

that the greatest burden on industry today in respect of workers' compensation lies in the minor claims. One would never imagine any man intentionally or willingly incurring a major injury such as we read about and which appals everyone, but I would suggest that there is less care on the part of some people with regard to minor injuries.

My last point has reference to the question of what are referred to in the measure as exnuptial children. I know that in recent years the attitude of the community has become much more tolerant to such happenings and that most of us are inclined to say, "Why punish the child?" But I feel that if we bring into a measure such as this specific provision to condone things of that kind we will not be acting properly on behalf of the community.

Mr. Moir: The Commonwealth social services legislation provides cover of that kind.

Mr. COURT: That may be so but, as someone said tonight, two wrongs do not make a right and I am surprised to see that provision contained in the legislation mentioned. I support the second reading. Doubtless the other matters discussed will be dealt with during the Committee stage.

On motion by Mr. Brady, debate adjourned.

ADJOURNMENT—SPECIAL.

THE MINISTER FOR NATIVE WELFARE (Hon. W. Hegney—Mt. Hawthorn)
—I move—

That the House at its rising adjourn till Tuesday, the 13th October, at 4.30 p.m.

Question put and passed.

House adjourned at 10.35 p.m.

Legislative Council

Tuesday, 13th October, 1953.

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

QUESTION.

NORTH-WEST.

As to Mineral Production and Treatment.

Hon. C. W. D. BARKER asked the Chief Secretary:

(1) In view of the present mineral production in the Pilbara field, will the Government give consideration to the establishment at Marble Bar of a suitably equipped laboratory to enable prospectors to get a prompt identification of ores and mineral content?

(2) Has the Government considered the possibility of additions to the State battery at Marble Bar, to enable prospectors to have treated minerals, other than gold, which occur in that district?

The CHIEF SECRETARY replied:

(1) and (2) The mineral produced in the Pilbara district is generally disposed of direct to ore-buying firms. Technical officers of the department recently investigated the position and, as a result, there appears no present warrant for special treatment facilities. To establish a mineral laboratory at Marble Bar would cost a considerable amount and there is no warrant for that at present. A Geiger counter is located at the mining registrar's office and samples can be tested there for radioactive items. At this office there is also a box of mineral specimens to enable prospectors to identify minerals.

Prospectors can also despatch their samples by air or boat to the Mines Department's laboratories in Perth for determination. The position will be watched, and should there be any warrant for additional facilities at the Marble Bar battery, the provision of these will be considered.

BILL—ENTERTAINMENTS TAX ACT AMENDMENT.

Second Reading.

Debate resumed from the 24th September.

HON. H. K. WATSON (Metropolitan) [4.38]: Since the Chief Secretary moved the second reading of this Bill, there has been what I consider a rather extraordinary occurrence. I refer to the notice that appeared in the public notices section of "The West Australian" dated the 1st October, 1953. This notice was issued by the Commissioner of Taxation, Mr. T. C. H. Powell, and is headed "Entertainments Tax Assessment Act, 1925-53" and reads as follows:—

The Entertainments Tax Assessment Act, 1925-1953, will come into operation on the 1st October, 1953. On and from that date it will be necessary for . . .

Then it goes on to provide the various requirements for the proprietors who own halls, and so on and adds—

That no person shall be admitted to any entertainment for which the charge for admission exceeds 1s. 6d. except where the tax ticket of the appropriate denomination provided by the Commissioner of Taxation is used, unless the proprietor of the entertainment has made arrangements approved by the Commissioner for furnishing returns of the payments for admission to the entertainment and has given security up to an amount and in manner approved by the Commissioner for the payment of the tax.

I am rather curious to know by what authority this statement was issued and by what authority the Commissioner of Taxation purports to act in accordance with the notice to which I have just referred. The notice was headed "Entertainments Tax Assessment Act, 1925-53" and, to the best of my knowledge, Parliament has not passed any taxing Act in this year, and the only Entertainments Tax Assessment Act that Parliament has ever passed was the one agreed to in 1925. We know that the Act of 1925 has been suspended ever since 1942 and, but for a legal quibble, would still be; but, on account of a legal quibble, it technically exists and is operative as from the 1st July last.

Even so, the Act provides that admission charges of over 9d. shall be liable to the payment of entertainments tax. Yet we find in this announcement that admissions are taxable only if they exceed 1s. 6d. I understand that the notice in the Press was issued by the Commissioner of Taxation under the authority of the Premier, but it seems to me that, for the last 14 days at any rate, the people of this State, in so far as entertainments tax is concerned, have been assessed, not according to law but according to the gospel of St. Bert.

I suggest that this is wrong because, if the Premier is going to take unto himself the power to say that the tax of 1925 shall be modified according to his own personal desires and decisions, then

he should make an exemption up to 4s. and not up to 1s. 6d., because I feel that the assessing and demanding of entertainments tax on admissions as low as 1s. 6d. is an unfair and unwarranted imposition on the people.

On the question of suspending the law, we should do well to pay a little regard to history. In the year 1250 and onwards it was the practice of the then King to grant dispensation from and suspension of the law. This power of suspending the law and dispensing with the law, and also the power of taxing without the consent of Parliament, gave rise to the Bill of Rights. I should like to remind members of some of the provisions in that measure. I begin with the well recognised provision—

That the levying of money for or to the use of the Crown by pretence of prerogative without grant of Parliament for longer time or in other manner than the same is or shall be granted is illegal.

The text-book points out that Parliament, which is omnipotent, may, if it so chooses, delegate to the executive any of its powers, but the courts, in construing a statute, will not admit an interpretation which would derogate from the Bill of Rights unless the intention to do so is expressed in the clearest possible words.

Now I come to the other question dealt with in the Bill of Rights, which was the power of suspending Acts of Parliament. In those days the King took the stand, just as the Premier has done on this occasion, that, notwithstanding the law, it was his prerogative to suspend an Act according to his own whim and fancy. Therefore the Bill of Rights provided—

That the pretended power of suspending of laws or the execution of laws, by regal authority, without consent of Parliament, is illegal.

The Bill of Rights declares—

It is declared and enacted:

- (1) That the pretended power of dispensing with laws, or the execution of laws by regal authority, as it hath been assumed and exercised of late, is illegal.
- (2) In S.12, that from and after this present session of Parliament, no dispensation by non obstante of or to any statute, or any part thereof, shall be allowed, but that the same shall be held void and of no effect, except a dispensation be allowed of in such a statute.

That from the date of the passing of the Bill of Rights no dispensation of any statute or part of a statute was to be valid unless Parliament made provision for the same in the terms of the statute.

Nowhere in the Entertainments Tax Assessment Act is there any provision for the suspension of that Act, and I suggest that, in the same way as the Bill of Rights applies against the Crown, it applies with equal force against the executive Government and against the Premier of the day. This is a most serious matter. The theory of the divine right of kings has been abolished, but we seem to have nowadays the divine rights of the Premier. I consider that his action in respect of the entertainments tax as it has applied during the last 14 days has been quite unconstitutional.

The last Australian Premier who disregarded the laws of his State was Mr. J. T. Lang, of New South Wales, and for his efforts in that direction, the Governor removed him from office. After all, Ministers are appointed to administer the law of the land, whatever it is, and until the law is altered it is the responsibility of the executive Government to see that it is carried out. I understand that it is part of the ministerial oath of office that the Minister undertakes and swears to do right by all manner of people after the laws and usages of the realm, without fear or favour, affection or ill-will. I maintain that the Premier has no power at all to suspend the provisions of the 1925 Act. If he desired a suspension, he should have provided that all admissions, not of 1s. 6d. but of amounts up to 4s., should be free from the payment of entertainments tax.

When the Bill is in Committee I propose to move an amendment the effect of which, if it is agreed to, will be that the tax shall not apply to admissions of 4s. and under. It has been said that the imposing of this tax will enable grants to be made to surf life-saving clubs, the Blind Institute and various other worthy causes, but I would point out that in the Entertainments Tax Assessment Act, which is on the statute book at present, and under which this tax is being collected, there is no provision for it to be disbursed to those institutions. The Act distinctly states that the revenue so collected shall go into a trust fund for public hospitals, and so I would inquire whether the money which, under the Act, is required to go to the improvement of public hospitals—

Hon. H. S. W. Parker: That was amended.

Hon. H. K. WATSON: When?

Hon. Sir Charles Latham: I think the amendment was in 1927.

Hon. H. K. WATSON: At all events, without denying that these worthy causes require assistance from the Government, the method by which they should be assisted is not to raise further taxes but to exercise economy in the expenditure of the £30,000,000, which is the revenue of the State today. The fact that we must find money for some deserving causes

does not entitle us to tax the people further every time we find such an avenue for the expenditure of money. This State is at present receiving and spending £30,000,000 per year as against £10,000,000 per annum prewar, and I therefore suggest that the proper means of providing funds for the institutions that have been referred to is by cutting expenditure in other directions and not by the levying of further taxes. I trust that when the Bill is in Committee the Chief Secretary will give serious consideration to the amendments that I propose to move. At that stage I propose also to move an amendment to the effect that the Act should not come into operation until the 30th June, 1954. As I dealt with the matter fairly fully when speaking to the debate on the Income and Entertainments Tax (War Time Suspension) Act Amendment Bill, I will not repeat what I then said except to remind members that the grant which we now receive from the Commonwealth Government under the tax reimbursement Act, is intended to reimburse this State for refraining from imposing income tax and entertainments tax, and as the grant for the current year has already been fixed, this State will lose nothing at all if it refrains from imposing entertainments tax until the 30th June next.

THE CHIEF SECRETARY (Hon. G. Fraser—West—in reply) [4.54]: I do not intend to take up much time in replying as Mr. Watson is the only member who has spoken on this portion of the legislation. I repeat that this is not a measure to increase taxation but merely one which seeks to carry on a tax that has been in operation for years. Unfortunately, Mr. Watson keeps saying that this measure will increase taxation, while in fact, it will decrease taxation.

Hon. Sir Charles Latham: It will duplicate the taxation this year.

The CHIEF SECRETARY: No. To duplicate the tax we would require to have both the Commonwealth and the State in the field. We would then be duplicating the tax just as the hon. member did in 1933 when he was a Minister. All we are now doing is to carry on this tax at a lower figure than formerly applied. As we intend to carry on the tax at only 50 per cent of the former rate, we are halving and not duplicating the taxation.

Hon. H. K. Watson: You will not deny that we have not had any State entertainments tax since 1942.

The CHIEF SECRETARY: That is because it was taken over at that stage by the Commonwealth, but our Act remained on the statute book and will remain there until Parliament decides otherwise; and it has not yet done that. When the legislation was taken over in 1942 it was recognised that the State would take over—

Hon. Sir Charles Latham: Yes, when the war ceased.

The CHIEF SECRETARY: A year after the end of the war, and that was the 1st July last. This is not a new Act and makes no increase in the tax. The hon. member cannot explain away the facts.

Hon. H. K. Watson: Then why did you not reimpose the tax on the 1st July last?

The CHIEF SECRETARY: Because the Commonwealth had not then vacated the field. Would it have suited the hon. member better if we had imposed the State tax on top of the Commonwealth tax?

Hon. H. K. Watson: It would suit me if we had no entertainments tax at all.

The CHIEF SECRETARY: The hon. member now asks why we did not impose the tax on the 1st July last. Had we done that, it would have meant duplication of what was then being done by the Commonwealth. The hon. member said that this tax was being imposed by Sir Bert, but I say that it is being done by Sir Harry, Sir William, Sir Ernie and the whole ten members of Cabinet, as Cabinet is responsible for the measure. All I can gather from the hon. member's arguments is that he is sorry we did not impose the tax on admissions up to 1s. 6d.

Hon. H. K. Watson: I said I was opposed to the tax altogether.

The CHIEF SECRETARY: It does not sound like that, from what the hon. member says. He complains that we have let someone off the tax and that we have not brought it back *holus bolus*.

Hon. A. F. Griffith: Does the Minister think that by trying to convince members that this is not a new tax, he can also convince us that it is a morally correct tax?

The CHIEF SECRETARY: I have no need to convince members of that.

Question put and passed.

Bill read a second time.

In Committee.

Hon. W. R. Hall in the Chair; the Chief Secretary in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—Section 4 as amended by Section 2 of 1930, and Section 2 of 1933, further amended.

