

They will support those people. This measure is a genuine attempt by the police to handle the situation, and it is not asking too much of members to request them to agree to the Bill. I ask them to examine it clause by clause in Committee so that they can truly judge it. If they are not satisfied they can reject it on the third reading. I oppose the motion.

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

Ayes	12
Noes	11

Majority for 1

Ayes.

Hon. J. Cunningham	Hon. A. L. Loton
Hon. H. Hearn	Hon. H. S. W. Parker
Hon. C. H. Henning	Hon. C. H. Simpson
Hon. J. G. Hislop	Hon. J. McI. Thomson
Hon. A. R. Jones	Hon. H. K. Watson
Hon. Sir Chas. Latham	Hon. J. Murray (Teller.)

Noes.

Hon. C. W. D. Barker	Hon. E. M. Heenan
Hon. N. E. Baxter	Hon. F. R. H. Lavery
Hon. G. Bennetts	Hon. L. A. Logan
Hon. E. M. Davies	Hon. H. C. Strickland
Hon. L. C. Diver	Hon. R. J. Boylen (Teller.)
Hon. G. Fraser	

Question thus passed.

Select Committee Appointed.

On motion by Hon. Sir Charles Latham, a select committee appointed consisting of Hon. C. W. D. Barker, Hon. C. H. Henning, Hon. F. R. H. Lavery, Hon. L. A. Logan and the mover, three members to form a quorum, the committee to have power to call for persons, papers, and documents, to adjourn from place to place; and to sit on days over which the Council stands adjourned and to report on Thursday, the 19th November.

House adjourned at 9.32 p.m.

Legislative Assembly

Tuesday, 3rd November, 1953.

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

QUESTIONS.

RAILWAYS.

(a) As to Sale of Scrap Steel.

Mr. LAWRENCE asked the Minister for Railways:

(1) Does he consider that in the past 12 months—

(a) there has been a shortage of scrap steel; or

(b) that all scrap steel has been readily saleable?

(2) If the answer to (b) is in the affirmative, will he explain why scrap steel was disposed of by private treaty and why public tenders were not called for its disposal?

The MINISTER replied:

(1) (a) No.

(b) All scrap steel of type and size in common demand has been readily saleable.

(2) The calling of tenders is not practicable for the sale of scrap which constantly varies in type, size, quantity and quality as it becomes available.

(b) *As to Chord Line and Kwinana Connection, etc.*

Hon. A. F. WATTS asked the Minister for Railways:

(1) What were the estimates of costs submitted by the Railway Department to the Government in 1952 in respect of the following works:—

(a) Proposed extension of the authorised chord line to Kwinana?

(b) Similar connection from Midland Junction to Kwinana as then suggested?

(c) The authorised chord line itself?

(d) Resumption of the number of properties that would have been disturbed by the authorised chord line if it were completed?

(2) How many properties were involved in No. (1) (d), to how many owners has compensation already been paid, and what amount was involved in such payments?

(3) What amount will be required to complete payment of compensation on the balance of the properties, i.e., those not already paid?

(4) Has the Railway Department made an estimate of the cost of carrying out the following works now proposed:—

(a) The single line from Rivervale to the Bayswater end of the Bassendean marshalling yards?

(b) The marshalling yards at Midland Junction and the railway from Midland Junction to Kwinana?

(c) The difference in cost of operation of lines from Bassendean via authorised chord line to Kwinana and the proposed connection between Midland Junction and Kwinana via Cannington?

(d) The proposed road and bridge between the Great Eastern Highway and the Swan River and over the Swan River to East Perth?

(5) How many properties will be disturbed in respect of each of resumptions necessary for the following works:—

(a) The line between Rivervale and the Bayswater end of the Bassendean marshalling yards?

(b) The proposed marshalling yards at Midland Junction?

(c) The proposed connection between Midland Junction and Kwinana, via Cannington?

(6) What will be the estimated cost of such resumptions in each case?

(7) Will he give the estimated costs of each of the works referred to in paragraphs (a) to (d) of No. (4)?

(8) If the answer to No. (7) is in the negative, does it indicate that the recommendations of Messrs. Dumas and Brisbane were made without the estimated costs of these various works, as estimated by the Railway Department, being taken into consideration?

The MINISTER replied:

(1) (a) Approximate estimated cost of a line from Kenwick or Queens Park to Kwinana quoted £389,000 for single track or £584,000 for double track.

(b) Midland Junction to Kwinana £826,000 for single track, £1,151,000 for double track.

(c) £644,000. The above estimates do not include land resumption.

(d) £150,000. This was preliminary departmental estimate which experience has shown was somewhat low.

(2) Properties involved—approximately 260. Compensation paid to 39. Amounts paid these 39 claims total approximately £53,000.

(3) Information not available. Could not be determined until final settlement was reached on each property concerned.

(4) (a) Yes.

(b) No new marshalling yards are proposed for Midland Junction.

(c) No.

(d) No.

(5) (a) Until permanent survey is completed this information will not be available.

(b) See answer to (4) (b).

(c) Not known, route not yet surveyed.

(6) Estimated cost resumption—

(a) £30,000.

(b) See answer to No. (4) (b).

(c) Not known, route not yet surveyed.

(7) Estimated cost—

(a) £350,000.

(b) See answer to No. (4) (b).

(c) No works referred to.

(d) Not known.

(8) See answer to No. (7).

(c) *As to Rollingstock Couplings.*

Mr. BRADY asked the Minister for Railways:

(1) By what name is the present standard system of railway couplings known?

(2) To what system are the couplings being changed?

(3) Was the decision to change made by the Railways Commission before or subsequent to deciding to build the chord line to Bassendean?

(4) Are any royalties paid on the new system?

(5) Were any royalties paid for the use of original standard system?

(6) Can the new system be fabricated at the Government workshops, Midland?

(7) Could the original system be fabricated at the Government workshops?

(8) What is the estimated cost of changing over to the new system of couplings?

(9) Will the new system of couplings avoid the necessity of turning rolling-stock periodically?

The MINISTER replied:

(1) Norwegian chopper coupler single articulation.

(2) N.C.D.A. (Norwegian Conversion Double Action).

(3) Before. This has no relation to the decision on the chord line.

(4) All new stock has been supplied with couplers manufactured by the parent manufacturing company, i.e., A.B.C. Coupler and Engineering Co. Ltd., Wolverhampton, U.K., and the rights of manufacture in this State are held by Tomlinsons Steel Ltd.

(5) Information not available. The patent expired many years ago.

(6) Yes, providing necessary equipment and tooling is installed at the Midland Junction workshops.

(7) Yes.

(8) Cost of one set of draw gear is £87 existing type and £175 N.C.D.A. type.

(9) No.

HOUSING.

(a) *As to Blocks for Shops, Kwinana.*

Mr. WILD asked the Minister for Housing:

(1) Is it the intention of the State Housing Commission to permit potential shopkeepers to purchase blocks of land at Kwinana, on which shops may be erected?

(2) If "yes" is the answer to No. (1), will he indicate where such land will be made available?

(3) Will this land be sold by auction or tender?

The MINISTER replied:

(1) All lots at Kwinana will be disposed of under the usual Lands Department conditions, other than those set aside for any special purpose.

(2) The land will be sold when the plans of subdivision have been approved and the necessary surveys completed. No definite date can yet be given.

(3) The lots will be sold by public auction.

(b) *As to Pre-cut Homes Delivered and Erected.*

Mr. WILD asked the Minister for Housing:

(1) How many pre-cut houses were produced and delivered to the order of the State Housing Commission during the months March, April, May, June, July, August and September, by Bunning Bros. and the Kauri Timber Coy.?

(2) Where were these houses sent for erection?

(3) Were they erected for use under the Commonwealth-State rental agreement or under the Workers' Homes Act?

The MINISTER replied:

(1)—

1953.	Bunning Bros.	Kauri Timber Co.
March	22	10
April	27	16
May	30	16
June	21	10
July	26	19
August	22	16
September	21	15

(2) 197 to 52 country towns.
60 to Kwinana.

14 to metropolitan area.

(3) Commonwealth-State rental	122
State Housing Act	85
Kwinana	60
War service homes	4

(c) *As to Commonwealth-State Agreement, Administration Costs.*

Mr. OLDFIELD asked the Minister for Housing:

From the commencement of the Commonwealth-State rental housing agreement until the year ended the 30th June, 1953, for each year (as distinct from the costs, etc., involved in the operations of the war service homes, workers' homes and McNess housing trust sections, or the materials control, or any other section under the jurisdiction of the commission)—

(1) What has been the total cost of administration and supervision?

(2) What is the salary and wage component in the above cost?

(3) What number of employees have been engaged in the administration and supervision?

The MINISTER replied:

	£	s.	d.
(1) 1944-45	6,000	0	0
1945-46	10,026	0	0
1946-47	16,734	0	11
1947-48	28,934	3	3
1948-49	48,016	6	3
1949-50	73,823	2	2
1950-51	102,854	17	3
1951-52	129,675	13	10
1952-53	122,892	14	1

TRANSPORT.

(2) 1944-45	.....	4,950	0	0
1945-46	.....	7,661	0	0
1946-47	.....	11,092	14	10
1947-48	.....	21,448	16	2
1948-49	.....	36,399	10	3
1949-50	.....	56,677	17	4
1950-51	.....	80,770	4	2
1951-52	.....	102,733	7	1
1952-53	.....	96,484	15	11

- (3) 1944-45—Equivalent of 16 officers.
 1945-46—Equivalent of 24 officers.
 1946-47—Equivalent of 32 officers.
 1947-48—Equivalent of 52 officers.
 1948-49—Equivalent of 72 officers.
 1949-50—Equivalent of 108 officers.
 1950-51—Equivalent of 127 officers.
 1951-52—Equivalent of 141 officers.
 1952-53—Equivalent of 120 officers.

WESTERN AUSTRALIAN FLAG.

As to Position of Black Swan.

Mr. OLDFIELD asked the Premier:

(1) In view of the doubt as to the direction in which the black swan should swim on the Western Australian flag, will he seek from the Royal College of Arms, London, a definite ruling on the subject?

(2) Does he not agree that this matter should be clarified prior to the Royal tour next year?

The PREMIER replied:

(1) An inquiry on this subject was made of the College of Arms, London, in 1936. The College of Arms stated there was no doubt that the swan of Western Australia, as used by Western Australia, swims to the dexter, i.e., to the observer's left. I gave my colleague, the Minister for Education, an opportunity to reply to this question and he said it would depend upon the way the wind was blowing.

(2) Answered by No. (1).

ROADS.

As to Widening, Armadale.

Mr. WILD asked the Minister for Works:

(1) What money has been made available for the widening of the Armadale-rd. in the current financial year?

(2) For what distance is it planned to widen the road during the financial year?

(3) When is it expected that work will commence?

The MINISTER replied:

(1) (a) £3,000 to complete widening, drainage and removal of cables on the Nicholson-rd.—William-st. section.

(b) £14,192 for widening south-east-erly from William-st.

(2) Three and one-half miles.

(3) December, 1953.

As to Subsidy on Livestock, Mt. Barker-Pimlup.

Hon. A. F. WATTS asked the Minister for Transport:

(1) Is it correct that in respect of the subsidy paid to the transport service west of Mt. Barker to Pimlup, the Transport Board has ruled that with regard to livestock this subsidy will be paid only where the livestock is taken from or delivered to the railway?

(2) If so, does he consider this ruling just in view of the fact that in this case the service was provided in lieu of an authorised railway, and therefore, if a railway had been provided only rail freight rates would be paid from loading to destination in each case?

(3) Will he take steps to ensure that the ruling is altered?

The MINISTER replied:

(1) Intra-district haulage of livestock was not originally in the subsidised list. This policy has since been amended in two instances where special representations have been submitted, but the original practice still applies to Mt. Barker.

(2) While it is questionable whether railways, if they existed, would, in fact, be used for livestock transport over short distances, the amended policy would have been applied to the Mt. Barker services if the matter had been submitted.

(3) Consideration is being given to the inclusion of short distance haulage of livestock in the subsidised list for all subsidised services whether specific requests have been made or not.

KWINANA ROAD DISTRICT.

As to Petition for Exclusion.

Hon. A. F. WATTS (without notice) asked the Minister representing the Minister for Local Government:

(1) Was a petition received from residents of the Kwinana township asking to be excluded from the area proposed to be severed from the Rockingham Road Board?

(2) If so, when and by how many persons was it signed?

(3) What area was proposed to be excluded?

(4) What reply was given to the petitioners?

The MINISTER FOR TRANSPORT replied:

The hon. member was good enough to send this question to my office this morning and so I was able to obtain the information for him. The answers are:

(1) Yes.

(2) The petition, undated and addressed to the Minister for Local Government, was handed in at the office of the Rockingham

Road Board and forwarded to this department by the secretary of the board, by letter dated the 30th October. It was received at the Local Government Department on the 2nd November, 1953, and was signed by 92 people, but it is not known how many of those are ratepayers.

(3) The old section of Kwinana bordered by Office-rd. on the south, Mandurah-rd. on the east and Rockingham-rd. on the west.

(4) No reply has yet been given.

BILL—FERTILISERS ACT AMENDMENT.

Read a third time and transmitted to the Council.

BILL—BANK HOLIDAYS ACT AMENDMENT.

Second Reading.

THE MINISTER FOR HOUSING (Hon. H. E. Graham—East Perth) [4.43] in moving the second reading said: This Bill seeks to correct an obvious weakness in the parent Act. Provision is made under the Bank Holidays Act for certain statutory holidays and certain special holidays which may be granted by the Governor. It has been found that there is no power in the Act, as it stands at present, for the date to be altered or for a holiday to be cancelled once it has been declared by the Governor.

On at least two occasions when a special holiday has been declared for a particular purpose and it has been found unnecessary to hold the holiday on that particular day, it has had to proceed as originally planned. Such a happening could well be envisaged in connection with the projected Royal visit next year if, through some unhappy circumstance, Her Majesty was unable to visit this country. In those circumstances, notwithstanding that a holiday had been proclaimed by the Governor, as I said earlier, the bank staffs, under the Act as at present worded, would have to take that holiday because there is no power for the Governor to cancel it or, if necessary, defer it.

Obviously some rectification of the situation is desirable. There have been occasions, as members will realise, when the banks have had to keep their doors closed on a particular date for no reason. If a bank, because of the circumstances, decides not to open its doors on a certain day, a position might arise where its clients could claim damages if they suffered injury as a consequence of being unable to finalise transactions which had to be completed by a certain time. I felt that the reasons for this Bill are obvious and that there should be no difficulty in passing it through this Chamber. There is contained in the measure a proviso that there shall be at least one week's notice

given when it is desired to make any alteration in the date or cancel the holiday that has already been proclaimed. I move—

That the Bill be now read a second time.

On motion by Hon. L. Thorn, debate adjourned.

BILL—INDUSTRIAL DEVELOPMENT (RESUMPTION OF LAND) ACT AMENDMENT.

Second Reading.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT (Hon. A. R. G. Hawke—Northam) [4.47] in moving the second reading said: This Bill is being introduced mainly because of a decision given by one of our magistrates in the metropolitan area some time ago. That decision related to a question which came before the magistrate in regard to the extension of an existing business. He decided that the wording of the part of the Act which was thought to cover the position was such as to allow of no legal interpretation other than that land could not be resumed for the purpose of an extension to an existing business or industry.

The words upon which the decision was based were these: "To establish or carry on." The magistrate said that if those words had been used in the Act instead of those which do appear there, namely, "for the establishment and carrying on," he would have decided in favour of the firm concerned, and he added that if Parliament had intended that land could be resumed for industrial purposes to allow of the extension of an existing business or industry, the words it would have put into the Act would have been, "to establish or carry on" instead of "for the establishment and carrying on."

The decision that was made is considered by the Crown Law Department to have been correct and therefore it has been found necessary to bring an amending Bill before Parliament to alter the Act in order to achieve that which it was thought the Act would accomplish when it was passed in 1945.

There are other amendments in the Bill but, none as important as the one I have just mentioned. It is thought that some restrictions in the Act relating to the resumption of land for industrial purposes are too severe and on certain occasions it has been found to be extremely difficult to operate the Act for the resumption of land for the development of industry. For instance, one portion of the Act provides that the applicant for the land must prove that there is no suitable alternative land available and also that the locality in which he desires to resume the land is the most suitable.

In practice it has not been difficult to prove that the locality is the most suitable, as far as the district is concerned but it has not been so easy to prove that the locality is the most suitable in regard to the particular area of land concerned. It has also been found extremely difficult to prove that there is no suitable alternative land available. It can be well understood that when a case of this nature comes before the courts that there could be, as there has been on some occasions, endless argument as to whether the land that is sought is such as to allow of no suitable alternative land being available anywhere in the metropolitan area, or, if it is in a country town, in that country town which is affected.

Therefore, the purposes set out in that portion of the Act have been found to be extremely difficult to put into operation and the result has been that there has developed a strong disinclination to attempt to resume land for industrial purposes. At this stage of the State's development it is felt that when more and more industries are being established and more potential industries are on the skyline we should, as far as is reasonable, alter the Act to ensure that the legislation will work with reasonable smoothness and facility to permit all the time adequate protection to the people who already own the land which is sought to be resumed for industrial use. The question of subsequent control by the Minister of resumed or dedicated land under the provisions of the Act is also dealt with in the Bill. We had a similar proposal to this one recently in the legislation which deals with the resumption of land at Kwinana.

With regard to this amendment, it is considered, as it was with a similar amendment in the other Bill, that a person or firm which has developed an industry and is operating it reasonably, should be given an opportunity to obtain the freehold of the land so that that person or firm might be in a position to be master of his or its own industry and of the land upon which the industry is established and, as a result of that situation, to be much freer to make whatever financial arrangements were required from time to time not only to ensure the success of the business upon the then existing scale, but also to ensure greater development of the industry as time went on.

The other amendment in the Bill deals with the question of allowing roads to be developed on resumed or dedicated land. Under the existing Act it has been found legally impossible to take any portion of the resumed or dedicated land for the purpose of building roads in order to give access to an industry established upon either type of land. When land is resumed for industrial purposes under the Act, it is necessary that provision be made for road access, and therefore the Bill

sets out to give power to the Minister to enable portions of the land to be made available for the building of roads.

