Legislative Assembly

Wednesday, 26th November, 1952.

CONTENTS.

The SPEAKER took the Chair at 7.30 p.m., and read prayers.

QUESTIONS.

MEDICAL DEPARTMENT.

As to Clerical Staff

Mr. ACKLAND asked the Minister for Health:

What was the number of clerical staff employed by the Medical Department for the years ended the 30th June, 1950, 1951, and 1952, respectively.

The MINISTER replied:

30th June, 1950—

Paid by Medical Department	8
Paid by Hospital Fund	21
	29

30th June, 1951—

Paid by Medical Department	6
Paid by Hospital Fund	26
	32

30th June, 1952—

Paid by Medical Department	6
Paid by Hospital Fund	26
	32

RAILWAYS.

As to Payment to Midland Railway Co.

Mr. JOHNSON asked the Treasurer:

When replying to my question on the payment of £19,000 to the Midland Railway Company, he stated that "a dispute developed between the Government and the Midland Railway Company": What was the dispute?

The TREASURER replied:

Following the increase in W.A.G.R. freight rates and fares in May, 1951, the Midland Railway Company was authorised to make corresponding adjustments in its rate book. In authorising these adjustments, the Hon. Minister for Railways rejected the request of the Company that concessional "port to port" rates be abolished, and also directed that freight rates on "through" traffic, linking with the W.A.G.R. system, be calculated on the "throughout" mileage instead of on the basis of the mileage transported over the Midland Railways line.

The Company disputed the Hon. Minister's authority to refuse the Company's request, and the matter was referred to Arbitration as indicated in my reply to a previous question in the matter.

FORESTS.

As to Royal Commissioner's Recommendations and Conference.

Hon. A. A. M. COVERLEY asked the Minister for Forests:

(1) What has the Government done to implement the recommendation of the recent Royal Commission conducted by Mr. Rodger, particularly the main items, such as—

(a) the dedication of increased acreage of additional forests;

(b) increased expenditure;

(c) increased professional staff?

(2) How many technical officers from Australia attended the Empire Forestry Conference recently held in Canada?

(3) Was W.A. Forestry Department represented?

(4) If so, by whom?

The MINISTER replied:

(1) A request has been submitted to the Lands Department for the dedication as State Forest of 729,000 acres of forest country and the matter is under consideration. Of the total area applied for about 350,000 acres of wandoo country have been temporarily reserved for timber.

(2) Expenditure is limited by Loan moneys available, by the revenue of the Department and grants from the Treasury.

(3) Three graduates from the Australian Forestry School were appointed to the professional staff in 1951, three in 1952, and four are to be appointed as from the beginning of 1953.

(4) Not known.

HEALTH.

As to the Use of Saccharine in Aerated Waters.

Mr. MAY asked the Minister for Health:

(1) Will she state if saccharine is used in this State in connection with the production of aerated waters?

(2) If the answer is in the affirmative, will she state the percentage of saccharine allowed?

The MINISTER replied:

(1) Food and Drugs Regulations do not permit the use of saccharine in aerated waters.

(2) Answered by No. (1).

SCRAP IRON.

As to Reported Shipment to Japan.

Mr. NEEDHAM asked the Minister for Industrial Development:

(1) Has he seen the report in the "West Australian" of Saturday, the 22nd instant, that—

(a) the steamer "Eastern Star" loaded 300 tons of scrap iron at Fremantle for Japan;

(b) the foundry proprietors in the metropolitan area are strongly opposed to exporting scrap iron to Japan;

(c) if exports continued, scrap iron would have to be imported?

(2) If these statements prove to be correct, will he make immediate representations to the Commonwealth Government to re-impose the ban on export of scrap iron?

The MINISTER replied:

(1) and (2) Distinction must be drawn, I am advised, between scrap steel and scrap iron, to which latter the hon. member's questions refer.

Inquiries made indicate that the firm in question had a contract to supply scrap steel to Japan for re-rolling. After shipments from other States the shipment from Fremantle completed this contract, and it is understood further export licenses for shipment of steel to Japan will not be granted. It is understood that the Fremantle Tramways Board has 1,400 tons of scrap steel in the form of secondhand rails available for disposal.

Regarding scrap iron as distinct from scrap steel, local demands exceed available supply, and the Commonwealth has not agreed to issue any licenses for export of scrap iron.

WATER SUPPLIES.

As to Files Relating to Reticulations.

Hon. A. R. G. HAWKE asked the Minister for Works:

Will he place upon the Table of the House the files dealing with the following reticulated water supplies:—Boddington, Dalwallinu, Kojonup, Morawa, Pinjarra and Yarloop?

The CHIEF SECRETARY (for the Minister for Works) replied:

These files will be made available to the Hon. Leader of the Opposition should he care to peruse them in the Hon. Minister's office.

TRAFFIC.

As to Maximum Speed on Causeway.

Mr. GRAHAM asked the Chief Secretary:

In view of the new and wider Causeway, now being in use, will he have the traffic regulations amended so as to increase the present 20 miles per hour maximum speed limit to the general metropolitan maximum speed limit of 30 miles per hour?

The CHIEF SECRETARY replied:

Amended traffic regulations covering the speed of vehicles over the new Causeway Bridges are now receiving attention. I am prepared to consider a regulation to provide for a speed of 30 miles per hour over the new Causeway Bridges while still retaining the 20 miles per hour over the portion of the old Causeway still in use.

NORTH-WEST.

As to Harbour at Point Torment.

Hon. A. A. M. COVERLEY (without notice) asked the Premier:

(1) Has his attention been drawn to a statement appearing in the daily press dated the 25th November, 1952, in which the Broome Road Board made the following comment:

> The board noted with surprise and misgiving the Government's determination to proceed with the much-discussed but little understood Point Torment project, now politely referred to as "Black Rocks" by those anxious for the money-wasting scheme to be put into effect?

(2) In view of this strong statement from a body of responsible citizens who are working in a voluntary capacity for the progress of Kimberley, will he agree to the appointment of a Select Committee or Royal Commission to inquire into the advisability of proceeding with this project?

The PREMIER replied:

(1) Yes, my attention has been drawn to the statement appearing in the daily Press of the 25th November, 1952, which relates to the views of the Broome Road Board. I do not agree with the first part of the question, namely, that this would be a money wasting scheme because, before any action is taken in regard to the scheme, it will have to be a Commonwealth-State undertaking. The State advisers have investigated the matter and Commonwealth advisers have also been to Kimberley and made an examination of the project. I would not think that both the Commonwealth and State advisers would rush the Government into a money wasting scheme, but before such scheme could be started full consideration would be given to it by the Government.

(2) There cannot be any early undertaking of this project, because as the hon. member knows, the Loan position is such that the work cannot be proceeded with. Again, I can only repeat that before the project could be commenced full consideration would have to be given to the report of the Commonwealth and State advisers dealing with the scheme.

PETROL.

(a) As to Subsidy on Shipment to North-West.

