Wells, and they will not vacate the stage until they are dragged off.

That reminds me of the attitude of some members in this Chamber. They are not prepared to give way—war or no war—and they never will do so. They have been here too long and they are out of step with democratic ideas. That is my opinion. There are some who do their damndest—

The PRESIDENT: Order! Will the hon. member resume his seat?

Hon. E. H. H. HALL: I will always obey your instructions, Sir.

The PRESIDENT: There was one word which I think the hon. member ought not to have used in debate.

Hon. E. H. H. HALL: Which word was that?

The PRESIDENT: The hon. member surely knows what word it was.

Hon. E. H. H. HALL: If I have used any word that is out of order, I withdraw and apologise for having used it. To resume my speech: We are faced with that kind of thing too often and it gives an opportunity to some people to say that they are the only ones who have the welfare of the workers at heart, that they are the only people who take any interest in ameliorating the conditions of the workers and improving their lot, and that they are continually blocked by the Legislative Council in giving effect to their humane ideas and ideals. I propose to repeat what I have said before. I have assisted this Labour Government as much as I possibly could to improve the lot of the workers and I have been considerably disliked by non-Labour members of this Chamber for having done so. I am not under any illusions about that.

This is a land of free speech and free thought, but this Chamber, which is supposed to be a Chamber of free thought, is not quite so free as some people believe.

I am a member of a party which is supposed to have the welfare of one section of the community—the most important section—at heart. I refer to the primary producers. But I am not blind, and my actions will prove it, to the welfare of other sections of the community, and I have not hesitated to vote in favour of legislation improving the conditions of others besides the primary producers. I have tried to realise that we must give and take, that we must endeavour to see the other fellow's point of view. I have had pleasure in supporting such legislation, notwithstanding the petty pinpricks that I have received from other members of the Chamber as a result. I have voted in accordance with my opinion, and I intend to vote in that way on this occasion.

Hon. J. Cornell: It is a free country.

Hon. E. H. H. HALL: It is, but not quite so free as a lot of us think, and it would not be nearly as free as it is but for the many splendid men who have gone before us and paved the way. I hope we will be jealous of that freedom and not injure it; that we will not allow it to be whittled away from us; that we shall not relinquish the freedom that has been so dearly obtained for us. This time, as on a recent occasion in this Chamber, I do not see eye to eye with the Government. There is a special tribunal appointed to deal with matters which have been placed before Parliament. It is not a question of the time being opportune or inopportune; it is a question of interfering with something that Parliaments throughout this land of ours have agreed to take away from a political atmosphere and have dealt with in a judicial manner.

I am reminded of the years when I served in the Civil Service. The section I joined was ruled by the Postmaster General, who did just as he liked. We worked quietly and constitutionally against the time when we, as a body of officers, would be able to have some say in our destiny. At long last our position was relieved by the appointment of the Public Service Commissioner. Advancement, at the time I joined the service, was subject to the will of the political head of the department. Nowadays, however, right throughout Australia it has been found possible to appoint a man free from any semblance of control by Parliament, with

the result that an aspirant for political honours cannot now get up on the hustings and promise that if he is returned he will do this and do that. As that has been done in the interests of the civil servants, so there has been improvement from the standpoint of the ordinary workers and unionists.

Notwithstanding what I have pointed out, we find the present Government, with only a few months to elapse prior to its having to face the electors, introducing legislation such as the Bill under discussion. Whether Mr. Bolton was right or not I do not know, nor am I concerned. Whether the Government is guilty of kite-flying I do not know, nor do I care. A very much more important principle is at stake than any such minor consideration. Mr. Cornell will, I hope, pardon me for saying that he is a man—he said so himself, so we must take his statement as being correct—who has had 50 years' experience in the industrial life of the State. Naturally a man with Mr. Cornell's experience has a much greater knowledge of the subject that I can claim. Mr. Cornell can find it in his heart to get up in this House and make the statement that 80 per cent. of this Bill consists of party political propaganda—at a time like the present. I read the speech of the Minister who introduced this legislation in another place. I could not fail to be struck by the fact that he repeated—I do not know how many times, but a sufficient number to impress the fact upon my mind—his plea for the passing of the measure because, so he said, it would liberate 1,400 men. In fact, this Bill might be designated: "The Claim of the Fourteen Hundred."

Hon. J. Cornell: It is regarded as the saviour of the fourteen hundred.

Hon. E. H. H. HALL: I am wondering what is the matter with those 1,400 men. I wonder why they cannot get together in the metropolitan area. Some members know how difficult and costly it is to organise adequately the primary producers, but in that part of the State the area to be traversed is so much more extensive than it is in the confines of the metropolitan area. To my way of thinking, it is a fair question to ask: Why have not these people been organised? I am waiting to hear a satisfactory answer to that query.

Hon. L. B. Bolton: They are only a myth!

Hon. E. H. H. HALL: Mr. Bolton has on many occasions been referred to in this Chamber as a man who knows something about the industrial conditions obtaining in the State; yet Mr. Bolton says, "They are a myth!" I do not know if that is so; I am prepared to take the word of the Minister for Industrial Development on the point. Nevertheless I am wondering why those 1,400 men, or at any rate some of them, have not formed themselves into a union and gone before the tribunal specially set up to deal with such matters. Mr. Cornell also referred to the give and take spirit that should prevail in connection with industrial matters.

If we are to progress at all, surely we have arrived at the time when we must give way a little one to another. It is not as though industrial conditions today required men to work as they did 50 years ago when they had to go cap-in-hand to the boss and say, "please, sir, this," and "please, sir, that." I am afraid some people would like such conditions to rule today, in which case the position would be entirely different. In these days of organisation and the exercise of a great measure of fair play, that is not the position. By their strength of organisation and self-help, the Labour movement has grown strong enough to hold up industry and almost to demand what it requires. I do not know what is wrong with the idea of getting back to the round table conference, for that is what industrial disputes invariably revert to, in an endeavour to regulate industry in that reasonable manner rather than by the means chosen by the Government.

I hope, Mr. President, you will enable me to say a few words about secondary industries. I think the Government would be well-advised to take stock of the situation. The Bill before the House deals mainly, if not wholly, with those who are working in secondary industries. The Government has appointed a special Minister to deal with that phase of the State's activities, and the Government is anxious to establish more secondary industries so as to stop the drift of trade to the Eastern States. I do not think there is one member in either House who is not behind the Government in its very laudable desire to achieve that objective, but we have to remember that the industries at present inaugurated in this State are likely, with the return to normal

conditions when the war is over, to be faced with very severe competition that is not apparent today. I will cite one instance, irrespective of whether my action will meet with the pleasure or otherwise of the residents of Geraldton, where I live. To furnish an example of what I mean, I shall refer to the assistance given by the Government in the establishment of a canning industry at Geraldton. Recently, the member for Geraldton, who is the Premier of the State, went to the port and officially opened the factory.

The PRESIDENT: Order! I must ask the hon. member to connect his remarks regarding a canning factory at Geraldton with the Bill before the House.

Hon. E. H. H. HALL: I shall endeavour to do so, Sir. The Bill deals with the employees working in secondary industries, and I am speaking of a secondary industry. I noticed in a recent issue of the "West Australian" that this factory, in connection with which the people interested were able to secure £1,500 from the Government, is up for sale by public auction. I hope everything is all right, but it certainly seems peculiar to me that two men could come here from the Eastern States, get £1,500 from the Government to start a canning factory, and yet here is the concern up for public auction—and not one word of explanation from anyone!

Hon. H. Tuckey: You have had some experience yourself.

Hon. E. H. H. HALL: Yes, and I paid dearly for it. In my case, there was nothing wrong with the product, but the only time we could export it to the Eastern States was when the Federal Government placed an embargo upon the importation of Japanese goods. The moment the Federal Government lifted it, we did not send a case or a tin of the product to the Eastern States. Certainly the Government is out to assist the establishment of secondary industries, and that is quite all right; but the Government should be careful. The embargo exists today. Our primary industries have been subject to the adverse effects of high tariffs for many years past, and Arbitration Court awards have tended to make the products of those industries so much dearer. More particularly is that so when it is remembered that our products have to be sold on the open markets of the world. I have

referred to our primary products in particular.

Both the State Government and the Commonwealth Government have invested much money in our primary industries, and we cannot get away from that fact. The question arises, however, as to whether those Governments are exercising the care that should be manifested by custodians of the public purse. Have those Governments rushed in to assist in the establishment of industries that may be quite all right during wartime but will be all wrong in normal times? Are we all endeavouring to bring about a state of affairs that so many people interested in the problem have advised us to achieve, namely, to make conditions in Western Australia so attractive that our population will be increased when the war ceases? Are we doing all we can to attract population and so provide our secondary industries with a home market, which is the best of all? The Arbitration Court has been railed at by various speakers and has been condemned for not achieving the results that its advocates predicted for it. I certainly am not going to be one of those critics.

Hon. L. B. Bolton: There are not many of that way of thinking.

Hon. E. H. H. HALL: While we cannot expect any body created by mere human beings to give a hundred per cent. satisfaction, I think the Arbitration Court has amply justified itself. There are two directions in which it has not attained the objective set for it. One most important direction is that it has not been able to enforce its decisions, especially where unions are concerned. Repeatedly we read of instances of employers being hauled before the court and fined for various breaches. As we hear nothing more about such cases, we can take it that the fines are duly paid. On the other hand, when negotiations for the settlement of a dispute break down and a strike develops, then, I take it, a breach of the law will have been committed. When the dispute reaches what I might describe as the saturation point, in due course it is dealt with at a round-table conference and the trouble is patched up.