Hon. H. K. WATSON: I move an amendment—

That in lines 4 and 5 of paragraph (a) the words "one shilling and seven pence" be struck out and the words "four shillings and one halfpenny" inserted *in lieu*.

This amendment is designed to give effect to the belief that entertainments tax should not be levied on admission charges of up to 4s. I feel that this is the least

that can be done for the working man and the family man in this State. The Chief Secretary has suggested that of the total estimated amount of £200,000, £160,000 would be collected from the section of the people who pay admission charges of 4s. and under. That proves that the tax, in the main bears more heavily on the family man and the worker. I hope the Committee will agree to the amendment.

Hon. Sir CHARLES LATHAM: I support the amendment because the Chief Secretary will repeat that this money has not already been collected from the people. When the Commonwealth Government withdrew from this field of taxation, the Chief Secretary knew that it had already collected the tax from the people and that the total equivalent amount was to be distributed among the States proportionately. It is the working man who, in the main, pays this tax, and it is almost as important as an item in the "C" series index.

Hon. C. H. Simpson: It is included in the "C" series index.

Hon. Sir CHARLES LATHAM: If that is so, it is very unfair for a Labour Premier to reintroduce this tax. Members on this side of the Chamber can look after the worker if the present Administration cannot.

The CHIEF SECRETARY: I hope the Committee will not agree to the amendment, because, as Mr. Watson has said, if it is carried, a great deal of the tax will be lost to the State.

Hon. A. F. Griffith: That will be a good thing.

The CHIEF SECRETARY: The hon. member might think so, but the present Government has been given the right to govern this country in the way it thinks fit.

Hon. J. M. A. Cunningham: And the people are beginning to regret it.

The CHIEF SECRETARY: The Government is carrying out the job that has been entrusted to it by the people.

Hon. A. F. Griffith: Is this a part of the policy speech?

Hon. Sir Charles Latham: I do not remember any mention of this tax in the policy speech.

The CHIEF SECRETARY: The Government has been entrusted with the governing of the State and particularly the handling of finance. In its wisdom, it has decided to reimpose the entertainments tax.

Hon. Sir Charles Latham: Subject to parliamentary approval.

Hon. R. J. Boylen: And to pay the debts left by the previous Government.

The CHIEF SECRETARY: And subject to the fact that the Legislative Council has not the right to do away with this legislation.

Hon. Sir Charles Latham: We have the right to turn down anything with which we do not agree.

The CHIEF SECRETARY: Might it be right, is it? We do not think so. I am surprised that the hon. member has adopted that attitude. Throughout the debate, the hon. member has repeated that the State has already been reimbursed with the amount equivalent to what would be raised by the imposition of this tax.

Hon. Sir Charles Latham: Yes.

The CHIEF SECRETARY: I defy any member to prove that.

Hon. Sir Charles Latham: It was included in the disabilities grant.

The CHIEF SECRETARY: The hon. member has stated that it was included in 1942, but in 1946 reference to the entertainments tax was deleted from the legislation. The only tax that is affected by that legislation now is income tax. If we had so desired, we could have reimposed entertainments tax in 1946, notwithstanding the tax that was being collected by the Commonwealth.

Hon. Sir Charles Latham: Whether the war had ended or not?

The CHIEF SECRETARY: That is another phase. I am speaking solely in regard to income tax. The hon. member should know that we could have reimposed entertainments tax at that time.

Hon. J. M. A. Cunningham: Where has the money collected as a result of the entertainments tax gone?

The CHIEF SECRETARY: I do not know where it has gone; probably into the coffers of the Treasury.

Hon. J. M. A. Cunningham: And that is where the money came from to reimburse the State.

The CHIEF SECRETARY: I ask the hon. member to prove that to me.

Hon. J. M. A. Cunningham: The Chief Secretary knows that it is correct.

The CHIEF SECRETARY: I can show the hon. member that entertainments tax was removed from the legislation in 1946.

Hon. H. S. W. Parker: Is that in the amendment?

The CHIEF SECRETARY: I do not know what is in the amendment. I am merely replying to what has been said during the debate. Members are basing their arguments on wrong premises.

Hon. Sir Charles Latham: If you keep going on like that, you will convince yourself.

The CHIEF SECRETARY: I would not attempt to convince the hon. member. However, I know that the policy of some members is that might is right and whatever I say will not matter. I only hope the amendment will not be carried.

Hon. A. F. GRIFFITH: The only comment I wish to make for the edification of the Chief Secretary is that I wonder whether members in another place, in opposing legislation that has been introduced there this afternoon, are having said to them exactly what the Chief Secretary has said to us. The Chief Secretary said that might is right.

Hon. R. J. Boylen: You are too thin-skinned.

Hon. A. F. GRIFFITH: It is quite competent for this Committee to debate any issue that is brought before it and request that certain amendments be made to this or any other Bill. I would like to see members in another place allowing a comment such as the Chief Secretary made in saying that might is right. When I was a member in another place the method adopted by Opposition members was to squeal the loudest and longest. Perhaps the Chief Secretary can tell us where this money has gone. Up to the 1st October, 1953, the Commonwealth Government was collecting the tax. It then decided to vacate that field of taxation and the money collected was distributed proportionately among the States. There is no doubt that the State has received its share of the entertainments tax collected this year. However, now that the Commonwealth has vacated the field, the Premier has grasped the opportunity to introduce legislation to collect additional money by way of entertainments tax.

Hon. C. H. SIMPSON: I support the amendment. The Chief Secretary has said that no evidence has been produced to show that the Commonwealth had taken this tax into account. To refute that I will read an extract from a telegram dated the 14th September, received from the Federal Minister for Territories, Mr. Paul Hasluck, in regard to this question. It is as follows:—

Reference your question through Braithwaite Treasurer has authorised you to issue following public statement his behalf. Begins when questioned today Fadden said Commonwealth vacated field of entertainments tax for reasons set out in Budget Speech not for purpose of State entering the field because had this been intended or anticipated by Commonwealth fact would obviously been taken into consideration in arriving at the amount of reimbursement grant to the States over and above the amount fixed under the agreed formula when the matter was discussed at the recent Premiers' Conference. Stop It is absurd to claim that Commonwealth would through Grants Commission insist on State reimposing a tax abandoned by Commonwealth....

That, I think, can be taken as evidence that the Federal Treasurer has notified those concerned that the Commonwealth

Government had taken into account the fact that the State would be entitled to this reimbursement and had made provision for it. Therefore, the State has received an amount equivalent to that which it was expected the Commonwealth Government would have collected if it had retained the right to impose this tax. That is in answer to the doubt raised by the Chief Secretary with respect to this question.

The CHIEF SECRETARY: That does not remove my doubt, nor has the telegram broken down my case in any way. The disbursements made to the State under the income tax Act are made on a population and mileage basis. The hon. member knows that full well.

Hon. C. H. Simpson: There are other considerations, too.

The CHIEF SECRETARY: That is what the Act lays down. Mr. Griffith said if the Commonwealth had not vacated the field, the State would not have been able to enter it. If the Commonwealth had not vacated the field, this position would not have arisen, and the hon. member would have sat as quiet as a dove while the Commonwealth Government continued collecting the tax.

Hon. A. F. Griffith: Of course.

The CHIEF SECRETARY: The hon. member would have been quite happy for the Commonwealth to collect twice the amount, and he admits he would have sat quiet had the Commonwealth still been collecting the money. But because the State is collecting the tax, though only half the amount, he is up in protest. That is a very poor attitude for any member to take.

Hon. N. E. BAXTER: This tax was removed by the Commonwealth as an allowance to the people. For some years the Commonwealth has been the taxing authority of Australia, and has disbursed to the States money received from taxation. The State Government will have to be very careful that the Commonwealth does not drop another tax and that eventually the State will not find taxation back on its hands. Perhaps it would like to have its taxing rights restored instead of a continuance of uniform taxation! That is indicated by the way the Chief Secretary has spoken.

Hon. A. F. GRIFFITH: Perhaps the Chief Secretary can tell the Committee why he brought the Bill into this Chamber. It was introduced because it was sent here from another place. Why was it introduced there? The Minister does not answer. It was submitted there with a view to imposing a tax on the people. Whether the Chief Secretary tries to hide behind the fact that it is an old tax—

The Chief Secretary: It is an old tax, and the amount being received is only half of what has been collected in the past.

Hon. A. F. GRIFFITH: The fact remains that the Bill was introduced to impose a tax on the people. Is that not right?

The Chief Secretary: No.

Hon. A. F. GRIFFITH: If it is not going to impose a tax, perhaps the Minister can tell me what it will do. Is it going to let people into picture theatres for nothing?

The Chief Secretary: Sit down and I will tell you!

Hon. A. F. GRIFFITH: I am not happy to sit down at the moment. The Bill proposes to levy a certain tax on the people paying for admission to picture theatres or other forms of entertainment. How did the Bill get here, and what made the Government introduce it? The reason the Government brought down this measure was that the Federal Treasurer said the Commonwealth Government intended to vacate this field of taxation. The Minister expresses surprise at my attitude, but I am surprised at his. I would not have been on my feet in protest if this Bill had not been introduced, because then there would not have been the tax imposed on the people that was in existence before. But the Federal Government has vacated the field and the State Government has hastily entered it.

The CHIEF SECRETARY: May I repeat that if the Commonwealth had continued collecting this tax, the hon. member would have been quite silent.

Hon. A. F. Griffith: I admit that.

The CHIEF SECRETARY: That is all the accusation I made against the hon. member. In reply to his statement that this is a new tax, I would point out that if the Bill does not pass, the tax will continue to be imposed.

Hon. A. F. Griffith: You are happy about that; you told us before.

The CHIEF SECRETARY: Never mind about side-tracking! This is not a new tax. The Bill breaks down what is on the statute book.

Hon. H. S. W. PARKER: I desire to get back to the amendment which is to make the minimum 4s. 0½d. An admission charge below that amount will not be taxed. I am in favour of that, because under the assessment Act an entertainment includes any exhibition, performance, lecture, amusement, game, or sport for admission to which payment is made. There are very few sporting events for which the admission charge is 1s. 6d., and I do not think we should tax people for attending lectures or on admission to sporting events. The figure of 4s. 0½d. is fair and reasonable. With regard to charitable entertainments, considerable difficulty is experienced in proving that less than 50 per cent. of the takings has been incurred in costs and so on. All charitable entertainments should be exempt when the admission charge is up to 4s. The Chief Secretary will undoubtedly correctly say that charitable entertainments are

exempt entirely, but that is only the case if certain things can be proved. If the amendment is agreed to, it will not be necessary to prove anything.

Hon. C. W. D. BARKER: I oppose the amendment. If it is agreed to, practically every picture theatre will be tax free. I do not think there is any more obvious field in which to collect taxation than the amusement field; and there is not one man in Western Australia, knowing full well that this money will be used for good purposes, who would object to paying 1d. or 2d. extra to go to a picture theatre or to attend any other entertainment. Everybody knows that the State finances are not as they should be. Why should we not collect a tax in this field? To me, the proposal to make an exemption up to 4s. stinks to high heaven. It is only an attempt to get something for the picture theatre proprietors, because to fix the figure at 4s. 0½d. would be to exempt all picture theatres and practically every entertainment.

Hon. Sir CHARLES LATHAM: I was so pleased to hear Mr. Barker say what he did! I was going to support the exemption of people in the North-West. Now I am able to use the hon. member as an authority and tell them that he is in favour of their being taxed for every bit of amusement they enjoy. I was rather surprised that he should have expressed the opinion he did.

Hon. C. W. D. Barker: I have the courage to get up and say what I think is right.

Hon. Sir CHARLES LATHAM: I am surprised that when an exemption is proposed the hon. member should stand up and say, "It can apply to our people because there is nothing wrong with it; it is a very good form of taxation." In its wisdom, the Federal Government considered that the people of Australia were being heavily taxed, and for that reason it decided to provide them with a rebate of £118,000,000. It provided that relief should be given to people going to places of amusement, and this was achieved by abolishing the entertainments tax. Now we have the State Government saying that the people of Western Australia are not entitled to all the rebate and immediately imposing another tax. That is a most extraordinary step for a Labour Government to take. I could understand its being done by a Conservative Government, such as I might support, but I am amazed that a Labour Government should do it. Who is it taxing in this way? It is taxing Labour people, hard-working folk, trade union members.

Hon. R. J. Boylen: You will be shedding tears for them in a minute.