Mr. RODOREDA (without notice) asked the Premier:

Would he be prepared to lay on the Table of the House all papers relating to the granting of the £20,000 subsidy paid to the Shell Company?

The PREMIER replied:

I have no objection to these papers being laid on the Table of the House. The subsidy was paid to the Shell Company in an endeavour to keep down petrol costs in the northern ports. I explained to the hon. member the other evening the reason why this was done.

(b) As to Price Control Conference.

Mr. W. HEGNEY (without notice) asked the Attorney General:

(1) Is it his intention to attend the next conference of Prices Ministers to be held in Hobart?

(2) If so, will he take steps to have a comprehensive survey instituted with a view to reducing the price of petrol, taking into account the huge expenditure incurred by large companies in newspaper and other forms of advertising?

The ATTORNEY GENRAL replied:

(1) and (2) The conference of Prices Ministers which was to have been held in Hobart has been abandoned owing to the illness of Mr. Finnan, who is in hospital, and the inability of two other Ministers to be present. As to the price of petrol, I can assure the hon. member that the expenses incurred by all companies are carefully considered and any item that is deemed excessive is not allowed in the computation of the capital fund, on which the allowance is computed.

BILL—MARKETING OF BARLEY ACT AMENDMENT (CONTINUANCE).

Returned from the Council without amendment.

BILL—MILK ACT AMENDMENT.

Returned from the Council with a requested amendment.

WAR SERVICE LAND SETTLEMENT SELECT COMMITTEE.

Extension of Time.

On motion by Mr. Hoar, the time for bringing up the report of the Select Committee was extended for one week.

BILLS (4)—FIRST READING.

1, Loan, £19,627,000.
Introduced by the Premier.

2, Industrial Development (Kwinana Area) Act Amendment.
Introduced by the Minister for Industrial Development.

3, Referenda on Proposals for Marketing of Wheat, Oats and Barley.
Introduced by the Minister for Lands.

4, Alsatian Dog Act Amendment.
Introduced by Hon. J. T. Tonkin.

BILLS (3)—THIRD READING.

1, State Government Insurance Office Act Amendment.

2, State (Western Australian) Alunite Industry Act Amendment.
Transmitted to the Council.

3, Plant Diseases (Registration Fees) Act Amendment.
Passed.

BILL—ELECTORAL ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. A. R. G. HAWKE (Northam) [7.51]: I support the second reading of the Bill. As far as I have been able to give some study to it, since its provisions were explained to the House by the Attorney General yesterday, the proposals contained in it appear to be progressive. The experiment, which was tried as a result of amendments to the Act made by the Government some three or four years ago with regard to the time that should elapse between the issuing of writs, the taking of nominations and the holding of elections in the North-West, has been found in practice to be unsatisfactory. Therefore, it is pleasing to note that the Government is prepared to mend its ways regarding that matter and to return to what was the situation previously. In these days, electors do not like to have long drawn out periods between the issuing of writs, the calling of nominations and the holding of elections.

Mr. Bovell: Nor do the candidates.

Hon. A. R. G. HAWKE: Members of Parliament generally, as well as candidates, agree with the point of view of the average elector in connection with that issue. When an election is in the offing, and especially when the writ has been issued for such an election, everyone concerned is keen that nominations should be taken as soon as possible and the election held as quickly as reasonably may be after the nominations have been received and declared. The proposals in the Bill in connection with postal voting have a good deal to recommend them. Probably we have all had experience of what has happened under the existing system, where electors who have, because of some emergency, had to record postal votes the day before the election, or even on the day of the election, have not been able to have the postal votes so recorded forwarded to the proper authorities before the closing of the poll on election day, so that those people have, in effect, under the system as it has operated, been disfranchised through no one's fault. Fortunately, such people have not been liable to a penalty for not voting because they have made a bona fide attempt to vote, but have not been able to meet the requirements of the Act as regards postal voting under the system that has operated up to the present.

It is very desirable therefore, that the greatest possible assistance should be given to those people who find it necessary to record postal votes, especially to that section which is compelled to vote at very short notice before the election is due to be held. The proposal in the Bill in that regard will facilitate matters considerably because, under the proposed new system, the person who, because of sickness suddenly developing on election day, will be able to have a postal vote officer called in and record his vote, and the officer will then be in a position to lodge the postal vote with the presiding officer in the centre concerned. The only question outside the provisions of the Bill about which I would like to say a few words, if I might have your indulgence, Mr. Speaker, refers to the hours of polling. I think the time is long overdue when the polling hours should be considerably reduced. Anyone who has taken an active part in an election from 8 a.m. to 8 p.m. knows what a tremendously long and hard day it is. The period is far too long, even in the biggest centres of population. It is certainly a very long day for the presiding officers, their poll clerks and the scrutineers working at the various polling places.

The Premier: What are the Federal hours?

Hon. A. R. G. HAWKE: The same as the State hours.

The Premier: I had forgotten for the moment.

Hon. A. R. G. HAWKE: The Federal hours are also far too long. The polling hours from 8 a.m. to 8 p.m. were decided upon many years ago when the means of transport were extremely slow, and when people in the outer districts had to travel by road for some miles in horse-drawn vehicles. Consequently, it took them them a long time to reach a polling booth. In those circumstances, there could have been every justification in those days for the polling hours being so long. In my opinion, the hours should be reduced very considerably.

Mr. Griffith: What would you suggest?

Hon. A. R. G. HAWKE: I would suggest that they could be reduced to a period of from 11 a.m. to 6.30 p.m., at the longest. If that were done, every elector would have a reasonable opportunity to record his vote during that time, and the work of everyone associated with the election would be greatly reduced. In these days, we have modern and fast means of transport, and candidates standing for election vie with each other in providing transport facilities to convey any elector who so wishes to the polling-booth and to be taken home afterwards, if necessary. Therefore, there can be, in my judgment, a very solid contraction of the time between which the booths are opened and closed. I seriously suggest for the consideration of the Attorney General that, even at this late stage, he might give attention to that aspect. I cannot imagine objection being raised by anyone to a severe contraction of the existing period.

Almost without exception, electors, candidates, presiding officers, poll clerks and scrutineers would, I am convinced, welcome a contraction of the polling hours to from 10 or 11 a.m. to 6.30 p.m., and

the period might even be shorter than that. I put this forward for the consideration of the Attorney General and other members of the Government in the hope that, even in connection with this Bill, they might have a suitable amendment devised and brought before us, perhaps on Tuesday next, for consideration as an addition to the Bill, if it is constitutionally possible to include such an amendment in it. If not, I think the Government would be justified in introducing another short Bill to amend the Act to deal with the suggestion I have made.

MR. RODOREDA (Pilbara) [8.0]: Like the Leader of the Opposition, I support the Bill and am very pleased the Government has seen the light in at least one respect. It may be remembered that twice during the last few years I have introduced a Bill designed to eliminate this compulsory period of five weeks between nominations and polling day for North-West seats, and on each occasion the Bill was opposed by the Attorney General and the Government and all their supporters.