There are already some instances where roads have been required and they have been put in because the industries could not have operated without them, but there was no legal authority to enable the use of the land for roadways and therefore the Bill aims at putting that position right and keeping it right in the future. I move—

That the Bill be now read a second time.

On motion by Hon. A. F. Watts, debate adjourned.

BILLS (3)—RETURNED.

- 1, Adoption of Children Act Amendment (No. 1).
- 2, Government Employees (Promotions Appeal Board) Act Amendment.
With an amendment.
- 3, Hospitals Act Amendment.
Without amendment.

BILL—ELECTRICITY ACT AMENDMENT.

Second Reading.

THE MINISTER FOR WORKS (Hon. J. T. Tonkin—Melville) [5.0] in moving the second reading said: This Bill is introduced for the purpose of amending the Electricity Act, 1945, and is designed to give the State Electricity Commission the necessary power to inspect electrical apparatus, and to pass or reject such apparatus upon inspection, as the case may be. Basically, it is for the protection of the general public. It is quite conceivable that a number of articles might come on the market from time to time which are cheaply constructed, do not conform to necessary requirements and are, in effect, dangerous to use.

The various States have seen this danger for some time and the position was somewhat chaotic inasmuch as although attempts were made in the different States to deal with the position, there was no uniformity. Members will readily recognise the need for this protection. A few years ago electrical appliances were not in general use as they are today, and with more and more of these appliances coming on the market there is a greater probability that numbers of them will not conform to recognised standards, so that they will no doubt be dangerous in use. That being so, it is obvious that somebody ought to be responsible for taking some protective steps.

A few years ago we had the position where some appliances could be sold in some States and not in others. Where approval was refused for the sale of such appliances in some States they were subsequently dumped into other States which

had no protective legislation. We made an attempt to control that position in this State by promulgating regulations which were called the provisional electrical materials approval regulations, and they were promulgated under paragraph (i) of Section 32 (1) of the Electricity Act, but these regulations were only introduced pending some decision on uniformity.

It must be readily recognised that in a matter of this kind it is desirable for similar action to be taken in all States and that we should not prohibit the use of appliances in one State and permit their use in another. If it is unsafe in one State, it will be unsafe in another, so it was recognised all along that the ultimate aim ought to be uniformity of protective legislation or regulations in all States. It has taken some time to achieve that, and we are the last State to take the necessary steps.

The requisite legislation already exists in the other States, and this is to bring us into line. So the Bill will have the same fundamental basis as the legislation of the other States of the Commonwealth. If this amending Bill is passed and the Act is amended accordingly, we will take power under its provisions to introduce regulations which will have precisely the same fundamental basis as the regulations in existence elsewhere.

It is necessary to repeal certain of our current provisions because they are not sufficiently wide to enable the approval of electrical materials to be granted on the wide basis desired. For example, the existing legislation provides that the responsibility for examining these appliances is thrown upon inspectors. The purpose of this legislation is to shift the responsibility from the inspectors and place it on the commission, so that the State Electricity Commission will be charged with the obligation of examining these various appliances and approving them for sale, refusing approval, or prohibiting their use.

Then again, it is necessary to define clearly what an electrical appliance is. The Bill does that and the commission is given power to prescribe any class or type of appliance which, in its opinion, should be included among the articles to be approved. This will be done by publishing notices in the "Government Gazette." The types of articles prescribed will be those prescribed in the Eastern States, though the commission will, of course, reserve the right to prescribe any article which it thinks ought to be prescribed, whether such article has been prescribed in the Eastern States or not.

Mr. Yates: Do these regulations cover the whole State?

THE MINISTER FOR WORKS: Yes, they cover the whole State. A section of the proposed legislation will give power

to forbid persons from selling, hiring or exposing for sale, or advertising for sale, or hiring any article which the commission has prescribed and which has not been approved by the commission. There is a further provision in the Bill that most of the articles for which approval will be required will have to be submitted for examination and testing, but this provision reserves to the commission the right to give approval for appliances without actually examining them. If an appliance has been approved for use elsewhere, the commission may take that approval as being sufficient and allow such article to be sold in this State.

The idea is to bring about reciprocity between States and it is intended that we shall have articles approved for sale in one State and not prohibited from sale in another. As these regulations will have the same fundamental basis and their object is protective, it will be seen readily that there is little likelihood of the commission taking such steps as would prohibit the sale of an article in this State if such article could be freely sold in another part of Australia.

What would obviously follow is that if some defect were discovered in an article for sale in this State, or which it was proposed to prohibit from being sold in this State, then reference will be made of the matter to the State where approval has been given. In order to tighten up the position we should either prohibit the sale of the article throughout the Commonwealth or else approve its sale throughout the Commonwealth.

Mr. Yates: Do you know how long these new regulations have been operating in the other States?

THE MINISTER FOR WORKS: That is a wide question. We would require specific information with regard to each particular State.

Mr. Yates: Do you know the position in Victoria, for instance?

THE MINISTER FOR WORKS: No, but I can tell members that Western Australia is the only State which has not yet come into line. The States have followed one after the other until now this is the only State standing out. This legislation will bring us into line with all the other States.

It is not proposed to examine every single article that is submitted for sale. A prototype will be taken and examined, and if satisfactory, approval will be stamped thereon. The manufacturer will then be permitted to offer for sale articles which conform to that standard, the manufacturer being under obligation to ensure that the articles offered for sale will be true to type. This is not exploratory legislation. I have already said that this State is the last State to come in. Experience has shown that it is very necessary to have control; if we had no control at all we could get inexperienced

manufacturers putting new appliances on the market without being very much concerned about the safety of the public.

Obviously it must be the responsibility of somebody to protect the general public against such articles or appliances. That is all this Bill seeks to do. It is not an attempt to put shackles upon the trade, or to slow it up. The object is basically to protect the public against appliances which are unsatisfactory and unsafe, or even worse than that, positively dangerous. When such steps are taken it is desirable for the authorities in the various States to be made aware of the existence of these dangerous appliances, and for their sale to be prohibited.

The Bill will enable the State Electricity Commission to prevent the dumping in this State of appliances which have not been approved for sale elsewhere, but which, under existing conditions, might be allowed on the market in this State. The existing regulations are fairly adequate, but they are not entirely uniform. It is highly desirable to make the position throughout the Commonwealth as nearly uniform as possible. This legislation aims at doing that. It is necessary to have power to make regulations, and that power is contained in this Bill.

An example of proposed uniformity is with regard to fees. Certain fees will be charged for the services which have to be rendered, and it is proposed that the fees shall be standardised in all States. Just as the commission is empowered to examine and approve of certain appliances, so it must have power to prohibit the sale of articles if they are not approved. Under the Bill, the commission will be clothed with the necessary power to prohibit the sale of any appliances which have not been approved. That again is in conformity with the practice in other States.

There is no more to the Bill. It is quite short; it is very simple. It shows clearly what is intended, namely, to clothe the State Electricity Commission with like powers to those possessed by similar bodies in the other States, so that some control can be exercised over electrical appliances and those appliances which are deemed unsafe can be withheld from sale. That will ensure that manufacturers give very careful attention to the production of these appliances and see that they are safe for use.

Mr. Yates: How is it proposed to police this in the country? Would it present any difficulty?

The MINISTER FOR WORKS: An article has to be submitted for approval before it can be sold. If it were sold without approval, the person who took such action would be liable to a penalty; and the penalties are set out, for the first, second, and third offences. The penalty for a third offence is imprisonment as well as a fine. So it is not likely there would

be much difficulty in the matter of policing the provisions. It would be very much against the interests of manufacturers to take the risk of the publicity that would ensue if they attempted to unload upon the public electric appliances for which approval had been withheld, or if they offered such appliances for sale without approval first having been sought.

This is a very desirable piece of legislation, bringing Western Australia into line. It does not break new ground because, under existing regulations—the provisional electrical materials approval regulations, under Subsection (1) of Section 32 of the Electricity Act—similar power exists, but not with the same scope or the same uniformity. This legislation is to bring us into line with the other States and to ensure that full power exists to control the position and to enforce the decisions of the Electricity Commission. I move—

That the Bill be now read a second time.

On motion by Mr. Yates, debate adjourned.

BILL—INDUSTRIAL ARBITRATION ACT AMENDMENT.

Second Reading.

THE MINISTER FOR LABOUR (Hon. W. Hegney—Mt. Hawthorn) [5.18] in moving the second reading said: The object of the Bill is to amend the provisions of the Industrial Arbitration Act, and, for the purpose of clarity, I propose to deal with it in two sections. I intend to refer to the main principles of the amendments that were submitted by the then Government in 1952, and briefly to outline the new proposals contained in the Bill.

There was a time in the history of Western Australia and, indeed all the States of Australia, when much opposition was shown to the principles of arbitration. Many people believed that the relationship of employer and worker should be on an individualist basis; but, of course, as time went on, workers and employers in different industries discovered it would be to their advantage to be organised for the purpose of protecting their interests. It is undoubtedly a fact that, owing to the unjust conditions forced upon the working class in this country many years ago, they were compelled to organise; because, for the period up to the 1890's, the law of the jungle prevailed entirely.

However, in due course, arbitration and conciliation became the general method of settling industrial disputes, and on the statute book of Western Australia was placed an industrial arbitration measure. I think I am safe in saying that if one perused "Hansard" reports of the debates at the time of the introduction of the legislation in this State, one would find that misgivings and doubts were expressed as to the efficacy of the measure, which was more or less a step in the social and industrial revolution which has taken place in

this country. In the Industrial Arbitration Act, we have a measure which was passed in 1912, and which has been amended over the years. Although I was not in the House when last year's Bill was introduced, I have taken the trouble to read the "Hansard" reports of the debate, and have also studied the provisions of the Bill introduced on that occasion by the member for Mt. Lawley, and the Bill as it was finally amended and passed by the Legislative Council. I propose now to refer to the main provisions of that measure. Of those, the principal one, which goes to the very root of industrial relationships, is the altered definition of the word "strike." As the Act now stands, it provides that a strike includes—

- (i) a cessation or limitation of work or a refusal to work by a worker acting in combination or under a common understanding with another worker or person; and
- (ii) a refusal or neglect to offer for or accept employment in the industry in which he is usually employed by a person acting in combination or under a common understanding with another worker or person.

I submit that the sooner that definition is removed the better it will be for working people and for the whole community of Western Australia. I am not going into the details now, because the matter was very enthusiastically debated 13 or 14 months ago. Suffice it to say that under that provision any two men who usually follow a particular vocation and decide to alter that vocation and go into some other industry, could be accused of committing something in the nature of a strike. That could be taken to any lengths.

If an industrial dispute took place, and men who were directly or indirectly involved decided that they would take up some other form of employment, and they were then asked by an employer, or prospective employer, to go back to the industry—not to their old job but to the industry—in which they were usually employed, and they declined, they could be charged with doing something in the nature of a strike. So far as I am concerned, the definition of "strike" which was laid down in the old Act and which stood the test of time for many years should be reverted to.

Hon. A. V. R. Abbott: Has there been any difficulty about the amendment since it was passed?

The MINISTER FOR LABOUR: The main aspect of the previous amendment with which I propose to deal is the matter of penalties. When one reads "Hansard," it appears that the main object of the then Government—I am not going to be very critical—led in this respect by the member for Mt. Lawley, was the imposition of penalties. If one looks

at the new sections introduced, from Section 36A to Section 36U, it will be found that in almost every instance a substantial fine or six months' imprisonment is provided. I suggest we are not going to get continued industrial peace, or improved industrial relationships, by deliberately setting out to make criminals of men.

Hon. Sir Ross McLarty: What harsh effect has it had up to date?

The MINISTER FOR LABOUR: I have said that it appears, to one who reads "Hansard" dispassionately, that the main object of the then Government was to see that severe penalties were imposed on those who dared to break the industrial arbitration law in some respect. It is now proposed to reduce, in a number of instances, the penalties which have been imposed, by removing the provision for imprisonment. In one or two cases, the provision will stand.

I believe that the legislation introduced last year was what I might describe as panic nature. It certainly did nothing to improve the relationships between workers and the employers in Western Australia; and I am sincerely of the opinion that if some of these undue penalties are removed it will help to restore that confidence in industrial arbitration we would all like to see in Western Australia. I may say, in passing, that I believe the introduction of the measure last year was due to the metal trades strike.

Hon. A. V. R. Abbott: It was more than that.

The MINISTER FOR LABOUR: I know the attitude of the member for Mt. Lawley. I do not know whether he speaks for his party or not, but I certainly believe that if he had his way there would be no industrial unions, and we would have the law of the jungle again.

Hon. A. V. R. Abbott: You are not sincere when you pass that remark.

The MINISTER FOR LABOUR: I am of the opinion that the substantial reason for the introduction of last year's measure was the metal trades strike.

Hon. A. V. R. Abbott: It was to help your organisation with the communists.

The MINISTER FOR LABOUR: As a matter of fact, the position is that in Western Australia there have been comparatively few disputes over a long period of years.

Hon. A. V. R. Abbott: There have not been many in the last 12 months.

The MINISTER FOR LABOUR: It is undoubtedly a fact that, no matter what relationship exists between large bodies of workers and employers, at some time there will be an industrial dispute, human nature being what it is. But I do not think that the Government of the day, by suspending the Standing Orders and

forcing its measure through this House after long hours of debate impressed the working class of this country with the idea that it was anxious to improve industrial harmony and relationships.

Hon. A. V. R. Abbott: They have been good, have they not?

The MINISTER FOR LABOUR: The hon. member, who was in charge of the Bill, was instrumental in ensuring that the Bill was forced through both Houses quickly. But at a time of rising prices, when the value of the £ was being destroyed, he did not have the Standing Orders suspended, or call a special session of Parliament, to improve the status of injured workers under the Workers' Compensation Act. That was a horse of a different colour!

While these penalties will remain in the Act, they will not be so severe, if the Bill is passed; and that will be done with the object of trying to improve the relationship between industrial organisations and the respective employers in Western Australia. Sections 40, 82 and 85 were amended last year and a new Section 98A was inserted. All those amendments were made to enable the court to suspend or cancel awards or industrial agreements. I do not think that a measure of that kind should remain permanently on our statute book.

The idea was to give the court the necessary authority to suspend or cancel industrial determinations, and to give employers what we might call an open go. When an industrial dispute takes place, I do not think the worker should be antagonised in this direction. Every effort should be made by the responsible employers' organisations, the court and the workers' organisations to bring about an early settlement. Restrictive, over-harsh or punitive measures do not improve industrial relationships between workers and employers, and on that account it is proposed to repeal the amendments effected last year and to restore the old provisions which, for many years, stood the test of time.

Hon. Sir Ross McLarty: What harsh effect have they had?

The MINISTER FOR LABOUR: I will say this, that at a time when there would be an unemployment pool, it would be an ideal opportunity for certain organisations to try to induce the court to suspend or cancel industrial awards. Many workers who would not be either directly or indirectly concerned in the dispute could have their standard hours, wages and conditions slashed at the time.

Hon. Sir Ross McLarty: Do you think that would really happen?

The MINISTER FOR LABOUR: It could happen. We propose to try to prevent it from happening. As the ex-Premier knows, this matter was introduced last

year—and for what purpose? Only to try and weaken the industrial organisations in this State.

Hon. A. V. R. Abbott: Just the opposite.

The MINISTER FOR LABOUR: I come now to new provisions that have been included in the Bill. The first one—I understand it has been introduced in this Chamber before—seeks to amplify or extend the definition of "worker" to include domestic workers. I believe the time has arrived when domestic workers should be provided for under the Act. As I have just mentioned, it is, with regard to the definition of "strike", proposed to revert to the definition which was included in the Act many years ago and which operated right up until last year.

Hon. A. V. R. Abbott: Very badly in some cases.

The MINISTER FOR LABOUR: The next amendment is to Section 127. The question involved here is a very live one in the industrial courts throughout the length and breadth of Australia today. The provision in the Act at the moment is that the court may vary the basic wage quarterly according to the figures supplied to it by the Government Statistician. The Bill provides that it shall be obligatory on the court to vary the basic wage each quarter in accordance with the statistician's figures. At a time of rising prices this will work to the benefit of members of industrial unions and any others who come within the purview of the basic wage.

Hon. A. V. R. Abbott: What statistician?

The MINISTER FOR LABOUR: The Government Statistician. The point is that the court now has the option of varying the basic wage in accordance with the figures that have been supplied. In times of falling prices, the proposed provision would, no doubt, act to the detriment of the working people who came within the jurisdiction of the court. It is true that the Commonwealth Court recently pegged, as it were, the basic wage, and declined to grant an increase in conformity with the figures which had been supplied.

I believe that if the State court considers that the basic wage should be varied or pegged, or there should be some consideration of the position, it should have the power to investigate and inquire into what is a reasonable basic wage. I believe that in the Arbitration Act the obligation on the court to vary the basic wage in accordance with the figures supplied is, at any rate, implied. The proposal in the Bill will bring that position about.

Another small provision is in connection with a worker who tenders evidence or acts as a witness in any proceedings under the Arbitration Act. The Act now provides that no worker shall be injured in his employment, or dismissed by reason of the fact that he is an office-bearer of

a union. It is proposed to extend that provision to a worker who, though not being an official, is deputed by his organisation to act as a witness in proceedings under the provisions of the Act.

Then again, another clause in the Bill refers to the right of union officials to inspect places of employment where they have reason to believe their members or potential members may be engaged. The clause provides for the right of entry of union officials to premises during the time that work is being carried out, during any lunch-hour, or during any non-working period; and they shall be permitted to converse with these workers in the establishment.

Mr. Yates: Has that been disallowed up to date?

The MINISTER FOR LABOUR: I know of one big firm in the heart of the city which refuses to allow a union representative to go on its premises.

Hon. Dame Florence Cardell-Oliver: It is quite right.

Hon. A. V. R. Abbott: During working hours?

The MINISTER FOR LABOUR: During working hours, or the dinner-hour. I know there are a number of employers between whom and the union officials the best relationships exist, and there is no argument as to the union officials being allowed to enter the works; but there are other employers in respect of whom the position is not so satisfactory. I suggest that as regards men in the skilled trades, or in the furniture trade or any other trade, the accredited union representative should be entitled to inspect the works and see that the awards are carried out and that the apprentices are receiving the right training in accordance with their year of apprenticeship.