Hon. Sir CHARLES LATHAM: If the Committee agrees to this proposal, I will not shed any tears about it. After all, it is one of those taxes that are not obliga-

tory, because unless one goes to an entertainment, one does not have to pay. It is a voluntary form of taxation. According to Mr. Barker, it should apply to the North-West as well as other places, because he desires it.

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

| | | |
|--------------|-------|----|
| Ayes | | 15 |
| Noes | | 9 |
| Majority for | | 6 |

Ayes.

| | |
|-----------------------|----------------------|
| Hon. N. E. Baxter | Hon. A. L. Loton |
| Hon. J. Cunningham | Hon. J. Murray |
| Hon. Sir Frank Gibson | Hon. H. S. W. Parker |
| Hon. A. F. Griffith | Hon. C. H. Simpson |
| Hon. C. H. Henning | Hon. J. McI. Thomson |
| Hon. A. R. Jones | Hon. H. K. Watson |
| Hon. Sir Chas. Latham | Hon. H. Hearn |
| Hon. L. A. Logan | (Teller.) |

Noes.

| | |
|----------------------|-----------------------|
| Hon. C. W. D. Barker | Hon. F. R. H. Lavery |
| Hon. G. Bennetts | Hon. H. L. Roche |
| Hon. E. M. Davies | Hon. H. C. Strickland |
| Hon. G. Fraser | Hon. R. J. Boylen |
| Hon. E. M. Heenan | (Teller.) |

Amendment thus passed.

On motions by Hon. H. K. Watson, clause further amended by striking out the words "two shillings" in lines 2 and 3 of paragraph (b), and inserting in lieu the words "four shillings and sixpence;" by striking out the words "two shillings" in lines 2 and 3 of paragraph (c) and inserting in lieu the words "four shillings and sixpence;" by striking out the word "fourpence" in line 3 of paragraph (d) and inserting in lieu the word "ninepence;" by striking out the word "fourpence" in line 3 of paragraph (e) and inserting in lieu the word "ninepence;" and by striking out the words "two shillings" in line 3 of paragraph (f) and inserting in lieu the words "four shillings and sixpence."

Hon. N. E. BAXTER: I move an amendment—

That the following paragraph be added:—

(g) By adding a proviso to the end of the column headed "Rate of Tax" as follows:—

Provided that no tax shall be payable by any person who is in receipt from the Commonwealth of an aged, invalid, widow's or war service pension or any pension payable to an ex-member of the forces who is totally and permanently incapacitated.

I move this for a special reason. Because of the cost of living, these people have a very small sum on which to live.

Hon. C. W. D. Barker: Thanks to the Commonwealth Government.

Hon. N. E. BAXTER: The State Government has not provided any relief for these people. The Commonwealth Gov-

ernment pays the pensions, and surely under the amending legislation the State Government could see fit to give them some small relief if they want entertainment. Apart from pictures, plays, etc., they get very little entertainment. From the pension they receive, the State Government proposes to take something by way of a tax to put in the Treasury coffers.

Hon. E. M. Davies: Out of social service taxation.

Hon. N. E. BAXTER: It may be, but it is from the money allocated to the States. I am rather surprised at the remark coming from Mr. Davies, as I thought he would be a champion of the people mentioned in the amendment.

The CHIEF SECRETARY: The hon. member said he had a special reason for moving the amendment. It is obvious what the reason is. We know there has been an agitation behind the opposition to the measure, but I did not think he would come out so plainly.

Hon. N. E. Baxter: I always do come out plainly.

The CHIEF SECRETARY: He has not suggested how this shall be done. Will the pensioners have to show their cards to the girl in the ticket box?

Hon. N. E. Baxter: Is that impossible?

The CHIEF SECRETARY: How many would do that? Would the hon. member, perhaps, give them a dog-collar to wear so that they could flash it when they went to an entertainment? What a ridiculous proposition it is! However, I shall take the hon. member seriously and will go fifty-fifty with him. If he can get the firms to run the picture shows to admit free of charge the old-age pensioners and the other people mentioned in the amendment, I will guarantee that the Government will remove the tax so far as they are concerned.

Hon. Sir Charles Latham: There would be no tax to take off.

The CHIEF SECRETARY: The hon. member wants it all the one way. The Government has to suffer all the time. He would not agree to anything whereby private enterprise would contribute something for the pensioners.

Hon. H. Hearn: We are borne down with our burdens now.

The CHIEF SECRETARY: If private enterprise will assist the old-age pensioners even to the extent of allowing them in at half-price, I will guarantee that the Government will let them in tax-free. I think that is a pretty reasonable offer. I am not taking the amendment seriously and, without imputing improper motives to the hon. member, I know he is not taking it seriously either.

Point of Order.

Hon. H. S. W. Parker: Is the amendment in order? Section 46 (7) of the Constitution Acts Amendment Act provides—

Bills imposing taxation shall deal only with the imposition of taxation, and any provision therein dealing with any other matter shall be of no effect.

The Entertainments Tax Assessment Act deals very considerably with those exempt from tax, such as charities, and so on. I submit that Mr. Baxter's amendment can be made only to the assessment Act and not to the tax Act, because the tax Act can deal only with the imposition of a tax. This point was brought out previously because another place used to bring down Bills and call them money Bills and tack on to them a lot of other matters, such as this, which would not permit of an amendment. If the proposed amendment had, in fact, been in the Bill, we could not have amended it, whereas if it had been in the assessment Bill, we could have done so. For that reason, the Constitution Act was altered to provide that only the matter of the tax could be included in a taxing measure. I submit that the amendment is out of order.

The Chairman: I agree with Mr. Parker and am of the opinion that the proper place for the amendment is in the assessment Act. My ruling is that the amendment is out of order.

Committee Resumed.

Hon. H. K. WATSON: I move an amendment—

That the following paragraph be added:—

(g) By adding a new subsection, to stand as Subsection (2), as follows:—

No tax is imposed on a payment for admission made between the first day of October one thousand nine hundred and forty-two and the thirtieth day of June one thousand nine hundred and fifty-four.

Members will recall that the tax under this Act ceased to be collected on the 1st October, 1942, and I suggest that the Commonwealth Treasury has fully reimbursed the State for income and entertainments tax up to the 30th June, 1954. It is now pertinent to correct the Chief Secretary and give him a definite answer to his request that we produce proof that when the States Grants (Tax Reimbursement) Act of 1946 was passed, it did not cover entertainments tax, but only income tax. In 1942, the income tax reimbursement Act and the entertainments tax reimbursement Act were merged, and when introducing the second reading of the measure concerned, Mr. Chifley had this to say—

Under the present legislation, separate tax reimbursement grants are paid to each State concerned in respect of income tax and entertainments tax respectively. It is now proposed to combine these payments so that as from the 1st July, 1946, the reimbursement in respect of both income tax and entertainments tax will be covered by the one grant.

That is my reply to the Chief Secretary. The grant for the current year has been fixed and it embraces both income and entertainments tax. Therefore it is morally wrong for the State Government, even if it wishes to impose an entertainments tax, to impose it during the currency of this financial year.

Hon. C. H. SIMPSON: I move—

That the amendment be amended by striking out the word "June" in proposed new Subsection (2), and inserting in lieu the word "September."

When speaking to the sister Bill, I pointed out that the Government was endeavouring to collect a tax for which it had already been reimbursed by the Commonwealth. It was suggested that the Government had other entertainments tax measures to submit, as regards live shows, athletic entertainments and the like, and that it might introduce a Bill to incorporate all those measures. If my amendment on the amendment is agreed to, a new Bill could be brought down during the early part of next session, and it could be dealt with before the 30th September next. My proposal will mean that the imposition of entertainments tax shall rest in abeyance for the time being and until a new Bill is introduced next year. As we have already been reimbursed for entertainments tax, I think these proposals should be accepted.

Hon. H. K. WATSON: The amendment on the amendment does cut across the limited reasons which I had in moving my amendment. I have suggested the 30th June, 1954, for no other reason than that I claim the Commonwealth Government has reimbursed the State up to that date, although I freely concede that it has not reimbursed the State beyond that date. On the other hand, Mr. Simpson has given further reasons for his amendment on my amendment, and I am prepared to support it.

The CHIEF SECRETARY: I intend to oppose both the amendment and the amendment on the amendment. There has been some discussion as to whether the State has or has not been reimbursed for this financial year. My information regarding this aspect reads as follows:—

In 1946, the Commonwealth Parliament passed the States Grants (Tax Reimbursement) Act. By that Act, the Commonwealth legislation dealing with income tax reimbursements and enter-

tainments tax reimbursements was repealed. The Commonwealth Act of 1946 says, in Section 5, that—

In respect of any year during which this Act is in operation and in respect of which the Treasurer is satisfied that a State has not imposed a tax upon incomes, there shall be payable by way of financial assistance to that State an amount calculated in accordance with the provisions of this Act (other than this section), less an amount equal to any arrears of tax collected by or on behalf of that State during that year.

Reimbursement is made on income tax only.

It will be noted that no reference is made to entertainments tax, the Commonwealth Act dealing with entertainments tax reimbursements having been repealed.

Hon. H. K. Watson: Having been merged.

The CHIEF SECRETARY: Repealed. They were merged in 1942.

Hon. H. K. Watson: No.

The CHIEF SECRETARY: It was repealed in 1946.

Hon. H. K. Watson: They were passed separately in 1942 and merged in 1946.

The CHIEF SECRETARY: I have the Act with me. To continue the information that has been given to me—

The legal effect of the Commonwealth Act of 1946 was, therefore, that in order to obtain a reimbursement from the Commonwealth, the States had to satisfy the Federal Treasurer that they were not imposing tax on incomes. The States could, however, have imposed an entertainments tax, but from the practical point of view, this was not possible because the Commonwealth were continuing to impose a heavy tax on entertainments. The position now is that the State Act of 1942, suspending the collection of income tax and entertainments tax, ceased to operate as from the 30th June last, but in regard to tax on incomes, the State must not collect this tax if it wishes to be eligible to obtain a reimbursement from the Commonwealth under the Commonwealth Act of 1946.

No mention is made of entertainments tax. Therefore, I must oppose both the amendment and the amendment on the amendment.

Hon. A. F. GRIFFITH: The Chief Secretary has still not convinced me.

Hon. R. J. Boylen: You have made up your mind that he shall not.

The Chief Secretary: I do not know what anybody could do to convince you.

Hon. A. F. GRIFFITH: The Chief Secretary could admit that the Government is imposing a tax on the people; but he will not do that. If the amendment and the amendment on the amendment are agreed to, the Commonwealth Government's wishes will be granted. I think it is worth reading what one Premier had to say.

Hon. R. J. Boylen: More from "The West Australian"?

Hon. A. F. GRIFFITH: No. The Premier of New South Wales was reported to have said—

I have no wish to reimpose a tax from which the people have been freed, but this whole situation can be considered when the time is opportune. Because the Commonwealth vacates a particular field of taxation, it is not necessarily a reason why I should introduce legislation to allow the New South Wales Government to enter the field. I do not think we should tax people just for the sake of taxing them.

I think the Premier of New South Wales had a more humanitarian view on this point than has the Premier of Western Australia.

Hon. H. K. Watson: Will you have that framed and presented to the Premier of Western Australia?

Hon. A. F. GRIFFITH: I do not think it would make any difference. It should be interesting to see what Mr. Chifley said when he introduced the 1946 Act. He said—

The Government intends that some portion of the present spending of the people on amusements shall be diverted back to the Commonwealth Government in order to help finance the war.

The curious fact is that the Bill was violently opposed by none other than Mr. Calwell. This is what he had to say—

I repeat that every form of indirect taxation whether entertainments tax, sales tax, bread tax or any other tax, bears most heavily on the workers and small farmers of this country.

Before the 1953-54 Commonwealth Budget was introduced, Mr. Calwell was speaking at a picture industry conference at Coolangatta and he was still advocating the reduction or abolition of entertainments tax. Are all these things consistent? They are not. The action of the State Government here is not consistent with the action of other State Governments. The action of our State Government is not consistent with the views held by some members of its own party. Yet the Minister in this House opposes the amendment, which provides that the tax should apply from the 30th June or the 30th September, 1954.

Hon. G. Bennetts: It is a non-party measure.

Hon. A. F. GRIFFITH: I wonder whether the hon. member would stand as an independent.