In these matters, however, the court does not seem to have power to force its decisions upon unions, and that is much to be deplored. The Government has been in office for many years, but has it taken any action

to amend the Industrial Arbitration Act so that the court will be provided with power to enforce its decisions? Then again, I cannot understand the unions tolerating the Arbitration Court fixing the basic wage on the basis of the requirements of a man, his wife and two children. Why the Government in the first instance and, secondly, the unions have tolerated such an unjust provision, I cannot understand. We profess to be anxious that our married citizens shall have families, yet we say to the man who has five or six children, "You can draw the basic wage allowances only at the same rate as that decreed for a man, his wife and two children."

I often wonder why those who take a leading part in the formation of industrial unions fail to inaugurate welfare schemes for their members. They say to workers "You must join a union; preference to unionists rules here, and you cannot get a job without joining a union, and when you are a member of a union you get the Arbitration Court rate of pay." Their efforts in that direction appear to have stopped at that point. In some respects we are supposed to be ahead of the Old Country, but there welfare schemes have been in operation for many years—sickness and unemployment benefits. Those things could well be imitated in this country by way of showing that there should be some objectives higher than shorter hours and higher pay.

I mentioned here recently that the 1½d. hospital tax had yielded a quarter of a million pounds annually. I learned later that some members who doubted my statement had considerably refrained from challenging it, contenting themselves with quietly consulting the Public Accounts, from which they discovered that my statement was correct.

The PRESIDENT: This Bill does not deal with hospital taxation.

Hon. E. H. H. HALL: No, Mr. President; but I wish to emphasise that when I read this Bill I am astonished that the unions have not brought forward a better proposal. A small tax like the hospital tax, if imposed on union members, would finance excellent welfare schemes. The Bill might just as easily contain such a provision as some of the clauses that find a place in it. I for my part would be greatly pleased to support such proposals. The Bill provides for something that Parliament has considered very

important—preference to unionists. Are we to understand that the present Government, if in power after facing the electors next March, is to introduce a policy of preference to unionists to the detriment of men who have gone away to face the horrors of war, who have heeded the requests of all public men that they should go oversea on active service? The question I have asked is quite fair. Is that to be the Government's policy if this measure passes? Will the Government encourage preference to the stay-at-home eligible youth rather than extend preference as it has been conceived in the past and will be conceived in the future?

I will not have it said that this Legislative Council, which is a House of Review, emptied this Bill out on the second reading. I will take my cue from a man who was, I believe, for many years a unionist, a man who knows a great deal more about industrial matters than I do, and whose sympathies are entirely with unionists. I refer to Mr. Cornell. That hon. member has said that he will vote for the second reading of the Bill. I shall do the same, reserving however my right to vote for or against any clause in Committee.

HON. G. B. WOOD (East) [5.36]: I do not desire to give a silent vote on the Bill. Like Mr. E. H. H. Hall I shall vote for the second reading, because this is principally a measure for the Committee stage, and I would like the various clauses to be dealt with on their merits. As for the alteration of the working hours per week, the time is ripe for all workers to be put on the same basis. If the Arbitration Court has granted a 44-hour week, I see no reason why all workers should not be on that basis. But is this the place to say how long workers shall work? That is the aspect which perturbs me.

Hon. C. F. Baxter: Would you not leave that matter to the Arbitration Court?

Hon. G. B. WOOD: I have said, without any assistance from Mr. Baxter, that I question whether this is the proper place for making the change, although I believe a 44-hour working week to be desirable, even on farms. The farming industry will shortly have to face a shorter working week. The position in which farmers now find themselves as regards farm labour—with long hours and low wages—renders this inevitable. Long hours and low wages

have ruled because farmers could not help themselves. I found myself in the same position. Like Mr. E. H. H. Hall, I wonder why the 1,400 workers who have been mentioned cannot organise themselves and go before the Arbitration Court. I hope the Minister, in replying, will answer that question. I have always taken every opportunity to help such people to approach the Arbitration Court. I voted for granting registration to the A.W.U., and for permitting domestic servants to go to the Arbitration Court. Still, I doubt whether Parliament is the place to decide this particular matter.

I believe that about 30 years ago I was the first employer in the Narrogin district to introduce the 44-hour week into the shearing industry. I was running a big depot shed there, and when I made the innovation the farmers all round said, "We shall not get our shearing done, and we shall all go broke paying for it." However, it was proved that with five days of eight hours and a Saturday of four hours the shearers produced results equal to those obtained in 48 hours. The dinkum shearer of today shears just as well and just as many sheep as did the dinkum shearer of 30 years ago. I have worked in a shearing shed, and I have been an employer of shearers; and therefore I have studied the industry from both sides. The Bill contains clauses which I regard as undesirable. The provision for the closing-down of butchers' shops is one. For the life of me I cannot see why it is necessary. I am not likely to support that clause. A highly desirable provision is that prohibiting girls from working after midnight in restaurants. I shall certainly vote for the abolition of that system. While I promise to vote for the second reading of the Bill, I give no pledge as to what I shall do during the Committee stage.

HON. J. G. HISLOP (Metropolitan) [5.40]: I had very little idea of speaking to the Bill at this juncture, but I feel that I should not vote against the second reading without giving an explanation and without providing some information on the question of lead as it applies to this Bill. I agree that the Arbitration Court is the proper place to which to take industrial disputes. I feel that I should say something because it is known that my views as regards working hours are

advanced—advanced in the direction of shorter hours. At this time, however, I feel that I cannot support the making of a common rule of shorter hours by Parliament and the taking away of that function from the Arbitration Court, whilst the rest of the Empire is in such straits. A day or two ago we learned that workers in England had been compelled to accept only one holiday at Christmas time—either Christmas Day or New Year's Day—and that many of the holidays which we enjoy, and which they previously enjoyed, are no longer to be holidays for them.

I feel that I cannot honestly subscribe to legislation that asks for a life of ease and comfort here while the hours of workers in the majority of the British Dominions are increased in order that Britain's battles may be fought overseas. I do not feel that at the present juncture I can honestly ask for shorter working hours either for myself or for anyone else, especially while the little Dominion of New Zealand is calling up married men with two children to fight overseas. Were this a time of peace I would unhesitatingly be on the side of 44 hours if the Arbitration Court fixed those hours for all workers. I have some knowledge myself of long working hours. I have never known an 8-hour day. I have worked till work was finished, be the working time six hours or be it 24 hours.

THE PRESIDENT: Order! Hon. members should not be conversing while another hon. member is addressing the Chair.

Hon. J. G. HISLOP: In these times my profession is working such hours as it has never worked before, and I can assure the House that the profession will continue to work as it has never worked before. My brother professionals look forward to the time when peace will return, and I trust that I shall then share with them in shorter working hours. I cannot believe, either, that I should vote for compulsory holidays while it is impossible for many in the country to obtain holidays at all during this period of war.

These in brief are some of the reasons why I intend to vote against the Bill. I wish to draw attention to the fact that when introducing the Bill in another place the Minister for Labour said that the regulations would allow of the closest supervision of the operation of these industries, and that they aimed at the establishment of the best pos-

sible preventive methods in order that the health of the workers concerned might be safeguarded.

THE PRESIDENT: I remind the hon. member that it is not in accordance with the standing orders for him to quote from "Hansard" of the current session.

Hon. J. G. HISLOP: I did not realise I was offending, and apologise, Mr. President. My point is that to define "paint," or a factory as a place where paint is mixed, is not the best possible method of preventing damage to the health of workers through handling lead. Those engaged in the paint industry in this State have for years felt that their work was injurious to them. During the early part of this year, or late in last year, I was approached to see whether I could give any assistance in coming to a conclusion on the question of lead from the standpoint of its being injurious to workers. In the midst of a busy practice I undertook to investigate the health of 20 lead painters who had been working in the industry for various periods, some for as long as 35 and 40 years. I did what I could in the matter. The result was not as complete as a special organisation could have made it. The conclusion was reached that the majority of those 20 persons was suffering in some form from chronic lead poisoning.

The whole of our findings and the charts were handed to the authorities, and we were advised to take the case to the court. I am not going into the reasons for, or difficulties attendant upon, approaching the court to prove that a chronic illness is the result of industry. All I care to say at the moment is that it is extremely difficult under existing regulations to prove that a chronic illness is the result of years of industrial occupation. We had to choose a case, admittedly one which had several points concerning it that were controversial. We had to take that case because the worker in question had died. If we had not taken that case we would have prejudiced our claim. We lost that case. The position now is that the widow of the deceased painter is, I understand, threatened with action by the bailiff. I maintain that those engaged in this particular industry have submitted evidence to justify further investigation into it. I have taken the details of several cases to authorities in the Eastern States, and have been advised that compensation would have been paid in New South Wales and possibly in Victoria.

Hon. A. Thomson: You are dealing with the effect of the Workers' Compensation Act, are you?

Hon. J. G. HISLOP: Yes, and the need for the better prevention of damage to health than is now provided through the Act. This Bill will not bring about what is necessary, nor will the proposed amendments help the lead workers. We have provided enough evidence to show that those engaged in the industry do need protection, particularly the members of the Lead Painters' Union. I suggest that if the Government had desired to assist lead workers it could have brought down a Bill containing further clauses. I do not believe that the simple definition of "paint" and defining the place where paint is mixed as a "factory" will give the worker real protection.