The union officials should also be allowed the right of entry for the general purpose of carrying on the affairs of the organisation to which such workers belong or of which they are accredited representatives. The Bill contains provision that if such a union official—and it extends to representatives of employers—is aggravating in his attitude, or vexatious or unreasonable in his approach, or impedes the work, he can be restrained by order of the court. As a matter of fact, we have provided even for a fine where such a union representative is vexatious or unreasonable in regard to his visits to particular jobs.

The other main provision in the Bill deals with preference of employment. I am not going to weary the House by reading a number of clauses in industrial awards and agreements in which preference to unionists is provided for. Suffice it to say that I have here a number of such clauses which are included in different awards and industrial agreements, and it is proposed to extend the principle con-

tained in them. If members will study the Bill closely they will find that all we are seeking to do is to make it necessary for the court, where the parties mutually agree or where an industrial union applies for preference to unionists in any reference, to grant preference to unionists on such conditions as it may approve.

For the last 36 years preference to unionists has been in operation in Queensland, and I think I am right in saying that that State has an industrial record equally as splendid as ours—possibly more so. In the Queensland Industrial Arbitration Court a provision similar to what is in the Bill has operated for many years. The Industrial Court of Arbitration includes in some awards and agreements provision setting out the details and principles to be followed in connection with preference of employment. The Industrial Arbitration Act itself implies organised bodies. No individual worker can apply to the court for an award or an agreement, and no worker can apply for a variation of the basic wage. An organisation registered under the Act must make the approach for an award or take any enforcement proceedings, or apply for a variation in the basic wage.

I make no apology for saying that I believe the time has arrived when this clause should be written into our industrial arbitration law. The industrial organisations in Western Australia spend quite an amount of money in approaching the Arbitration Court for the purpose of protecting, to the best of their ability, their members. Everything is on an organised basis. We have the Employers' Federation which represents the various organisations of employers. No doubt there are some employers who are not members of their appropriate industrial union, but they certainly look to the Employers' Federation to protect their interests.

On the workers' side the industrial unions are registered and the officers do their best to increase their membership for the purpose of protecting the interests of those who belong to the unions. I know of people who will refuse to join an industrial union, but who will put their right hand out for any benefit the union gains for them. I have had many such experiences myself.

When I was an organiser of the Australian Workers' Union, time after time men, who had been tramped from their employment or had had a row with their employer, would come into the office, or meet me on the track, and ask if the union would take up their case. They would say, "I will pay you the money for a union ticket." When they were asked where they had been working they would indicate where they had been for some months, but the last thing they would have thought of doing was to subscribe to the organisation that was trying to protect their interests.

Mr. Bovell: The Minister believes in compulsory unionism.

The MINISTER FOR LABOUR: As far as the moral aspect of it goes, I do not think that when people refuse to belong to a union, which uses the machinery of the Arbitration Court to gain benefits for them, they tend to create the industrial harmony in the wide sense that we would like. I believe that every person working under an industrial award or agreement should belong to the appropriate organisation. I will say this, that the Queensland court has included a clause providing—and I would make this exception—that any man or woman—and I have met such, too—who by virtue of his or her religious convictions declined to join any organisation, shall not be forced to do so. I would be quite happy to see that the convictions of such people were respected to the fullest possible extent. But I am speaking of the ordinary person who will accept the benefits of an award and an industrial agreement and refuse to join a union. There was an interruption just now by the member for Vasse.

Mr. Bovell: Not an interruption.

The MINISTER FOR LABOUR: I am sorry; it was an interjection. He asked whether I believed in compulsory unionism. I believe in preference to unionism and I believe that members of unions should receive preference in employment. I may say that the Government the hon. member supported last year passed a measure which applied some form of compulsion. I do not know whether the hon. member has read this particular section or not, but last year Section 9 of the principal Act was amended in certain directions and I refer to a new subsection which was included. It reads—

Without prejudice to the operation of Subsections 4 (f) and 4 (g) of this section, the rules of a society applying for registration, or of an industrial union, relating to elections for office may provide for compulsory voting.

Hon. Sir Ross McLarty: That is a different story.

Mr. Bovell: That was to prevent communist infiltration.

The MINISTER FOR LABOUR: That particular subsection indicates that an industrial union, applying for registration, can make provision for compulsory voting.

Mr. Bovell: Yes.

The MINISTER FOR LABOUR: Why?

Mr. Bovell: To prevent communist control.

The MINISTER FOR LABOUR: Exactly. That is from the hon. member's point of view, but the point is that he believes in compulsory voting. In that case, does the hon. member not think—

Mr. Bovell: How does the Minister know that I believe in it?

The MINISTER FOR LABOUR: —it is logical—

Mr. Bovell: I was not here when that was introduced.

The MINISTER FOR LABOUR: —to suggest that every worker in a particular industry should be a financial member of his union so that he can take part in compulsory voting to save his country from communism, as the hon. member has indicated? Is not that a logical proposition?

Hon. Dame Florence Cardell-Oliver: But he need not be a member of the union.

The MINISTER FOR LABOUR: Unfortunately, many industrial workers who belong to unions, and many of them who do not but should, are apathetic and indifferent to their own welfare and the interests of the organisation to which they belong. I believe that every member of a union should make it his responsibility to be present at meetings and take an active part in the organisation and to contribute, to the best of his ability, something in the interests of his fellow workers. If there is anybody running off the rails, or if there is any indifference or maladministration in any industrial organisation—and I am not speaking only of the workers—it will be found that it is due to the apathy and the indifference of the mass of members of the organisation affected. I believe, as far as employers are concerned, that they would have great difficulty in getting many members to attend meetings of their own organisations.

Industrial workers in Western Australia, and in Australia as a whole, realising that industrial unions have come to stay and that they seek to represent the workers' interests before the court and in approaches to the appropriate employers, should take more than a passing interest in their own industrial welfare. Male and female, young and old, should help to make Australian unionism the success it should be. I hope the Bill will have a speedy passage through both Houses and with those remarks I move—

That the Bill be now read a second time.

Hon. A. V. R. ABBOTT: I move—

That the debate be adjourned till Tuesday next.

The Minister for Labour: No, till Thursday.

Hon. A. V. R. ABBOTT: We must have some opportunity to study the Bill, because it is an important measure.

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

Ayes	21
Noes	22

Majority against	1
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Ayes.

Mr. Abbott
Mr. Ackland
Daupe F. Cardell-Oliver
Mr. Court
Mr. Doney
Mr. Hill
Mr. Hutchinson
Mr. Mann
Mr. Manning
Sir Ross McLarty
Mr. Nalder

Mr. Nimmo
Mr. North
Mr. Oldfield
Mr. Owen
Mr. Perkins
Mr. Thorn
Mr. Watts
Mr. Wild
Mr. Yates
Mr. Bovell

(Teller.)

Noes.

Mr. Andrew
Mr. Brady
Mr. Graham
Mr. Hawke
Mr. Heal
Mr. J. Hegney
Mr. W. Hegney
Mr. Hoar
Mr. Jamieson
Mr. Johnson
Mr. Lapham

Mr. Lawrence
Mr. McCulloch
Mr. Moir
Mr. Norton
Mr. Nulsen
Mr. Rhatigan
Mr. Sewell
Mr. Sleeman
Mr. Styants
Mr. Tonkin
Mr. May

(Teller.)

Ayes.

Mr. Hearman
Mr. Brand
Mr. Cornell

Pairs.

Mr. Kelly
Mr. O'Brien
Mr. Guthrie

Noes.

Motion thus negatived.

Hon. A. V. R. ABBOTT: I move—
That the debate be adjourned.

Motion put and passed.

ANNUAL ESTIMATES, 1952-53.

In Committee of Supply.

Debate resumed from the 22nd October on the Treasurer's financial statement and on the Annual Estimates, Mr. J. Hegney in the Chair.

Vote—Legislative Council, £6,079:

HON. SIR ROSS McLARTY (Murray) [5.56]: I am rather diffident about offering any criticism of this Budget because in a recent broadcast the Treasurer had this to say:

Those who believe in financial stability will not quarrel with the policy of the State Government. The policy is a very responsible one and therefore is likely to have the support of all people who have a sense of responsibility.

That is a classic!

The Premier: Hear, hear!

Hon. A. V. R. Abbott: It is a beaut!

Hon. Sir ROSS McLARTY: I know that the Treasurer has been rather egotistical of late but that statement, for ego, takes the bun.

Mr. Bovell: He will lose it at the next elections.

The Minister for Housing: You hope!

Hon. Sir ROSS McLARTY: We have to be careful of any criticism we might offer in regard to the finances of the State otherwise the Treasurer will class us as irresponsible.

Mr. Lawrence: As long as it is constructive criticism, he will not mind.

Hon. Sir ROSS McLARTY: Any help from the hon. member will be gladly accepted.

Mr. Lawrence: Probably you need it.

Hon. Sir ROSS McLARTY: The first Budget delivered by the Treasurer has not given any hope that the many promises he made during the election campaign are likely to be carried out. In fact, instead of reducing taxation and charges, as he promised, the Budget provides for further increases. The Treasurer has announced that a Bill is to be brought down further to increase probate duties. He indicated this some time ago and in doing so paid me a graceful compliment. He said there was no need for me to worry about this particular taxation increase as I would be in heaven, but that it would effect those who came after me. That is a graceful compliment for one political leader to pay to another, and I appreciate it.

The Premier: A well-deserved compliment in this instance.

Hon. Sir ROSS McLARTY: I wish I could reciprocate because I am anxious that this friendly feeling should continue.

The Premier: He ran last today.

Hon. Sir ROSS McLARTY: But I have some doubts about the Treasurer's future. I think of the many promises he has made and which he will not fulfill, and of course, they will all be put down in the little black book.

Hon. L. Thorn: He will not go to heaven.

Hon. Sir ROSS McLARTY: I am not without hope, because many of the stories he told during the election campaign were so fantastic that I think they might be regarded as fairy stories and, of course, to tell fairy stories is not wicked. The Treasurer went on to point out that under the heading of Treasury the revenue estimate was exceeded by £246,000 and of this amount £243,000 came from additional probate duties.

In this regard, I had a look at just what has been coming in from probate duties and I find that for the financial year ended the 30th June, 1953, the State collected £843,000 under that heading. In 1951-52 the amount was £682,552. In the previous year it was £460,112. So members will see the tremendous increase there has been in death duties. The increase for this year over the last was £160,438. For 1953-54 the Treasurer budgets to receive an amount of £830,000.

The estimate is in my view, understated, because we all know of the greatly increased values being put on all classes of properties, and I think the figure will be much nearer the £1,000,000 mark. This being the proposed result, I do not consider that the increased tax is justified. As

members know the Federal Government in the last Budget gave some much needed relief in connection with probate duties. The exemption was raised from £2,000 to £5,000 where the estate passes to the widow, children or grandchildren and from £1,000 to £2,500 where the estate passes to other beneficiaries.

Members will realise there has been a greatly increased amount collected since 1952-53. So well over £1,000,000 is to be raised in probate duties in Western Australia this financial year. There are certain people in our midst who advocate what they call a levy on capital. This tax is not only a levy, but a very heavy one because we know that not only does the State impose probate duty but the Commonwealth as well.

I read in an Eastern States paper lately that if the Labour Party wins the next Federal election it is going to do something about imposing this levy on capital. I would like to enlarge on this matter and say that there are many instances where farms and businesses have carried heavy mortgages for many years and on the death of the owner, owing to the heavy death duties imposed, a further debt has had to be incurred by those left to carry on. Farm labour, especially suitable farm labour, is hard to obtain and farmers have encouraged their sons to assist in the working of the farm on the assumption that, at some time in their lives, they will own, or part own, the farm.

It will be recalled that the Farmers' Union has been urging that some relief be given by way of a reduction in death duties, but I fear that that appeal has fallen on deaf and unresponsive ears. I would warn all those engaged in primary production that though they have had many hard knocks from this Government, there are many more to come. If it is to afford protection to its members the organisation will have to be both vigilant and active.

When one goes on to a farm today one is really amazed at the equipment that is necessary. Everything is valued. The ploughs are valued and so are the top-dressers, the motortruck and everything else. These officers miss nothing. I believe they even value the clothes the man has been wearing. It is a very searching process when probate tax is levied and a reckoning is made as to what the capital value of the estate should be. Instead of placing a further impost in this direction, we should be doing something to lighten it.

Mr. Bovell: Hear, hear!

Hon. Sir ROSS McLARTY: The Treasurer should at least exempt the home from probate duty. If I had had the opportunity to do so it was one of the matters to which I would have given serious consideration. There should be some exemption from this heavy taxation which probate imposes. The Treasurer has again

trotted out the old cry, as he did with the entertainments tax, that he wants the money for certain deserving purposes.

It was rather remarkable that during his speech he complained of the large amount that the Government which I led had spent on social services, and said that we had gone far ahead of any other State in that direction. From the entertainments tax he is going to impose, the Treasurer expects to receive £220,000 per annum. As he says, that is for certain deserving causes. Again he says this additional tax on probate is to go to certain deserving causes.

Only today I was looking at the report of the Lotteries Commission and I notice it assisted last year in providing £300,000 for deserving causes, some of which the Treasurer has already referred to. I have no doubt that he will always find a reason for wanting more and still more money. But is this a sound reason why the taxpayers are to be loaded with more and more taxes? In the general interests of the people, I believe that all sections would be better served if a reduction in taxation were made and I consider Parliament would be fully justified in rejecting this proposed tax, especially so in view of the largely increasing amounts that are being received as the result of the present heavy death duties and increased valuations.

I might say at this stage that the Treasurer proposes to exempt estates up to £1,000. He is certainly not giving much away. A glance at the Pocket Year Book for 1953 will show what that will amount to. There is no death duty at all up to £200; it is 1 per cent. up to £500, 2 per cent. up to £1,000, 3 per cent. to £2,500, 4 per cent. to £4,500 and when we get to £6,000 we find it is 5 per cent. But we find with regard to the application of this provision that half of these rates are chargeable on legacies to parents, issue of deceased, husband or wife, who are bona fide residents of and domiciled in Western Australia at date of death of deceased, if the balance of the estate does not exceed £6,000. So the family of a person who leaves £500 today would have to pay 10s. probate.

In the exemptions which the Treasurer proposes, and with which I agree, the total exemption is up to £1,000. The Commonwealth has gone further. So this means very little after all. The slug the Treasurer is going to make on those with £6,000 and over will be very considerable. It seems rather strange to me that one who, when in Opposition, in August, 1952, should have expressed views quite opposite to those which he proposes now. The following is a quotation from the speech of the present Treasurer and it is contained in Volume I of "Hansard" for 1952 and will be found on page 42:—

I want to quote the secretary of the Taxpayers' Association in Western Australia, Mr. E. A. Wheatley. In

"The Sunday Times" of the 3rd August there was a statement headed, "Expert Sees Crippling Burden. Must Cut Taxes to Boost Production." The opening paragraph reads—

If production is to be further increased, taxation must be further reduced. During the postwar period the impost of taxation has had a crippling effect upon production.

This was said yesterday by Tax-payers' Association Secretary E. H. Wheatley.

Then said the Treasurer—

There is no doubt at all about the truth of that. I think the effect of very heavy taxation upon industry over the years has been far more detrimental to production than anything which the average worker might have done or might not have done, and we know that this slackening of production, because of the heavy burden of taxation, is not a new thing. It operated in Mr. Chifley's time and it has operated probably ever so much more during the last 12 months because of the much heavier taxation imposed upon industry and upon production generally.

And then he went to tea!

Sitting suspended from 6.15 to 7.30 p.m.

Hon. Sir ROSS McLARTY: I had quoted a statement made by the Treasurer on the 5th August, 1952. It was certainly an interesting statement, but it appears to me to be a remarkable and inconsistent utterance from one who 12 months ago was strongly in favour of taxation reductions and now, when he has the opportunity to give practical effect to his views, does the very opposite to what he advocated and is raising taxation and charges at an unprecedented rate. Of course, the Treasurer has to find excuses for all the heavy taxation and charges which he has imposed and which he promised not to do. If I may say another word or two about probate duty—I may have said it, but I shall repeat it—I do not consider that there is any justification for this tax, and I make an appeal to Parliament to reject the Bill. In doing so, I feel that my action will meet with public approval.

In the course of his speech, the Treasurer made disparaging references to the Commonwealth Government and said it had been unwilling to provide a reasonable measure of financial assistance to him. Let us look at what finance the Federal Government has provided. He received a record amount by way of income tax reimbursements of £11,297,000. Under the formula that was drawn up during the regime of the Labour Government, he would have received an amount of £9,574,000. So he received from the Commonwealth an additional sum of £1,723,000 above the formula and £443,000 more than

I received in my last year of office. He is also to receive £7,800,000 through the recommendation of the Grants Commission, and so from these two sources alone, he will receive an amount of £19,097,000 or a net amount, after certain deductions have been made, of £18,647,000.

But this is not the whole story by any means. If we turn to page 46 of the Auditor General's report we shall find that Western Australia received from the Commonwealth for the year ended the 30th June, 1953, an amount of £27,220,000. These are the major amounts and do not include a number of other sources from which money was supplied to the State by the Commonwealth. For instance, the Commonwealth-State housing payments are not included, and it will be seen that there are a number of other payments made to the State.

These amounts include interest under the financial agreement, £473,432; sinking fund under the financial agreement, £310,458; State grants, tax reimbursements, £10,854,544; special grants, £8,041,000; prices control reimbursements, which have now gone, £84,412; Commonwealth Aid Roads and Works Act, £2,864,584; tuberculosis financial aid, £513,926 and £87,187; mental institutions benefits, £17,723; comprehensive water supply scheme, £224,420; war service land settlement, £2,827,516; hospital benefits, £490,000; free milk for school children, £92,995; a total of £27,220,101. This statement does not include quite a number of other avenues amounting to many thousands of pounds.

The Premier: Those figures were all in connection with the last financial year.

Hon. Sir ROSS McLARTY: Yes, but I have quoted them to indicate that the Treasurer has not told the whole story by any means when he complains about the niggardly treatment he is receiving from the Commonwealth and when he tells the people of this State how unsympathetic the Federal Government is.