Hon. R. J. Boylen: I wonder if you would!

Hon. A. F. GRIFFITH: I would stand as a Liberal and be proud to do so.

Hon. R. J. Boylen: But you said "an independent."

Hon. A. F. GRIFFITH: If the Chief Secretary agrees to the amendment, he will show a more sanguine point of view. There is no doubt that the Commonwealth has paid the tax due to us in respect of 1954. If the Minister is not interested in the working people, I suggest he try to raise sufficient interest to give them relief till the 30th June or the 30th September, 1954.

The CHIEF SECRETARY: When Mr. Griffith quoted an extract from a publication, he did not tell us what the paper was. We generally like to know the authority an hon. member is quoting.

Hon. A. F. Griffith: I tore it out of a book.

The CHIEF SECRETARY: That does not tell me who the authority was. He did not tell us whether New South Wales was in the same position as Western Australia. We have always had an entertainments tax. It was taken away from us by the Commonwealth and now it is being reimposed. The hon. member does not know that we once had an entertainments tax.

Hon. A. F. Griffith: I know that five out of the six States did, and that Queensland did not.

The CHIEF SECRETARY: Before 1942?

Hon. A. F. Griffith: Yes.

The CHIEF SECRETARY: That is right. Queensland did not have it, but Queensland was given reimbursement on the same basis as Western Australia in 1946. That State had no entertainments tax but it got its reimbursement on the same basis as we did. The entertainments tax is not included in the reimbursement.

Hon. A. F. GRIFFITH: Can the Chief Secretary tell me what happens to the Customs revenue?

Hon. C. W. D. Barker: What has that got to do with it?

The Chief Secretary: I do not know.

Hon. A. F. GRIFFITH: One cannot be separated from the other. They both go into Consolidated Revenue.

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

| | | |
|--------------|-------|----|
| Ayes | | 14 |
| Noes | | 10 |
| Majority for | | 4 |

Ayes.

| | |
|-----------------------|----------------------|
| Hon. J. Cunningham | Hon. A. L. Loton |
| Hon. A. F. Griffith | Hon. J. Murray |
| Hon. C. H. Henning | Hon. H. L. Roche |
| Hon. J. G. Hislop | Hon. C. H. Simpson |
| Hon. A. R. Jones | Hon. J. McL. Thomson |
| Hon. Sir Chas. Latham | Hon. H. K. Watson |
| Hon. L. A. Logan | Hon. N. E. Baxter |

(Teller.)

Noes.

| | |
|-----------------------|-----------------------|
| Hon. C. W. D. Barker | Hon. E. M. Heenan |
| Hon. G. Bennetts | Hon. F. R. H. Lavery |
| Hon. R. J. Boylen | Hon. H. S. W. Parker |
| Hon. G. Fraser | Hon. H. C. Strickland |
| Hon. Sir Frank Gibson | Hon. E. M. Davies |

(Teller.)

Amendment on amendment thus passed.

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

Title—agreed to.

Bill reported with amendments.

Recommittal.

On motion by Hon. H. K. Watson, Bill recommitted for the further consideration of Clause 3.

In Committee.

Hon. W. R. Hall in the Chair; the Chief Secretary in charge of the Bill.

Clause 3—Section 4 as amended by Section 2 of 1930, and Section 2 of 1933, further amended.

Hon. H. K. Watson: I move an amendment—

That the following paragraph be inserted:—

- (a) By inserting before the word "rates" at the beginning of the section the figure (1).

Since we have put in a new subsection it is desirable for the purposes of drafting, to number the existing subsection as Subsection (1).

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

Bill again reported with a further amendment, and a message accordingly returned to the Assembly requesting that the amendments be made, leave being given to sit again on receipt of a message from the Assembly.

Sitting suspended from 6.15 to 7.30 p.m.

ADDRESS-IN-REPLY.**Fifteenth Day—Amendment.**

Debate resumed from the 30th September on the motion for the adoption of the Address-in-reply to which Hon. A. L. Loton had moved an amendment to add the following words:—

But this House expresses its profound concern that Your Excellency's advisers have seen fit to drastically increase railway freights in a manner calculated to increase greatly the cost of living in country districts, particularly in those more remote from the capital, to impose a heavy additional burden on primary industry and

to discourage decentralisation, without at the same time taking radical steps to reduce railway costs and to improve efficiency; and further expresses its disapproval of the recently published policy by your Minister for Railways with reference to certain railway lines classed by him as unpayable.

HON. SIR CHARLES LATHAM (Central—on amendment) [7.30]: Speaking of the Address-in-reply, on this occasion there have been two amendments to the motion for adoption. For the first time in the history of Australia, I should say, the Government itself has found it necessary to move an amendment to its own Address-in-reply. I suppose that even throughout the Empire this has never previously been done, and I cannot understand why it should have been considered necessary on this occasion. After all, the Government had the opportunity of phrasing the motion for the adoption of the Address-in-reply, and consequently there should not have been any need to add to it in respect of the Speech submitted to His Excellency for delivery to Parliament. The second amendment is that moved by Mr. Loton.

Hon. C. W. D. Barker: Can you see any reason for it?

Hon. Sir CHARLES LATHAM: If the hon. member will be less impatient, I shall endeavour to persuade him that there may be necessity for it. In the address of His Excellency, little reference was made to the additional taxation that is being imposed by the Government, and this is becoming overwhelming when we consider the increased railway freights being imposed upon people living in the country. When there is need for taxation, I do not object so long as it is spread fairly over the people of the State generally. We all have to make a contribution to the finances of the State.

Hon. C. W. D. Barker: Do you agree that the State should carry the £5,000,000 deficit?

Hon. Sir CHARLES LATHAM: I do not know whether the hon. member is aware of the financial burden being carried by the people of this State at the present time—Commonwealth, State and local government liabilities. On a per capita basis, the amount is very high indeed. The point I wish to make is that, when the Government is up against things financially, it is not a question of imposing additional taxation. We have to adopt different methods. We have to ascertain whether it is at all possible to reduce expenditure without interfering with the services being rendered. I am fearful that many of our departments, instead of making an investigation to see whether money can be saved, just say that they need additional funds. To me, this is a very serious matter, and the interjection by the hon. member was timely

because it indicates that he feels it is not right to rush in and collect further revenue.

I point out that it is industry that has to carry these additional imposts. Certainly we have consolidated our finances to some extent, but in recent years an inflated currency has been built up that will eventually destroy us unless it is curbed. I remind members of what has happened to the currency of some of the European countries. This additional impost by way of railway freights will merely make the cost of living higher, and I do not know of any member representing an area outside the metropolis that would not support such an amendment. Every time a man in the country buys anything, he has to pay the higher freight for carrying his goods to the country, and anything he produces has to bear the additional taxation in order that he may get his commodities to market.

Consider the primary producers and the miners. They cannot pass on the extra charges to anyone else. They do not fix the price of the goods they require. The man in Perth does that. Consequently, the added railway freights are borne entirely by the men in the country. It has been shown by the new method of control that a price can be fixed for butter, milk and cheese, but for very little else have we a fixed price. For wheat, wool, gold and other commodities, there is a price fixed by the buyers, and producers cannot get anything more for their commodities. I repeat that they do not fix the price; the man that buys determines the price. Consequently, when additional freights are imposed, I feel greatly perturbed. There is no better way of saying to the people, "Do not go into the country districts because, if you do, you will be burdened with higher taxation than you would be if you remained in the city."

Hon. C. W. D. Barker: I know that.

Hon. Sir CHARLES LATHAM: It might be a very good proposal if we could get a financial expert to investigate some of the departments and ascertain whether there is any undue extravagance or waste, or whether savings could be made in any way. If the hon. member were running a business, would he continually put up the price of goods, knowing that he was making it impossible for people to buy them? Would he not examine his methods of handling the goods to find out whether he could reduce his costs? I have the figures for the Railway Department and they are most astounding. I suggest that no member, apart from myself and two other members of the Country Party, has studied the last quarterly returns of the department. I venture to say that most members do not know that those returns are on the Table

of the House. If members study those figures, they will find them alarming. I shall quote from them at a later stage.

I do not propose to make a lengthy speech, because it is not in our power to do anything, but we ought to speak on behalf of the people of the country and ask the Government, "Are you satisfied that you are running the service to us as economically as possible?" If the Government could satisfy itself and satisfy us also on that point, we could turn our attention to other means of effecting economies. I have looked at the figures over the years when the population in the country was relatively small, and no extraordinary deficits occurred in those days. I admit that the railways have not paid their way; but we cannot run railways into areas having only a small population and no production for years, until development took place, without incurring a deficit.

Hon. G. Bennetts: We did not have motorcars then.

Hon. Sir CHARLES LATHAM: I agree; but the quantity of goods carried over the railways was not nearly so great then as it is today, and it seems that the more freight and the more passengers the railways carry, the greater is the loss. I know that in the metropolitan area many trains are run when it would pay handsomely to hire a motor car and convey the passengers over that route. I have spoken, not to senior officers of the department, but to others, and they have told me that they went on duty in the peak hours and could not be sacked when there was nothing to do, and so they just sat on the job and came on again in the evening.

There has to be some sort of organisation if efficient service is to be provided, and we should endeavour to ascertain where expenditure can be reduced. I do not want to see wholesale retirements from the service, but we are building up a bigger staff in the Railway Dept. For the enlightenment of members, let me return to the first page of the recent report of the Commissioner of Railways. Before so doing, I wish to emphasise that it is not the Country Party only that is protesting. Let me quote an item from A.L.P. notes in the "Narrogin Observer" of Friday, the 2nd October, as follows:—

The proposed increase in railway freights should be borne by all sections of the public and not mainly by rural users.

Thus members supporting the Government will realise that even their own people feel that unfair treatment is being meted out to those in the country. Members can refer to their own unions to ascertain whether that statement is right or wrong. This is not a party political matter. It is a problem on which every member should use his brains in order to

find a solution. Looking to the future, this State, in common with the rest of the Australian States, is likely to face the position of having great difficulty in maintaining population in the country areas. Not long ago, the population of the metropolitan area was about 46 per cent. of that of the State, but today it is in the vicinity of 54 per cent.

Hon. F. R. H. Lavery: Is it not due to the influx of the people to the city after the war?

Hon. Sir CHARLES LATHAM: It is because we make the metropolitan area so attractive and provide in it such remunerative employment that people will not go to the country where they have to pay additional taxes and finish up with less money in their pockets than if they remained in the city. The wheatgrowers of Australia have been supplying consumers in this country with wheat at a price lower than they could get for it overseas, so they have some spark of generosity in them. They have said that they will fit in with almost anything in order to have the International Wheat Agreement ratified and supply the local market with wheat at a price lower than that obtainable overseas.

The same thing applies to every other commodity produced by the man on the land, who is now being asked to pay this additional freight on everything he buys or sells. Admittedly this is an easy way for the Government to obtain revenue, so long as we have the milch cow from which to extract it. It is not only the man on the land, however, who is complaining about these freight increases, as the city dweller knows that he will eventually be hit by them. I am glad to see that the A.L.P. has been big enough to tell the Government that this is an unfair form of taxation.

Hon. A. L. Loton: What about the freights to the North-West on the State ships?

Hon. Sir CHARLES LATHAM: If we attempted to make those freights pay the cost of running the ships to the North-West there would be an outcry.

Hon. C. W. D. Barker: The fruit cases used in the North have to come by rail from the South-West to Fremantle, and thus people in the North are paying some of the higher rail freights.

Hon. Sir CHARLES LATHAM: The hon. member mentioned the sum of £5,000,000, but how much have the general taxpayers of this State paid to keep running the shipping service to the North since the Navigation Act has applied?

Hon. L. A. Logan: Probably £400,000 last year alone.

Hon. Sir CHARLES LATHAM: Almost half a million pounds, paid by the taxpayers on behalf of that small section of the population! We do not ask the

people of the North to foot the bill, but say to the taxpayers in general, "If you want to keep these people in the North you must make your contribution." If we are to get people to go into the country areas and produce, we must all contribute something to enable them to live equally as well as the city dweller.

Hon. C. W. D. Barker: That is all right—

The PRESIDENT: Order!