The Premier: During the last election campaign I was all with you!

Mr. RODOREDA: I warned the Premier when I introduced my measure in this House in 1948. I told him what would happen. But the Government thought otherwise, and it is interesting to speculate upon what might have caused the change of heart.

Mr. Yates: They have seen the light.

Mr. RODOREDA: Yes, and all their supporters have seen the light with them, and will follow them and vote for this Bill just as they followed the lead previously and voted against my Bill.

Mr. Yates: Do you not want us to vote for this?

Mr. RODOREDA: It will go through. Do not worry about that! I am wondering what is the reason for the change of heart in this respect. It is as well for us to look back and see what was said about this matter on previous occasions. The following appears at page 2355 of "Hansard" of 1949:—

> The ATTORNEY GENERAL: The hon. member would be unwise to have different periods provided for different Houses. That would lead to confusion and would not be wise.
>
> Mr. Rodoreda: Would not that apply to different electorates, too?
>
> The ATTORNEY GENERAL: I am talking about different Houses. I think it would be very unwise. I see no reason for the alteration.
>
> Mr. Rodoreda: Why would it be unwise?
>
> The ATTORNEY GENERAL: Well, because I think it would.
>
> Hon. A. A. M. Coverley: Is that an argument—that you think so?
>
> The ATTORNEY GENERAL: I do not think we want one period for the Upper House and another for the Lower House. I cannot agree to the Bill.

All the Government's supporters thought the same. They could not agree to the Bill, so it was defeated. In 1950 the same Bill was introduced and I would like to remind members of what the Attorney General said on that occasion. I quote from page 857 of "Hansard", 1950—

> The ATTORNEY GENERAL: Section 70 contains a provision, with regard to the North-West, that there shall be at least 35 days between the closing date for nominations being received and the poll. The proposed amendment would make a distinction between Legislative Council and Legislative Assembly elections.
>
> Mr. Graham: There is a lot of difference now.
>
> The ATTORNEY GENERAL: It is proposed to make a further difference. This provision is in the Act to enable absentee voters to register their votes.

Of course it was no such thing! Absentee voters can vote on polling day. He probably meant postal voters. He continued—

> The distinction exists because there are usually more absentee voters in a Legislative Council election than in a Legislative Assembly election. I think it would be unwise to make the proposed distinction.

That was only in 1950. For two years in succession it was very unwise. Twice we have had the Attorney General thinking that that aspect was very unwise. He would not have a bar of it, and the Bill was defeated. I want to know what has caused the change of heart. I suggest that probably the five-week period stopped any Government having a snap election. It was not possible to put on an election quick and lively with this provision in existence. Whether that is the Government's intention now, I would not be prepared to state definitely; but the circumstances are very suspicious.

The Premier: No, that is not it. What we had in mind is that it is an unnecessarily long-drawn-out campaign.

Mr. RODOREDA: Surely the Government could have seen that when the proposal was first introduced! Half a dozen speakers on this side told the Government about it in 1948.

The Premier: You have convinced us.

Mr. RODOREDA: The Government was given two chances to rectify the position, but after having experienced one election under these conditions it still rejected the

proposal. I may be a bit suspicious-minded, but I think I have given the reason for it. I do not object to the provision. I think it is a really good idea that an election campaign should be as short as possible from the point of view of the Government, the candidates and the people. I am thoroughly in accord with the Bill in that respect. The new provision for postal voting has some advantages, but it has drawbacks as well and in many electorates it will delay the final result from eight to 10 days.

The Attorney General: I do not think it will make any difference. There are the absentee votes, anyway.

Mr. RODOREDA: They are generally not a great factor, but in outlying electorates postal votes are. In many instances they decide the issue. It will be very difficult for the Chief Electoral Officer to know when he has every vote in for each electorate because the votes for, say, Kimberley, may be in the Albany box or they may be all over the State. He will have to wait till every return comes in before he can give a final count on postal votes as well as absentee votes. If the Government, or the Chief Electoral Officer, or members think that the advantages outweigh the disadvantages, well and good; but I do not think they do. After all, very few postal votes are rendered invalid because they are too late. If the candidates and their organisations are doing their job, most of the postal votes will be received in plenty of time. However, this is a matter that can be discussed further in Committee. I support the Bill.

Mr. W. Hegney: Will the provisions of this Bill apply to the elections to be held on the 28th February?

The Attorney General: Yes.

The Premier: What date?

The Attorney General: I do not know the date.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—LICENSING ACT AMENDMENT (No. 2).

Second Reading.

THE ATTORNEY GENERAL (Hon. A. V. R. Abbott—Mt. Lawley) [8.12] in moving the second reading said: This Bill is to amend the Licensing Act and the main provision is to carry into effect the Budgetary proposal put forward by the Premier whereby an estimated extra amount of £29,000 is to be collected from license fees that are paid by licensees within the State.

Hon. A. R. G. Hawke: Was this in the last policy speech?

The ATTORNEY GENERAL: At present, Section 73 of the Act provides for payment to the Receiver of Revenue of a percentage based on the business done by a licensee and the respective subsections of that section deal with various types of licenses. As the Act stands the percentage is assessed on the amount of business done and allows for a deduction for duties of custom and excise, and cost of carriage from place to place, and a deduction for package or carriage is also included by the Receiver in arriving at the result.

In the case of a licensee other than the holder of a spirit merchant's license or a brewer's license, the percentage is £6 per cent. In the case of a spirit merchant's license, a brewer's license and a temporary license, the percentage is £5 per cent. This also applies in the case of licenses held by clubs. The Bill proposes to amend the Act so that the assessment will be made on the value of the liquor, plus the excise that will be paid in respect thereof. The measure also provides that in the case of bottles the amount shall be paid on the value of the bottles.

Mr. Graham: What do you mean by the value of the bottles, the wholesale price?

The ATTORNEY GENERAL: The value of the liquor as sold by the bottle.

Mr. Graham: As sold to the trade or to the public?

The ATTORNEY GENERAL: In the same way as it is paid at present.

Mr. Cornell: Why do you not say that the tax will be levied on the invoice price, and be done with it?

The ATTORNEY GENERAL: That is quite right. It will be on the invoice price, but it will not be levied on the carriage, nor will a tax be levied on containers such as barrels, on which it is not paid at the moment. On the other hand, the amount of the assessments will be reduced from what I have mentioned, namely, 6 per cent. and 5 per cent. to 3 per cent., and there will be no distinction between the various licensees.

Mr. Cornell: That will be good for wine saloons, will it not?

The ATTORNEY GENERAL: It will be favourable to wine saloons because the excise on wine is less than it is on beer. In some cases it is very low. There is also an amendment to assist in cases of payment of license fees when the annual or other certificates are issued. At present if the license fee is not paid within the time prescribed by the Act, the license lapses. This has caused considerable inconvenience. It is now proposed to extend the time to such period as may be prescribed by regulation. This is not un-

reasonable because sometimes the license is renewed, but for some unknown reason the amount to be paid in respect thereof is not paid within the required time, and the license lapses.