I will agree that the present financial set-up between the Commonwealth and the States is not satisfactory. We all know that, under the present system, the Commonwealth has all the odium of imposing and collecting taxation and the States have the spending of it. I know from experience that some of the States at Premiers' Conferences have adopted a reckless attitude. I am convinced that the present set-up cannot last, and it is perfectly certain that if the States resumed their own taxing rights, there would be a more careful and responsible spending of money, while the ability of the people to bear taxation would receive more favourable consideration.

I think my views regarding the return of taxing powers to the States are well known because I have expressed them in this Chamber on a number of occasions. I never have favoured the idea of these powers being returned to the States in any fashion that the Commonwealth thought

desirable, but I have made it plain that the fields of taxation should be clearly defined, and that, in the event of our receiving our taxation rights back, an additional burden should not be imposed upon our people.

The Minister for Native Welfare: What fields would you say should be returned to the States?

Hon. Sir ROSS McLARTY: The Minister is very adept at putting questions by way of interjection and he is very clever at not answering when he does not wish to do so. He has asked what fields of taxation should, in my opinion, be available to the States. When I attended Premiers' Conferences, I asked on a number of occasions that a convention should be summoned to discuss this question as I believed that this is the only way by which we could arrive at a satisfactory solution with regard to the return of taxation powers in the event of their being returned.

Let members bear in mind that all the money I have mentioned has to be obtained from the taxpayers of this country. I am referring to the money that the Treasurer has received from the Commonwealth. If the States are going to insist upon millions more being made available to them, the taxpayers—and the term includes industry generally—must provide more by way of taxation to meet the added cost. The great weakness today is that we are more concerned about the spending of money than we are as to the manner in which it is collected. I have sometimes thought when I was in office and when I have heard members of Parliament over the air making demands on the Treasury, that there was a lack of sense of full responsibility as to how much money the State could provide.

There is need today for Governments generally, and for this Government, to pay strict attention to the administrative side. The Treasurer expects to spend £43,000,000 during the current financial year. This is a huge sum, and the efficient spending of it will require the closest attention of all Ministers. Members will agree that there could be great waste in the spending of such a sum. So I give this friendly advice to the Treasurer. He has enough to do as Premier and Treasurer of the State; it is necessary for him to know what is happening in every department of Government and, to do this, he has to be in constant touch with his Ministers, departmental heads and other people who he thinks might be able to advise him.

I suggest that it would be in his best interests and the interests of this State for him to hand over Industrial Development and Child Welfare to other Ministers. The Treasurer could still know what was going on. The Department of In-

dustrial Development is an important one and I consider that the closest scrutiny should be exercised with regard to it. Then, if the Premier relinquished those portfolios, he could still learn from his Ministers and advisers what was contemplated. Although, as members are aware, I strongly opposed the political views of the late Mr. Chifley, as the result of my visits to a number of Premiers' Conferences and Loan Council meetings, I did come to have a very healthy respect for his great knowledge of every department that his Ministers controlled. He must have devoted a tremendous amount of time and energy to obtaining that knowledge. Every Premier—I tried to get it myself—finds it necessary to have such knowledge, and it is obtainable only by the closest contact with his Ministers and advisers.

Like the present Premier, I took other portfolios when I first assumed office, but very soon it became plain that it was far too much for me and that I could not handle the work. I was very glad to relinquish some of those portfolios in order to obtain a better overall view of State activities. While it is not for me to tell the Premier what he should do in this regard, I think the suggestions I have made are well worth while, and I hope he will adopt them.

One of the main duties of the Government today is to see that public money is spent to the best advantage. The charge made by the States that the Commonwealth is not giving them a fair deal in the matter of income tax reimbursement cannot be sustained. This year they will receive a total of £142,450,000, and under the formula they would have received £120,345,000. They will therefore receive this year over £20,000,000 more than the formula provided for.

The Premier: That is not a new development.

Hon. Sir ROSS McLARTY: No, it has happened for some years, but members must bear in mind that the formula was devised and agreed to by the Commonwealth and the States, and so there is no real obligation on the Commonwealth to pay the States more than the formula provides for.

The Premier: I think the Leader of the Opposition would agree that conditions when the formula was adopted were different from what they are now and have been in recent years.

Hon. Sir ROSS McLARTY: I agree, and acknowledge the fact that we should have had some special consideration from the Commonwealth; but I want to impress on members that the Commonwealth Government has not been niggardly in this regard but has treated the States in a sympathetic manner. I repeat that the States combined receive many millions of pounds more, in payments for hospitals,

main roads and a number of other benefits that were referred to at page 46 of the Auditor General's report—

The Premier: Do you know the total revenue received last year by the Commonwealth?

Hon. Sir ROSS McLARTY: Yes.

The Premier: How much was it?

Hon. Sir ROSS McLARTY: I cannot give the exact figure but I read Sir Arthur Fadden's Budget speech, and how the money was to be expended. I know of the tremendous commitments that the Commonwealth must face in relation to expenditure.

The Premier: I think the total revenue is over £1,000,000,000.

Hon. Sir ROSS McLARTY: Yes. Having looked at the anticipated Budget results for 1953-54, I see that the Treasurer expects to obtain £43,461,435 from all sources, and anticipates spending £43,549,458, and budgets for a deficit of £88,095, so he must have been very meticulous in his forecast and must have worked it out to a very fine degree. However, I feel that, as things are shaping, his deficit will be very much larger than that, because the Treasurer has not indicated in any degree what economies might be effected, what he intends to do on the administrative side, or what steps he is taking to see that this money is spent carefully and judiciously.

The Premier: Surely there would be no room for economies after six years of Liberal Party government!

Hon. Sir ROSS McLARTY: The Premier might think he can get away with that, but I have no doubt that as time goes by we shall be able to draw his attention to many directions in which public money is not being expended to the best advantage.

The Premier: Could the Leader of the Opposition indicate any such directions now?

Hon. Sir ROSS McLARTY: I shall be able to do that as I proceed. The Premier referred to his obligation to the Grants Commission and indicated that our taxation must be in conformity with that of the standard States, so apparently if one of those States imposes any taxation in some direction, we are to follow suit. If that is the principle upon which our taxation is to be based in future, I say, God help us! I say that because I have an idea of what some of the Governments in the Eastern States might do by way of expenditure and taxation.

The Treasurer gave no figures relating to education and health and said with regard to education and social services generally, "Our costs were higher than those of the other States." That is not to be wondered at in a State like this, with its population scattered over such a huge

area. In our circumstances, the question should be, "Are our educational and health services better than or comparable with those of the standard States?"

I come now to deal with the railways, the great spending department. For many years, that distinction was held by the Public Works Department and, according to the amount it spent, so was the progress of the State assessed. The Railway Department is now the chief concern in the matter of expenditure. As Treasurer, I know the financial position of the railways caused me very grave anxiety. I realise that the problem is a tremendous one, and I do not think the difficulties of the Railway Department are going to diminish for a long time as it faces now problems different from those which it faced in the past. It has now to cope with great progress in road and air transport facilities, and there is no doubt that that development will continue.

According to the report of the Grants Commission for 1952-53, an estimated amount of £220,000,000 was invested in motor vehicles alone in Australia. Let it be remembered that that is for one year, and imagine the effect of that investment on transport generally and on the railways in particular. The total number of motor vehicles registered in Australia as at June, 1951—the latest figures I could get from the Commonwealth Year Book—was 1,579,756, as compared with 853,982 at June, 1945. The figures for our own State are interesting. The motor vehicles registered at the 30th June last in Western Australia were as follows:—

Cars	.....	69,833
Wagons, vans, etc.	.....	54,639
Buses	.....	1,035
Motor cycles	.....	15,559
Total	.....	141,066

That number, of course, is increasing all the time.

The people who own motor vehicles do not, in the main, travel by railway, and we know that they transport many of their friends also. I cannot see how, under the best conditions, the railways can compete with that kind of competition. Transport is making rapid progress, and large numbers of people are becoming air-minded. The facts must be faced, and railway passenger traffic requires close and frequent examination. I still see suburban trains carrying very few passengers, and every train that is run under those conditions creates a substantial loss.

The Minister for Railways: I see a lot of road buses carrying only a few passengers in the off-peak periods.

Hon. Sir ROSS McLARTY: I do not blame the Minister because, when my Government was in power, I used to complain about the same thing, but it did not get me very far. Coming to Perth

from my home, I often observe trains on suburban lines running with only five or 10 per cent. of the seats occupied, but surely we can overcome that trouble in some way! Are we compelled to run trains which are so uneconomic? I certainly think there must be some way of getting over the difficulty. We must decide how far we are prepared to go in the matter of running trains at such a great loss. It is certain that we cannot, in many cases, compete with road transport, and the problem is one that must be faced.

Progress in transport, as in other directions, cannot be retarded, and when we view the railway freight position we are met there with somewhat similar difficulties. There is no doubt that increased rail freights will cause a greater demand for road transport; the carriage of goods by air will be increased, and heavier loads will be carried in that way. Only a few days ago I was told by the manager of a Perth firm that it had transported its machines to the Eastern States more cheaply by air than it could by rail or sea, and, of course, they were delivered much more quickly.

The Minister for Railways: So much nonsense!

Hon. Sir ROSS McLARTY: Would a firm deliberately seek an expensive means of transport, or try to obtain that which best suited its purpose?

The Minister for Railways: If it could get a rake-off at the other end, it would use any form of transport and put the added cost on to the public.

Hon. Sir ROSS McLARTY: These were machines, and the firm had to face competition at the other end. I am telling the Minister only what this firm told me. I expressed some surprise, but I repeat that the Minister must be prepared to meet increasing competition as a result of air transport.

The Minister for Railways: It is only the huge subsidies that keep the air services to the North-West and the Eastern States going.

Hon. Sir ROSS McLARTY: Only huge subsidies keep the railways going at present.

The Minister for Railways: It was only carting goods for primary producers at less than cost that put the railways in their present plight.

Hon. Sir ROSS McLARTY: I am just drawing the Minister's attention to the facts. They existed before he came into office, and I do not wish to be a carping critic with regard to the railways. I would rather offer constructive than destructive criticism, but these are things the Minister must face up to. His Government must tackle these problems also in order to find ways and means of dealing with them.

The future policy on unpayable lines has to be decided. I notice from the Press this morning that a decision has been made with regard to two of them, but there is no doubt that a decision must be arrived at in regard to their ultimate future. I think the first thing to be decided is to what extent the areas served by the railways can be further developed and how long such development will take. Then we must determine whether road or rail transport can provide an adequate and economic service.

In the early life of this State there was constituted what was called a railway advisory board, consisting of members of Parliament. They used to travel around the areas to serve which the construction of a railway had been proposed, make inspections and advise the Government whether or not it should proceed with the proposition. I think that something similar should be done to assist the Government to reach a decision as to what alternative services could be given to certain districts or to tender any other advice that would be of assistance to the Minister. I understand that at present the railways employ over 13,000 people and the numbers are increasing. To what extent will additional employees be taken on in the railways?

Surely there is a limit to the number, and is there not some way by which an estimate of the maximum number required can be obtained? When extra employees are taken on, I consider that the Minister should know in what manner they are being occupied and what additional cost is involved. I emphasise that I fully appreciate that the Minister's task is a difficult one and that it is easy to offer destructive criticism, but members of Parliament and the public generally are fully entitled to insist upon the economic and efficient running of the railways.

The Minister for Railways: You are a bit late in giving that advice. When did this thought come to you?

Hon. Sir ROSS McLARTY: The trouble is that the Minister resents any criticism with regard to the railways and if he came down to earth and adopted a more reasonable attitude it would be all to the good.

The Minister for Railways: Where have you been during the last six years? Or has such a thought with regard to the railways just come to you?

Hon. Sir ROSS McLARTY: I know where I was during the last six years and that the thought has not just come to me.

The Minister for Railways: It is all very well for you to talk! You get the tenders that we got from Meekatharra and see what they disclose.

Hon. Sir ROSS McLARTY: Mr. Chairman, shall I resume my seat? I am sorry if I am interrupting the Minister. In any concern that employs 13,000 men—

The Minister for Railways: Which is not correct.

Hon. Dame Florence Cardell-Oliver: That information was in the Press.

The Minister for Railways: I do not care where it was; it is not correct.

Hon. Sir ROSS McLARTY: These figures are correct because I have heard them quoted before, but I will obtain the correct figures from the Minister.

The Minister for Railways: What did your Government do with regard to the permanent way? You were getting derailments to the extent of more than one a week.

Hon. Sir ROSS McLARTY: If we had not imported the materials from overseas to enable the Minister to put the railways in some sort of order, the Minister would have been in a sorry mess.

The Minister for Railways: We have had to pay for all that you did.

Hon. Sir ROSS McLARTY: If the Minister continues to be resentful with regard to the railways, he will be in a devil of a mess.

The Minister for Railways: If I get in I will get out.

Hon. Sir ROSS McLARTY: I do not think the Minister will.

The Minister for Railways: I cannot get into a bigger mess than you did over your permanent way.

Hon. Sir ROSS McLARTY: In any concern employing 13,000 men there is bound to be some waste and some extravagance, and a careful and well-organised watch has to be maintained. Here again I say to the Treasurer that he would be well advised to give all the time he possibly can to railway finance, and I hope the Minister will not object to my making that suggestion.

The Minister for Railways: That suggestion is all right.

Hon. Sir ROSS McLARTY: While the spending of money is necessary, the saving of it and its economic use is of equal importance. I say to the Minister that I am prepared to assist him in regard to railway finance and not adopt the role of a destructive critic.

The Minister for Railways: I do not want any assistance from you. You made too much of a mess of the railways during the six years you were in office.

Hon. Sir ROSS McLARTY: I am quite prepared to keep out. I know the Minister thinks he is a genius in railway matters.

The Minister for Railways: I will not have a £6,000,000 deficit in the same way as you did.

Hon. Sir ROSS McLARTY: We shall watch whether the Minister will prove himself such a genius as he purports to be.

Hon. L. Thorn: He used to drive a puff-puff, you know.

The Minister for Lands: Do not make any admissions!

Hon. Sir ROSS McLARTY: I am not making any admissions to the Minister at all. The Treasurer made reference to the better utilisation of land and its effect on rail transport. I think there is room for some action in this regard. Unproductive areas of land served by rail and other public utilities should be brought into production. The holding for speculative purposes only of land that is not being improved although served by railways, cannot be justified. However, before compulsory acquisition of land takes place, careful consideration must be given to all the circumstances. From the details available, I notice that £300,000 was obtained from land tax, an increase of £31,000 on last year's figures, due, so the Treasurer told us, to increased valuations. In view of the fact that the Commonwealth has vacated this field of taxation, I wonder that the Treasurer has not jumped in here. I hope I am not putting any ideas into his mind. Of course, he knows that the Federal Labour leaders have declared that they will reimpose this tax, and probably that has deterred him.

I want to remind the Treasurer, too, that local authorities impose a fairly stiff tax on land, some local authorities imposing a rate higher than others. They also impose a vermin tax, a health rate and substantial loan rates. The increased taxes on land imposed by local authorities have risen tremendously during the past few years, and the Treasurer should not lose sight of this fact.

The Premier: The hon. member's own Government increased the land tax.

Hon. Sir ROSS McLARTY: Yes, on unimproved land.

The Premier: And also the vermin tax.

Hon. Sir ROSS McLARTY: That is so. Local authority taxation is an important factor in the cost structure today, and in view of the heavy costs facing primary producers at the present time there should not be any further taxation imposed in this sphere.

I have heard many farmers say that costs are catching up with them, and businessmen, particularly manufacturers, have expressed fears that their export markets will disappear because, owing to increasing costs they will not be able to compete on the world markets. There is no doubt that the same can be said about some of our primary products. There is a tendency to blame the Commonwealth Government for this situation, but State Governments have a responsibility in this matter and that fact should not be forgotten. A num-

ber of State Governments have been responsible for increased costs that industry generally has to face, but, of course, they try to pass the buck whenever possible and put the blame on to the Commonwealth Government.

The Minister for Native Welfare: This is a pre-Federal election speech now.

Hon. Sir ROSS McLARTY: The Minister is pretty good at that, too; he does not miss many opportunities.

The Minister for Native Welfare: You admit, then, that it is a pre-Federal election speech?

Hon. Sir ROSS McLARTY: I do not admit anything of the sort and the mere fact that the Minister has interjected will not make me admit it.

The Minister for Lands: Do not get annoyed!

Hon. Sir ROSS McLARTY: Annoyed! The Minister never sees me annoyed, and when I stand here and look over at him I have to smile every time, so how can I get annoyed? I notice that the Fremantle Harbour Trust is contributing £280,000 to revenue this financial year; an increase of £77,863, and the Minister for Railways, when answering a question some time ago as to whether he was giving attention to a levy on export primary products, said that the matter was under consideration. In view of the figures provided by the Treasurer, I cannot see any justification for such an impost.

We have been told that there will be a substantial increase in the Hospital Fund of £383,280, making a total of £2,420,198. I know all the difficulties connected with hospitals, and the continued rise in costs is disturbing. Here again the Treasurer should keep a very close watch on developments. There is a tendency in some directions to disregard costs. The Treasurer would be well-advised to look at hospital costs in all districts. Later on, I want to say something about the present system of electing district hospital boards. I think that such a system is due for an overhaul. I suggest to the Minister for Health that he should have a look at that particular aspect of hospital management and discuss it with his advisers.

There certainly has been a record expenditure on education in the last six years, due in the main, of course, to our rapidly increasing population. The amount of £785,000 per annum for bus contracts, including driving allowances, is a large sum. I am afraid that a tendency has developed to ask for school buses to travel through areas from which the resident children could easily meet the bus on main routes and, provided bus shelters were erected, I think that a certain amount of travelling could be eliminated. This is another item which requires close scrutiny. I realise, of course, that pres-

sure is brought to bear on the Minister at all times for extended bus services. In the past whereas children were prepared to travel certain distances and they received a transport allowance, now with buses on the road the tendency is developing for the vehicles to pass the doors of the children's homes. That cannot be done in every case.

I agree with the increased amount provided for town planning. In a State like ours, which is growing so rapidly, it is very necessary indeed that town planning should be regarded as of the utmost importance. The Government of which I was a member devoted considerable attention to the subject and did a great deal to encourage town planning, in both the metropolitan and the rural areas. The importance of town planning must have impressed anyone who has travelled and seen other countries and noted what they are doing in that regard.