Had the Government, knowing as it does the need of the workers, suggested the appointment of a special bureau of industrial medical research I would have supported the proposal wholeheartedly. I believe that if a union is thoroughly satisfied that work is injuring its workers it should have some other means of proving their claims than having to fight a case in the court. In the Eastern States there are bureaux of industrial medical research. Had the Government realised the difficulties facing a set of workers in proving that their industry was hazardous, and had it set up an organisation such as I have suggested, it would have met with a ready response. I fail to see how the clause in this Bill can help the men concerned.

HON. E. M. HEENAN (North-East) [5.55]: I am sure the Honorary Minister will be able to reply adequately to some of the statements made by Mr. Bolton, but I have a protest to make myself concerning them. If he is of opinion that because of the war we must mark time and refrain from making the necessary amendments to our industrial Acts, I can only disagree with him. Many people will, I am sure, take a view similar to my own. His remarks about the Bill being introduced for some wrong purpose were, to say the least, very ill-chosen. I remember being a member of a select committee a few years ago when a measure similar to this was brought forward. The Government has been quite sincere and honest in bringing down amendments to the Factories and Shops Act. That legislation has been on the statute-book for some time,

and, as is the case with other Acts, needs amendment.

Hon. J. Cornell: As is the case with the Criminal Code.

Hon. E. M. HEENAN: Yes.

Hon. L. B. Bolton: You are trying to amend the Act governing the Arbitration Court.

Hon. E. M. HEENAN: This Bill does not propose to interfere with the Arbitration Court. That argument is fallacious. It has been used in the House by a number of members who should have known better. Many men, women, girls and boys working in Western Australia are not covered by any award.

Hon. A. Thomson: To what section do you refer?

Hon. E. M. HEENAN: Apart from miners on the eastern goldfields, there are people working 25 miles north of Kalgoorlie in hotels, tea shops or other types of shops who are not covered by an award.

Hon. J. J. Holmes: Whose fault is that?

Hon. E. M. HEENAN: They are in scattered districts and cover a multitude of occupations. It is all very well to organise miners, or men employed in the butchering trade, for instance, or people who work in the shops in the city. The award in the case of shop assistants is confined to Perth. Many awards are operating in Kalgoorlie, but are confined to the mining industry or the butchering trade, and to within a radius of 25 miles of Kalgoorlie.

Hon. W. J. Mann: You can have an award to cover the whole State.

Hon. E. M. HEENAN: Not at all. That is a fallacious argument. The Factories and Shops Act is a very useful and valuable piece of legislation.

Hon. E. H. H. Hall: Common rules can be applied to different employers and employees.

Hon. E. M. HEENAN: In certain cases, but the Act in question covers all sorts of occupations. Numbers of people are engaged in those occupations who are not covered by an award.

Hon. E. H. H. Hall: But a common rule could cover the people to whom you are referring.

The Chief Secretary: Awards are limited to the area specified by the Arbitration Court.

Hon. E. M. HEENAN: I suppose it is futile to point that out, but that is the position. Some members seem to think that because a war is on we should not assist those people who are working in outback places and are not covered by awards, to obtain a 44-hour week in their various occupations. Because of the war we are not to provide decent hygienic conditions under which they can work. If that is the case I fail to see that there is any need for Parliament to function at all during the war.

Hon. J. Cornell: There is a miniature war on now at Gwalia.

Hon. E. M. HEENAN: I cannot connect that interjection with my remarks or with the Bill. I support the second reading.

HON. T. MOORE (Central) [5.58]: The opposition to this Bill is essentially the same as that which was displayed regarding a Bill introduced long ago by Sir Hal Colebatch. In those days I was sitting behind him.

Hon. Sir Hal Colebatch: It must have been a good Bill.

Hon. T. MOORE: Despite the fact that it was introduced by a member of another party I was one of its strongest supporters. I am still of the same mind, no matter what party has brought down this measure. There is nothing new in the Bill. The idea of saying that it has been brought down because the general elections are in view, is extremely far-fetched. That kind of argument has been brought forward ever since the day when Sir Hal Colebatch introduced the legislation to which I have just referred.

Hon. Sir Hal Colebatch: It was a good measure; why interfere with it?

Hon. T. MOORE: The arguments that were used against that Bill have been used against this one. I find some of the same members in the Chamber opposing the Bill today as they did some years ago.

The PRESIDENT: The hon. member should address the Chair.

Hon. T. MOORE: I am of the opinion that some leopards never change their spots. Some members of this House will continually oppose these measures, as they have done in days gone by, whether a war is on or not. It is no good dragging in the other argument. It is ridiculous to say this is controversial. Why not shut up shop and save this country a lot of money? I am an advocate of that policy. If members wish to do something decent, well, this end of Par-

liament can go out of existence as it has done in Queensland, instead of remaining and holding up legislation which would be of some use to many people. That is what we should do if we were honest and democratic. This is certainly not a democratic House.

Hon. Sir Hal Colebatch: It went out in Queensland despite the fact that people wanted it.

Hon. T. MOORE: Those people who desired it subsequently held power, but did not re-establish the second House. This Chamber only exists to suspend progress. I understand that this Bill is practically on all-fours with the measure introduced some years ago by Mr. Bolton. There was competition coming from small factories at that time, and the same condition prevails today. Certain people not covered by awards are carrying on in industry in this city. They employ workers who are not operating under the same conditions as those covered by awards, such as Mr. Bolton's employees. It was sought, at that time, to have such people brought under the provisions of a similar measure to that now before members. This Bill deals with workers beyond the scope of Arbitration Court awards and places them in the same position as those who are covered. If members of this House are honest they can move amendments, but leave that point remaining.

Hon. C. F. Baxter: What clause states that?

Hon. T. MOORE: Mr. Baxter can read anything into a Bill. He can take hold of any Bill, with his right as Leader of the Opposition in this House, and make most erratic statements. He does that very often when he wishes a Bill to be defeated. He ridicules it. He does not get down to fine arguments and quote the errors, but makes general statements. If members are honest they will not be prevented from voting against the second reading by the few points raised.

The PRESIDENT: The hon. member ought not to imply that the members of this House are not honest.

Hon. L. B. Bolton: He had better withdraw the remark.

Hon. T. MOORE: If members think as I do they will vote for the second reading. They have already inferred that they are prepared to do the right thing. If certain amendments are necessary to make this good legislation, it is their job to do that

in Committee and not defeat the Bill on the second reading. It would be unfair to do that, and it is not right to use the fallacious argument that we must not introduce controversial legislation. Nothing controversial has been put up. Many members made up their minds years ago. They have never really been through industry, and know only one side of it. That is the pity of it all. If they want to make this a workable measure then the small points they have ridiculed could be removed from the Bill.

Hon. J. M. Macfarlane: There might not be much left of it.

Hon. T. MOORE: The Bill should not be thrown out. When such legislation was first introduced it met with much opposition, and despite the fact that we had sufficient members to carry it in those days—I refer to 16 or 18 years ago when Sir Hal led the House—what members then said was going to happen never happened. Industry has gone on and the time has now arrived when conditions should be levelled up. Those not covered by awards should be placed under a ban so as not to compete with those who are. It is not just to the fair employer and the fair employee to allow an unregistered section to continue. Members ask: Why are these people not organised? It is difficult to organise them. They are working in backyard factories, as instanced by Mr. Bolton in the days gone by. I know the second reading of the Bill will be agreed to, and I appeal to Mr. Bolton to be fair as he has been in the past, to think along the lines he did years ago, and try to make this a workable measure.

HON. A. THOMSON (South-East) [6.6]: I would not be justified in giving a silent vote on this measure. I listened with a great deal of interest to the remarks of Mr. Moore. One would assume from what he said that members of this House do not give due consideration to the measures coming before them. He has no right to make such a statement. It is his duty to put forward his own views and record his vote. He should not declare that all members are not honest when they cast a vote contrary to his views. That is a reflection on members, to which I take strong exception. One would think, from one or two of his speeches in this House, that the present Government is the only one which has given consideration to improving the conditions of workers. The

Arbitration Act was introduced over 40 years ago when there was no Labour Government in existence.

The Chief Secretary: It is a different Act today.

Hon. A. THOMSON: Yes, of course, but that shows that even 40 years ago these Conservatives, who, it is alleged, had no thought for the worker, did think that the time had arrived when the conditions of the working class should be made a little better.

Hon. T. Moore: They were good old Liberals in the House in those days.

Hon. A. THOMSON: Mr. Moore should realise that fact because it is frequently forgotten that those men, who could not be described as Labour men held, nevertheless, compassionate views and were quite honest in their intention to ameliorate the position of the worker.

The Chief Secretary: We do not want compassionate views today but justice.

Hon. A. THOMSON: That is a debatable point. We have been told by three speakers that 1,400 men are not covered under the provisions of the Arbitration Court. Mr. Heenan said that the common rule would not apply. It does apply to shops in the Great Southern and South-West. If it is so important that these 1,400 people should be brought under the provisions of the Factories and Shops Act, all I can say is that it has taken this Government, and the Labour Party, a long time to discover that there are 1,400 forgotten persons in this State. They form a lost legion. This is the first time that point of view has been raised in connection with the Factories and Shops Act.

The Chief Secretary: Not at all. It has been put up for years.

Hon. T. Moore: For two years.