Mr. W. Hegney: Will you, as Prices Minister, allow this to be passed on to the consumers?

The ATTORNEY GENERAL: That is a matter for the Commissioner of Prices.

Mr. W. Hegney: You are the Minister.

The ATTORNEY GENERAL: That is so, but the Commissioner fixes the prices.

Mr. May: What do you do?

The ATTORNEY GENERAL: I decide which commodities shall be controlled and which shall not.

Hon. A. R. G. Hawke: The Minister, by doubtful legal action, delegates all his authority to the Commissioner.

The ATTORNEY GENERAL: Those are the principal provisions of the Bill. Although there is to be some increase in the amount payable by way of license, the facilities afforded by taxing on the invoice prices will make for a material saving to the licensees. I am informed by those who do a large business that a clerk has to be kept constantly assessing account sales and deducting the excise duties for the various liquors that go out so as to have the tax assessed. This will be avoided because the invoice prices will be worked on. I think the Bill will mean a considerable saving which, in many cases, will amount to an offset of the increased tax that will be payable. I move—

That the Bill be now read a second time.

On motion by Mr. Graham, debate adjourned.

BILL—STAMP ACT AMENDMENT.

Message.

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

Second Reading.

Debate resumed from the previous day.

HON. A. R. G. HAWKE (Northam) [8.20]: The Bill proposes to impose a special tax upon winning bets made by an investor or a punter with a bookmaker at registered race-meetings. The Premier, when introducing the Bill, gave us to understand that it would, in addition to raising some extra revenue, be a gesture to the Grants Commission. He also indicated that the Grants Commission had made it plain that the Government in this State would have to raise additional revenue and possibly it indicated to the Premier some fields in which revenue was raised by State Governments in other States, but not in Western Australia. I do not at all like the system set out in the Bill for the raising, by the State Government, of further moneys.

It seems to me that the proposal is cumbersome and will, in operation, impose a considerable amount of work upon those who will be applying the system and dispersing the moneys which, in the first place, will be deducted by the bookmakers from the amounts of the winning bets to be paid to the lucky investors or punters. The cumbersome procedure to which I have referred is set out in the second part of the Bill which lays down that where a bookmaker is permitted to conduct his operations at a race-meeting he shall deduct from each winning bet 3d. for each 10s., and each fractional part of 10s. of a winning bet unless the whole of the winning bet so payable is less than 5s.

As an example, if a winning bet to be paid amounts to 10s. 6d., then the bookmaker will be compelled, by law, to deduct a winning bet tax of 6d. The procedure after that is to the effect that the bookmaker must pay an amount equal to all the deductions made by him in respect to winning bets, to the club or person conduction the race-meeting. He then has to furnish such particulars in regard to winning bets and deductions to such persons as the regulations prescribe. He has to record his betting transactions in respect of each race in duplicate so that the original and duplicate are clearly legible, and the duplicate is an exact copy of the original. He must immediately at the conclusion of each race, deliver the duplicate to a person who shall be appointed by the racing club or person conducting the meeting.

Then the racing club or person conducting the race-meeting must retain possession of the duplicate record until the Commissioner consents to its destruction. Where the bookmaker, instead of paying a winning bet, sets off the whole or part of the winning bet against any other amount owed to him, or credits the whole or part of that sum to a person, the bookmaker has to make a deduction on the whole or part so set off or credited at the time of the setting off or crediting activity. It will be seen that this proposed new system of taxation sets up a procedure which will demand a great deal of time and attention on the part of the bookmakers and those employed by them.

It seems clear that every bookmaker operating at a race-meeting will have to employ at least one additional clerk to make positive that the legal requirements of the new system are carried out in the proper way and within the time prescribed, in regard to each race on the programme, and also the whole race-meeting when it is concluded. This additional expenditure by the bookmaker will, of course, be paid for by the racegoers be-

cause it will mean a shortening of the prices which the bookmakers would otherwise make available to the racegoing public.

Mr. Totterdell: They could not be much shorter.

Hon. A. R. G. HAWKE: The member for West Perth may be quite right in his judgement on existing prices, but undoubtedly this proposed new system, which is quite cumbersome and places a lot of additional responsibility upon bookmakers in regard to the making, keeping and submitting of records, will mean that they will have no option but to offer investors or punters less favourable prices than operate under the existing system. Another bad feature of the Bill is that a racing investor could easily finish up the day losing a lot of money, but yet have to pay tax under this measure because he might have won a goodly amount on one or two races during the meeting.

It is not a tax on investors who have had a winning day, but on investors or punters who have been lucky enough to pick the winner of any one or more races during the day. A punter might have backed only one winner out of seven races, and might have finished up losing £50, or even £200, on the day. He might, however, have won £100 on the only winner he picked, and he would be taxed to the extent of one hundred threepences.

The Premier: Did you say one hundred threepences?

Hon. A. R. G. HAWKE: Yes.

The Premier: It is 2½ per cent.

Hon. A. R. G. HAWKE: Yes, that is correct. I am reckoning on the basis of a unit of 10s. A punter who finishes up having a losing day will be sore and sour, and will have considerable justification for it, if this proposal becomes law and he is taxed 50s. because during the whole of the afternoon's programme he has been lucky to have one winning bet of £100. I admit that that sort of thing would apply only to big punters, but the same principle would apply to all the smaller punters; one of them might have a winning bet of £2 on one race and it would cost him 1s. in special taxation. It is true that that is not very much but if, at the end of the day, the small punter in question has lost £2 he will be very sore and sour about the fact that the Government has swept in and robbed him of some of his winnings on a particular race.

So there is a good deal of injustice in this proposal, but what is more important is the cumbersome system that is to be applied to the bookmakers. I think the punters will take a dim view of the fact that this taxing proposal will benefit not only the Government but also, to a large extent the W.A. Turf Club and the W.A. Trotting Association.

The Premier: And all country clubs.

Hon. A. R. G. HAWKE: How much financial benefit will the average country club get out of this proposal? It would amount to very little over the year because country clubs do not have many meetings during the year. Those they hold are not very large and the total amount of money which would go to the average country club during 12 months would not be very much. However, the Turf Club in Perth and the Trotting Association in Perth will benefit considerably. I should say that the Turf Club in Perth and the Trotting Association would benefit to the extent of £15,000 a year each. Is it a fair proposition for this Government to come along and, on the excuse that it has to raise more money, tax the racegoers over and above the amount required by the Government so that it might be in a position to hand over £15,000 a year each to the Turf Club and the Trotting Association?

After all, the Turf Club and the Trotting Association are business organisations. They know how to raise money when they require it. They have ways and means available to them by which they can raise money and when the necessity arises they do not hesitate to use them. It is not a proper course for the Government to follow to use a taxing measure, which is to bring further taxation to the Government, for the additional purpose of slugging the racegoing public over and above what is required in order that the Turf Club and the Trotting Association might each receive £15,000 additional every year. There is no justification for it.

Mr. Totterdell: Are they not to be the collecting agents?