With respect to the increase in the vote for the Lands Department, I am pleased to know that it includes provision for the employment of additional surveyors. There was an acute shortage for some time. As a Government we did our best to encourage young men to take up the profession. It was very difficult but I am glad to see that additional surveyors are to be employed. There is also an increase in the Agricultural Department's vote, and it is expected that additional officers will be employed. That is necessary.

I would like to see greater activity from this department in regard to the spread of myxomatosis in order to combat the rabbit menace. I know that departmental officers have shown considerable interest in this work and have advised farmers as to ways to get it established. The success of the spread of myxomatosis in the Eastern States has meant an increase of scores of millions of pounds in the national income. Recently in France we saw where myxomatosis had nearly wiped out the rabbits. Unlike the attitude adopted here regarding our fight against this menace, the French people were greatly concerned at the probability of completely wiping out the rabbit. Success has been attained in certain districts of the State and it is essential that there should be no easing up. Every possible effort must be made to encourage and instruct farmers as to the best methods of combating the rabbit menace.

The Minister for Health: Are the rodents becoming immune to myxomatosis?

Hon. Sir ROSS McLARTY: They say so, but that immunity is not developed until many millions of them have been destroyed. That has been the experience in other countries. I would like the Agricultural Department to appoint officers to go around the country and carry out experimental work in certain districts. A charge could be made against farmers which, I am sure, many would be glad to pay. This fight against the rabbit is a costly business, both

as regards time and money. If we could achieve the result obtained in rabbit extermination in the Eastern States and Franco, we would greatly increase the wealth of the country, lessen disease amongst stock, and allow farmers more time to work their properties.

While we are attempting to increase the national wealth of this country, there is no doubt that enormous sums of money are lost because of the depredations of the rabbit. I would suggest to the Treasurer and the Minister that they should continue doing all they can to encourage enthusiasm among the farmers, and promote co-operation between them and the department in the fight against the rabbits. We have not been able to spread this disease as we would have liked, but the efforts should still continue.

I was interested to read in Wednesday morning's newspaper under a heading, "New Chemicals May Help Producers," that these new discoveries are likely to help producers to combat footrot in sheep and the curse of the fruit-fly. It costs the producers a tremendous sum of money, much time and worry in the continuous fight against these pests. It is in the national interests for the Government to give encouragement to a vigorous fight against them.

It will be noted that I have advocated additional expenditure to combat vermin and pests. There should be no need for the imposition of any increased charges as a vermin tax is already imposed by both the Government and the local authorities. With the great increase in land assessments by both Government and local authorities, there follows, of course, a very substantial increase in vermin tax collections.

Before reverting to the financial side of the Budget, I want to refer to the appointment of the Conservator of Forests, or rather to the retirement of Dr. Stoate. There can be no question that Dr. Stoate is one of the most eminent foresters in Australia, and, in fact, he has been described as a world authority. He has rendered valuable service to this State; yet I have not seen one appreciative public reference by any member of the Government to his public services. No reason has been given for the termination of his employment in the Civil Service. Surely the public and Parliament are entitled to some explanation.

The Minister for Housing: We are still waiting to hear why you tried to stab him in the back.

Hon. Sir ROSS McLARTY: I am of the opinion that he has not received fair treatment. The appointment of two ex-officers of the department that he controlled, both officers having worked under him, to advise the Minister for Forests on certain matters concerning the administration of the Forestry Department, was an improper act.

Now we find that one of these officers has been appointed in his place. Further parliamentary discussion and probable action in this matter is justified. I have no doubt that had the previous Government remained in office, Dr. Stoate would have been reappointed.

The Minister for Housing: You know that is not so.

Hon. Sir ROSS McLARTY: But certain action might have been taken with regard to the administrative side.

The Minister for Housing: To wipe him out altogether.

Hon. Sir ROSS McLARTY: No.

The Minister for Housing: That was the Bill your Minister prepared!

Hon. Sir ROSS McLARTY: It did not seek to do anything of that sort. I asked the Minister for Forests by way of question if it was intended to make any further use of Dr. Stoate's outstanding qualifications. He replied that the matter was under consideration. I presume it is. I would say this to the Minister: If the services of Dr. Stoate are to be used in any advisory capacity, it is only fair that he should report direct to the Minister and be entirely free of the administration of the Forests Department.

The Minister for Housing: That is what has been determined.

Hon. Sir ROSS McLARTY: I am very glad to hear that. The Treasurer has stated that the Budget which I presented to the House had been based on the comfortable assumption that funds would be made available by the Commonwealth to extinguish any deficit arising from the financial transactions of the year. If any Treasurer in this State has ever relied on Commonwealth financial assistance, it is the present Minister. The numerous promises he made during the election campaign were based on the assumption that he was going to receive financial assistance from the Commonwealth. He has spent a great deal of his time since he assumed office in criticising the Commonwealth for not handing out to him millions more than he actually received.

He has a list of the taxation which the previous Government imposed, and he is going to read the list out. In one breath he refers to our long list of added taxation, and in the next he complains that it was not nearly enough. He has certainly made up for any shortcomings we had in the direction of imposing taxation, and he has without doubt created a record during the time he has been in office in imposing additional charges and taxes. To implement his election promises, he will have to increase taxation substantially.

Furthermore, the Premier promised to curb inflation. Evidently he proposed to do this by the heavy imposition of additional charges and taxation. Let us have

a look at his long list of additional charges and taxes imposed during the short time he has been in office, and then I will refer to a few of his many election promises. I would remind him that in increased rail freight charges he has taken in one grab £2,600,000. The entertainment tax will bring in £225,000 in a full year. There is additional probate duty, if allowed by Parliament. There are heavy additional irrigation charges. Third party insurance has increased. Gun licence fees have increased. Bus and tram fares have been raised, and, of course, he is getting greatly increased water rates and hurrying on the valuation of properties, both in the metropolitan and rural areas.

The Minister for Railways: By how much were the gun licence fees increased?

Hon. Sir ROSS McLARTY: If the hon. member had his own way, I do not know by how much the fees would have increased.

The Minister for Railways: You were going to increase them by 500 per cent.

Hon. Sir ROSS McLARTY: We did not. The Minister for Railways: And we did not either. Speak the truth.

Hon. Sir ROSS McLARTY: Because we did not allow your Government to do so.

The Minister for Railways: Why do you say that this Government increased them when it did not?

Hon. Sir ROSS McLARTY: I will say it again. So it did. The Public Trustee is to increase his charges. Considerably increased charges will be made on all industry as the results of the amendments to the Workers' Compensation Act. The Treasurer proposes to have the State competing with the life assurance offices in order that he may have more revenue. I will have something to say about that later on. There is no possible doubt about the Treasurer. He easily holds the blue ribbon as a tax gatherer. He made some reference to his election promises during his speech, but at this stage I shall refer to only one or two. When does the Treasurer propose to bring charges for rural water supplies more into conformity with metropolitan prices, and how does he propose to do it.

The Premier: That has already been done.

Hon. Sir ROSS McLARTY: Has it? I have not noticed it.

The Premier: People in the metropolitan area have noticed it.

Hon. Sir ROSS McLARTY: Have they? I can see what has happened to the Treasurer here. This was a move by the Minister for Justice because he moved a resolution in this House some time ago asking for a flat rate throughout the State.

The Minister for Health: That is what we should have.

Hon. Sir ROSS McLARTY: The Minister told the Treasurer that.

The Minister for Health: He did not take much notice of it.

Hon. Sir ROSS McLARTY: The Minister carries considerable weight in Cabinet with his forceful views. No doubt the Treasurer very reluctantly agreed in order to keep unity within his Cabinet. He had to agree with some of the suggestions that the Minister made. I am wondering what his metropolitan supporters are thinking about this. They must have ideas.

The Minister for Health: You are a country member and you will not support this.

Hon. Sir ROSS McLARTY: Do not address questions to me at this stage! The hon. member is the Minister, and I am just mentioning this matter. I congratulate him on his influence. I know he has expressed some very free and independent views. He has a substantial following on the Government side. I do not say it is sufficient to tip the Premier at present, but he is on the way.

The Minister for Health: I wish I were. We would have a flat rate for water throughout the State then.

Hon. Sir ROSS McLARTY: The Treasurer says something has been done—

The Minister for Housing: You are a great Shakespearian actor!

Hon. Sir ROSS McLARTY: That is very nice of the Minister, because Shakespearian actors are people worth knowing. Getting back to the question of water, I suggest that in order to fulfil partly his promise in regard to water charges, he gave instructions that excess water charges in the country areas should be brought down into conformity with the metropolitan excess charges. I would like to know from the Treasurer just how far he has gone in fulfilling his promise with regard to water rates.

The Minister for Works: Do you think that water rates should be further increased in the metropolitan area?

Hon. Sir ROSS McLARTY: I never said that.

The Minister for Works: They would have to be, in order to do what you say.

Hon. Sir ROSS McLARTY: It was what the Treasurer said. I did not say it.

The Minister for Works: You are saying it now.

Hon. Sir ROSS McLARTY: He said he would bring water charges in rural areas into conformity with city prices. I asked him how it was to be done.

The Minister for Works: Did you not say something about excess water charges?

Hon. Sir ROSS McLARTY: No. This is what I said: The same charge should be made for excess water in rural areas as is levied in the city.

The Minister for Health: Hear, hear!

Hon. Sir ROSS McLARTY: That would bring the cost down.

The Minister for Works: I asked you if you were in favour of increased charges in the metropolitan area.

Hon. Sir ROSS McLARTY: No.

The Minister for Works: Then you cannot do what you say.

Hon. Sir ROSS McLARTY: Ask the Treasurer what he is going to do! He is the one I want to ask. He does not look too happy.

The Premier: You should follow the member for Blackwood's example and put the questions on the notice paper.

Hon. Sir ROSS McLARTY: I will, and I shall expect from the Premier a courteous answer.

The Premier: You will get courteous answers if the questions are courteously framed.

Hon. Sir ROSS McLARTY: They will be courteously framed with the best of intentions.

The Premier: I am sure they will.

Hon. Sir ROSS McLARTY: Of course, I have been talking—

The Minister for Railways: Reading!

Hon. Sir ROSS McLARTY: Yes, reading my own stuff. If you do not like it, go out!

The Minister for Lands: I think—

Hon. Sir ROSS McLARTY: What the Minister thinks does not worry me.

The Minister for Housing: He has a rude word for everyone!

Hon. Sir ROSS McLARTY: The Premier was incensed when the member for Blackwood asked him a series of questions which he had every right to ask. He used such expressions as "impudent minds with a suspicious twist," or something like that. The reply was discourteous. I want to tell the Premier—although he should already know it—that the member for Blackwood's views are shared by many people in this State.

They regard the statement of the Premier with reference to the Commonwealth Arbitration Court's decision to suspend the quarterly adjustments of the basic wage as premature. The Premier decided to take certain action before he had a chance to see or study the court's reasons for the action it took. I do not deny his right to approach the court, through his industrial representative, but it does not take

a twisted mind to form the conclusion that the Premier was using his influence with the State Arbitration Court to induce it to agree to his point of view.

The Premier: That is not true.

Hon. Sir ROSS McLARTY: I think it is true.

The Premier: It is not.

Hon. Sir ROSS McLARTY: I believe there are thousands who will agree with me.

The Premier: It is still untrue.

Mr. Johnson: Did you do it when you were Premier?

Hon. Sir ROSS McLARTY: The function of the Arbitration Court is to see that justice is done to all sections of industry, and no doubt before any decision is reached weighty consideration is given to all aspects of the case before it. I would remind members that the Commonwealth Arbitration Court did not come to a snap decision. It took 12 months to examine all the evidence put before it, and to reach the decision it recently announced.

It was not only a question of the suspension of the quarterly adjustment of the basic wage that was discussed. As members know, both increased and decreased wages were discussed, together with hours of work, and there were discussions in other directions. The court had to take many factors into consideration, such as employment, investment, production, overseas trade, overseas balances, the competitive position of secondary industries, and retail trade. So whatever decision the judges of the court reached cannot be lightly overlooked.

To say the least of it, I was surprised that the Government gave a direction to its representative on the attitude he was to adopt in appearing at the hearing of the Western Australian basic wage case, before Cabinet had the Federal Arbitration Court's reasons for suspending the automatic quarterly adjustments. Surely there was a duty devolving upon the Government first of all to obtain the reasons—and very lengthy they were—and carefully study them before making any public announcement. I repeat that I think the action of the Premier in going to the Press and expressing his views—and I can put only one interpretation upon his views—was certainly the wrong attitude and one which the Leader of a Government should not have adopted.

The Premier: Which views are you talking about?

Hon. Sir ROSS McLARTY: The Premier's.

The Premier: Which ones?

Hon. Sir ROSS McLARTY: The views the Premier expressed with regard to the findings of the Court.

The Premier: What were they?

Hon. Sir ROSS McLARTY: The Premier clearly indicated that he disagreed with the court's decision as regards the quarterly adjustment.

The Premier: When?

Hon. Sir ROSS McLARTY: I cannot remember the exact date, but there is no doubt about it.

The Premier: As a matter of fact, the Leader of the Opposition tried to influence the State court—

Hon. Sir ROSS McLARTY: I did nothing of the sort!

The Premier: —in a statement from him which was published in "The West Australian" on Wednesday of last week.

Hon. Sir ROSS McLARTY: The Premier made a statement, and mine was much more temperate than his. The Western Australian Arbitration Court had previously made it clear that it awaited the reasons of the Federal Court for its decision before proceeding further. I would say that the Premier, above all people, out of respect for the court and the court's prestige, should have awaited the Federal court's reasons before making any decision. He had a duty to study the reasons given by the Federal Arbitration Court, and most certainly he had not received them at the time of his statement.

The Minister for Lands: How would you sum up those reasons?

Hon. Sir ROSS McLARTY: Which reasons?

The Minister for Lands: The reasons given by the Federal Arbitration Court.

Hon. Sir ROSS McLARTY: I have read them. The court took 12 months to reach a decision. Factors other than the suspension of the quarterly adjustment of the basic wage had to be considered; and of all the requests it had before it, this particular one was the only one to which it agreed.

In fixing wages, the Commonwealth Arbitration Court has departed from the system which existed of providing a basic wage according to needs, as was done for many years. With the tremendous increase in prosperity, wages have been assessed on the ability of industry to pay. The Minister for Lands knows that is true, because it is evident in connection with the department he controls. For instance, there is the shearing industry, in which the basic wage is based not on needs, but on prosperity. That has been the attitude of the Federal Arbitration Court for some considerable time.

But now the question has arisen as to whether the prosperity of the country is such that further increases in wages should be granted. The court has come to the conclusion that they should not, and in reaching that decision it has had to

take into consideration all the economic factors which affect this country. I read out some of them. For instance, what is the effect on the manufacturers? Does it mean that they will not be able to export? If they cannot export, does that not mean less employment in Australia? What effect will it have on primary exports and in many other directions?

The Minister for Lands: There are some you have not mentioned.

Hon. Sir ROSS McLARTY: What are they?

The Minister for Lands: I will tell you one of these days.

Hon. Sir ROSS McLARTY: I will be very glad to hear of them.

The Minister for Lands: Do not you think that the court has to some extent supplanted Government responsibility in respect of policy?

Hon. Sir ROSS McLARTY: No, I do not. I think the members of the court are trained men, with years of experience. The Minister will not say he has no confidence in them. They are men who have given years of thought to economic problems—we know one of them, who comes from Western Australia—and they reached their decision only after 12 months of research and most careful consideration. I rather feel that arbitration is at the crossroads at present.

The Premier: Arbitration is always at the crossroads.

Hon. Sir ROSS McLARTY: I believe that if politicians are going to meddle in the arbitration affairs of this State, a chaotic condition can quickly arise that will not be to the benefit of either the workers or the employers. When arbitration matters are being decided by men in whom we have confidence, and when all the interests of the public are being considered, political interference is most undesirable. The Premier said that his propaganda had been very fair. But here is a heading from a newspaper article. It reads, "Hawke Appeals to Firms to Cut their Prices." In this threat of his that he will reduce the price level—I want to make it perfectly plain that I do not want to see the workers exploited; because I know that the great majority—the overwhelming majority—of the people of this country are workers, and it is not likely that even from a political point of view I want to antagonise them—

The Minister for Lands: It depends how strong the drag is from the other side.

Hon. Sir ROSS McLARTY: What drag?

The Minister for Lands: The political drag; the business drag.

Hon. Sir ROSS McLARTY: There is none. I want to warn the Premier that in the action he says he will take, if he thinks it necessary, to cut down the price

level himself, he will have to be extremely careful that he does not bring about a chaotic state of affairs.

The Premier: Do you think the workers should bear the whole of the sacrifice?

Hon. Sir ROSS McLARTY: No.

The Premier: What do you suggest?

Hon. Sir ROSS McLARTY: I shall suggest something if the Premier will allow me to proceed. I notice that in regard to this so-famous article he has written, and which was so prominently displayed in the paper to which he is so antagonistic, he gets much publicity for his very partisan statement. Coming to the question the Treasurer asked me, whether I thought the workers should bear the whole burden, reference was made to it in the judgment which was delivered recently by the Federal Arbitration Court. There it was stressed that justice had to be done to every section of the community.

As I said to the Minister for Lands, the Commonwealth court took into consideration the effect an increase in the basic wage would have on industry generally, and whether it would create unemployment. I am perfectly certain of this, that the court, recognising what a serious position this would be, set out to give a judgment which would not be detrimental to the workers or to any other section of the community. Does the Treasurer mean to imply that the Arbitration Court, through its action, was partisan? Or will he not admit that after all the consideration it gave to the question—obtaining all the evidence it could in Australia from every section of industry—it brought in a finding which it thought was in the best interests of the people of Australia?

The Premier: The workers and their dependants will have to bear the whole burden.

Hon. L. Thorn: No, they will not.

The Premier: Who will bear it?

Hon. L. Thorn: What about the primary producers?

Hon. Sir ROSS McLARTY: I see the point the Treasurer is making. He refers to the lag of three months, and he says that these wages have already been lost to the workers. I can see that point of view.

The Minister for Lands: Do you agree with it?

Hon. Sir ROSS McLARTY: Wait! That particular question would no doubt give the judges considerable concern. Perhaps that is why they were so long in delivering their judgment. This was one of the knotty problems that they had to face. But is it not better—this is the point of view that I try to argue from—that as the result of some temporary disability the worker should be guaranteed continuity of employment, and that industry generally should be allowed to function?