Hon. A. THOMSON: I have no desire to deprive any man of the rights and privileges enjoyed by his fellow-workers. I have supported the Arbitration Court for many years. I was a strong believer in it when it was first introduced 40 years ago. I remember an old foreman of mine who came from New Zealand saying, "Well boss, you seem very keen on the Arbitration Court." I said, "Yes. There will be no more strikes or trouble." He was a level-headed man and he said, "You are an optimist. Our experience in New Zealand is that it will always bind the employer, but not the employee." He

went on to say, "You cannot make me work if I don't want to, and you cannot take 1,400 or 1,500 men and make them work." We know that that is so. The arbitration system is one in which we all believe. While some of us may not be prepared to go as far as others, nevertheless we are just as sincere and honest in our desire to see that workers get a reasonably fair deal. We endeavour, if possible, to hold the scales of justice evenly. That is the duty of Parliament.

The Bill contains one or two major points which I am inclined to support. There are others with which I cannot agree. I will, therefore, probably surprise some of my friends in this House when I say I will support the second reading, but I sincerely hope the measure will not be agreed to in the present form. Dealing with the question of making protective provision for those who, because of their work, are subject to lead poisoning, I thought, when this type of legislation was previously before the House and when it was inquired into by a select committee, that we had provided adequate protection. If there is such a defect in the Act, I hope the Minister when he is replying will give us further information about it. It seemed to me that provision was made in Section 76 of the Act to provide the requisite protection. If the Honorary Minister can demonstrate to me that, from a health point of view, the Act requires amending as suggested in the Bill, I will be prepared to give the matter favourable consideration.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. A. THOMSON: Before tea I indicated that I proposed to support the second reading so that some of the clauses might receive consideration in Committee. As regards the lead industry, I thought we had already provided sufficiently for it, but apparently the Government thinks otherwise. Seemingly, the provision made has not afforded much additional safeguard for the workers. One clause proposes extra protection by way of additional fire escapes. Provision for this is already contained in Section 80 of the Act under which inspectors are empowered to insist upon ample protection. The Act was amended a few sessions ago to permit of

that. However, if in the opinion of the Government the Act does not give sufficient power to afford adequate protection to factory workers in the event of a fire occurring, that is a good reason why the second reading should be passed.

The Bill proposes to add to the definition of "factory." It will be interesting in Committee to note the attitude to that proposal of some of the members who recently voted against unnaturalised aliens being registered under the Potato Growers Licensing Bill. The Bill proposes that where one unnaturalised subject is working, the premises shall be declared a factory within the meaning of the Act. To make one person constitute a factory seems to be carrying things too far. Mr. Mann said he was a member of a select committee which dealt with an amendment of the Factories and Shops Act some years ago. One point put up by the Minister on that occasion and solemnly supported by witnesses was that a large number of factories were being conducted by individuals and should be registered. If my memory serves me right, Mr. Mann suggested that we should inspect some of those factories and see for ourselves in what way they were injurious to the registered factories. In all our travels I venture to say that we did not come across one case in which it could be deemed that an individual such as a bootmaker working for himself, or a dressmaker working for herself, and not employing any labour, should be registered as a factory. We do not want to carry our legislation to that extreme. I shall be interested to hear from the Honorary Minister the reason for proposing that one unnaturalised subject should be deemed to constitute a factory.

I have briefly outlined the several clauses which I consider justify our passing the second reading of the Bill. As I indicated in my opening remarks, however, the Arbitration Court was inaugurated—

Hon. J. Cornell: By the James Government.

Hon. A. THOMSON: Yes, and it was not a Labour Government. When the original legislation was introduced, I felt enthusiastic. It was pointed out that while the employer could be penalised and made to pay, the worker could not. Still, the principle of arbitration is a good one. Despite what some members have said, the Government is

now proposing, in effect, to override the Arbitration Court. The Bill provides that though a female may not work over 44 hours a week, all workers under the Act will automatically receive the benefit of the 44-hour week. If that is not overriding the Arbitration Court, I have a lot to learn. Ever since I have been a member of Parliament, it has been argued that it was not the duty of Parliament to fix the hours, wages or conditions in industry, and we have always stood fast on that principle. On this occasion I am not going to deviate from the principle, and when the portion of the Bill concerned is under consideration, I propose to take such action as will leave conditions as they are. As regards the statement about allowing females to work double shifts, particularly as they will be engaged on munition making and other defence work, the regulations promulgated by the Commonwealth Government will give all the power that is needed.

After this measure had been introduced in another place, I went home at the week end and was met by a young farmer, who looked a very tired and weary man. He remarked, "I do not know what you members of Parliament are thinking of when you bring in a measure to reduce the working hours from 48 to 44 a week. I would not mind so much if you could make it apply to the farmers. I cannot get assistance on my farm. I am offering £4 a week for a man to help me get my crop off, and I cannot get labour of any kind. My crop is the best one I have had for years and I am going to have the disappointment of not being able to get it off, despite all the work I and my wife have put in, and we have been working from daylight till long after dark. It seems to me improper at this stage that you should be proposing shorter hours for a large section of people who are already enjoying the privilege of working under much happier conditions than are the farmers."

Members of the Government say that we must not stand still. It would be a good thing if the advocates of these improved conditions could be sent Home to learn something of the hours, conditions, difficulties and dangers under which the people in the Old Country are working to provide munitions for men of the fighting services. If some of them could be sent to the Middle East to observe hours and other conditions

to which our fighting men there are submitting, they would change their opinions and realise that the time was inopportune to propose such a drastic alteration as is envisaged in this Bill.

I have lived on both sides of the fence; so I am not one of those to whom Mr. Moore can refer as being unlikely to change their views from the fact of having a knowledge of only one side of the case. While on many occasions I have voted against proposals for improved conditions proposed by the Government, I have done so because I realised there was another side to be considered. We should try to hold the scales of justice evenly. It is of no use stipulating extraordinarily good conditions if we cannot provide work for our people. We have been told that there are 1,400 workers not covered by awards of the Arbitration Court, but let me remind the Honorary Minister that there is such a thing as a common rule and that this applies even in the Great Southern.

The Chief Secretary: You do not know much about it.

Hon. A. THOMSON: Probably I do not; but I know the conditions that apply in the Great Southern because of the common-rule effect of awards and agreements.

The Chief Secretary: Because there is an award in existence.

Hon. A. THOMSON: And it has been made a common rule. The Minister says I know nothing about the matter. I can assure him that on many occasions I have had to submit to a common rule that has been imposed upon my business and to which my consent was never obtained. Because of the common rule I had to comply with the conditions imposed by the Arbitration Court. The Minister says that I do not know: I can state from my personal experience—

The Chief Secretary: I repeat it.

Hon. A. THOMSON: That I do not know?

The Chief Secretary: Yes.

Hon. A. THOMSON: I repeat that I do know, so who is going to decide? I definitely say that experience teaches. It is easy for the Minister to say I do not know what I am talking about. That might influence the votes of some people. I do not usually rise and talk about something I do not understand. I have been in Western Australia for close on 50 years and if I am not aware of the ramifications of the Arbitration Court and the effect of its

awards and common rules upon country districts, I am sorry. The Minister's remark is injudicious. I am dealing with an organised industry.

The Chief Secretary: You are not.

Hon. A. THOMSON: I am. If this measure becomes law then, according to the Minister, those workers engaged in shops and factories who are not protected by an award of the Arbitration Court will automatically have their working hours fixed at 44 per week. If that is not over-riding the Arbitration Court, then all I can say is that it is a matter of opinion.

Hon. G. Fraser: This measure will not affect any worker covered by the Arbitration Act.

Hon. A. THOMSON: If so, why interfere with the Factories and Shops Act?

Hon. G. Fraser: This measure will deal with workers not covered by awards.

Hon. A. THOMSON: As far as I can see, it has been discovered that there are exactly 1,400 people engaged in factories and shops not covered by awards. What is the Government doing for our farmers? What assistance has been given to them to regulate their hours or the prices they are to obtain for their produce? It is remarkable that if we do not go the full length of the measures relating to industrial matters which the Government submits to us, we are accused of being against the worker. That is entirely wrong. But when we, on our part, put up something in this House and elsewhere for the purpose of ameliorating the position of the farming community, I am sorry to say the boot is on the other foot. We do not get the sympathetic consideration that we are asked to give to measures such as this.

The Chief Secretary: What instances can you quote?

Hon. A. THOMSON: What about the Government's action in regard to rural relief? I shall shortly be submitting a resolution to this Chamber upon that same subject. I can give the Minister numerous instances, but I only mention one. Every member of the Government and its party voted against the proposal to grant relief to farmers. I know I am getting away from the subject before the Chair; but we are being accused of not being amenable to changes and of being always against any forward movement. That is the reason I mentioned, during my opening remarks, that the Arbitra-

tion Court was established in Western Australia by a party allegedly opposed to the workers. I certainly am not opposed to the workers. I consider I have been a worker all my life and that I still am. I endeavour to be as broadminded as I can. The Bill contains one or two clauses against which I shall vote in the Committee stage. On the other hand, the Bill contains one or two clauses which I propose to support, in an honest attempt to help the Government as far as I think it ought to be helped in the present circumstances.

On motion by the Honorary Minister, debate adjourned.

BILL—LOTTERIES (CONTROL) ACT AMENDMENT.

Returned from the Assembly without amendment.

BILL—FIRE BRIGADES ACT AMENDMENT.

Assembly's Further Message.

Message from the Assembly received and read notifying that it no longer disagreed to the amendment made by the Council.

BILL—RIGHTS IN WATER AND IRRIGATION ACT AMENDMENT.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to the amendments made by the Council.