Hon. Sir CHARLES LATHAM: I have here returns showing certain of the losses made by the railways. I admit that there was a nasty strike in the railways at the end of last year and the beginning of this year, but for the three months ended the 31st December, 1951, the loss on the railways amounted to £562,017. By 1952 it had increased to £1,389,033. For the six months ended the 31st December, 1950, the loss was £1,172,054, and in 1951 the position was a bit better, when a change of management took place, the figure then being £1,070,717. In 1952, however, the deficit had risen to £3,065,439. No one could run a business on those lines, and yet we are told that these losses must be met by the people using the railway service.

For the three months ended the 31st March, 1952, the loss was £731,624, and for 1953 it had risen to £1,535,265. For the nine months prior to that, ending on the 31st March, 1951, the loss was £2,083,382, and in 1952, when the figures were better, it was £1,802,341. At the 31st March last the figure was £4,600,704. Those figures are alarming, and I might add that during that period there has been a considerable addition to the number of employees in the railways. I could understand an increased loss when the hours of work were reduced from 48 to 44 and then to 40, but now we are employing more men on the railways and are carrying fewer goods and showing a greater loss than in the past.

I do not say that the position can be rectified; but if it were my responsibility, the first thing I would do would be to employ a finance expert and tell him that I was not satisfied that I was getting full value for the money expended on the service. It is all very well to tell the users of the railways that the value of our currency has changed, that the commodities they produce are bringing a higher price, and that they should therefore make a larger contribution; but the contribution asked of them on this occasion is far too high. We know that the man on the land is now being asked to make an unfair contribution.

Hon. G. Bennetts: It is not the fault of this Government.

Hon. Sir CHARLES LATHAM: I am not speaking of the Government, but of the railway service. I do not think the present Ministers of the Crown are better

or worse than their predecessors, although most of them are only fledglings at the moment. If they remain in office long enough, I have no doubt that many of them will render good service. I understand that the carriage of wheat provides one of the largest single sources of revenue of our railways and I would remind members that a great deal of wheat had to be carried by road in recent years because the railways could not handle it. Wheat cannot be transported as cheaply by road as by rail, and I therefore hope that our railways will soon be able to carry all the wheat offering. In 1931 the railways carried a 53,000,000 bushel wheat harvest without any trouble.

Hon. A. R. Jones: Our people were working in those days.

Hon. Sir CHARLES LATHAM: We did not make any profit on the railways then, but we certainly did not make the losses that are being incurred today. All the costs of the man on the land are increasing rapidly. The price of fertiliser, corn-sacks, machinery, labour, and everything else is going up, and those costs are being loaded against the man on the land. The older men will probably remain on their holdings, but it will require some encouragement if we are to ensure that their sons stay on the farms.

Hon. R. J. Boylen: Where else could they do better for themselves than on the land?

Hon. Sir CHARLES LATHAM: In the metropolitan area. The hon. member should examine the position of some dairy farmers in the far South-West.

Hon. R. J. Boylen: What about the wheat farmers?

Hon. Sir CHARLES LATHAM: I know some who are still working under the Industries Assistance Act. If we wish to develop agriculture in this State we must persuade more people to go on the land, but it would cost a fortune to acquire a piece of land and develop it as a farm today. The land settlement methods of the 1910, 1911, and 1912 are a thing of the past. At that time a man could develop a farm for £400 or £500 with additional Agricultural Bank assistance, but that is impossible today. I will, for the information of members read out some comparative freight rates for wheat. They are as follows:—

| Milage. | Old Rate. | New Rate | Increase. |
|---------|-----------|----------|-----------|
| | per ton. | per ton. | per ton. |
| | s. d. | s. d. | s. d. |
| 300 | 38 0 | 54 7 | 16 7 |
| 350 | 38 8 | 57 5 | 18 9 |
| 400 | 39 4 | 60 2 | 20 10 |

Hon. J. G. Hislop: Would it be cheaper to cart the wheat by road?

Hon. Sir CHARLES LATHAM: A great tonnage can be hauled by rail, and the roads will not stand up to the traffic.

Hon. J. G. Hislop: But is it cheaper to move wheat by rail, on the freights you have quoted?

Hon. Sir CHARLES LATHAM: Yes. If we had to cart all the wheat by road there would be little profit in it. Over the last few years, Australia as a whole has borne the cost of carting wheat by road; and yet, in the Eastern States, very little wheat, if any, was transported by road. Nevertheless, those States have contributed to our road haulage costs. I doubt whether Victoria has ever carted wheat by road, although I think New South Wales carted a little. We cannot expect those States to continue making such contributions for very long. Previously, the freight rate for every six miles was increased by 1d. The new rate for six miles is now 6d., so the increase is 1d. a mile. For every 50 miles the freight charge is 4s. 2d., or an increase of 3s. 6d. over the previous rate. I cannot understand why it is, but farmers tell me it is cheaper to bring stock to the metropolitan area by motor truck than it is for the railways to bring them down in trainloads.

Hon. A. L. Loton: There is not so much wastage.

Hon. Sir CHARLES LATHAM: Yes, that is so. Fat lambs do not lose their bloom if they are carted by motortruck as much as they would if they were carried by rail. In comparing the old rates with the new, over a distance of 1 to 25 miles, the figures are as follows:—

| | Half truck. | | | Full truck. | | |
|------------|-------------|----|----|-------------|----|----|
| | £ | s. | d. | £ | s. | d. |
| Old rate | 1 | 13 | 9 | 2 | 5 | 0 |
| New rate | 2 | 2 | 2 | 2 | 16 | 3 |
| Difference | | 8 | 5 | | 11 | 3 |
| Cattle. | | | | | | |
| Old rate | 1 | 10 | 0 | 2 | 0 | 0 |
| New rate | 1 | 17 | 6 | 2 | 10 | 0 |
| Difference | | 7 | 6 | | 10 | 0 |

I do not know why these different charges have to be made. It must require a number of men to work them out. Why should not a full truck of cattle be carted at the same rate as a full truck of sheep?

Hon. A. L. Loton: You can carry half a truck of cattle, but you will not carry half a truck of sheep.

Hon. Sir CHARLES LATHAM: It is the distance I am thinking about. Why not charge the same for cattle as for sheep? If I were running a transport business, I would consider that it would not cost any more to haul sheep than it would to haul cattle. Over a distance of 100 miles the figures for sheep and cattle are as follows:—

| | Sheep. | | | Half truck | | | Full truck | |
|---------------|--------|----|---|------------|----|----|------------|--|
| Old rate | £8 | 18 | 2 | £7 | 7 | 3 | | |
| New rate.... | 6 | 2 | 9 | 9 | 4 | 1 | | |
| Increase | £1 | 4 | 7 | £1 | 16 | 10 | | |

| | Cattle. | | | Half truck | | | Full truck | |
|---------------|---------|---|----|------------|----|----|------------|--|
| Old rate | £4 | 7 | 3 | £6 | 10 | 11 | | |
| New rate.... | 5 | 9 | 1 | 8 | 3 | 8 | | |
| Increase | £1 | 1 | 10 | £1 | 12 | 9 | | |

If a simpler method of working out the freight rates were introduced, I am sure the Railway Department would be able to reduce its staff considerably. We are still running fewer trains, and yet costs are rising steeply.

Hon. A. R. Jones: They must rise if the Railway Department continues to engage more employees. Since last March, an additional 560-odd men have been employed.

Hon. F. R. H. Lavery: Why does not the hon. member accept the invitation to visit the workshops. Some members paid a visit today and found that we were wrong in many respects. Why does not the hon. member interview the management of the workshops?

Hon. Sir CHARLES LATHAM: I do not intend to enter into that argument with Mr. Lavery. I will not say whether the men at the workshops are fully employed or not. However, if they are not, I consider it is the fault of the management. Nevertheless, in a big establishment such as the Midland Junction workshops, some workers cannot be expected to reach the same standard as others. What is giving me greater concern is the large accumulated deficits that are being built up, and they must be of some concern to those in control.

I am pleased to learn that the Minister for Railways is to inspect the Bonnie Rock-Burakin line, and I am sure that after he has done so he will be convinced the line should remain. If he is so convinced, it will be encouraging to me, because in the past it has always been the policy of Railway Commissioners, immediately they found themselves in difficulty over railway finance, to say, "Pull up the railways!" That has never solved the difficulty, and it is not fair to the people in the districts affected.

We all know there was a metal trades strike last year and that not much freight was carted over the railways; and yet, on the Bonnie Rock-Burakin section 18,211 tons of goods were carried; and it was not a good year as compared with this one. Despite that, the Railway Commissioners said that only £5,000 in revenue was obtained from the freight carted on that line. From the figures I have just

quoted they cannot convince me that any of those goods were carted at £1 a ton, because it would not be correct. I have been in the Bonnie Rock-Burakin district this year, and I know it is coming into its own, and therefore I am quite confident that the Minister for Railways will return fully convinced that it is a good district.

The farmers in that area have reached and are passing through the stage that I reached in 1919 with my farm at Narembreen. It took me nine years to get to that stage, and then my farm was not fully developed. In those years conditions were hard and difficult, and not one farmer in the Narembreen district could obtain any credit, with the exception of one man who ran a business in Perth. The opinion expressed in those days was that the Eastern Kellerberrin district was too dry to be able to produce anything, and during the depression period the people in the Bonnie Rock area had to pass through a difficult phase. The adverse conditions kept them down, and they had no chance of improving themselves, because credit was not available and they did not have any ready cash. Today, however, most of them have comfortable homes and more land than they should have. Nevertheless, I do not consider that any of it should be taken away from them, because their sons will be able to develop it successfully in the future. In 1928 I bought the property adjoining the farm that I had purchased in 1919, and I did not make any loss as a result. That serves to indicate how values have increased.

In this morning's issue of "The West Australian" I saw a letter contributed by "R.V.R." It is astounding how some people will rush to the Press in order to expound their views, and it is more astounding that "The West Australian" will publish such a letter if it suits them. This man said that in the early days he was advised that, instead of growing wheat, he should grow trees and saltbush. What intelligence that was, to tell people to select an area to grow trees! However, he mentioned the tree that should be grown. He said it had to be sandalwood. Anyone who knows anything about sandalwood is aware it will not grow in that country, because there is too much clay.

However, "The West Australian" publishes letters such as that as being something authoritative, which does not help the farmers outback. Those men have already suffered many hardships, and every foot of their land will be used for production eventually. As I have said, at present the farms are a little large and full production will not be obtained from them until the sons are able to develop them further. I wish I had had my property subdivided when I was trying to develop it!

Hon. C. W. D. Barker: What is the acreage of the farms held by those people?

Hon. Sir CHARLES LATHAM: They have properties up to 4,000 and 5,000 acres. I made quite a nice little living from 1,000 acres and got enough money to pay for another 1,000 acres at £5 an acre.

Hon. C. W. D. Barker: Was it the same class of country?

Hon. Sir CHARLES LATHAM: Yes. There was no water in that country. If one went down 9ft. underground, one struck salt water that would poison anything. We had our problems in that direction. But the land and the soil were there and, under careful farming, produced the goods. These people that talk lightly—and the Commissioner of Railways is one of them—of pulling up the railways! A contract was entered into with the men who went on the land in the wheatbelt. They were told, "If you go on the land, we will provide you with a railway at a payable distance from your farm." Every man who is as old as I am knows that that statement is true. Therefore, if that railway is removed, it will be the most contemptible thing I know of in the form of breaking a contract.

There are some who have said to me that if a man buys a farm, he does not enter into such a contract when he buys it; but when it is bought, the railway is in existence. May I say to members who represent the Murchison that if a man bought or selected a station after the line from Meekatharra to Wiluna was constructed, he did so with the knowledge that the railway was there. He was not told, when he selected the land, "We might shortly be pulling up that railway." So there is a breach of contract, or a breach of faith with the men on the land on the part of a Government that pulls up a railway.

Do not let us make more difficult the life of the man who goes out to grow food for us. Do not let us cause him greater worry than he has at present. The flourishing position at the moment is not going to last for ever. In my lifetime I have seen good periods, with bad periods following them; and, unless we can have a magic wand that will always level off our finances for us, and year in and year out give us good seasons and good prices, we are going to have problems. May I ask members to tell His Excellency the Governor, by this amendment, that we must harbour our resources and not impose additional taxation on the people on the land that we cannot remove afterwards, because we are building up costly services that will not enable us to do so; and when the bad periods come, we are going to have broken-hearted people walking off the land and folk in the city will have the setback that is being forced upon those outback by the increase in freights and charges.