The Premier: Why should not more than the workers and their dependants share the burden?

Hon. Sir ROSS McLARTY: I do not know what we can do to get over the difficulty which, I admit, is a real one. I believe, however, after reading and trying to learn all about this problem and endeavouring, as far as possible, to take an impartial attitude, that the Commonwealth Arbitration Court in its recent decision has tried to bring in a judgment which will be for the good of Australia—by that I mean in the interests of the worker as well.

Mr. McCulloch: All the employers do not agree with the decision.

Hon. Sir ROSS McLARTY: It is hard to get unanimity on anything.

The Premier: I think the Leader of the Opposition will agree that the Commonwealth Arbitration Court's powers to deal with the total problem are very limited.

Hon. Sir ROSS McLARTY: The Commonwealth court can obtain any evidence that it wishes to secure. Of course, I know there are many unions that do not come within the ambit of the Commonwealth court, but I do know that in this particular case a great number of employers approached the court. In addition, the Australian Council of Trade Unions put its case forward, and in the same way other organisations put their side of the question to the court. I doubt if there were any economic factors left out by the court when coming to the conclusions it arrived at.

The Premier: Yes, but the court's powers are very limited in regard to the total problem. The court cannot direct a reduction in profits.

Hon. Sir ROSS McLARTY: No.

Hon. A. V. R. Abbott: Are you prepared to direct a reduction in electricity charges?

Hon. Sir ROSS McLARTY: Only the other night I read an article on the point the Premier is now bringing before us. The court has not the power to direct the economic policy of this country, but even so the decisions it makes have a considerable bearing on those economics.

The Minister for Lands: On the workers, too.

Hon. Sir ROSS McLARTY: Yes, and on every other section.

The Minister for Lands: How, on the other sections?

Hon. Sir ROSS McLARTY: Surely the Minister is not going to argue on those lines.

The Minister for Lands: If the cost of living has gone up over the last quarter, you cannot tell me that anyone, bar the workers, is suffering.

Mr. Bovell: The dairy farmers that the Minister represents have to forgo it.

The CHAIRMAN: Order! I suggest the Leader of the Opposition address the Chair and he will not get these interjections from both sides.

Hon. Sir ROSS McLARTY: I think I have a right to take exception to an article which the Premier published a few days ago.

The Premier: What was the date?

Hon. Sir ROSS McLARTY: I have not got the date, but here it is from "The West Australian". There is no possible doubt that it appeared in that paper.

The Premier: I think it followed a statement by you which was published on Wednesday, the 28th October.

Hon. Sir ROSS McLARTY: Yes, it did.

The Premier: In your statement you were, in effect, trying to influence the State Arbitration Court.

Hon. Sir ROSS McLARTY: No, I was not. I will read the whole of the article if the Premier so wishes. It states—

Mr. Hawke said that the Leader of the Opposition (Sir Ross McLarty) had followed the traditional Liberal Party line in asking the Cabinet to reconsider its attitude towards the question of quarterly adjustments to the basic wage.

Mr. Hawke said that the Liberal Party line was that workers and their dependants—not the better-off sections of the community—should always shoulder the burdens and sacrifices considered necessary to give stability to industry as a whole.

The central fact of the present situation was that the workers of Australia and their dependants were entitled to a basic wage adjustment because of the cost-of-living increase during the July-September quarter.

Is this not influencing the court? The report continues—

Not only had they received less in wages than was actually necessary during that period, he continued, but those under Commonwealth Arbitration Court jurisdiction were now to suffer a permanent penalty in respect of at least that quarterly adjustment.

Sir Ross McLarty and his Liberal Party colleagues applauded that decision and were, in effect, urging the State Arbitration Court to make a similar decision.

The Premier: That is what you did in your statement.

Hon. Sir ROSS McLARTY: This is a strong party political statement by the Premier, and in making it he was more concerned about party politics than he was about arbitration.

The Premier: Would the Leader of the Opposition quote the final paragraph of his own statement in "The West Australian" of the 27th October.

Hon. Sir ROSS McLARTY: This report goes on—

These concessions had given substantial sums of money to business concerns and their burdens in regard to achieving stability in industry had thus been considerably reduced. Sir Ross McLarty and his colleagues had loudly applauded that action.

The previous one we had just applauded. Here again we have a strong party statement. The Premier goes on—

A few weeks later, Mr. Hawke continued, the workers were told that their burdens must be increased to enable stability to be achieved and to save Australia from further inflation.

I do not know whether he is referring to the Arbitration Court there—

Again Sir Ross McLarty and his colleagues applauded that decision.

So they should too, Mr. Hawke said, because the two actions—although full of inconsistency and injustice from the workers' point of view—were completely in line with Liberal Party outlook and policy.

Such outlook was, of course, narrow, selfish and unjust and gave no thought at all to the principles of equality and justice.

He goes on to deal with the financial review published by "The West Australian," and then, dealing with lower prices, the report states—

Mr. Hawke said that the review showed that prices paid by the public for many classes of goods could reasonably have been much lower in recent years.

Had they been lower, the cost of living would have been reduced and quarterly adjustments of the basic wage would have been unnecessary.

No one would have suffered and stability would have been achieved. Only Sir Ross McLarty and his colleagues would have been unhappy, Mr. Hawke continued.

There is no doubt about him! Then he says that only someone with a twisted mind or a warped outlook, could have put the construction on his remarks that the member for Blackwood did. Undoubtedly, this can be interpreted as being something to influence the Arbitration Court. But, of course, the whole article is as political as it is possible for one to be. The Premier, of course, set out in his shrewd way to gain party political advantage.

The Premier: That was in reply in your statement in "The West Australian" of Wednesday, the 28th October.

Hon. Sir ROSS McLARTY: It is a lot more than that.

The Premier: I shall have it quoted later.

The Minister for Native Welfare: Has anyone got the clock on the ex-Premier?

The CHAIRMAN: Order! The Leader of the Opposition will address the Chair.

Hon. Sir ROSS McLARTY: I did not hear the interjection, but I am certain I have not missed anything.

The Premier: It was from the Chairman's brother.

Hon. Sir ROSS McLARTY: Whilst the Premier has taken a very partisan outlook in this matter, I point out that he, as Premier, represents all the people and not a section, and I remind him that, with regard to the business people against whom he seems to have a prejudice, there are 500,000 persons in Australia who are shareholders in companies. When we assume that most of them are married and have families, it is pretty clear that there is a big section of the Australian public interested in the economic side of business, and who have to get a reasonable thing out of it in order to live.

The Premier: I agree with that, but so should the workers who produce the wealth.

Hon. Sir ROSS McLARTY: I agree with that. I just mention, as an interesting matter in the economic life of our country, that hundreds of thousands of people are interested on the business side, and most of these people are very small shareholders in businesses. The great bulk of them, I would think, would not enjoy incomes comparable with those of members of this Chamber.

The Minister for Health: They only want equality in accordance with what the worker gets.

The Premier: Have a look at pages 26 and 27 of the recent special supplement in "The West Australian."

Hon. L. Thorn: The Premier is trying to draw you off again.

Hon. Sir ROSS McLARTY: I think the Premier has a high regard for "The West Australian." These attacks on it by the Premier are good political propaganda. He wants to make the public believe that he is not getting a fair go; and the more he attacks "The West Australian," the more publicity he thinks he will get. That is a good old political trick.

The Premier: "The West Australian" has treated me very well since I became Premier.

Hon. Sir ROSS McLARTY: The Premier is its white-headed boy.

The Premier: The Leader of the Opposition appears to be jealous.

Hon. Sir ROSS McLARTY: I have reason to be. Some of the photographs it publishes make the Premier look really handsome.

The Premier: Some that it publishes of the Leader of the Opposition are not too good.

Hon. Sir ROSS McLARTY: This year the Treasurer will have £4,577,000 more than we had last year. But he talked about money values, and said that, owing to the decreased value of money, he was not in the same position as we were. Of course, he is getting much of his material at a cheaper price than we were able to do. We were compelled to import from overseas cement, steel, iron and other commodities which we could not do without. But today there is a difference. These articles are being produced in Australia and at a much lower cost.

The Premier: Are they not paid for out of loan moneys?

Hon. Sir ROSS McLARTY: Some are, and some are not.

The Premier: Nearly all of them.

Hon. Sir ROSS McLARTY: What about repair work and so on? That is paid for from revenue.

The Premier: About 96 per cent. would be financed from loan money.

Hon. Sir ROSS McLARTY: I am glad the Premier has made that statement because I will have something to say about it later.

The Premier: The Leader of the Opposition should not mislead the Chamber.

Hon. Sir ROSS McLARTY: I am not misleading members.

The Premier: I am sure the hon. member did not try to do so.

Hon. Sir ROSS McLARTY: There are one or two matters to which the Premier referred, and he said that money was being provided for a number of good causes. I agree with him that the causes for which he thought money should be provided are deserving. When we were in office, we did all we could to make as much money as possible available to the institutions concerned. The Premier said that he intended to make more money available in an effort to uplift the natives. That is a worthy cause and it was our policy to encourage the missions, and we substantially increased the grants to every mission in the State.

This evening, the Minister for Native Welfare gave notice of a Bill which he intends to introduce and, as I have not the faintest idea what is likely to be in that measure, I cannot offend by discussing the native question. While it is our desire and our duty to do all we can to uplift the status of the natives and fit them for citizenship, we must take a practical view of the situation. I feel certain that there are many people in this State who are not taking that practical view. They mean well but they make some suggestions which I consider are not practical.

The ambition of a native today seems to be to obtain citizenship rights, and with many of these people that is a laudable objective, but with others it is their downfall. Some of them, as soon as they obtain citizenship rights, go to hotels and get drunk. As a result, they bring about their own downfall and that of some of their companions as well. Some of them have not a full realisation of their duty in regard to employment. There is plenty of work offering, and at good wages, too. So anything we do for natives should be done in a practical way, and the question should not be approached from a party point of view.

The Minister for Native Welfare: Are you speaking to the second reading of the Bill?

Hon. Sir ROSS McLARTY: No, I am speaking to the Premier's speech on the Estimates. Although the Minister has been here long enough to know the Standing Orders, I would remind him that I am permitted to discuss anything while speaking to this debate. I hope that when the Minister introduces his Bill, it will not have a party political flavour, and I will do everything I can to help rather than to hinder him. I think I have said enough on the Budget, but later on, when some of the items are being discussed, I shall have something further to say.

The Treasurer, when he was in Opposition, used to complain about my Government introducing the Budget at such a late stage in the session. This Budget has been introduced at a particularly late stage. All members desire to discuss the Estimates, and, in addition, a number of contentious measures are still listed on the notice paper. I have heard members opposite offer the most vigorous criticism, when we were in office, regarding the hours of sitting at the end of the session, rush legislation and insufficient time to consider the Estimates.

Yet here it is the 3rd November and I imagine it is the Government's intention to adjourn before Christmas. I can see that we shall have a tremendous rush at the end of this session; in fact, it will be just as bad, if not worse, than we have experienced previously. As yet the Loan Estimates have not been introduced, and they are most important. So we have every right to complain that members are not getting a fair chance to discuss all these important subjects, and I hope that time will be given for a proper discussion of these Estimates.

MR. JOHNSON (Leederville) [9.7]: I wish to make a few comments following the lengthy address, to which we have just listened, delivered in the normal amusing manner of the Leader of the Opposition.

Mr. Oldfield: Did you read "The Western Mail"?

Mr. JOHNSON: I did, thank you! I can read. The Leader of the Opposition said that he was a man who could not get annoyed, and he made great play about an alleged attempt by the Premier to influence the Arbitration Court. The article from which the hon. member quoted is one which was written in reply to an article which appeared in "The West Australian" of the 28th October. I have that article before me and, although I do not intend to read all of it, I feel I should quote some portions.

This statement appears alongside a fairly lengthy article from Melbourne dealing with the Federal Arbitration Court's decision to deny to workers under its control quarterly adjustments of the basic wage. This statement, headed "McLarty Asks Cabinet to Reconsider," goes on to say—

The Leader of the Opposition (Sir Ross McLarty) said last night that he hoped the State Government would reconsider its attitude towards the abolition of cost-of-living adjustments to the basic wage.

Sir Ross was commenting on a statement by the Premier (Mr. Hawke) that the Government's advocate at the hearing before the State Arbitration Court would be instructed to argue in favour of quarterly cost-of-living adjustments.

Then follows an absolute gem—

Sir Ross said that in the interests of the people of the State, particularly the wage-earners, the Government should reconsider its decision.

The Leader of the Opposition, having been a Premier of the State, knew that suggestions such as that do not change a Government's mind, but he knew also that perhaps some members of the Arbitration Court would read his remarks. If he thinks that any remark he made in a newspaper would change a Premier's mind, he is simpler than I think he is. Of course, that was not his idea at all, but it was a first-class effort to try to influence the court and to influence the people, particularly the wage-earners.

Hon. A. V. R. Abbott: Do not you think that inflation is the worst enemy of the wage-earners? They have lost pounds and pounds over the last five years.

The Premier: Due to the Menzies Government.

Mr. JOHNSON: Unfortunately, inflation in Australia has been caused because we have been cursed with a Liberal-Country Party Government in the Federal sphere. If members opposite want to have an argument on that aspect, I would love to take it on in public, but it is not my

intention to delay members on this side by talking self-evident truths to members opposite who are unable to absorb them. I will now return to the statement of the Leader of the Opposition which influenced, or endeavoured to influence, the State Arbitration Court. I would like to quote the final paragraph in this statement—

It was to be hoped that the State Government would recognise that the recent court decision might well be a major contribution to the welfare and protection of all those who were affected by the basic wage, Sir Ross said.

Mr. Manning: Hear, hear!

Mr. JOHNSON: It might be, and it might not be. Anything that might be, could very easily not be. That is quite logical.

Hon. A. V. R. Abbott: Those are words of wisdom.

Mr. JOHNSON: I am prepared to say that the decision might be a major contribution to the welfare and protection of those affected by the basic wage, but—

Mr. Oldfield: Is it a fact that you are the economic adviser to the Treasury?

Mr. JOHNSON: It is not a fact.

The Premier: I understand that the member for Maylands was the economic adviser to the previous Treasurer, and that is why our finances went to the pack.

Mr. Oldfield: That is why the previous Government got by on £5,000,000 less than the present Government is to receive.

Mr. JOHNSON: If members opposite wish me to do so, I can quote a number of figures and documents which I have before me to show that even in the short time that this State has been blessed with a Labour Government, there has been some improvement in the situation. That result has been brought about in face of the opposition of a Liberal Federal Government. The Federal Government, as a vote-catching idea, returned £118,000,000—and that is a large sum of money—to taxpayers who are mainly in the upper brackets.

Hon. A. V. R. Abbott: That is not factual, either.

Mr. Oldfield: Be fair!

Mr. JOHNSON: I wish members opposite would listen until I have finished my statements. At the same time, the Leader of the Opposition says that the Commonwealth Government has been generous in allowing the States, between them, £20,000,000 more than the formula provided for. That sum is just a little more than one-sixth of the total amount that taxpayers will receive as a result of tax reduction. As I said, the people who will benefit from the reduction in taxation are mainly those in the upper brackets; people in the lower brackets—and this is a matter

of logic—cannot be taxed the same amount as those in the upper brackets, because they are not earning sufficient. So it must be a return to the people in the upper brackets in the majority, because they are the people who pay most of the taxation, and so they should because they can afford it.

Hon. A. V. R. Abbott: No they do not. That is where you make a mistake.

Mr. Oldfield: Were not you given a considerable reduction in your taxation?

Mr. JOHNSON: It is less than 2s. a week.

Mr. Oldfield: In yours?

Mr. JOHNSON: Yes. I am not in the upper brackets but a mere politician, and let me say that to anyone in my position 2s. is something, and I am pleased to get it. I also get 6d. rise on war pension which brings me on to the same footing as the old-age pensioner.

Mr. Oldfield: But you are not worth what he is.

Mr. JOHNSON: Too right! I would like to refer to some of the points mentioned by the Leader of the Opposition because I feel there are people who regard him as one speaking with some wisdom. He said that arbitration was at the crossroads and that the courts need support for their status. Any court that requires support for its status is failing in its duty. A court or any person maintains its or his status by the respect decisions inspire. If the court cannot hold the respect of the vast majority, then that court is not worthy of respect.

That is one point, and the same applies to people in public positions, as we all know when we face the public every three years or so. It is a matter of being worth the respect, and if the court cannot stand on its own two feet, it should fail. Might I say that in my opinion the Arbitration Court by its decision made a severe mistake and in doing so it has weakened the respect to which it should be entitled. It has made that mistake because it has interfered in a decision that should have been a political one. It has gone out of its proper sphere and interfered where it should not have done so.

The court may have been of the opinion that something should be done about inflation and such-like matters. We all agree that it should; every one of us does. The court has only certain limited powers, and having those powers it can affect only one limited section of the community. It made the one contribution that probably is within its power, of placing the burden on the worker. If the matter had been treated economically, as it should have been, in a political sphere I think the decision reached would have been to the effect that a fair share of the burden should be suffered by all.

Hon. A. V. R. Abbott: Is not that a matter for your Prices Minister?

Mr. JOHNSON: At the moment I am referring to the Commonwealth court.

Hon. A. V. R. Abbott: Your Prices Minister can decide that issue.

Mr. JOHNSON: May I say that I am making this speech? I am referring to the Commonwealth court and to the Commonwealth Government. The Commonwealth Government is doing nothing about prices. I am speaking about the Commonwealth court's intrusion into the political sphere, and saying that the decision it made should have been determined in the political sphere. Had the decision been made in its proper place, I feel sure it would have been to the effect that the sharing of the burden should have been met first of all by the control of prices which, properly controlled, would have prevented any further rise in the index upon which wages are based. That is the logical way to do it.

If it is considered necessary to stabilise matters, and it is arguable whether it is wise, the correct way to do it is to stabilise prices. There is never any need to stabilise wages if prices are controlled. If the member for Mt. Lawley had known something about the stabilisation of prices he would have known that that would have been the way to keep wages in a stable position.