BILL—PLANT DISEASES (REGISTRATION FEES).

Assembly's Message.

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

BILL—MAIN ROADS ACT (FUNDS APPROPRIATION) (No. 2).

Second Reading.

Debate resumed from the 27th November.

HON. V. HAMERSLEY (East) [7.53]: As I look through this measure, there seems to be impressed upon my mind the

insatiable greed of the Government. Whenever the Government sees some large accumulated fund, it drifts out after the money. Now it is endeavouring to take some portion of the traffic fees of the metropolitan area. Traffic fees have been practically the inalienable right of municipalities and road boards since the Crown Colony days. The persons acting on those bodies have given their services free and have made remarkably good use of the funds that have come into their hands. It is extremely unfair that the Government should now try to raid these funds, making the excuse that, by doing so, it will obtain a larger grant from the Commonwealth Government upon the recommendation of the Commonwealth Grants Commission. The Government states that it is adopting this course practically at the dictation of that Commission, but that it will make good from the petrol fund the money so taken. I have perused the report of the Commonwealth Grants Commission and it seems to me that the Commission has almost intimated to the Government that some such method as is proposed might be adopted. Personally, I look upon that as a kind of improper practice. It is outside the bounds of propriety.

On taking a longer view of the matter, however, it is my impression that, notwithstanding that country road boards are not to be subjected to this control, it will be out of their funds that the money will be refunded to the metropolitan authorities. Therefore, the country road boards are vitally interested in this measure. They are closely watching what is being done, as they have since the proposal was first mooted. It must be borne in mind that this is not the first occasion on which it has been placed before us; it has, I think, been brought up on three previous occasions. The country boards feel that if the Government obtains this concession at the instance of the Commonwealth Grants Commission, it will not be long before the country boards will also be treated similarly.

Their difficulties of finance are very great; and if they were to lose these traffic fees, many of them would be placed in an exceedingly awkward position. They would be forced to increase their rates; and the people whom they are now taxing, as is well known, already experience great difficulty in paying the rates levied upon their properties. Therefore, the road boards view

this measure with much suspicion. The argument is advanced that this proposed legislation will not affect them; but, in my opinion, at least £30,000 will be extracted from them to make up the deficiency in the traffic fees taken from the metropolitan area.

The Bill is stated to operate for only one year; but I am always suspicious of Bills such as this. We have had many of them before us, and always some good reason has been found why they should be continued from year to year. If the Bill is passed, I am quite sure that a continuance Bill will be brought forward and passed next year. The Government has been in receipt of enormous sums from taxation. To a great extent this increased taxation has been encouraged by the Commonwealth Grants Commission, which pointed out years ago that our State was taxed very lightly and therefore was not playing the game. It is a good excuse for the Government's appealing to Parliament, to state that the Commonwealth Grants Commission dictated this and dictated that. Taxation has been increased in this State from £3 6s. per head of population to about £8 6s. That is an increase of £5 per head in the last few years. That has been done with the idea of impressing the Commonwealth Grants Commission. The only result has been that we have been heavily fined by the commission which has given us less money than many of us consider should have been granted, and has made us a grant out of all proportion compared with that provided for South Australia.

I dare say that just as little notice will be paid by the Commonwealth Grants Commission to this concession if it is made and our appeal for assistance will fall on deaf ears just the same as in the past. For us to whittle away any of the rights of motorists would be a step in the wrong direction. Motorists have been looked upon as fair game by all the Governments of Australia. I understand from figures that have been taken out that the motorists of this country pay annually in the vicinity of over £20,000,000 per year by way of taxation to the Australian Governments. That is a very large sum of money and indicates that motorists have at any rate been supplying enormous funds not only for the upkeep of roads but for other purposes.

Hon. G. B. Wood: Is that sum of £20,000,000 paid by them as motorists only?

Hon. V. HAMERSLEY: That is paid through every form of taxation. They are the people who are providing this money. When we start to juggle with the rates they pay to their respective local authorities it seems to me that we are playing at something that is a little bit one-sided. Those people are paying that money directly for the welfare of the country and that the Government should propose taking into Consolidated Revenue some of the license fees the motorists pay for the upkeep of roads and replacing them with some of petrol tax money which also is being contributed by motorists is, to my way of thinking, to get things a little involved. I am sure that if we pass this measure it will be reintroduced next year. We shall be asked to renew this legislation and the Government will not return the money. The people in the back country who require all the money they can obtain—

Hon. G. W. Miles: Why do you say the Government will not return it? Have you no confidence in the Government?

Hon. V. HAMERSLEY: I have heard of promises made by previous Governments.

Hon. L. B. Bolton: Not this one?

Hon. V. HAMERSLEY: There is an enormous amount to be done on roads inland and in many other ways, and I consider that what the Government is after is to obtain control of money which should be used in that direction, so that it will be available for the Government's free use, whereas the money the Government says it will return is definitely earmarked. With regard to the metropolitan area, it can use that money, which belongs to it. At present the local authorities have the right to use in any direction—on footpaths as well as roads—the money to be taken away from the metropolitan area. The money that will be returned out of the petrol fund will be earmarked by the Government which will say it is only to be spent in certain directions and in certain ways at the will and pleasure of the Government and not of the local authorities. The money will have to be spent before they will obtain a refund to cover the expenditure. Many local authorities have commitments. Already they have borrowed and spent large sums and have been relying on this money. The work undertaken would probably not be recognised by the Government as entitling them to a return of funds

under the system of dictation that would be imposed in connection with the repayment.

We know how the Government likes to dictate once it gets a grip on money. We have had an example of that in connection with the funds made available by the Federal Government to assist wheatgrowers in dire distress. That has been referred to repeatedly in the Press but those men have not received the money under the conditions they imagined they would enjoy. They have not received loans of cheap money as was expected. The system under which that grant is being operated does not give me very much hope in connection with the proposal to hand over to the Government the money referred to in this measure. I fear that the local authorities will find themselves penalised. I shall vote against the second reading.

HON. G. W. MILES (North) [8.10]: I intend to support the second reading and I hope the House will agree to it. This is the third time such a measure has been before us. We have heard a good deal of discussion about the Commonwealth Grants Commission dictating a policy to us. Mr. Seddon advanced a good argument in reply to Sir Hal Colebatch in reference to the Commonwealth Grants Commission, pointing out that South Australia was paying more in the way of taxation than was Western Australia. Notwithstanding the arguments submitted I think Western Australia should be thankful to the Eastern States for the way in which they have treated it in the past. Due to Mr. Bruce when he was Prime Minister, the allocation of this money was arranged on an area as well as a population basis, and the then Minister for Works in Western Australia, Mr. McCallum, was one of those who supported him.

The Eastern States have treated Western Australia remarkably well, and it is about time that Western Australia awoke to the fact that taxation here should be commensurate with that in the Eastern States. We have been going cap in hand for years to the Eastern States and asking for a Federal grant, and failing to tax ourselves. The previous Government—the Mitchell-Latham Government—was one of the main culprits. It borrowed money wholesale wherever it could, in all directions. It borrowed from anyone, at any time, and at any price, and we are paying for that today. We have

heard complaints about the extra revenue the present Government is receiving. It needs that extra revenue to pay interest and sinking fund on the money squandered in the past. For the third time the Government has asked this House to agree to its taking some of this money into Consolidated Revenue, and if the House agrees it will mean that the Government will receive another £60,000 odd from the Commonwealth Grants Commission.

It is all very well for Sir Hal Colebatch to stand up and, as Mr. Holmes has said, when he has been on the other side of the House, to argue that black is white and white is no colour at all. He is a great debater; there is no doubt about that. On many occasions the House has been led astray by his eloquence. It was led astray by his eloquence on another Bill the other night.

Hon. A. Thomson: Are you letting him down this time?

Hon. G. W. MILES: I was not led astray by his eloquence the other night when the House considered the Workers' Compensation Bill and increased from £400 to £500 the amount proposed as the maximum to enable a worker to enjoy the benefits of that legislation. On that occasion Sir Hal put up one good argument about the increased costs that the secondary industries of this country have to endure.

The PRESIDENT: I think the hon. member might adhere to the Bill before the House.

Hon. G. W. MILES: I intend to connect up my remarks and endeavour to prevent support such as Sir Hal has been getting in the past.

The PRESIDENT: I hope the connection will be made clear very soon.

Hon. G. W. MILES: It will. In a general way I am speaking of the manner in which the other States have treated Western Australia. It has been argued here that we cannot compete with those other States. Sir Hal said that in regard to the building of a ship, a tender of £10,000 was submitted locally for a ship that could be built in the Eastern States for £7,000. Then he criticised the Government. He said the Government came along and used £1,500 of the taxpayers' money to get this ship built in this State. Then a further burden was imposed on industry by this House, led by Sir Hal and some of

the younger members of the House we have heard so much about tonight—

The PRESIDENT: I am waiting for the hon. member to connect his remarks with the Bill.

Hon. G. W. MILES: I am trying to lead up to the Bill when I mention speakers who referred tonight to members being here too long. I do not know whether they were referring to you, Sir, or to me—

The PRESIDENT: Order! I must ask the hon. member to deal with the Bill before the House.

Hon. G. W. MILES: I want to reply to a remark made by one of the members who spoke. Oh! I beg pardon, Sir. That remark was not made on this Bill, but in connection with another measure! Let me return to the Bill now before the House. Members should not be led away by the eloquence of some members who are opposed to the measure. The Government is doing the right thing in asking Parliament to agree to this money being taken into Consolidated Revenue. We have heard a lot about sharp practices and that kind of thing and it has been suggested that the word of the Government cannot be accepted. Why not? Surely this Government can be trusted as much as any other Government? The Minister gave an assurance that the country road boards would not be interfered with at all.