Hon. A. R. G. HAWKE: They most certainly are, but the work they will have to do will be minor compared with what the bookmakers will have to do. All the Turf Club and the Trotting Association will have to do will be to receive records which have been compiled by the bookmakers and their staffs and then receive their money. I should say that the Turf Club and the Trotting Association would be generously recompensed if they were to receive 2½ per cent. of the total amount paid in by the bookmakers as against the 20 per cent. which is proposed in the Bill.

The Premier: I think they would certainly lose in that case.

Hon. A. R. G. HAWKE: I am certain they would not. For instance, they will not have to employ any more staff than they do now.

The Premier: I think they will.

Hon. A. R. G. HAWKE: Surely their present staff could handle the small amount of extra work which those associations would be called upon to do in the event of the Bill becoming law. It might be thought that racegoers are well

off and have money to waste. My experience of the average racegoer is that he is a pretty hard-headed individual. He knows his way around and he does not go to the races or trots for the purpose of wasting money. They have to be tough to survive and it is surprising the very large number of racegoers, women as well as men, who regard racing and trotting from the business angle and it is remarkable how many of them work it out on a fine basis. They will take a very dim view of the attempted action of the Government to tax them in regard to their winning bets for the purpose of handing out generous gifts to the Turf Club and the Trotting Association.

A number of people who go to the races and trots in the metropolitan area consider that neither the Turf Club nor the Trotting Association gives them the deal to which they are entitled. It is true that the Treasurer said, in reply to an interjection during his second reading speech, that the Trotting Association and the Turf Club, and racing clubs generally, will use the money which they receive under this proposal to provide more amenities and better stakes. But there is nothing in the Bill to direct the racing clubs and the trotting associations as to what they shall do with the money they will receive under this proposal, if it becomes law. In any event, it is not a reasonable proposition to tax racegoers, even if some of the proceeds are to be used to improve amenities and increase the stakes at racing and trotting meetings. The Turf Club and the Trotting Association have big incomes; they receive their money easily, and there is not the slightest justification for slugging the racegoers to the extent proposed in this measure for the purpose of making a gift of roughly £15,000 each to the Turf Club and the Trotting Association every year.

If the Government considered that it ought to make a gesture to the Grants Commission it should have approached the whole proposition from a different angle. Instead of bringing forward this rather cumbersome and complicated system, the Government might have been better advised had it brought forward a proposal to increase the existing methods of taxation which are applied in connection with racing and trotting meetings. If the Government did not want to increase the totalisator tax—and I am not suggesting that it should have done so—it might have given some consideration to increasing the stamp tax on bookmakers' betting tickets. That is a simple system which operates at the moment, although I do not know what the tax is on those tickets.

The Premier: It is 3d., and I think 1d. in the country.

Hon. A. R. G. HAWKE: I do not know what it is, but the system is a simple one. It is easy to operate and it does not involve any extra work. If the Government had been looking around for a method of raising additional revenue I should have thought that a small increase in the stamp duty on bookmakers' betting tickets would have been the solution, and I am surprised that when the Government made up its mind to raise additional money from the race-going public it did not decide to follow that course instead of endeavouring to bring in this rather cumbersome system.

I do not like the system set out in the Bill; I think it has a number of weaknesses, some of which I have already discussed. I think it contains a fair measure of injustice inasmuch as it proposes to tax racegoers, not only for the purpose of giving extra revenue to the Government, but also for the purpose of giving extra income to the Turf Club and the Trotting Association. For the reasons which I have submitted, I propose to oppose the second reading of the Bill.

MR. NEEDHAM (North Perth) [8.43]: If this Bill becomes law it will not do so with my vote, because I intend to oppose the second reading. During my speech on the Budget I referred to the statement made by the Premier that he intended to introduce a measure which would place a tax on winning bets and he also proposed to introduce a measure to tax beer. I am wondering what next the Government will tax; there must be very little left. It reminds me of the old story about a drowning man grasping at a straw. This Government, in the dying moments of this Parliament, has introduced a measure of this character in the hope of getting a sum of £200,000 to tide it over between now and the next two or three months, when it faces its masters, the electors of the State. I believe I am not far wrong in saying that when that time comes the Government will no longer be on the Treasury bench.

The Premier: I am tired of hearing that.

Mr. NEEDHAM: This Bill has been introduced in the dying moments of Parliament, and I might say in the dying moments of a Government politically.

Mr. Graham: Hear, hear!

Mr. NEEDHAM: This Government, and I might say all Governments in Western Australia, no matter what their political beliefs, have received revenue from betting and from an illegal source. For years they have been collecting revenue from S.P. betting, which is illegal. Despite its illegality all Governments have continued to collect money into the revenue from the S.P. fraternity.

The Premier: You mean by the fines.

Mr. NEEDHAM: It is illegal. It has also been proved beyond all shadow of doubt that this form of betting is illegal, but the Government has turned a blind eye to it. Now we have this measure and, as the Leader of the Opposition has said, it is of a very cumbersome nature. I agree with my Leader that the bookmaker will have to do most of the work in connection with this matter and that the work left with the clubs will be infinitesimal. According to the statement of the Treasurer the clubs will benefit to the extent of £40,000 per annum so long as this law is in existence. I have nothing at all against the racing clubs. I know the W.A.T.C. and the W.A. Trotting Association have done a lot of good work in this State. I know that during the war years the Trotting Association particularly contributed a vast amount to charitable purposes.

I have every admiration for the executives of those bodies, but cannot understand why we should hand over to them the sum of £40,000 for the very little work they will do. If they had to do half the work expected of the bookmaker under this Bill then they would deserve some recompense for the time occupied by their staff. It has been emphasised by the Leader of the Opposition that all the work will devolve upon the bookmaker. When I was addressing the House on the Budget debate I suggested that the Government, instead of bringing down a Bill of this nature, should have brought in a measure to legalise S.P. betting. I venture to say that had the Government done that and had Parliament agreed to the legislation the Government would have got about as much revenue from that source as it will get from this. I am not in a position to say accurately what revenue is obtained from S.P. betting in South Australia or Queensland. But I feel sure that if some system were in operation in this State we would get as much revenue as would be obtained from this measure when it becomes law.

I am surprised that during the past six years the Government has not brought in legislation of that nature. It has been tried on one occasion and beaten, I think, by only one or two votes. You will remember, Mr. Speaker, that on that occasion the Bill was brought down by a Labour Government. I think that would be a fairer way, and it would be a more idealistic system than that which obtains at present where a number of men are brought before the court weekly and charged with the obstruction of traffic when they are engaged in making bets on races. We cannot abolish S.P. betting, and knowing that, I think it is the duty of any Government at this time in our State to bring in legislation to legalise it, and to regulate it so that we will not have the spectacle that we so often have on Saturday afternoon of men indulging in their bets in different quarters.