Having referred very shortly to this small point, or large point—it depends how one looks at it—I would like to deal with some of the matters raised in the speech made by the Leader of the Opposition. First of all, he started shedding crocodile tears about probate duty. Perhaps that may be a personal worry, although I thought it applied to those who were completely dead.

The Premier: I think it was Viscount Swinton who said, "Where a man's treasure is there shall his heart be also."

Hon. A. V. R. Abbott: We look after our treasures.

Mr. JOHNSON: At the same time, the Leader of the Opposition asked for a reduction in taxes and complained that there were too many taxes. He did not suggest that expenditure should be reduced in any detail. In fact, I think from his own experience he knows that it will be practically impossible to reduce expenditure. Therefore it follows, as night follows day, that if expenditure be kept up and taxes, including probate tax, are to be reduced, then the other expenditure must be found from loans. Last year we heard a constant cry from the then Treasurer that there was a shortage of loan funds.

As to Quorum.

Mr. Nalder called attention to the state of the Committee.

The Minister for Native Welfare: You have wakened up, have you?

The Minister for Railways: Who advised you to do that? The member for Cottesloe?

Mr. Hutchinson: I did not say a word!

The Premier: There are very few members of the Opposition in the House.

Hon. A. F. Watts: As many as there should be.

The Premier: There are only four Opposition members in the House.

Bells rung and a quorum formed.

Committee Resumed.

Mr. JOHNSON: As I was remarking before various members on the other side found themselves unable to take what I was saying, it follows that if we ask for taxation to be reduced and we cannot find a method of reducing expenditure, then we must increase loan expenditure. That I think is self-evident. It is not necessarily true that loan expenditure is good expenditure. It might be preferable to the country that expenditure should be made from revenue. There has been a difference of opinion about this.

During the 14 years in which Labour was in office in this State the net debt per head of population to the 30th June, decreased by £3 0s. 6d. and during the regime of the McLarty-Watts Government it increased by £50 13s. 11d. per head; the greatest increase being in the last year—a total of £22 10s. 8d. for the year, which happens to be a record. So we have the man who has the honour of enlarging the debt of every child born by £22 10s. 8d., suggesting that that should be done to an even greater extent. In fact, it drew to my eyes the vision of the ex-Premier waiting at the King Edward Memorial Hospital for each child to be born and marking him as he would one of his lambs—"Debtor—£229."

Hon. A. V. R. Abbott: I think the Premier complained he was not getting enough loan money.

Mr. JOHNSON: At the moment I am dealing with the Leader of the Opposition.

Mr. Hutchinson: Not very well.

Mr. JOHNSON: I am trying to show he is inconsistent and if there is anybody in this Chamber who has knowledge of Government accounts, taxation, loans and such subjects, it should be the Leader of the Opposition, because he has held the important office of Premier for six years and has had a greater opportunity to get the facts of the case than has anyone else. He went on to chide our present Premier for supporting reduction in taxation last year and not doing so this year. He even quoted to a limited extent from "Hansard," overlooking the fact that the tenor of the argument last year was, and I think still could be, and should be, that taxation on the lower brackets ought to be

reduced for the benefit of those people. That does not necessarily imply taxation reduction in the higher bracket.

The value of taxation reduction in the lower bracket means that the people on the lower income groups are the ones who make business because they do not save their money—they are unable to do so—and any taxation remission they receive goes into business and increases trade. A taxation remission to people in the higher tax brackets does not have the same effect. The higher the income the greater the tendency to save and not to spend. Business is built not by people who save but by those who spend. It is those who spend that make employment. Taxation reduction on the lower income bracket would help the employment situation.

Hon. A. V. R. Abbott: You do not believe in saving?

Mr. JOHNSON: Saving has its value in certain circumstances and not in others. Saving is not always the right thing to do. There is a time to save and a time to spend. There is a time to give and a time to gather in. If the hon. member would like me to complete the quotation I will look it up.

Mr. Hutchinson: What should we do now?

Mr. JOHNSON: I think the time is opportune to assist people on the lower bracket, particularly those individuals who suffered worst from the Liberal-inspired inflation; those on fixed incomes in particular; the age-pensioners who have been assisted in a very limited degree with 2s. 6d per week; those on fixed incomes generally and those on superannuation.

A number of pensioners have received considerable increases as a result of this latest decision, but the people whose need is greatest, those who have no income, who do not own their own homes and have no way of earning but have to live entirely on their pension, have received an increase of only 2s. 6d. Those are the people who should have been granted an increase; money should have been given to them. If we gave them £1 a week extra, they would not save it; all of it would go into circulation for the benefit of trade.

Statistics are available to show that trading has tapered off; it has ceased to increase at the rate it was increasing. There is a tendency, if not to drop, at least to stop rising, so trade is slowing down. Now we desire to help it. I am not one to say that all increases in prices are wrong. A gentle increase in prices over a period is by far the best, and in an ideal situation, saving is bad for the economy of the State. We are not in an ideal situation at present, and I do not visualise such a situation arising in the immediate future, but saving is not always a good thing for the State.

I should like to refer to the quotation made by the Leader of the Opposition from the Auditor General's report at page 46 regarding the money received by the State from the Commonwealth, and point out that of the £27,000,000, a very large proportion was paid into trust funds and is, in effect, money spent on either Commonwealth purposes or joint purposes—money which, although passing through State hands, is not entirely within State control. Such money is received for specific purposes and would continue to be received, no matter which party was in power. I consider that the quotation made by the Leader of the Opposition was a little unfair, coming as it did from the ex-Premier who should have been in a position to understand the situation.

The hon. member spoke of taxation being added to costs, and once more I suggest that that statement was less than a fully true statement because taxation is specifically excluded from the accounting of costs before the Arbitration Court. I well remember having taken part in a certain amount of agitation to have the incidence of taxation taken into account in the basic wage at the time when the basic wage was first within the ambit of income taxation. There is no doubt that taxation is not an added cost as far as those people affected by the Arbitration Court are concerned. That reference was a good deal less than true and indicates that the ex-Premier thinks solely of people who have productive costs to consider.

Reference was also made by the hon. member to the Department of Industrial Development. He said that this was a department requiring the closest scrutiny. At page 34 of the Auditor General's report is a list of payments in connection with losses under guarantee. Regarding the Department of Industrial Development under the treasurership of himself, there is an item of £50,000 from revenue representing assistance to the fishing industry and £110,234 from loan suspense advance to Treasurer. Although the hon. member was not then Minister for Industrial Development, he was the Treasurer, and I would refer to the statement at page 35 of the Auditor General's report as follows:—

Owing to difficulties associated with realisation of vessels and the small amounts involved, the Treasurer on 3rd February, 1953, approved of a recommendation that certain assets be handed over to the company and the bank was directed to release from its security; trawlers (2), gear, equipment and stores on hand, and proceeds in bank account of sales of such items and book debts relating to such sales.

The estimated value of the items released was £3,500, which was given back, not by the Minister for Industrial Development, but by the Treasurer to a group

that has cost the State £160,000. Perhaps the £3,500 is only a small portion of the total loss, but in the Budget of the State, it is quite a considerable sum, and I feel that this action was unwarranted and the money should not have been given back; it should certainly not have been given back a fortnight before the election. If the then Treasurer had felt that it was correct to hand this money back, it would have been quite competent for him to make a recommendation to his successor to be approved or disapproved. To my mind, that was an extremely bad decision and not in the best interests of the State.

While dealing with these matters, I should like to speak of other items in the Auditor-General's report of losses made during the last 12 months of the McLarty-Watts Government. It has been said that the Liberal Party represents the business community, and it is certain that the business community acts on the assumption that a Liberal Government is one favourable to business and that it would be more efficient in business matters than a Government from this side of the Chamber, but I direct attention to an amount of over £250,000 of direct losses written off, according to the Auditor-General, during the last 12 months by a Government which, on that account, can hardly be called a business one. For instance there is an item of £19,400 in relation to the North Beach Bus Coy. paid out of revenue. I have reason to believe that even more money will be lost under that heading. On frozen mutton the loss is £40,904, on asbestos £21,570 on Anglo-Australian Trawlers Pty. Ltd. £160,234, and on imported cement £34,759, making a total of £276,867. These are quite lumpy amounts.

There are a number of other items in the Auditor General's report referring to the administration of the ex-Treasurer which call for comment, but these are the ones that struck me. After all, the amount is over £250,000, which is four times the estimated deficit for the coming year. If that sum had not been lost, there is every reason to suspect that last year's Budget would have shown a surplus and that the present one would, too. So we have the Leader of the Opposition saying he cannot see any justification for increased taxes.

It may be that he believes the present Government is not likely to make such losses—and I trust it will not, although every Government must occasionally make mistakes. All the same, it is hoped that the present Government will not make the same sized mistakes. The Leader of the Opposition cannot see any justification for increased taxes or additional loan moneys from the Commonwealth, but I refer to the fact that in the heart of his electorate there are certain new structures, such as a large hospital, extensions to the school, and a number of houses. So, quite a deal

of money has been spent there. It may be that his electors are convinced that no money should be spent anywhere else. I would say that outside the district of Pinjarra there are many areas just as important, whose requirements are at least equal to those of Pinjarra.

The Leader of the Opposition also made a statement with reference to the Arbitration Court, and I took it down so that I would get it practically word for word. He said, "Is it not better, that, as a result of some temporary disability, the worker should be guaranteed continuity of employment?" Here the hon. member is talking about something about which I do not think he knows anything, or does not want to know anything, or has not thought about. There is no power in the State Industrial Arbitration Act for the court to guarantee continuity of employment; and it cannot guarantee continuity. If it could, that would be in its judgments, but it is not within its power.

To suggest that the court is giving a guarantee of employment to the workers by preventing their wages from rising, when that is justified, is a complete untruth, and has no bearing on the position. It would, perhaps, be better if people in a position of some influence were a little more careful in their statements, because that statement is a complete fabrication. If it is intended to imply that a reduction in workers' wages will give them continuity of employment, it is in direct contradiction to the experience of 1930 and in direct contradiction to all the experts who have written on these matters.

The way to give continuity of employment is to raise wages. If the court had wanted to guarantee full employment, it would have raised wages and not reduced them. I feel the Leader of the Opposition should have some knowledge of these subjects. If he has not, it is no wonder that when we suffered under him as Treasurer, the State made the losses it did. Had the £250,000 loss that I have referred to been spent on providing employment, it would have been of far more use to the State than being completely lost down the spout.

Practically none of it was usefully spent. It was used mainly to assist certain people who were probably in the larger income brackets—principally importers, proprietors of companies, and so on—certainly not workers. As the Leader of the Opposition dealt shortly with railways and the fact that the railways do make losses, I remind him that one of the principal objects of the railways since they have been built in Western Australia has been to assist the primary producer to develop the country.

Anyone who suggests that primary producers produce for the benefit of the country is completely mistaken. They do it to benefit themselves, and they choose that

avenue of production because it is the one they elect to follow. It is quite unworthy to suggest that primary producers go into the farming industry for the benefit of the State. They go into it because they are trained in that way of life, or because they like it, or for some other personal reason, not because they wish to serve the State, any more than the man who enters an apprenticeship and becomes a fitter does so to serve the State.

The railways have been one of the methods of subsidising the primary producing industry which has been helped at the expense of the taxpayers. When conditions are bad, no one objects to this assistance, but now that conditions are well with the primary producers, it is only just that they should cease to be subsidised. The fact that they are continuing to be subsidised by rail freights at less than cost is completely unfair to the other taxpayers. Primary producers are not the only ones who have made contributions, willing or unwilling, to the stability of the State.

I would like to make passing reference to the fact that right through the difficult times of war, every man in uniform served at less than the full market rate. If they had refused to do so because the wages did not suit them, they could have insisted on much higher payment. I recall some trouble over one of the subsidiary points of employment in that service when there was controversy about leave. During those difficult times the men who did not enter the forces made a considerable contribution by taking less wages than the economy could have afforded. By agreeing, possibly under pressure, to take lower wages than could have been obtained, they made a far greater contribution than any other section of the community, either before or since, and that includes the wheatgrowers.

Next I will touch on a couple of items contained in the Auditor General's report and draw attention to certain points which could be corrected. There is reference to a quantity of mutton obtained from the Eastern States which became unsaleable for food purposes and which was disposed of in the latter part of 1952-53 to the W.A. Meat Export Works for conversion into by-products, to the extent of 179,139 lb. and to the Zoo, 32,000 lb. as food for animals—tons of meat all disposed of at considerable loss to the taxpayers.

The Auditor General comments, with regard to asbestos, that the stocks on hand, as shown by the balance, are £10,936 and the reported physical stocktaking records only 1,632 sheets, which he values at £1,506. That is one of the relics of the previous Administration. He goes on to say, "Proper records of receipts and issues have not been kept in the accounts." There is a further comment later in regard to that point.

Pages 70 and 176, appendix 5, deal with the Winning Bets Tax. It appears that under the Stamp Act persons who collect money for the Government become public accountants and the racing clubs, collecting these funds on behalf of the Government, now become liable to have their accounts audited by the Auditor General. He says—

No statutory provision has been made which would enable the Treasurer to recover any of the moneys if not used by the club for the purpose specified nor, in view of the Crown Solicitor's opinion, does the Auditor General appear to have any statutory power or duty to see that these moneys have been expended for such purposes.

That refers to the purposes for which the money was to have been retained by the clubs. The Crown Solicitor, at page 177, says, *inter alia*—

The racing club is therefore a public accountant and its books should be audited at least once a year by the Auditor General under Section 44. It has been suggested that the Governor may exempt the books of such race club from audit under the provisions of Section 48 of the Audit Act. In my opinion, however, that section is hardly wide enough to authorise the suggested exemption, as it merely authorises the Governor to exempt from detailed audit the accounts of receipts and expenditure of any department, and the racing club would not seem to me to be a department within any recognised sense of that word.

It therefore appears that the 20 per cent. of the tax which was to go to the racing clubs has put them in a somewhat invidious position in that they now become liable to audit by the Auditor General.

That raises the question of whether the Act should be amended to make it imperative for the Auditor General to state in his report that he has audited the books of these clubs and that the money has been expended as the Act lays down. I wonder whether the clubs could allow the Auditor General to take over the duties at present performed by private auditors and pay him the fee now paid to the private concerns. That would overcome the difficulty and increase the revenue.

Otherwise if the racing clubs object to the double audit, they could request the Government to forgo the placing of that 20 per cent. into their revenue and turn it all over to the State, allowing the State to do the collecting, which it could do fairly easily. That was what I recommended when the Bill was before the House—that the State should receive the whole of the tax it imposed. It would seem that the previous Government has

embarrassed its friends, but I trust that the position can be remedied with profit to the State and with no real difficulty for those concerned. It would be a good idea to get that other 20 per cent. into revenue and although it would not wipe out the deficit, it would account for a quarter and possibly much more of it.

Progress reported.

BILL—RURAL AND INDUSTRIES BANK ACT AMENDMENT.

Second Reading.

Debate resumed from the 15th October.

HON. L. THORN (Toodyay) [10.0]: Of course, I cannot agree with this Bill and I refer to it as a measure of appeasement. Undoubtedly the Government made up its mind to make a certain appointment and members will recall that a week-end newspaper announced the name of the person who would receive the appointment. That caused quite a bubble in the bank because the person concerned is not one of the senior officers of that institution. I know that this man has had a reasonable amount of experience and at one stage, when I was Minister for Lands, I met him in Manjimup. But I know that there was a good deal of dissatisfaction within the bank because undoubtedly there are officers senior to this gentleman who should have received the appointment.

To make it easier for the Government, it has decided to increase the number of commissioners and that, in my opinion, is entirely wrong. The Bill has been introduced to enable one or two of those dissatisfied members of the bank to be appointed as commissioners also. For six years I was Minister for Lands and at no time was it ever suggested to me that the strength of the commission should be increased. If that had been the wish of the commissioners, particularly the chairman, surely they would have mentioned it to me at some stage. But I feel that there is dissatisfaction in the bank, and that is why this Bill has been introduced.

When the Premier suggested to the Minister that he read the recommendations of the chairman of commissioners I asked him on what date the recommendation was made. He said, "The 1st October." That clearly indicates that the suggestion came from somewhere that the chairman should put up a minute to justify an increase in the strength of the commission. The Rural and Industries Bank is a good bank and it has made progress. But the extent to which its business has increased certainly does not warrant an increase in the number of commissioners. As a matter of fact, I am of the opinion that a manager and an assistant manager, such as they have in other banking institutions, could control the Rural and Industries Bank in a satisfactory manner because no

person would claim that the business of that bank is greater than that of the Bank of New South Wales.

The Bank of New South Wales handles securities for the rural industries throughout the country and the Rural and Industries Bank would be able to work satisfactory under a similar management. To justify his case, the Minister said that the appointment of these other commissioners would cost only an extra £270 a year. I am prepared to accept that statement because it is clear that senior officers of the bank will be appointed to the commission if this measure is passed. But I suggest to members that the advice and services of these senior officers are available to the commission today—always have been and will be in the future. There is no necessity for increasing the number of commissioners and if the number is increased it will cause confusion in the control and management of the bank. If these extra commissioners are to be appointed they will be making decisions on their own account. If they have not that power and authority, why appoint them as commissioners? In my opinion, they are just as valuable in their present positions.

Mr. Brady: Did the hon. member think along those lines when the Government he supported appointed two extra Commissioners of Railways?

Hon. L. THORN: I would suggest to the hon. member—as he has a lot to say about railways—that the two positions are not comparable; they are not in the same street.

Mr. Brady: You are quite right. One is a walkover as compared with the other.

Hon. L. THORN: Of course it is. The railways are a tremendous undertaking.

Mr. Brady: One man handled them, and the tramways and ferries as well, but now there are three commissioners to handle only the railways.

Hon. L. THORN: If the hon. member disapproves of that he is in a position, or his Government will be as time marches on, to reduce the number of commissioners to one. Our Government, in its wisdom and after giving the matter a tremendous amount of consideration, felt that the railways were such a huge undertaking that we might be able to make progress if the number of commissioners was increased to three. Of course, the Rural and Industries Bank has not had a fair go in the past for the simple reason that it has always been asked to assist in financing the white elephants of this State. I refer to Chamberlain Industries, Wundowie, Chandler and all those undertakings which had to receive substantial financial assistance from the Treasury, and are still receiving it. So the funds were not available to enable the bank to increase its business.