People on the land have had to pay increased water rates, road rates, and railway rates; and tonight we have tentatively agreed to increase even the price of their amusements. In that respect, they are not being treated any differently from folk in the city, but there is a difference with regard to railway freights, because people outback are being asked to pay both ways. They have to pay extra on the articles that they purchase down here, because they are not allowed to carry goods by truck. And they cannot add the freight to the cost of their own products, because another fellow determines the price of their goods.

I commend Mr. Loton for giving us an opportunity to tell His Excellency that everything in the garden is not lovely. Those who represent outback areas—and that does not apply only to Country Party members—must give some thought to the people in the country and not overload them and dishearten them from continuing to work there. On the contrary, they should encourage the farmers, and their sons and daughters, to stay on the land rather than rush to the metropolitan area. The population here has increased to about 308,000, which is a little over 50 per cent. of the total population of the State. With the establishment of new industrial concerns along the coast, there will be an even greater population that will have to be fed. There is only one place where the wherewithal to feed that population can be grown, and that is in the back country. It cannot be done in the city area.

I tell farmers that they have a responsibility to the people in the metropolitan area, on whom they have to depend for some of their purchases. In return, we expect people in the city area not to load the farmers with terrific costs but to be reasonable and, if necessary, spread costs over some of those living in the metropolitan districts. I am satisfied that the latter will not object.

HON. H. S. W. PARKER (Suburban—on amendment) [8.22]: I entirely agree with the amendment, but I had no intention of speaking to it. However, I felt that I should say something concerning the protests that have been made by the workers at Midland Junction about statements in this House. I would like to associate myself with their protests. I entirely agree with them, and I regret extremely that I was not invited by those workers to lead the deputation, to the Premier, because the great majority of the men reside in the Suburban Province, of which I am one of the representatives in this House. I have been to the workshops on many occasions and regret very much that I was not notified of the visit that was made to the workshops today, to which reference was made by Mr. Lavery.

Hon. K. J. Boylen: When do you come up for election again?

Hon. H. S. W. PARKER: In 1954.

Hon. Sir Charles Latham: Did you say this was an electioneering speech?

Hon. H. S. W. PARKER: I sincerely trust that throughout my Parliamentary career every speech I make in this House will be an electioneering speech, to show that I am genuine and honest in my intentions towards the State and the people I represent.

Hon. C. W. D. Barker: Hear, hear!

Hon. H. S. W. PARKER: I have been to the Midland Junction workshops on many occasions and have had the privilege of speaking on the platform there at various protest meetings. I have also been round the works many times and regret I was not there today. I certainly would have been had I known of the trip. The statements that were published in the Press and the protests that were made were, I think, largely due to a misunderstanding. I heard the speeches in this House, and I have read "Hansard," and I consider that the speakers were principally complaining against the management. It will be remembered that Mr. Jones said he would have done exactly as the men did.

Hon. R. J. Boylen: You could hardly refer to the management as workers.

Hon. H. S. W. PARKER: Give me a chance to make this speech, will you please! The gentleman who spoke to Mr. Jones at the football match was obviously a humourist, because it will be recalled that he stated he was nearly killed in the rush of men getting out of the gate at 5 o'clock. Of course, that is what one would expect a humourist to say. If members have been to any big factory or workshops, or seen any pictures of factories and workshops overseas, they will have observed that, as the whistle blows, a flood is let loose out of the gates. If one visits any factory, workshop, warehouse, large emporium, or even a large office, one will find a certain number of people who are apparently not working but are talking. It may be that they are talking business; it may be that they are not. But I do not care where one goes, one will always find that taking place, and I do not think it is quite fair to single out employees at the Midland Junction workshops for criticism of that kind. I am pleased to be able to say that I know those men to be first-class tradesmen, who are sought after by private employers.

Hon. A. R. Jones: I do not think anyone doubts that at all.

Hon. H. S. W. PARKER: I agree. I think that the report of the speeches was not quite accurate and also was misunderstood by the men. I do not blame them for entering a protest, and I would have been pleased indeed to take their repre-

sentatives along to the Premier had I been asked. Their work is commended by people who are in a position to be able to commend it. They turn out excellent work, and they could not do so if the remarks as published were in any way true, or partly true. Over 2,500 men are employed at the workshops; and in every establishment where so many men are employed, it will be found that some do not pull their weight.

Hon. E. M. Davies: That is even the case among lawyers!

Hon. H. S. W. PARKER: Most decidedly! There is one absent from this House now. Always there will be found people who are not pulling their weight. We are fortunate in having such highly-trained men doing such an expert job. I would like to remind members that in many instances where the work has been of urgent importance and of a highly technical nature, it has been undertaken at the workshops instead of being sent out of the State; and it has been done well. An excellent job was carried out there during the war. If the workshops are over-staffed, that is not the fault of the workmen, but of the management; and it is the management that should look into things. I have had some experience of men, and it has taught me that they are always happy when they are fully employed and very unhappy when not fully employed, and when messed about by bad management. When he is under good management and has plenty of work, the Australian workman will be found at his best, and he is a very good fellow indeed.

I have been to the Midland Junction workshops and attended meetings there, and the men have always treated me most courteously. Even when I have been there in connection with purely political matters, I have always been given a very fair hearing. When I have been there to deal with matters concerning the men themselves and have had occasion to speak at protest meetings, they have given me an excellent hearing. I am very pleased to be able to say something on their behalf and am sorry that I was not able to do so earlier. Owing to the suspension of Standing Orders and the adjournment of the Address-in-reply, I did not have the opportunity to make my contribution before. I support the amendment.

THE CHIEF SECRETARY (Hon. G. Fraser—West—on amendment) [8.30]: I trust that the House will not agree to this amendment. Many of the statements made by supporters of the amendment so bristled with inaccuracies that it would be highly improper for an amendment based on such assertions to be made to the motion.

Let us first examine the speech made by the mover of the amendment. He was in error so often that he presented an entirely wrong conception of the true position. For instance, he said—

The blame for the difficult position in which the Railway Department finds itself today must be laid at the door of the Transport Board. It is not co-ordinating road and rail services as it should do.

The hon. member should know that the general policy of the Transport Board has been laid down by Parliament. If this were not so, why did the previous Government not change that policy when it had the opportunity?

Hon. A. L. Loton: That is right. Blame it on the previous Government!

The CHIEF SECRETARY: I am not blaming it on anybody, but just telling the hon. member that what he said is not true. Again referring to the Transport Board, the hon. member stated, "The road hauliers were not given any indication as to when their services were to be terminated." This is completely and utterly wrong. Hauliers were repeatedly advised that they had little prospect of employment on wheat and super carting after the 1951-52 season. The unforeseen circumstances brought about by the metal trades strike gave them a further lease of life. Still, the fact remains they were warned and failed to heed the warning. Mr. Simpson, when Minister for Railways and Transport, himself gave the hauliers adequate warning of impending circumstances.

Further, Mr. Loton remarked that if the board had said to the road hauliers, "There is to be an easing off in the traffic that you will be permitted to haul, so do not buy any more large vehicles," the position would have sorted itself out. That is exactly what the Board did do. If Mr. Loton doubts this statement, I would refer him to Mr. Simpson, who was then Minister for Transport. There has been no hesitation in many quarters in pointing out that a farmer is not at liberty to cart wool, but quite a lot of reticence in drawing attention to the host of other exemptions given to the farmer. As a result, the man who needs the railways most is the man who is least bound to use them.

A comparison of our laws with those of Victoria is not material to the point I am now discussing, but I would like to mention, for the information of the House, that Mr. Loton is once more incorrect when he states that in Victoria no road transport can operate at a distance greater than 50 miles. The facts are that under certain conditions some operators are limited to 50 miles unless they hold a special licence, but it is quite wrong to say that no road transport can operate at a distance greater than 50 miles.

While on the subject of road transport, I would like to refer to the transport of farm machinery for urgent repairs. An exemption was introduced to save unnecessary delay in the event of sudden breakdown during the course of farm work. It was not designed merely to permit road vehicles to be used in place of railways where there was ample time to arrange repairs or alterations. Even so, although the exemption does not cover such things as fitting a blade to a bulldozer, such work has on a number of occasions been allowed to come within the exemption.

Coming now to the matter of closing unpayable railways, it does not necessarily follow that any tender received in regard to the Meekatharra-Wiluna line will be accepted. It is only a matter of common-sense that if the area can be better served by road transport, that method should be adopted. I am not going to say that a railway should be closed merely because its revenue fails to cover operating costs. There are too many indirect benefits to gauge the results in £ s. d. But where the margin between revenue and costs increases beyond all reason, and road transport can do a much better and more economical job, it is hardly logical to retain the railway.

These are the only instances under consideration in regard to closure. Where there is any reasonable justification to retain a railway, the Government would have no intention of closing it. The only lines being considered at present are the Meekatharra-Wiluna line, the original purpose of which no longer exists; and the Burakin-Bonnie Rock line; and the Mundaring loop line. Whatever action may ultimately be taken in regard to any one of these, it will not be taken without the most thorough investigation and consideration of all available data, including the ability of road transport to render a service which will be at least as good as, or better than, the railway.

Another of Mr. Loton's inaccuracies should be corrected. He claimed that the previous Government introduced telescopic rates in order to benefit producers in the remote areas. That is not so. The Commissioner of Railways informs me that telescopic rates have been in operation for years.

Hon. A. L. Loton: Which Government introduced the 1d. on the six-mile basis?

The CHIEF SECRETARY: I do not know.

Hon. A. L. Loton: Find that one out.

The CHIEF SECRETARY: If the hon. member listens to me he will probably find it out before I finish. What occurred was that the previous Government telescoped the increases made in May, 1951, which is what the hon. member is referring to. As a result, the shorter distances carried a high percentage increase and the longer distances a low percentage.

As the long distances thus felt only a small portion of the burden of the addition costs that were hampering the department, they were being subsidised considerably by those requiring a shorter haul. So far as Mr. Loton's reference to the telescope being "out of focus" is concerned, the figures he quoted of freight on wheat and super show clearly the effect of the telescoping. For 100 miles the new rate is 33s. 5d. per ton; for twice the distance it is 44s. 8d.; for three times the distance it is 54s. 7d.; and for four times the distance it is 60s. 2d.

As to the larger issue of the need for increased freights, the Premier, in his policy speech, said freights and fares would be kept at the lowest possible levels. The Government has been taken to task over its decision to increase freights, but the following facts may not be known to the House. In September, 1951, only five months after the previous Government had increased freights and fares, the Railway Commission addressed the then Minister for Railways in these words—

It is painfully evident, however, that the increased charges which were approved to operate from May last will, if the present upward trend of costs continues, prove insufficient to cover the additional operating burdens which have been imposed since the proposals for increased charges were submitted

So much of the departmental expenditure is uncontrollable that little remains within the power of the commission to restrict expenditure. Operating, maintenance and administrative staff is already below requirements, and any attempt at reduction would only lessen the capacity and efficiency of the service

The commission feels impelled to put the financial position before you with a recommendation that charges be increased by an average of not less than 33½ per cent.

In May, 1952—six months later—the commission again addressed the Minister as follows:—

Obviously the position is of the utmost gravity and calls for early consideration of the question of raising the railway tariffs. The commission is fully conscious of the repercussions which inevitably will follow the increasing of railway tariffs, but with costs ever rising the only alternative to mounting deficits is the raising of the charges.

As the previous Government did not authorise a raising of charges, deficits continued to mount. On the 9th April of this year, the commission addressed the present Minister as follows:—

It is inescapable that there will be continuing heavy deficits until there is a substantial reduction of the leeway between charges and costs.

Hon. H. L. Roche: The approaches fell on sympathetic ears.

The CHIEF SECRETARY: On ears brave enough to stand up to the bombardment that was likely to come.

Hon. H. L. Roche: Will they do the same again?

The CHIEF SECRETARY: They will do the same as they have done with water rates, which the previous Government said had to be raised; and I believe that Cabinet even authorised their raising, but did not go on with it when pressure was brought to bear. We, as a Cabinet, are prepared to investigate anything, and when we see what is the right thing to do we have sufficient courage to go on with it.

Hon. H. L. Roche: When will you investigate passenger fares in the metropolitan area?

The CHIEF SECRETARY: That question was investigated by the previous Government, and certain increases were made by it. We, too, shall investigate passenger fares when we consider the time is ripe to do so.