I do not blame the average man or woman for having a flutter. The average man or woman cannot afford to go to the racecourse; the charge for admission is too high. So they have to indulge their liking for horse-racing by patronising the S.P. man. Therefore, if the Government had brought down a measure to legalise S.P. betting—a measure similar to that introduced in this House in 1935 or 1936, I think I would heartily support it. I cannot support a measure of this kind, and if the Bill is passed it will not be passed with the help of my vote.

MR. JOHNSON (Leederville) [8.53]: There are a couple of items in this Bill on which I wish to comment. I know it will not make any difference to the final decision which will be made on the Bill but I would like to commend one provision, which is that the bookmakers' books should be kept in duplicate and that the duplicate should be put in a place where it is on Government demand. We all know that some people who endeavour to avoid taxation claim that moneys they have received in some manner or other have been made on the racecourse. The recording in an official manner of the winnings will make the checking of alleged winnings at least reasonably possible and will in that way add to the revenue. Admittedly it will add mainly to Commonwealth revenue in the form of income tax, but if the Commonwealth has more I take it that we will also have a greater chance of receiving more money. People will then not be able to say that they won £1,000 at the races when they got it some other way; they will have to tell a bit more on their income tax return.

There is one point on which I wish to comment rather strongly. Why give the racing clubs 20 per cent. of the collection? The stamp office should have the responsibility of collecting this amount and it could do so just as readily as the racing clubs. If extra staff is required it could employ it as readily as the racing clubs. It is not going to cost £30,000—which the clubs are going to receive out of this—to collect. We are short of taxation, the Treasurer tells us. Admittedly £30,000 goes nowhere in Government expenditure; it goes nowhere with this Treasurer and probably will go nowhere with the next Treasurer, but nevertheless it will be of some assistance. The stamp office at present has a staff of 13 to collect this tax, to supervise and to do all the work which is at present required by the racing clubs. It might conceivably take one more assessor at a salary of £900 a year and possibly two more clerks at about £500 a year—taking my figures from the Estimates. It

is not likely to take more than a total of three. So it would cost £2,000 a year to collect £30,000.

It is inconceivable that a Treasurer who claims to be short of money should give away—give away, mind you—£28,000. This amount would do a great deal; it could at least provide a start on the High School that is allegedly going into Leederville—the Kathleen Mavourneen school! The principle is wrong and I feel it should be examined. The Treasurer should examine it and see whether he cannot get that £28,000 instead of letting the racing clubs have it. I understand they are pretty efficient at getting hold of money and have their own ways of so doing. One of the points on which I wish to comment is the definition in the proposed Bill of a winning bet. I feel the Attorney General should have it examined between now and the Committee stage because, reading it as I do, it would appear —although I know it is not the intention— that the tax is payable on the whole of the money on the basis of a winning bet from the bookmaker to the investor.

Mr. Totterdell: Punter.

Mr. JOHNSON: Sometimes they are called mugs. If the amount is wagered in cash and a man makes a cash bet of, say, 10s., wins a pound and has thirty shillings coming his way, as it is set out in this Bill he will pay tax on £1 because the definition says the amount less the amount wagered. But if that bet had been made on credit the amount coming to the man would be £1—that is the amount which would pass from the bookmaker to the investor—and it would then be less the amount wagered whether on credit or otherwise. But the man who bets on credit in other circumstances would only pay his tax on 10s. while the man who bets cash will pay his tax on £1. I know that is not the intention, but it is the way I read it, though a lawyer might read it differently. However, the point should be examined. I cannot support the second reading.

MR. McCULLOCH (Hannans) [9.1]: I expected something better from the Government than is contained in this Bill. Last year the Commissioner of Police in his report, recommended that action should be taken in the matter of street betting. In my opinion, betting on the race course is just as illegal as is S.P. betting. How the Government can legally tax winning bets on the racecourse or elsewhere is beyond my comprehension.

If a tax on winning bets must be imposed, instead of penalising punters, it should be imposed upon the bookmakers. After all, the punter always loses.

Mr. Hearman: He has to learn.

Mr. McCULLOCH: I have not seen a poor bookmaker and I have met bookmakers all over the world. Neither have I known any of them to work. We are all aware that the majority of the horses belong to bookmakers or members of the club committees and that they are not there to enable the punters to win. They are on the bookmakers' side all the time. If the Government believes that it is in a position legally to tax betting, let the bookmaker bear the impost. We hear of bookmakers paying out on the tote odds and we know that the tax on tote dividends for winning and placed horses has already been deducted, but the Government is now going to impose a further tax of 2½ per cent. on the punter.

We were told by the Premier that the race clubs will improve the facilities for the public in return for the payment for collecting the tax, but the Bill makes no provision to that effect. The clubs will do as they think fit. We on the Goldfields used to pay an entrance fee of 5s. to the racecourses and today it is 14s. but no improvement has been made to the facilities. The miners, who keep the racecourses going, have had to pay the increase.

The police are unable to cope with S.P. betting and, in fact, it cannot be dealt with successfully anywhere in the world. It has been going on since before I was born and, in my opinion, it will continue for evermore. I quite expected that provision would be made in the Bill to legalise S.P. betting. We are well aware that a punter has to pay about 14s. admission charge to enter a racecourse and that makes a big hole in his pocket money. Consequently many of them decide to invest the few shillings they have with the S.P. bookmakers.

The proposed tax will not prove to be exceptionally heavy for big punters—3d. in every 10s. or part thereof—but it would not hurt the bookmakers to pay the tax. Efforts have been made to get S.P. bookmakers abolished, the plea being that all facilities to bet on Eastern States races can be provided on the course. The bookmakers, however, refuse to give more than certain odds. I feel that the whole measure is ill-conceived and I repeat that I certainly expected something better from the Government.

Steps should be taken to deal with S.P. betting. Every Saturday we may see men putting on their few shillings with the S.P. bookmaker and very seldom does the bookmaker come out a loser. I have known of only one bookmaker in hundreds who claimed that he went broke. I do not believe that he did, but I know that many punters have gone broke. Yet, under this measure, the punter is to be taxed if he wins 5s. or over. I repeat that it would be no hardship to impose this tax upon

the bookmaker. If the Bill reaches the Committee stage, I hope some amendments will be made.

MR. W. HEGNEY (Mt. Hawthorn) [9.10]: I was astounded to read the provision in the Bill under which, of an estimated revenue of £200,000, the racing clubs are to be reimbursed to the extent of £40,000. As the Leader of the Opposition indicated, the major portion of the £40,000 will be paid to the W.A. Turf Club and the W.A. Trotting Association. The bookmaker will be required to keep certain records in duplicate and must submit copies to the club responsible for the meeting.

I consider the sum of £40,000 to be phenomenally high. I may be wrong in thinking so, but I should like the Premier to indicate just what prompted the decision to make the amount of commission 20 per cent. We were told by the Premier that the £20,000 was intended to compensate the clubs for the great amount of extra work that would be entailed in collecting the tax, but we are entitled to be informed what authorities were consulted by the Premier or his staff as to the remuneration that should be paid to the clubs. Did the Premier or his staff hit on the 20 per cent. by rule of thumb?