Hon. V. Hamersley: Is it in the Bill?

Hon. G. W. MILES: The Bill refers to the metropolitan area only. Sir Hal says that the money will be taken and will not be given back. He insinuated that it would be paid out of another main road grant. But will we not get the £60,000 odd from the Commonwealth Grants Commission?

Hon. Sir Hal Colebatch: I do not think so.

Hon. G. W. MILES: I think we will. It is about time the House woke up and ceased carrying on in the conservative manner to which my friend the member for the Central Province (Hon. E. H. H. Hall) referred earlier in the evening. I support the second reading and hope the House will agree to the measure.

HON. E. H. H. HALL (Central) [8.15]: I shall not weary the House with a long speech on the Bill, but after listening to the remarks of Mr. Miles who stated his

opinions so emphatically, as he is quite entitled to do, I do not think we should allow it to go forth that this House considers the State has been well treated by the Commonwealth Government or by the Eastern States. I do not think we should go down on our knees in gratitude to them.

Hon. A. Thomson: Hear, hear!

Hon. E. H. H. HALL: I look forward more and more to the day when the Labour Party will have achieved its objective and secured unification.

Hon. G. W. Miles: That is what we want, and it is coming.

Hon. E. H. H. HALL: There is another plank in which the hon. member is in sympathy with the Labour Party, and he is not afraid to say so. In my opinion the time must come when unification will become an accomplished fact, but until it does, I trust that members of the State Parliament will get up and say their say, certainly not taking Mr. Miles's advice willy-nilly just because a Government, whether it be the present or some future administration, has promised something.

Hon. C. F. Baxter: Hear, hear! You are quite right.

Hon. E. H. H. HALL: I was amazed at the attitude adopted by Mr. Miles. I was astounded at his courage in speaking as he did from his place among men who come from that great, big, undeveloped tract of country up north, which breeds big, fearless men. On the other hand, I maintain—here I shall follow fully the hon. member—that the idea of bringing something against those who cannot come here and defend themselves—

The PRESIDENT: I am waiting for the hon. member to deal with the Bill.

Hon. E. H. H. HALL: And you, Mr. President, will not have long to wait until I do so. I did not hear you call others to order when they referred to the Commonwealth Grants Commission! You have allowed considerable references to be made to that Commission and its report. I can assure Mr. Miles that I have not been led away by the eloquence of Sir Hal Colebatch, which cuts no ice with me.

Hon. Sir Hal Colebatch: What have I done to the hon. member?

Hon. E. H. H. HALL: Sir Hal's eloquence is not worth 2d. a lb. to me. I know all about his rhetoric and his eloquence, but I am not led away by his remarks. In my

opinion the Commonwealth Grants Commission to which you, Mr. President, have rightly allowed extended references to be made, has not lived up to its duty to this great State of ours. Look at the money we send to the Eastern States every year in respect of imports. It will be said in reply to that, "You get value for your money." I point out that Western Australia has not only the gold mines, but it has been a source of gold for the Eastern States. Western Australia being the most undeveloped of all the States, I claim that the Commonwealth Grants Commission in making the consideration of the State's financial requirements a matter of hard and fast accountancy business, has not done its duty to us.

If the Federal Constitution allows it well and good, but I shall contend through thick and thin that the Federal Grants Commission should be wiped out of existence. I would much prefer to depend upon the Federal Government for the grants to be made available to Western Australia because in dealing with the Government we would know we were transacting business with those who were elected to represent the people of Australia. I cannot speak too strongly on that point. While I will not be led astray by the rhetoric and eloquence of Sir Hal Colebatch, I was with him when he put to us the question: "Is Western Australia a self-governing State?" If it is—and we all know it is a self-governing State—the Government in spending the money that belongs to the State—whether or not the expenditure is justified and whether or not the expenditure is undertaken by a Labour Government or some other Government is quite apart from the question—then it has no right to be dictated to by the Federal Grants Commission as to how that money shall be spent. I shall vote against the second reading of the Bill.

HON. L. B. BOLTON (Metropolitan) [8.20]: I shall not speak at any great length on the Bill and I intend to keep strictly within the four corners of the subject matter of the debate and not transgress as did Mr. Miles and Mr. E. H. H. Hall. This is the third time that a similar Bill has been presented to this Chamber and because I voted against the legislation on two previous occasions and intend this time to support the Bill, I desire to give members my reasons for so doing.

Hon. L. Craig: Sensible man!

Hon. L. B. BOLTON: In the first place my reason is that the Bill will operate for one year only.

Hon. V. Hamersley: Do you believe that?

Hon. L. B. BOLTON: In that regard I have this right that when a similar Bill is presented to us next year and I am not satisfied that the State Government has received from the Commonwealth Grants Commission the amount we were definitely promised would be forthcoming, then I can vote against the Bill next session. From my reading of the measure and from conversations I had on the subject with the Under Treasurer and with the Government Auditor, I am satisfied—I agree with Mr. Dimmitt on this point—that the only difference this time is to take a yard off the blanket at one end and sew it on the other end. I proffer that expression of opinion, not as did Mr. Dimmitt in opposition to the Bill, but in favour of it. I honestly believe that for the current year the passage of this legislation will not make any difference to the revenue of the metropolitan local governing bodies because what is taken away with the left hand is to be returned with the right hand. In other words if the 22½ per cent. is taken away, those bodies will receive from the petrol tax an equivalent amount. For that reason I intend on this occasion to vote for the second reading of the Bill.

HON. J. G. HISLOP (Metropolitan) [8.22]: May I at the outset tell my friend Mr. Miles that on this occasion I am not to be swayed by the eloquence of any hon. member of this Chamber. I have done what I could to make myself conversant with the contents of the latest report of the Commonwealth Grants Commission and also had an opportunity to discuss the matter with the Under Treasurer who gave me permission to say that I had considered it with him. I have tried thereby to arrive at some understanding for myself, as the youngest member of this House, of what the Bill really means.

The primary reason for the suggested amendment to the Main Roads Act whereby money will be transferred from the Main Roads Trust Act to revenue is, I take it, the action of the Commonwealth Grants Commission in imposing a penalty of £65,000 upon the State for its failure to secure to revenue some part of the license fees paid by motor car owners. There cannot be any question, if one reads through the Grants

Commission's report, that the Commission definitely imposed that penalty upon us. Whether it was justified in doing so is a question that members may wish to discuss, but nevertheless the penalty has been imposed. To make myself more au fait with the dealings of the Commonwealth Grants Commission, I came to the conclusion, after reading its report that the Commission assesses the grants to be paid to the claimant States on the basis of what it calls "needs."

Needs are ascertained first by a comparison of the budgetary position of the claimant States with those of the non-claimant States. The budgets of all the States are reduced to per capita figures and where the per capita deficit of a claimant State exceeds the average per capita deficit of the three non-claimant States, the difference is deemed to be what the Commission calls the crude, or unadjusted, grant. From this unadjusted grant which is arrived at by multiplying the per capita figure by the population of the claimant State, the Commission proceeds to make adjustments on account of—

1. The severity of taxation of the claimant State;
2. The cost of social services paid in that State;
3. The relation of the losses on loan undertakings as compared with the losses sustained in the three non-claimant States.

The calculation of the severity of taxation is a somewhat complicated procedure into which I do not intend to delve except to state that Western Australia has become one of the most highly taxed of the States.

Hon. V. Hamersley: Without all the bonuses enjoyed by those other States.

Hon. J. G. HISLOP: On account of the relatively more severe taxation imposed in this State, the Commission increased the allowance to Western Australia this year by £150,000 but because of our social services we suffered a penalty of £81,000. Looking through the Grants Commission's report we find on perusing page 59 that a definite penalty was imposed on Western Australia to the extent of £81,000 because of the position regarding social services for 1939-40. It would be rather interesting to go into that matter in detail because it seems to me that if the Government is keen to please the Commonwealth Grants Commission in regard to road finance, it may be more pleasing if we were to say that we would appease the Com-

mission respecting the social services in connection with which we are considerably ahead of the other States.

Hon. A. Thomson: Per head of the population?

Hon. J. G. HISLOP: Yes, per capita. Our cost is 28s. 6d. and most of the advantage to Western Australia over the other States is made up in connection with our silicosis grant and the increased cost of hospitals. I do not for a moment consider it fair that Western Australia should have the whole of the 1s. 11d. for silicosis granted. Nature is against it, but that is possibly for the moment outside the scope.

Hon. L. Craig: Is not that money paid by the mining industry?

Hon. J. G. HISLOP: We pay 1s. 11d. per capita, whereas Victoria pays 3d. The heading here is "Miners' phthisis," under which it is stated that Western Australia pays 1s. 11d. per capita, the only other State mentioned being Victoria, with 3d. per head.

Hon. L. Craig: That is refunded by the mining industry.

Hon. J. G. HISLOP: It may be. I cannot find that mentioned in the Grants Commission's report. That, however, is the figure against us. It is rather interesting to notice that our hospitals cost considerably more than do the hospitals of the other States. That, in my opinion, could easily be accounted for by the fact that our hospitals are not as economically or as well managed as they would be under the conditions I have described, if the Victorian system were adopted here. Our hospitals bill is a long way ahead of 11s. in Victoria as against 18s. 3d. in Western Australia. This goes to show to those who rather criticise the board, that such costs could not be accepted as would bring us down within the needs of the Grants Commission.