Hon. A. R. Jones: The time is ripe now.

Hon. Sir Charles Latham: You reduced fares by 1d., and then increased them again.

The CHIEF SECRETARY: What I have said disposes of Mr. Loton's suggestion that the department recommended that the Government should increase freights to cover the cost of additional staff engaged since the 1st March, 1953. I will refer to this again later. Members might be interested to know several examples of the increased costs the department has tried to meet. In May, 1951, the basic wage was £9 4s. 3d. in the metropolitan area; now it is £12 6s. 6d.—an increase of nearly 34 per cent.

Hon. A. R. Jones: That would justify putting a few off rather than putting more on.

The CHIEF SECRETARY: If we did not have sufficient staff to run a place properly, how could we improve efficiency by putting more off? Would the hon. member do that on his farm? He would not. He would do the obvious thing and put on the number of men necessary to do the job efficiently. The price of local coal has increased by 114 per cent. from £1 11s. 9d. to £3 8s. per ton; sleepers per load from £13 17s. 6d. to £19 1s. or 37 per cent.; and steel rails from £21 11s. to £32 12s. 6d. or 51 per cent. Is it unreasonable that those persons who use the railways and thereby receive a service, should be asked to contribute something towards meeting the increasing costs of providing that service?

Surely no one will agree—and certainly the Grants Commission will not—that freights should remain static while costs increase by leaps and bounds. The State

is obliged to make an endeavour to meet these costs, if not entirely, then to the best of its ability. Having done that, the State can expect sympathetic consideration by the Grants Commission of its request for help to bridge the gap that remains beyond the economic compass of the State.

This year the Railway Department has set itself the task of achieving a ton mileage of 600,000,000, which is 130,000,000 more than the highest figure ever recorded in its history. Do members think it can do that without more staff? It is impossible. To achieve that it must have more staff to run the railways. This colossal undertaking means two things. The first is that the department will be handling more of the volume of goods that is so necessary for the most economical operation of the railways. It will be understood that within limits certain costs—that is, the fixed costs—do not vary with the amount of traffic hauled. The greater the number of tons of goods hauled, therefore, the smaller is the proportion of these costs that each ton of goods must bear. Every additional ton of goods hauled means not only more revenue, but also more economical transport. The cost per ton can be kept down and the revenue kept up by increasing the volume of traffic, and were it not for the target set for this year, the freight increases would, without doubt, have been greater.

The second point is that to haul this large volume, the department must obtain the maximum use from its rolling-stock and equipment. This maximum use cannot be obtained unless adequate staff is available. For some time the department has had to compete with outside employers for staff, and although the working of overtime has helped to overcome some of the deficiency, there is a limit to which overtime can be used.

Hon. N. E. Baxter: You have offered more money than outside employers.

The CHIEF SECRETARY: The previous Government apparently agreed with the Commission in its emphasis on the need for more staff. Whereas the number of employees at the 30th June, 1951, totalled 11,904, this increased by 309 to 12,213 at the 30th June, 1952. At the 1st March, 1953, the figure was 12,725, a further increase of 512. The need for still more staff has not diminished since the new Government assumed office. If such a large volume of goods is to be hauled, more trains must be run and more staff is needed to run them. Of the increase of 566 since the 1st March, 1953, mentioned by Mr. Loton, 89 are motive power men, and 61 other traffic employees. But that is not the only direction in which staff are required.

The condition of the permanent way has been causing much concern. The strength of gangs has been too low and

the Commission has tried to increase it, but even with such increases the standard is still too low compared with standards elsewhere. Recruitment of labour for permanent way and other maintenance has not been easy as it involves in most cases living in the country—sometimes in very remote places. The position has of late eased somewhat, and since March, 298 men have been engaged for this work. The importance of the track must not be overlooked. It must be maintained to ensure operation at speed and with safety; otherwise it is futile to think in terms of larger tonnages. Speed restrictions operate in a number of places, and unless the track is improved, these must be increased and extended. There is, however, a limit to which speed restrictions can be decreased, and when this stage is reached, operations on that line must cease.

There has been an increase in staff of 105 in the mechanical branch, which has had an enormous back-lag of maintenance work to meet. The role played by this branch is vital. It must ensure that locomotives and wagons that come in for repair are returned to traffic with all speed so that the number lying idle and not hauling goods is kept to the minimum.

Hon. A. L. Loton: One was in a siding for 11 months.

The CHIEF SECRETARY: To summarise my remarks, the great volume of traffic expected this year will provide additional revenue and more economical transport per unit of goods than for a smaller volume. If this volume were not expected more drastic steps would be required to bridge the gap between operating costs and revenue. If the department were deprived of some of its workers, such as enginemmen, traffic operating staff and permanent way and rollingstock maintenance men, it could not handle this large quantity of traffic. So instead of the increased staff being the reason for the increase in freights they are the reason for the increase in freights being less than it otherwise would be. Turning to non-paying railways, the Premier's policy speech included these words—

No railway will be closed or pulled up unless approved by Cabinet and Parliament. However, where road transport is likely to provide less costly, more efficient and adequate service, such transport will be substituted.

Hon. H. L. Roche: He also said something about freights on that occasion.

The CHIEF SECRETARY: I read that earlier, but the hon. member was too busy talking and he did not hear me. Quite recently Mr. Simpson told the House that the Freights and Fares Committee of 1951, which consisted of members of the then Government parties, asked for a statement showing the lines giving an actual money return of less than 50 per

cent of the cost of operating. Mr. Simpson then gave a list of 21 sections in this category. This shows that more than two years ago the previous Government knew of the position concerning these lines. Apart from that, during its term of office four sections were closed, namely, the Port Hedland-Marble Bar railway, the Mt. Magnet-Sandstone branch, the Upper Darling Range railway and portion of the Mundaring branch from Mundaring to the Weir.

During his remarks, Mr. Loton asked, "Is it not easier to maintain the existing lines in order that heavy produce may be hauled over them than to allow road hauliers to give the same service?" The position is, however, that so long as a railway is kept open for traffic it must be maintained in working order; the permanent way gangs must continue the maintenance work and the train must run—even though it may have only a fraction of the load it could haul. All of this involves considerable expenditure. If the heavy produce referred to by Mr. Loton were in any quantity the position might be different, and there might not be any question of non-paying lines. It is wasteful, however, to tie up equipment and manpower capable of handling many more times the amount of traffic, when the same service could be given by road vehicles with greater economy. The question is not whether it is easier, but whether it is less costly to the State to keep the railway open. It is strange that the Government should be criticised for not reducing expenditure and at the same time criticised for investigating way and means of reducing it.

In the case of the Meekatharra-Wiluna line, under the previous Government the various departments investigated all aspects, and the present Government, in the light of those and its own inquiries, has called tenders for the road service, so that it may be in a position to determine which is the more efficient and the cheaper means of meeting adequately the requirements of the district. Mr. Loton is apparently trying to anticipate the Government's decision, but if the railway line were allowed to remain idle for, say, 12 months, as he suggests, while the road service were tried out, the line would not deteriorate nearly so much as he imagines. In that period the road service would have had ample time to demonstrate its adequacy or otherwise, and the railway would be little worse, if any, than it is now if recourse to rail transport were necessary.

Hon. J. McI. Thomson: Who made that statement?

The CHIEF SECRETARY: I am making it.

Hon. J. McI. Thomson: I thought you said that Mr. Loton made the statement.

The CHIEF SECRETARY: Mr. Loton did make the statement.

Hon. A. L. Loton: I did not.

The CHIEF SECRETARY: You did.

Hon. A. L. Loton: I did not, but I know who did.

The CHIEF SECRETARY: I will check it again.

Hon. A. L. Loton: And then you will have to apologise for that statement.

The CHIEF SECRETARY: If the hon. member did not say it I will put "Mr.—" instead of "Mr. Loton". However, the statement was made in this House and I understood that Mr. Loton was the culprit. However, as he says "No", we can check it again.

Hon. A. R. Jones: The Commissioner apparently did not read "Hansard" correctly.

The CHIEF SECRETARY: The question of railways must be faced up to realistically. Producers must use the railways if they want to retain them. The more business they give the railways the greater will be the revenue, the more economical will transportation become, and the better able will the economy of the State be to carry those lines which, although entirely developmental, must remain.

Dealing with speeches by other members, I am afraid Mr. Henning quoted incorrect freight rates. In large quantities bricks would be charged, not 110s. 8d. for 153 bricks as mentioned by him, but 39s. 5d. per ton, and timber and cement would be charged at 65s. 4d. per ton. The hon. member's statement that the principal reason the railway is beginning to show a deficit is that passenger traffic is gradually lessening is also erroneous, as was his comment that the railways received £2,000,000 on account of the strike. The annual reports have, for a number of years, shown the uncontrollable costs confronting the department, from which it must be obvious that the failure to match these with appropriate tariffs has been the cause.

The major reason for the decline in passenger traffic since 1944 is that many servicemen and women were transported during the war years. Obviously the figures Mr. Henning refers to do not reflect normal conditions.

Hon. C. H. Henning: I said "1914", not "1944".

The CHIEF SECRETARY: It is true that in 1914 the highest number of passengers were carried, but since then road transport in the form of private motor vehicles and omnibuses has developed considerably. It is not surprising, therefore, that the railways do not now transport the same proportion of the State's population as previously.

Hon. N. E. Baxter: You have more passenger trains running now.

The CHIEF SECRETARY: Mr. Henning's conclusions concerning earnings and costs per train mile are not correct,

as the figures he quoted are the average. He did not make allowance for the difference between passenger and goods train operation. Mr. Diver, in his comparison of staff in 1931-1932 and now, succeeded in omitting the important change in working hours. An intelligent comparison is not possible unless all factors are considered, including ton mileage, train mileage, changes in traffic, etc. It must also be remembered that in the year 1932 bed-rock appeared to have been reached in staff retrenchment. The resultant legacy of deferred maintenance from that period is well known to everybody.

The hon. member's reference to freight rates also cannot be understood, for his figures do not refer to Perth-Kalgoorlie freights as he stated they did. His references to duplication of services were also wrong as on the Eastern line passengers between Perth and Merredin are catered for by diesel rail cars and road services, while the steam passenger trains deal only with traffic beyond Merredin. The suggestion that some reduction in services should be effected is not consistent with the requests being received from country areas, and it is more than probable that such a suggestion would not be well received either by the other Parliamentary representatives for the district or by the local people. This applies equally to other parts of the State.

Rail and road services have been integrated so that the needs of the travelling public will be met economically and to ensure that locomotive power and rail facilities are used to best advantage for heavy traffic. As an example, the road bus to Merredin on Tuesday and Thursday mornings replaced a passenger service provided by a mixed train, thereby enabling the engine power and crews to be utilised for goods services and providing greater fluidity in time tabling. The improvement in ton mileage performances in recent years is due, in part, to this integration of services.

Turning to Mr. Baxter's remarks, the fact that the railways aim to handle all traffic this year is a reason for the freight increases being less than they otherwise would have been. The previous Government did not accept the commission's advice on freights, neither did it make the drastic economies, the need for which the Opposition now declares exists, as an alternative to increasing freights. It is difficult to understand why the present Government is being criticised for increasing the capacity of the railway system as the previous Government tried to do the same thing to enable it to play a greater and more effective part in the economy of the State. If justification for criticism exists, the speakers to this amendment should have directed it at the previous Government, of which they were supporters.

Hon. N. E. Baxter: I directed my criticism at the commissioners.

The CHIEF SECRETARY: If they did not criticise their own Government they must accept responsibility for the conditions they complain about. If they did criticise their own Government and were unable to obtain any correction of the position, it seems their Government did not place much faith in their judgment. Mr. Baxter's references to the capabilities of the Transport Board and the Railways Commission can be dismissed. While admitting his right to criticise, he is wrong in posing as an authority on transport problems, and in asserting that those who have devoted their lives to the task are completely ignorant.

Hon. N. E. Baxter: I did not put myself up as an authority.

The CHIEF SECRETARY: Mr. Roche referred to the loss on suburban railways. He should know that the previous Government increased suburban fares considerably—

Hon. H. L. Roche: And reduced the number of passenger trains.