The Premier: No, we considered the Victorian and South Australian Acts.

Mr. W. HEGNEY: The House is entitled to know just what extra work will be required of the race clubs. The Premier has indicated that he must of necessity introduce such legislation and that the Grants Commission had hinted that it would be advisable to do so. I do not propose to discuss the tax of 2½ per cent. proposed to be levied on winning bets. Suffice it to say that a backer could lose on one day and yet would pay tax when he won. This is only tinkering with the question of betting in general. I hold the view that, if it is illegal to bet with S.P. men in the suburbs, it is equally illegal to bet on the racecourses at Belmont, Goodwood, Helena Vale or Gloucester Park, especially as the punter would probably be betting with the same bookmaker or at any rate with a man carrying on the same calling. I cannot see why it should be considered illegal to bet with a S.P. bookmaker in the suburbs and quite legal to bet with a bookmaker on the racecourse.

The Government would have been well advised to have given consideration to the question of legalising betting in general. It is a very big question, but the time will come when, if the Government does not control betting, the betting will control the Government. I have a bet perhaps once in five years, but I am one of those that believe that the great majority of our people desire to have a small bet and that the traffic laws should not be invoked in order to prevent them from doing so. One sees a few people standing in the street in the suburbs doing business with a representative of the bookmaking interests, and the representative is charged by a police officer with an offence under the traffic laws and is forced to pay what is in fact an unofficial tax, every Monday morning, of £50 or £75. Such people must attend the police court, where they are fined, and the fine is simply a form of taxation.

The police officers are endeavouring to do their job, but the Commissioner of Police recognises that under the present set-up they cannot do it properly. Starting-price betting is so widespread in its ramifications that the bookmakers or their agents are to be found in practically every establishment in Perth. Even breadcarters, butchers' carters and others are acting as agents for starting-price bookmakers. We all know that that is going on and that it is illegal. I believe that the starting-price bookmakers should be legalised in some way and that the traffic laws should not be used in order that they or their agents might be fined for obstructing traffic, when in reality they are being dealt with for indulging in an illegal practice.

Hon. E. Nulsen: These fines are an illegal imposition.

Mr. W. HEGNEY: Of course they are. Betting is growing in volume in this State, and in the rest of the Commonwealth, as it is throughout the world. I maintain that a law that has nothing to do with betting should not be used in a vain endeavour to control it. The starting-price bookmakers themselves are not brought before the court because they have representatives who are prepared to do that. The fines of those men are paid by their principals. All Governments in this State have looked upon those fines as a form of taxation, and that in itself is immoral. The practice of S.P. betting should be stamped out entirely or else legalised. For the Government to bring down a measure of this kind, higgledy-piggledy, at this time of the night, and tell us that, of the £200,000 proposed to be raised under it, £40,000 is to be paid to the sporting clubs for collecting it, does not make sense to me. I oppose the Bill, and hope the House will not agree to the second reading.

MR. GRAHAM (East Perth) [9.20]: I am amazed at the Government, in all seriousness, when apparently for the first time it feels financial stringency, submitting a measure which seeks to divert a proportion of the proposed new taxation and hand it over to sporting bodies as represented by the racing and trotting clubs. To my mind, the suggestion is ludicrous. We know that the Government is reaching and grasping in all directions

—whether through increased fees for motor-driver's licenses or for the registration of fruit-trees or anything else—in an endeavour to raise a few additional pounds, yet in this Bill there is contained a proposal to hand over approximately £40,000 to the racing and trotting clubs of Western Australia. I think the member for Cottesloe will agree that the surf life-saving clubs are far more entitled to reward than are the racing and trotting clubs. As the member for Leederville said, there are a hundred and one different bodies and causes that should receive financial help from the Government before any is given to the sponsors of the two sports I have mentioned. The Government pretends that there is a great deal of work and responsibility being thrust on to the shoulders of these sporting bodies, but from my reading of the Bill I think almost all the work and responsibility will be thrust upon the bookmakers.

I have no axe to grind, because as a matter of historical fact, I have never been on a racing or trotting course in my life. The implications of the Bill have no effect on me personally, but if members peruse the measure they will see that it states that the bookmaker shall deduct from each winning bet 3d. for each 10s. or fractional part thereof, and shall pay to the club conducting the meeting an amount equal to those deductions and shall furnish such particulars as the regulations prescribe, and shall record his betting transactions in duplicate and immediately, at the conclusion of each race, deliver that duplicate to a person authorised by the club. The bookmaker is required to do all those things and is to receive nothing in return. I do not necessarily claim that he should receive anything for it, but all the racing club is asked to do is to retain possession of the duplicate records until the Commissioner consents to their destruction. For that the clubs and those associated with them are to receive £40,000 per year, from this Government, which apparently has unlimited funds to spare.

In the light of the facts, I cannot imagine what is possessing the Government. If an additional burden is being placed on the sporting clubs, surely they should be prepared to bear it in the same way as the bookmaker is being asked to bear it! It is absurd to single out one section of the people concerned and ask them to do all the extra work for nothing and then give the other section £40,000 simply for retaining certain papers for a period.

Mr. Hutchinson: They would have to employ a runner to pick up the duplicates.

Mr. GRAHAM: I hear from on my right, sotto voce, that they employ them now, but I am certain that the member for Cottesloe would not suggest that a cost of £40,000 would be incurred in that direction. The Premier said that with this money the clubs could improve the grounds, provide additional stakes for the owners of successful horses, and so on. Fancy the Government, at a time like this, subsidising race clubs for that purpose, when there are so many worth while charitable bodies crying out for a few pounds because they cannot make ends meet! I do not know whether the Government is adamant in this matter. I do not believe the racing clubs should receive anything for doing this work, in view of the insignificant amount of work entailed. It would be just as reasonable to suggest that I should be recompensed for having to pay my motor vehicle license, which puts me to a certain amount of worry and expense.

After all, certain things have to be done in conformity with the law, and the racing and trotting clubs should be obliged to do this work without receiving any out-of-pockets and so much more in addition. If the Government feels that they should be paid something for the work involved, why not make it 2 per cent. instead of 20 per cent.? If they received £4,000 instead of £40,000 for the small amount of work they are being asked to do, that would be reasonable, though, I repeat, I would not give them anything. I am inclined to agree with other speakers that, instead of dabbling in the betting question—one must concede that there is necessity for the Government to obtain additional revenue—a new approach should be made on an all-party or non-party basis in order to deal with this vexed question of betting, both on and off the course.

It is well known that there are a number of subjects of great importance to our community but which Governments of all shades are reluctant to approach, largely because of the conflict of public opinion with regard to them. No political party seeks to run up against and incur the displeasure of the powerful groups concerned. One such question is liquor reform and, while we did have a reasonably comprehensive series of amendments to the liquor laws last year, we were still only tinkering with the subject. Sir Ross McDonald made an attempt to improve the law relating to matrimonial relationships, but there is a reluctance on the part of members on both sides of the House—irrespective of what party occupies the Treasury Bench—properly to deal with that question. There is no need for me to deal with the various aspects of betting, but we know that it is just as unlawful to bet with a bookmaker on the course as to bet with an operator in a shop or round a street corner—

The Premier: There is a great difference of opinion about that.