Entering further into this question of losses on loan undertakings, the Commission has pointed out that in this State they are hidden. One item which contributes extensively to the losses is the loan expenditure on roads and bridges which at the end of June this year amounted to roughly £3,500,000. The cost to revenue of this loan indebtedness was £158,000. It appears to me that members of this Chamber believe this money was spent by the Government to relieve unemployment. From inquiries I have made it is certain that the Government

during the depression spent sums of money for unemployment relief. My inquiries, however, have led me to believe that the amount so spent would not exceed £750,000, as against the total spent of £3,500,000. With the exception of Tasmania, all the other States offset to revenue the cost of these roads and bridges by transfer of the whole or part of the motor license fees.

In Victoria again, the whole of these license fees are collected by a central authority; there they apparently believe in centralisation. The first charge against the revenues therefrom is the annual cost of the loan indebtedness to the State as the result of work on roads and bridges. The Grants Commission appears to argue that if the aim is to bring the budgetary position of Western Australia into line with the budgetary positions of the non-claimant States, to do so requires a big amount. If this revenue comes all from the contributory States, then the claimant States should take the same budgetary or accountancy measures as the non-claimant States. That seems a fairly reasonable argument put up by the Commission. The Commissioners also report—one can read this for oneself—that the Government does appear to be trying to do something to adjust this matter. On page 80 of the report one reads—

The Western Australian Government appears to be anxious to bring its road finances more into line with those of the other States. Legislation designed to divert £75,000 of motor taxation from the Roads Fund to the Consolidated Revenue Fund was introduced into the State Parliament last year, but rejected by the Legislative Council.

In another paragraph the Commissioners say—

In recent years revenues from motor taxation and the annual payments made to the States under the Federal Aid Roads Agreement have increased substantially. In view of these facts we feel that both Western Australia and Tasmania should have brought their road finances more into line with those of the other States.

Again, it is worth pointing out that in measuring the severity of State taxation the Grants Commission also assesses the severity of local government taxation. Local government taxation in this State would appear to be about half as severe as it is in the three non-claimant States. The only point which I can see likely to crop up in the future is that if we gave to the Commission this right to suggest how we use

these fees, the next factor we might have to face would be a request that our local government taxation be raised to that of the non-claimant States. On page 101 of the report one reads—

Local Taxation 1938 to 1939, omitting payments for water supply and sewerage: New South Wales 46s. per capita, Victoria 42s., Queensland 55s., South Australia 22s., Western Australia 33s., Tasmania 31s.

Wondering what this had to do with the matter at all, and why the two should be bound together, I asked for further information from the Treasury and learnt that from time to time investigations have been made with regard to the accounts of local governing bodies in the metropolitan area, and that it is quite clear that many local governing bodies are using their share of motor license fees to subsidise their ratepayers in other ways. The idea of transferring motor license fees to the local governing bodies was to enable them to meet the cost of maintenance and construction of roads within their districts. Investigation shows, however, that the share of the license fees does more than this, and that the money is not being spent solely on roads. Tomorrow, I understand, they will be able to do this.

Hon. L. CRAIG: Therefore the motorists are contributing to the rates of the local authorities.

Hon. J. G. HISLOP: Yes. The Grants Commission apparently has seen that this is another adjustment which it will urge. The legislation suggested this year does not impose any burden on local authorities, nor does it attempt to deprive them of any money which they would otherwise receive. The share of the motor license fees transferred from the Traffic Trust Account to the Main Roads Trust Account does not in any case go to local authorities. It goes, I understand, to the Commissioner of Main Roads, who is empowered to use that money for maintenance of roads in the metropolitan area.

Inquiring still more deeply into this, I learned that the Commissioner of Main Roads, whose principal revenue is the share of the petrol tax paid by the Commonwealth to Western Australia, finds himself with increasing funds which he is not able to spend. The suggested amendment to the Main Roads Act is to charge against this increasing balance in the hands of the Commissioner the sums required for maintenance of roads in the metropolitan area which otherwise would

come out of the share of the motor license fees paid to him from the Traffic Trust Account. This Bill suggests that the transfer should be for one year only. Having investigated the matter for myself, I feel that we should agree to this. We shall have matters in our own hands next year, should this arrangement not turn out as we anticipated. I shall vote for the Bill.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West—in reply) [8.43]: Notwithstanding the very definite statements which have been made by most members who have expressed opposition to the Bill, I am still hopeful that this House, after giving due consideration to the real facts of the case, will agree to the measure. Before going any further I would like to express appreciation of the fact that both Mr. Bolton and Dr. Hislop have inquired for themselves from another source as to what the Bill really means. They are satisfied that the explanation given by the Minister in charge of the Bill is the correct one. I may also say that I like the idea that some members are prepared to consider such reports as those of the Grants Commission and not to accept just a few statements taken from the reports which might support the argument they would like to favour. For that is the experience we have had here in the past.

I would like to demonstrate to those members who have been so definite as to what would happen under the Bill, that they have an entirely erroneous impression of what it means, and that the very definite statements they have made are not in accordance with any part of the Bill. Without exception, every member who has opposed the measure has used the argument that local authorities, either country or metropolitan, will probably be affected by the measure. They have gone further than that. They have said, "If this House agrees to the Bill it will be a natural corollary that the Government will bring down a measure to affect the local authorities not now affected." That is a fallacious argument. If members care to read the Bill for themselves they will find no reference to local authorities, either metropolitan or country. We can put on one side all the arguments based on the mistaken idea that the money to which this Bill refers has any connection with local authorities. By "local authorities" I assume members mean municipalities and road boards. Dr.

Hislop has given a clear exposition of what the Bill really means. I hope members will bear with me, even if I have to repeat some of the statements made by him.

In the first place I want to deal with the suggestion that the Bill deals with sharp practices, or the juggling of finances by this Government. No member is justified in suggesting that the procedure outlined in this measure can be brought within those categories. It may sound very well, of course, to accuse the Government of that kind of practice, but when there is no truth in the allegation, and when all the arguments used against this Bill are based on false premises, statements of that nature are worse still. At the outset it is necessary to understand the particular funds referred to in this Bill. Some members have referred to these funds without having the haziest notion as to how they are constituted, or how they are allocated. Most members are aware that we get what is commonly called "the petrol tax." The amount received by this State annually is a very large sum and is referred to in the Bill as the "Federal Aid Roads Fund."

One of the conditions attaching to that fund is that the money shall be expended on the maintenance and construction of roads and bridges. While it can be spent in that direction, it cannot be used for the purpose of paying interest on moneys which have been expended in the construction and maintenance of roads and bridges. If we have more money in that fund than we can economically use in the construction and maintenance of roads, or circumstances are such that it is not possible to expend the whole of that money in that way, because it cannot be used for any other purposes, it lies idle. Let us for a moment deal with the traffic fees. Each member is well aware that local authorities in the country are allowed to use the traffic fees as they think fit. Most members will now agree that local authorities in the country rely to a great extent upon traffic fees, not only for the maintenance or construction of roads but for any purpose.

Hon. J. Cornell: A lot of road boards cannot get any other money.

The CHIEF SECRETARY: That is all right. Members are agreed that that is so. It is for that reason that they fear that if this Bill be agreed to, the next attack will be on the funds of country local authori-

ties, and they will not be able to resist it. Let us deal with the metropolitan area. In the metropolitan area the Commissioner of Police acts as the local authority so far as the collection of traffic fees is concerned. We find that 22½ per cent. of that money is paid to the Commissioner of Main Roads, as pointed out by Dr. Hislop. Out of that 22½ per cent. the Commissioner maintains and constructs, where necessary, the main roads of the metropolitan area, which are not the responsibility of the local authorities in the city. The proportion which goes to the metropolitan local authorities is not affected in the slightest degree. This measure simply deals with the 22½ per cent. paid to the Commissioner of Main Roads.

I have already explained that while that will aid road funds, the money cannot be used for the purpose of paying interest on loan moneys which have already been expended on the construction and maintenance of roads. But by this means, by paying this amount into revenue from traffic fees collections, that money will be available to meet some part—and only a very small part—of the interest payments which the Government has to meet every year, on large sums of loan money expended on the maintenance and construction of roads in the country areas. It is by this means that we propose to meet the objection of the Commonwealth Grants Commission that we have not in the past done what it considered to be the right thing compared with what other States, and particularly the non-claimant States, have done.

Ninety-one per cent. of the Federal Aid Roads Fund is spent in the country. The amount of money involved runs into millions. Of the loan money spent on the construction of roads—that is money provided by this Government—no less than 97 per cent. has been spent in the country. It is futile for country members, who have objected to this and similar measures, to suggest they are going to suffer by virtue of the fact that this Government is endeavouring to meet the objections raised by the Grants Commission in regard to providing money for the payment of interest on loan funds, the expenditure of which, so far, has been unproductive.

We have had many discussions in this Chamber dealing with unproductive loan expenditure, and some of the most emphatic protests have come from those who oppose

this measure. The latest report of the Commonwealth Grants Commission makes it clear that the unproductive loan expenditure of this State is the real reason why we are not entitled to the full amount of money which, on its formula, we should receive. It adopts the attitude that, unless we are penalised in the manner they have prescribed during the last year or two, we will not make any effort to bring our method of dealing with these matters more into line with those employed in the non-claimant States, from which we receive a very fair proportion of the money included in Commonwealth Grants.