I know that during the battle of the nationalisation of banking some wonderful business—good sound business—was offered to the bank, which could have increased its business enormously but it was not able to do so because funds could not be made available. I always felt that it was a great pity that the Rural and Industries Bank could not have obtained those funds and so extended its business when the opportunity offered. I strongly urge the Chamber not to agree to the appointment of these extra commissioners.

The measure is unnecessary and there is not the slightest doubt that, because the appointment of the gentleman the Government had in mind has caused such a bubble in the bank, the Government now wants to increase the strength of the commission so that it will be able to include those dissatisfied officers. I know that an undertaking was practically given that a certain man would receive the next appointment. Of course, I will agree that that does not commit the Government. It is quite free to select and appoint whom it likes. I know from my own experience of the bank that there must be one or two officers who are very sadly disappointed to think that they may be overlooked when these appointments are made. I think I have covered the position adequately and I know it is absolutely unnecessary to increase the number of commissioners.

For those reasons I oppose the Bill and I hope that members on the other side of the House will, in their wisdom, see eye to eye with me and leave the existing position as it is. I would like to make a short reference to the passing of Mr. Malcolm Austin who was a commissioner of the Rural and Industries Bank and who died very suddenly. He was an excellent officer and had great experience in banking affairs. He proved to be of tremendous assistance not only to the bank but also to industry generally. His death was a great blow to me personally and I am sure it was also a great blow to all of us. It was as a result of his passing that this question of the appointment of additional commissioners has been brought before the House.

MR. BOVELL (Vasse) [10.12]: The original legislation to establish the Rural and Industries Bank of Western Australia was introduced by the Wise Government in 1944, and in 1945 the bank began to operate on a general banking basis. Since that year it has developed on extremely sound lines. First of all, I want to pay a tribute to the staff of the bank for the work they have done, especially in country areas. In the electorate that I have the honour to represent there are two branches of the bank; one at Busselton and one at Margaret River. The offi-

cers at both of those branches have performed sterling service in assisting to extend the activities of the institution.

To enable the bank to function smoothly, staff questions are most vital. Some time ago, in this Chamber, when I was a supporter of the then Government, I referred to certain amenities which I suggested should be given some consideration by the Government. One particular suggestion I made had reference to the fact that a number of young officers are employed by the bank. In their early years of employment, they are generally engaged in the branch established in their home town or at the head office in Perth. During the course of their employment they are transferred further afield and the time arrives when they are granted their annual leave. An officer's home might be in Albany, although, for the time being, he is stationed at Geraldton. In returning to his home in order that he may spend his annual leave with his family, he finds that his travelling expenses are quite heavy. I ask the Minister to give consideration to the formulating of a scheme whereby young bank officers in particular could be provided with travelling expenses from the centre where the bank is located to their home.

MR. SPEAKER: I think the hon. member could deal with this question better on the Estimates. It is a little outside the scope of the Bill.

MR. BOVELL: This matter is in relation to staff, but nevertheless I will bow to your ruling, Mr. Speaker. The Minister has introduced the Bill to increase the number of commissioners from three to five. In reply to a question asked by the Leader of the Opposition, the Minister said, before this measure was introduced, that he had a plan with regard to the administration of the bank, and I was encouraged to believe at that time that some reorganisation of the bank would take place to bring it into line with other banking institutions and their operations. However, when the Bill was introduced I was extremely disappointed. In view of the unfortunate passing of Mr. M. L. Austin, two commissioners remained; the chairman, Mr. Bosisto, and another, whom we might term as being an ex-officio commissioner, in the person of the Assistant Under Treasurer, Mr. H. W. Byfield.

In my opinion, this was an opportunity to terminate the appointment of all the commissioners and appoint in their place a general manager with an appropriate staff. In Western Australia at the moment there are eight trading banks, including the Commonwealth Bank and the Rural and Industries Bank, which have a total of 300 branches throughout the State. Compared with 1939, their advances in this State have risen from £23,858,000 to £31,826,000 and their deposits from £14,760,000 to £74,422,000. In that period,

weekly bank clearances have expanded from £1,885,000 to over £12,000,000 and the weekly averages of debits to customers' accounts from £11,208,000 to £20,808,000.

Advances made to agricultural grazing and dairying in 1952 totalled £9,600,000, which was slightly higher than in the preceding years. Advances to manufacturing establishments were £7,400,000 and for housing purposes, including personal advances, they totalled over £7,000,000. Retail and wholesale trade accounted for £6,200,000 of the total. It would be appropriate, I think, to refer to one banking institution in Western Australia, namely, the Bank of New South Wales, which has already been referred to by the member for Toodyay. That bank at the moment has advanced a total of £13,400,000 and has deposits amounting to £28,000,000, with a total of 123 branches and receiving agencies throughout Western Australia.

The Rural and Industries Bank of this State has deposits totalling £6,500,000 and advances totalling £12,100,000 with branches and receiving offices totalling 55. The capital of the bank is restricted under the Act to £12,000,000 of which only £9,000,000, according to the report issued on the 30th September, 1952, had been utilised. So unless some amendment is made to the original Act to provide further capital, the bank cannot expand more than to the extent of a further £3,000,000.

In Western Australia the Bank of New South Wales has as its chief executive officer an inspector, the next senior officer being the manager of the Perth office. The chief executive officer has three assistant officers who direct the policy of the bank. I consider it would be a very appropriate time to reorganise the Rural and Industries Bank so that the position of general manager could be established. He could have say three inspectors, or assistants; one controlling the business known as the southern inspector which would include the southern parts of the State from say Armadale to Albany.

Another, the central inspector which would include the area far afield, such as the South Australian border and up to say Moora or Morawa, and the northern inspector, including the whole of the northern part of the State. They would be responsible to the general manager for the administration of the bank's business, and the general manager, of course, would be responsible to the Minister. I feel that the Bill as submitted by the Minister is not comprehensive enough respecting the duties of the five commissioners and for that reason I do not intend to support it.

Mr. Hutchinson: It is a bit conservative; he could have made it seven.

Mr. BOVELL: He could have made it any number, but I think the House is entitled to know what the duties of these commissioners will be. It might be of

interest to look at the set-up of the Commonwealth Bank. That bank consists of a board comprising the Governor, the Deputy Governor, the secretary to the Treasury and seven other members appointed by the Governor-General of whom at least five persons are not to be officers of the bank or the Public Service of the Commonwealth of Australia. Possibly the Rural and Industries Bank could have, say, a panel of advisers who would not be officers of the bank but who would be selected from representatives of agricultural pursuits, trade and commerce, and such interests which are vital to the progress of banking practice. I only submit that as a suggestion. For the time being the general manager of the bank could be the chairman of this panel of advisers and therefore obtain the information which is vital to the functions of the bank.

In addition to the three deputies I have mentioned, there will be a secretary to the bank who will be ex officio a member of the panel of advisers, and also another very important office would be that of staff inspector who, as I began to outline, would be there to look after the interests of the staff in particular. Nobody more than you, Mr. Speaker, will realise that no progress can be made in any industry without the efficient working of the staff. I submit these suggestions to the Minister for consideration and I believe the bank would be better constituted under the conditions of administration that I have suggested. I repeat that I believe this is the appropriate time, when there is really only one surviving Commissioner, namely Mr. Bosisto, to make this decision, and I trust the House will reject the Bill because, in my opinion, there is no merit in it whatsoever.

THE MINISTER FOR LANDS (Hon. E. K. Hoar—Warren—in reply) [10.26]: I am rather surprised to learn of the opposition to this Bill, particularly the line of argument adopted by the member for Toodyay who actually did not handle the Bill at all but imputed very wrong motives to the Government in respect of this matter insofar as he thought the Government had in mind the appointment of a certain officer and was seeking to cover up by this Bill any prejudices that might occur, or disappointments that might be in the minds of disgruntled people who were unsuccessful.

Hon. L. Thorn: I do not think there is the slightest doubt about it.

THE MINISTER FOR LANDS: There is a very big doubt.

Hon. L. Thorn: Oh no, there is not.

THE MINISTER FOR LANDS: In fact, there is no truth in it whatsoever.

Hon. L. Thorn: Yes, there is.

THE MINISTER FOR LANDS: I say there is not; not the slightest truth in it.

Hon. L. Thorn: Oh yes, there is. The "Sunday Times" told us whom you were going to appoint.

The MINISTER FOR LANDS: The "Sunday Times" might have done so, but I kept quiet while the hon. member was speaking.

Hon. L. Thorn: I shall keep quiet now.

The MINISTER FOR LANDS: Please do! On the occasion of Mr. Austin's death, the Government, on the recommendation of the chairman of commissioners, certainly took action to fill the vacancy, as it was expected to do. It did it in the normal manner, calling for applications and when these applications came before Cabinet a decision was made, rightly or wrongly—I think rightly—to attempt to seek an officer who had a rural background and could give service to the bank based on the certain knowledge of the rural activities and expansion of this bank in future.

Out of that first list of applicants it appeared to the Government—and it certainly appeared to me—that those whose names were included in the list did not include the type of man we would prefer to see occupying the position held by the late Mr. Austin bearing in mind that he himself devoted almost the whole of his activities with the bank to rural pursuits in a banking sense. As a consequence of that, further applications were called for and a selection was made. For a certain persons' name to get into the newspapers, does not follow that it had anything to do with me or the Government. All sorts of rumours were going around at this time. Unfortunately the matter was permitted to be delayed so long—several weeks in fact—that speculation was rife among the bank officers.

Certain names were mentioned, people came to be interviewed and so on, and there was a man's name mentioned. In answer to a question by the Leader of the Opposition I said that there was no gazettal of the appointment, and the reason for that statement at this stage was not because the Government had any doubt about the qualities of the man concerned, but simply because, after discussion with various bank officers, including the chairman, I found—despite what the member for Toodyay suggested about not including additional officers—that over the last 18 months there had been some agitation and desire.

The Bill has nothing whatever to do with an appointment which had reached the halfway stage and which appointment was discontinued at that moment. I tell members that, whatever they may think about the merits of the measure in other respects, this is the fairest method of dealing with the situation

that has arisen. The Bill completely annuls every step taken by the Government prior to its introduction. In other words, the applications that have been called for are null and void. At this moment, no selection has been made nor is there any suggestion of a selection. If the Bill is passed, it will not be a question of a selection from applications called previously. Whatever appointments are made to fill these positions, will be done on the recommendation of the chairman. Surely that is a fair enough proposition.

The member for Toodyay, in looking for niggers in the woodpile, was partly right in suggesting that it had reached the stage where an appointment was about to be approved. Apart from that, there is no justification for him to say tonight that the Government has introduced the Bill to cover up a lot of dissatisfaction in the bank. That is not true. If the measure is agreed to, it will then become Mr. Bosisto's responsibility to suggest a panel of names. He will make the selection. I will give the utmost consideration to them. I do not know those he has in mind.

Mr. Nalder: Will he make the final decision?

The MINISTER FOR LANDS: The Government will make the final decision. If we want to encourage young officers to graduate from country branches to head office, those in the bank should be given the opportunity, rather than those outside the bank.

Hon. L. Thorn: You will make the final decision, and you will take your recommendation to Cabinet.

The MINISTER FOR LANDS: I will take Mr. Bosisto's recommendations to Cabinet.

Hon. L. Thorn: What if the Minister does not agree with the recommendations?

The MINISTER FOR LANDS: Is that not a fair enough proposition? What is the use of saying there is something behind this Bill when there is not? We want to be reasonable. I am led to think that the member for Toodyay has not read the report of the second reading debate on the Bill, and is not aware of the necessity to take measures to enable the bank to function as it ought to. There is no better or fairer way of doing this than that provided for in the Bill. That being so, a vacancy will be filled by an officer in the Rural and Industries Bank with rural knowledge and background. There can be no argument against this. I do not know who the appointee will be any more than I know the two officers who are expected to fill the vacancies on the executive.

Hon. L. Thorn: Those recommendations would come from the chairman to you.

The MINISTER FOR LANDS: Yes. They would be given every consideration, just as I expect the House to give every consideration to the letter I read out from the chairman of commissioners, recommending this step. He knows that his present executive is incapable of undertaking the great volume of business that confronts it from day to day. Not long ago he explained to me that a great deal of the bank's work is done outside the institution, so far as the personal element is concerned.

I had evidence of this when coming from Esperance yesterday with another member. He knew an instance where the chairman of commissioners of the Rural and Industries Bank was able to transfer a tremendously large account from another bank to his own because of his social contact with the client. As the chairman of commissioners is situated today he is unable to leave his desk. He has to take his work away at night—and I know that for a fact. The member for Vasse suggested one chairman of commissioners with four or five inspectors in charge of zones in country areas.

Mr. Bovell: To be stationed in Perth. Their duties will be in the Perth office.

The MINISTER FOR LANDS: I understood the member for Vasse to say there would be four or five of these inspectors.

Mr. Bovell: Three inspectors.

The MINISTER FOR LANDS: In the proposal in the Bill there is very little difference from the set-up suggested by the hon. member.

Mr. Ackland: Under that system, you would not have multiple control. You would have one manager in charge of the section.

The MINISTER FOR LANDS: I do not agree with one-man control in a bank such as this. If we have a composite body representing certain interests, it will be able to bring out angles connected with the industrial and rural activities of the bank. It can do this more efficiently than one man stuck at his desk all day long having sole control. In addition, with the authority of such a position, the commissioners can vote on the policy of the bank, whether they are three or five commissioners. That is the best set-up.

Mr. Ackland: Mr. Bosisto is not tied to his desk. I have found him in various parts of the State.

The MINISTER FOR LANDS: Not now.

Mr. Ackland: I have met him two or three times in the country.

The MINISTER FOR LANDS: I suppose the member for Moore has sometimes to go away himself. I am trying to have the Bill treated on its merits. I do not want it to be dealt with as suggested by the member for Toodyay.

Hon. L. Thorn: The Minister attacks me because I am right. He has to attack the quarter that is right.

The MINISTER FOR LANDS: The hon. member and I never seem to agree. I was optimistic enough to think that he would agree this time.

Hon. L. Thorn: The Minister is optimistic if he thinks he can bluff me.

The MINISTER FOR LANDS: I do not try to bluff anybody. A person trying to bluff anybody gets caught up with. Incidentally, I caught up with the hon. member long ago.

Hon. L. Thorn: The Minister thinks he did.

The MINISTER FOR LANDS: Where there is a statement such as this, signed by the chairman of commissioners, it cannot be ignored. I quote from a report to me by the chairman of commissioners, dated the 1st October, 1953, as follows:—

In the opening stages following our commencement of general banking in 1945, a board of three Commissioners of whom one concentrated on land settlement was adequate. In fact in those early days, had one Commissioner been acting in a part-time capacity as provided in our Act and as is the case at present, the general banking administration could have been handled without detriment by the chairman as sole banker.

The position is now vastly different. General banking administration requirements have increased to a volume where it is no longer physically possible for the chairman, particularly in view of heavy responsibilities to other sections of the business, to make the time for all that is required. For instance, he has now become tied far too much to his desk and is no longer permitted to cultivate outside contacts or make visits to country districts to the extent required for the bank's welfare.

So the bank has developed over the years and we are all happy to know of it. Let us not keep the chairman sitting at his desk and do not limit the bank's activities to that man's capabilities. The Government had full power to make an appointment without bringing this Bill before the House. We took this action only because we believed sincerely that five commissioners were necessary. We could have made the appointment without the need for, though it might have given rise to some stir on the part of disgruntled persons, and no doubt the Government would have made the appointment, but for the fact of this extra information coming to me after applications had been called. Consequently I consider that I was justified in asking the Government to change its opinion and accept a Bill of this nature.

I am convinced that the measure is necessary, not only to further rural expansion in the State, but also to ensure that the bank will be controlled by the type of men who will be available if the measure be passed. As the member for Toodyay said, very small expense will be attached to the arrangement. A sum of £270 a year is all that would be required to give to two officers a status that they do not have at present. The chairman of commissioners has told me that very often he has to call upon officers of the department to take responsibility far beyond their status.

Mr. Nalder: Would you not have to appoint other officers to take their places?

The MINISTER FOR LANDS: No; they would continue in their normal positions and, when the commissioners met, they would attend the meeting and take part in the general discussion on the formation of policy. That is the only time they would need to be relieved of their everyday work.

Mr. Nalder: You would probably appoint men from the central office.

The MINISTER FOR LANDS: Yes.

Hon. L. Thorn: They are available to the commissioners now.

The MINISTER FOR LANDS: That is so. The other applications called were State-wide, but in view of the present position, it would be better to recognise the fact that those who start on the lowest rung of the ladder should have an opportunity in time to reach the top positions, provided they have the ability to fill them, and this is a method by which that end may be attained. There is nothing funny about the Bill, and if there is something funny about the member for Toodyay, it has not been reflected in the debate on this measure. He is on the wrong track, and if members consider the position carefully, I am sure they will agree that the passing of the Bill will be in the best interests of the State.

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

Ayes	23
Noes	20
Majority for	3

Mr. Andrew
Mr. Brady
Mr. Graham
Mr. Hawke
Mr. Heal
Mr. J. Hegney
Mr. W. Hegney
Mr. Hoar
Mr. Jamieson
Mr. Johnson
Mr. Lapham
Mr. Lawrence

Ayes.
Mr. McCulloch
Mr. Moir
Mr. Nalder
Mr. Norton
Mr. Nulsen
Mr. Rhatigan
Mr. Sewell
Mr. Sleeman
Mr. Styants
Mr. Tonkin
Mr. May

(Teller.)

Noes.

Mr. Abbott
Mr. Ackland
Dame F. Cardell-Oliver
Mr. Court
Mr. Doney
Mr. Hill
Mr. Hutchinson
Mr. Mann
Mr. Manning
Sir Ross McLarty

Mr. Nimmo
Mr. North
Mr. Oldfield
Mr. Owen
Mr. Perkins
Mr. Thorn
Mr. Watts
Mr. Wild
Mr. Yates
Mr. Bovell

(Teller.)

Pairs.

Ayes.

Noes.

Mr. Kelly
Mr. O'Brien
Mr. Guthrie

Mr. Hearman
Mr. Brand
Mr. Cornell

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 10.50 p.m.

Legislative Council

Wednesday, 4th November, 1953.

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