The CHIEF SECRETARY: —so much so that any encouragement to use the train instead of the private omnibus which people may have had in the way of a low fare almost completely disappeared. He appears to think the railways could be dispensed with. If the Opposition's contribution to the debate was intended to be constructive, he and Mr. Loton and others who opposed the closure of railways should try to reconcile their opposing views on this question. In view of this, it is not clear how Mr. Roche can support the amendment. His assertion that the department's purpose was not to provide service to the people, but merely to make available employment and pass on the cost, that it is 100 per cent. protected, inefficient, inept and wasteful, is an incorrect and irresponsible statement.

Hon. H. L. Roche: That is what you think. I have to support the railways and you do not.

The CHIEF SECRETARY: His reference to the provision of bitumen roads for country people to use for their own transport in place of railways ignores the important question of costs. He is also apparently unaware of the reaction of country road boards to the damage caused to country roads by heavy goods vehicles. Mr. Jones stated no effort had been made to reduce administration costs, and then referred as an example to the 560 additional staff. Does he include locomotive footplate men and repair men, traffic operating staff, and permanent way staff in administration? He is obviously uninformed.

Hon. A. R. Jones: I have been well informed since I made the statement.

The CHIEF SECRETARY: Train fares have not been reduced by the Government, as he asserts. He claims the loss

on suburban lines was borne by the country people, but as many country lines do not pay, what contribution do country people make to railway losses generally?

Hon. N. E. Baxter: By the goods they produce.

The CHIEF SECRETARY: Freight rates were mentioned by Mr. Jones. It is true that over short distances some rates are higher in this State than in the other States, but on the average it will be found this State is lower. It is not sufficient to single out one or two commodities and aver that the statement of the Minister for Railways is refuted thereby. Mr. Jones stated that wheat and superphosphate returned one third of the total railway revenue. This is far from correct. For the year 1952-53 the percentage was 18½ per cent. of the goods earnings, and for the previous year it was 18.17 per cent.

Hon. C. H. Henning: Is that goods freight or general revenue?

The CHIEF SECRETARY: Goods earnings. The percentage that the tonnage of those two commodities bore to the total tonnage, however, was 30.03 per cent. in 1952-53 and 29.09 per cent. in the previous year. This is an indication of the concession that farmers receive. The hon. member also referred to an increase of £1 per ton for the cartage of wheat, but if the new rates are examined in their true perspective and with regard to their actual application, it will be found that over the distance of 136 miles—

Hon. A. R. Jones: I quoted 350.

The CHIEF SECRETARY: —which was the average haul for wheat in 1952-53—the increase is only 9s. 9d., whilst for the approximate maximum distance wheat is required to be hauled (excluding the Esperance line), namely, 250 miles, the increase is still only 13s. per ton.

To claim that the advantage of telegraphic rates has been defeated by altering the freight classification of wheat is quite wrong. The new rates for wheat over distances of 50 and 250 miles average 6.6d. and 2.4d. per ton per mile respectively—which proves that the telegraphic principle has been preserved.

Hon. A. R. Jones: What about 350 miles?

The CHIEF SECRETARY: Mr. Jones referred also to wool and oil being carted cheaper by road than by rail, but admitted that wheat is transported cheaper by rail. Quite unwittingly he went to the crux of the matter. The railways handle wheat at a cheap rate because of the existence of higher freighted commodities, and this balance is essential if low freights are to remain on certain commodities. Apparently he would have all the high freighted goods go by road and the lower freighted goods by rail, but as an authority on transport matters, he should know this is economically impossible.

Regarding the question asked concerning the staff employed at Toodyay railway station, the answer given was correct as only the station-master, assistant station-master and the goods porter are employed at the railway station. The question did not ask for the number of guards, locomen and permanent way men. If members would exercise care in the preparation of their questions, less time would be spent in trying to work out what they mean, and they would in turn receive the information they seek. Apparently in this case the questioner required information he did not ask for.

Hon. A. R. Jones: You have already taken a fortnight to answer the question I asked you.

The CHIEF SECRETARY: Dr. Hislop's suggestion that the commissioners should have complete control and be instructed to make the railways pay would be workable only if they had control over charges. He is not correct, however, in saying that the suburban railway service has been outmoded.

Hon. C. H. Henning: Was anybody correct?

The CHIEF SECRETARY: Members were not correct, and they are not correct in their attitude in attempting to carry this amendment. Admittedly the service requires substantial improvement, which will be effected when diesel cars on order arrive, but the City of Perth is fast approaching the day when the railway will be indispensable to the transport of the large numbers who must travel daily to and from the city. The suggestion that Perth, Midland Junction and Fremantle be the only unloading points and distribution centres would, if implemented, not produce the savings the hon. member expects. The permanent way maintenance must go on irrespective of the distribution centres, and staff for safeworking of trains would still be required. The proposal would not be well received by rail users—Mr. Hearn opposed it—it would turn business away, and it would add considerably to the congestion on and damage to roadways. His figure of £3,000,000 loss on the suburban line is somewhat exaggerated.

The hon. member's statement that the Railway Department accepts incapacitated persons for permanent employment is not correct. In the immediate post-war years railways, in common with other Government departments, assisted in the rehabilitation of ex-servicemen. They also endeavour, whenever possible, to provide employment for those railwaymen who have been permanently disabled in the course of their duties, but they do not accept for employment persons from outside the service who do not meet the usual fitness standards.

Concern was expressed by Mr. Loton at the effect on country people of the increased freights, but he was at a loss to

know why the business people were not able to give him percentage increases into store. One would gather from this that the effect is greater in his imagination than in reality.

Hon. J. G. Hislop: You would be more convincing if you accepted some of the statements.

The CHIEF SECRETARY: I do accept some of the statements; I am only replying to those I do not accept. The allegations of Messrs. Jones and Roche concerning slackness at the Midland Junction workshops I refute thoroughly.

Hon. A. R. Jones: Of course you do!

The CHIEF SECRETARY: On odd occasions previously complaints of a similar nature have been made but have been discovered to be without foundation.

Hon. A. R. Jones: By whom?

The CHIEF SECRETARY: There are certain employees who are permitted to leave the premises a few moments before the afternoon cease-work whistle sounds. These are "wingles and stumplies," who for obvious reasons cannot compete with other employees in passing through the time-keeping lodge to reach their transport. They are not numerous and are certainly entitled to this small consideration.

Hon. N. E. Baxter: How do you account for the chaps on the road by 4.15 p.m.?

The CHIEF SECRETARY: The only "provided" radio is located in the employees' canteen and this is used only for the broadcasting of musical items for the entertainment of employees during the luncheon period. Betting is strictly against workshops rules and punishment is inflicted if an employee is discovered offending in this way. Only on very rare occasions has there been cause for taking disciplinary action.

Recently a visit to the workshops was made by Mr. James Hadfield, the General Manager of Beyer Peacock of Manchester, one of the largest locomotive engineering firms in the world. Mr. Hadfield's remarks as to the efficiency of the workshops were of a most complimentary nature. I would also like to say, in support of the men at the workshops, that it was largely due to their valuable work that, following the metal trades strike, locomotives were restored to traffic so expeditiously and that within nine months of the end of the strike the effective locomotive position has been restored. In addition to having achieved the target out-turn figure of 13 locomotives overhauled each month, the workshops are assisting in work for other branches of the railways. I think I have said enough to prove the fallacy of carrying this amendment.

Hon. J. McI. Thomson: Do you not think the people in the country have a right to expect that the cost should be borne by everybody rather than rest on their shoulders alone?

The CHIEF SECRETARY: That is too long a question for me to answer. The Government is facing up to the position as any Government should.

Hon. N. E. Baxter: It is taking the easy way out.

Hon. H. L. Roche: It is facing one way only.

Hon. J. McI. Thomson: That is the point.

The CHIEF SECRETARY: We never did think that the railways would show a profit, but we did expect them to show something near working costs. I could understand the opposition and all the noise that has been made if we merely sat down and allowed the railway deficit to drift on.

Hon. N. E. Baxter: The tramways deficit drifts on and there is no squeal about that, nor is there any rise in fares.

The CHIEF SECRETARY: Everything will be seen to in its turn. We could have done the easy thing and let the State run into further debt by merely sitting back. But we have a duty to the State and we are trying to perform it. The railways have shown a deficit this year of £5,000,000, and we must do something about it. We know there would have been opposition whether there had been an increase in the passenger fares and freights or not. We do not mind that, because we are big enough to stand up to such opposition. I should have thought that members of Parliament would have had sufficient responsibility to back up a Government that was facing up to its task in dealing with the present position.

Hon. L. A. Logan: You are not facing up to it.

The CHIEF SECRETARY: Of course, members can, say, "If you had done this we would have supported you."

Hon. A. R. Jones: All you were worried about were votes.

The CHIEF SECRETARY: That does not worry us in the least; it did not enter our heads.

Hon. A. F. Griffith: Prior to the last election did you tell the people you were going to increase these freights?

The CHIEF SECRETARY: If we were going to worry about votes we would do so in a couple of years' time; not now.

Hon. A. F. Griffith: Why does not the Minister answer questions?

The CHIEF SECRETARY: I am trying to make a speech, not answer questions. I am merely saying that this Government is facing up to the position. We are faced

with large deficits in the railways. If we wanted to put the railways on a profitable footing, we could have provided for an increase of 50 to 60 per cent.

Hon. A. F. Griffith: You will face the people with several broken promises.

The CHIEF SECRETARY: I should hate the hon. member to worry about that. Let him worry about himself; never mind about us. We will do our own worrying. At the proper time we will attend to all matters such as water supplies, railways, and anything else that might come up, and will decide whether there is to be an increase or decrease. We will look at all those matters from a business point of view and give a decision in the interests of the State. That is what we have done in connection with railways and water supplies, and in connection with every other matter we have discussed.

When a Government has courage to face up to responsibilities of that description, surely it is not too much to expect support from both Houses. I know that people in the country have cause for complaint, just as the people in the metropolitan area had cause for complaint about the rise in the water rates. They have all had their complaints. I hope members will do the right thing by not carrying this amendment. I am surprised that Mr. Loton should have moved such an amendment. As members know, we are dealing with a motion of loyalty to Her Majesty the Queen, and now we have an amendment like this dragged in, and consequently there is a local dog fight.

Hon. Sir Charles Latham: Why did your Government amend its own motion in another place?

The CHIEF SECRETARY: The Government is not the culprit. I do not wish to go into what happened in another place. Let us deal with what happened here.

Hon. A. F. Griffith: It is too embarrassing to draw a comparison.

The CHIEF SECRETARY: What happens here is our responsibility. We should not worry about what happens in another place. The hon. member who interjected told only half the story, the same as he did when speaking on the Address-in-reply. On that occasion he asked, "Why did the Government amend its own motion?" It was necessary to do so because a member of the Opposition had attempted to amend it, and the Government proposed an amendment to the amendment. If I say that to do so was wrong, will that satisfy the hon. member?

Hon. Sir Charles Latham: Yes.

The CHIEF SECRETARY: Well, let us not do the wrong thing here. Let us do the right thing, and show that we can do it. I say in all sincerity that I regret that on a motion expressing loyalty to Her

Majesty, the hon. member should have moved to add an amendment leading to something in the nature of a dog fight. I suggest that he withdraw the amendment and move it in some other form, but not tack it on to a message of loyalty to Her Majesty the Queen.

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

| | | |
|--------------|-------|----|
| Ayes | | 15 |
| Noes | | 9 |
| Majority for | | 6 |

Ayes.

| | |
|---------------------|-----------------------|
| Hon. N. E. Baxter | Hon. J. Murray |
| Hon. L. Craig | Hon. H. S. W. Parker |
| Hon. A. F. Griffith | Hon. H. L. Roche |
| Hon. C. H. Henning | Hon. C. H. Simpson |
| Hon. J. G. Hilslop | Hon. J. McI. Thomson |
| Hon. A. R. Jones | Hon. H. K. Watson |
| Hon. L. A. Logan | Hon. Sir Chas. Latham |
| Hon. A. L. Loton | (Teller.) |

Noes.

| | |
|----------------------|-----------------------|
| Hon. C. W. D. Barker | Hon. W. R. Hall |
| Hon. G. Bennetts | Hon. E. M. Heenan |
| Hon. R. J. Boylen | Hon. H. C. Strickland |
| Hon. E. M. Davies | Hon. F. R. H. Lavery |
| Hon. G. Fraser | (Teller.) |

Amendment thus passed.

On motion by the Chief Secretary, debate adjourned.

House adjourned at 9.21 p.m.