Hon. G. W. Miles: We receive the bulk of it from them.

The CHIEF SECRETARY: Just as the hon. member likes. The Commonwealth Grants Commission, on this occasion, has gone a little further than in the previous year in regard to its criticism of our unproductive loan expenditure. I advise some of those members opposing this measure, and particularly those representing districts in which millions of pounds have been spent, and which districts are not providing any money towards the payment of interest, to study the report of the Grants Commission.

Hon. G. W. Miles: Are you referring to the irrigation areas?

The CHIEF SECRETARY: Yes. They are mentioned particularly in the Commonwealth Grants Commission's report. I would like my remarks to be applied particularly to what was said by Mr. Thomson tonight, when he suggested that we do nothing for the farming community. One would think, from his remarks that there was antagonism throughout so far as the farming community is concerned. When we look the cold facts in the face, we discover an entirely different position.

Hon. A. Thomson: Do you blame the farmers for the loss of that money?

The CHIEF SECRETARY: No.

Hon. A. Thomson: That is what you are inferring.

The CHIEF SECRETARY: No. I am pointing out that the Grants Commission has taken notice of the fact that millions of money have been spent on our irrigation and drainage schemes, and that the people who have benefited have not provided any of the interest to be paid on the capital expenditure. The Commission suggests to the State that the time has arrived when the Government should take that matter

into consideration. It expects the people, who reap the benefit of higher land values on account of the operations of these schemes, to pay something towards the cost. Let me quote paragraph 181 of the Grants Commission's report on page 78:—

The Commission has given close attention to the economic and financial aspects of the irrigation schemes established in the Waroona, Harvey and Collie districts by the Government of Western Australia. On our last visit we inspected the areas, and discussed with irrigation officers the problems of water supply, capital cost and rating for those areas. While we are satisfied about the soundness of the schemes in general and about the enhanced productivity of the areas as a result of irrigation, we have some doubts concerning the relation of capital cost to the charges made to the settlers. In general we are convinced that where, as in these areas, the provision of irrigation services by the State has resulted in a marked rise in land values, there is evidence of increased profit to the land-owners of which the State should take a fair share.

Hon. L. Craig: Of course, the capital cost was not the economic cost.

Hon. A. Thomson: The same thing applies to roads.

The CHIEF SECRETARY: The paragraph continues—

Costs of the schemes should be recovered through charges to the settlers proportionate to the increased profitability of farming in the irrigated areas, and we are able to find no justification for the Government's hesitation about increasing the charges for water services in these areas.

Hon. W. J. Mann: A wonderful policy that for a new country!

Hon. L. Craig: It would put the farmer back where he was before he had irrigation.

Hon. J. Cornell: At Norseman a charge of 10s. a thousand gallons is made for water.

The CHIEF SECRETARY: I mention this so that members representing country districts served by these schemes may have some knowledge of the effect of loan expenditure on the general finances of the State.

Hon. L. Craig: But that is not unproductive loan expenditure.

The CHIEF SECRETARY: Let me give another extract:—

There seems to the Commission to be a tendency on the part of the State authorities to disregard the real benefits, both direct and indirect, to the settlers, and some disposition to regard depressed conditions as common to all primary producers in the State. Such a view

is clearly not tenable for the areas under discussion, and we are convinced that steps should be taken to adjust the rate immediately for the areas served by such schemes.

Hon. J. J. Holmes: How long has that report been out?

The CHIEF SECRETARY: Only a few weeks. I do not want members to think that I agree with all that the Grants Commission said, but they should realise that it is the Grants Commission to which we look, and which has authority to determine the amount of money which shall form the Commonwealth grant to this State each year. Bearing this in mind, it is futile for us to say that the Commission is not operating according to the principles on which it should operate. We have to accept the principles on which it is operating. If those principles are being applied to all the claimant States, we have no ground for asking to be treated differently from the other claimant States.

The other night Mr. Thomson said that this State had increased its taxation mainly at the instigation of the Commonwealth Grants Commission. I do not admit this, but I do agree that taxation in this State during recent years has been increased considerably. As a result of the severity of taxation, the Commonwealth Grants Commission is now allowing us a sum of £150,000. If members care to read the report of the Commission they will find how the Commission arrived at this sum. Dr. Hislop tonight referred to the principles on which the Commission worked. He is quite right. Working on those principles, the Commission shows clearly how the amounts are arrived at. To put the position in a nutshell, let me quote a few figures. In paragraph 207 the following appears:—

The main elements contained in the grants recommended are shown below:—

Amount necessary to bring comparable deficit to normal standard (para. 123)	£606,000
Adjustments for—	
Costs of administration (para. 122)	+ £20,000
Scale of social services (para. 130)	— £81,000
Severity of taxation (para. 136)	+ £150,000
Road debt charges (paras. 196-197)	— £65,000
Final adjustment	—
Total	£630,000

That was the amount of the grant allotted to us last year. If we are to do the best possible for the State financially, we must take notice of those very definite statements made after due inquiry by the Grants Commission. There is quite a lot in the report that will give satisfaction to at least one member—Mr. Holmes—who has referred on many occasions to the mounting cost of our fixed liability. Dealing more particularly with the question of roads, the Commission shows, conclusively I think, that we have not in any way endeavoured to bring our road finances anywhere near to the position of the non-claimant States. As a matter of fact, the Commission points out that all we have provided by way of interest on loan money expended on roads is a sum of £7,396. It might be as well to quote the paragraph, No. 187—

Western Australia's loan liability for roads and bridges is £3,406,000, the debt charges thereon for 1939-40 being £163,000. The amount recovered from road authorities, however, towards meeting these charges was only £7,396. Tasmania's road debt is about £5.5M., the annual charges for interest and sinking fund being about £220,000. As far as we are aware, no recoveries are made from the road authorities towards meeting these charges. The Western Australian Government appears to be anxious to bring its road finances more into line with those of other States. Legislation designed to divert £75,000 of motor taxation from roads fund to the Consolidated Revenue Fund was introduced into the State Parliament last year, but was rejected by the Legislative Council.

I have quite a number of extracts that could be quoted, but I do not propose to read them because I have said enough to show that from the point of view of the Grants Commission we have not been meeting our liability on loan expenditure on roads to anything like the extent which could be expected if we hope to be recompensed by the Grants Commission at the expense of the non-claimant States.

Let me now deal with the possibility of loss to local authorities in the country if this Bill is agreed to. My remarks on this Bill could be applied to the last two Bills introduced to deal with this problem. It is just questionable whether the country local authorities have not lost more money through those Bills not being agreed to than they could possibly have lost under any circumstances had the measures been passed. This year we are penalised to the extent of £65,000.

I have already pointed out that no less than 97 per cent. of our loan money spent on roads has been expended in the country. Had the £65,000 been available, that amount of money would have been released for expenditure in other directions. In view of the percentage I have mentioned, it must be apparent to any thinking person that the country districts of this State must have been affected, to some extent, at any rate, by that fact.

I do not propose to say any more on that subject other than to impress upon the House that the Government is anxious to do the right thing, and considers that in view of all the circumstances there is no reason whatever why this proportion of traffic fees should not be used for the purpose of meeting interest charges on loan moneys expended on roads. It will not affect the amount available to the Commissioner of Main Roads by one pound; it will not affect the metropolitan local authorities by one pound, and it will not affect the country local authorities by one pound. I may tell country members that every year this Government has provided loan funds for the construction of roads in the country in addition to the Federal Aid Roads Funds made available. That fact is overlooked by some people who are so critical of this Bill.

The final point I wish to make is this: On previous occasions we have inserted a provision stipulating that these conditions would apply only so long as the Federal Aid Roads Funds were in existence, but this time the Bill is limited to a period of one year and it cannot possibly operate for another year, or for any longer period, unless this Chamber so agrees. Having in view all these facts, as well as the financial position of the State, and understanding the difficulties with which we are faced, I feel that if the House refuses to pass the Bill it will be doing a great disservice to the Government and will be taking an action for which I cannot for a moment think it has any justification. Mr. President, I leave the Bill to the House.

Question put.

Members: Divide!

The PRESIDENT: There was no voice before the Clerk began to read the Title of the Bill but, nevertheless, I shall divide the House.

Division resulted as follows:—

Ayes	12
Noes	11

Majority for	1
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AYES.	
Hon. L. B. Bolton	Hon. E. M. Heenan
Hon. J. Cornell	Hon. J. G. Hislop
Hon. L. Craig	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. J. M. Macfarlane
Hon. E. H. Gray	Hon. G. W. Miles
Hon. W. R. Hall	Hon. G. Fraser
	(Teller.)

NOES.	
Hon. C. F. Baxter	Hon. H. L. Roche
Hon. Sir Hal Colebatch	Hon. H. Seddon
Hon. E. H. H. Hall	Hon. A. Thomson
Hon. V. Hamersley	Hon. F. R. Welsh
Hon. J. J. Holmes	Hon. H. Tuckey
Hon. W. J. Mann	(Teller.)

PAIRS.	
AYES.	NOES.
Hon. T. Moore	Hon. G. B. Wood
Hon. C. B. Williams	Hon. H. S. W. Parker

Question thus passed.

Bill read a second time.

In Committee.

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

House adjourned at 9.22 p.m.

Legislative Assembly.

Tuesday, 2nd December, 1941.

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

QUESTION—STAMP ACT.

Duty on Transfer of Shares.

Mr. SHEARN asked the Treasurer: In view of the recommendation of the Royal