The Minister for Education: I am afraid that, on a recent declaration, the High Court would not agree with you.

Mr. GRAHAM: I have still to be satisfied in that regard.

Hon. E. Nulsen: No legislation has ever been passed legalising betting, even on the racecourse.

Mr. GRAHAM: No, other than on the totalisator.

The Minister for Education: And none making it illegal.

Mr. GRAHAM: If an act is performed on a racecourse and is allowed to continue because it has not been declared illegal, why were certain individuals hounded from the premises they occupied in the metropolitan and country districts when they were performing the same act? Surely the whole question should be clarified beyond argument!

The Minister for Education: I suggested last night that you should study the question of law reform in relation to the Criminal Code, and I think that you should do the same with this question.

Mr. GRAHAM: I confess that I have given a great deal of thought to it, but I think the Minister will agree that the present situation with regard to betting is far from satisfactory. I feel that something would be accomplished—not only on the eve of an election but shortly afterwards—by an all-party committee getting together to see if it were possible to produce something that is workable, reasonable and with a recognition of all the facts. Irrespective of my personal opinion—I have nothing against betting—

The Premier: This is S.P. betting you are talking about?

Mr. GRAHAM: Yes. I have no interest in betting and that is why I do not go to the races. Whether it is because my Scotch blood predominates I know not, but they do not appeal to me. However, many thousands of people get a great deal of enjoyment from attending them and periodically have successful results. People are attracted to the racecourses to bet and will not be denied this privilege. Irrespective of what we seek to do to prevent it, we will only drive betting underground. When a Royal Commission was held several years ago I submitted a lengthy statement of my views on the question, but I do not intend to recapitulate those tonight.

Some official recognition, however, has to be given to S.P. betting and some control put into effect. Apart from the objections I have outlined, there is one other observation I would like to make. I am aware that at least one member of this House and possibly more desires to make certain observations, gather information, and discuss various aspects of the Bill with the people directly concerned. Accordingly I ask the Government to agree to any motion for an adjournment of the debate with a view to allowing the measure to be dealt with finally one day next week. I know that at this stage of the session—

The Premier: You mean you do not want the Bill to go into Committee.

Mr. GRAHAM: That is so.

The Premier: All right.

Mr. GRAHAM: The people who desire to make these investigations can hardly move to have the debate adjourned. I know the Government desires to complete the second reading tonight, but on the assurance of the Premier it will stop at that stage so that what I have already outlined may be undertaken.

MR. RODOREDA (Pilbara) [9.35]: There are many angles to the Bill apart from those dealt with by the Premier when he introduced it. He must have become aware of that by the trend of the debate today. As far as I can see, the question of S.P. betting is not a subject to be discussed at this stage and I propose to stick to the Bill itself, if possible. In common with other members, my main objection to the measure is the large amount proposed to be paid to the racing clubs. I agree with the member for East Perth and I would not give them one brass farthing. Do we pay commercial firms to collect payroll tax, income tax or sales tax? Why should we pay the racing clubs to collect this tax?

Mr. Graham: And entertainment tax.

Mr. RODOREDA: It is stupid to introduce a new principle such as this when employers are compelled to collect other forms of tax at a great deal of expense to themselves and are liable to prosecution if they do not carry out the law. I have heard a great deal about the amount of work that would have to be done by the bookmakers and the W.A. Turf Club. No extra burden whatsoever would be placed on the bookmaker or the officers of the racing clubs. The bookmaker's clerk could have his tax figures ready in less than a minute after each race is finished. He has a record of the amount he has to pay out and the amount that is held by the bookmaker, and to subtract one amount from the other would only take 10 seconds in order to decide what sum should be paid to the racing club.

These bookmakers' clerks are some of the smartest men with figures I have ever seen. To deduct 2½ per cent. tax from individual bets would be just child's play to them. Now, what extra work would

the Turf Club have to do in order to collect this tax? None at all! As far as the W.A. Trotting Association is concerned it already collects duplicate sheets from the bookmakers after each race, so no extra work will be done by its employees. It would only be a question of one of the stewards going round after each race collecting the duplicates from the bookmakers in order to submit them to the office of the racing club or the trotting club. Therefore, what extra work is involved?

Mr. GRAHAM: Apparently £40,000 worth.

Mr. RODOREDA: To collect this tax not even the services of an additional bookmaker's clerk or a clerk in the Turf Club office would be required. The punter has to stand the expense and I am not averse to that, either. For years past those who have bet on the tote have paid 13½ per cent. tax and not 2½ per cent. Yet the man who bets with a bookmaker does not pay a brass farthing in tax. There is a differentiation between the two classes of punter.

Mr. Mann: That is on turnover, too.

Mr. RODOREDA: Yes. If the totalisator tax was not imposed the return for the punter would be 13½ per cent. greater. There is no administrative difficulty about this matter. We will admit that the Government is in great need of revenue, but whether this is the right way to obtain additional money I am not prepared to say. Other States have imposed a similar tax and have met with no difficulty. Perhaps some of the racing club officials have talked the Premier into the belief that the imposition of this tax will discourage punters from going to the racecourse.

The Premier: The racing clubs have not talked me into anything.

Mr. RODOREDA: I defy anyone to tell me that the racing clubs or anybody else would incur any extra expense by collecting this tax. I suggest that the Premier ask the racing clubs to collect it for the Government without any payment and without any expense to the State. The Premier was wise to agree to the suggestion by the member for East Perth to allow the debate on the Bill to be adjourned at the conclusion of the second reading, because he will probably save himself £35,000 or £45,000 a year.

The Premier: I agree that if we complete the second reading stage tonight we will not take the Bill into Committee or, at least, will allow it to enter the Committee stage and stop there.

Mr. RODOREDA: I hope the Premier will obtain information as to the amount that is collected from the tax on betting tickets before the Bill goes into Committee.

The Premier: That information is in the Estimates.

Mr. RODOREDA: I could not see it when I looked for it today.

The Premier: It is in the tables at the back of the latest "Hansard". The tax obtained amounts to £34,550.

Mr. RODOREDA: That is on the 3d. tax?

The Premier: I think it is 3d. in the enclosure and 1d. in the leger. That information appears on page 2262 of the latest "Hansard".

Mr. RODOREDA: There is no reason why that tax should not be increased to 1s. to conform with the present-day rising costs. That would not hurt anybody. It would certainly not hurt the bookmakers.

Mr. Cornell: Perhaps the Premier could arrange for Treasury betting tickets to be issued by S.P. operators.

Mr. RODOREDA: That is a point we cannot discuss during this debate. There will be an opportunity to raise it on the Estimates and I hope members will take advantage of it. I am glad the Premier has assured us that he will allow the discussion to stop at the Committee stage.

MR. CORNELL (Mt. Marshall) [9.41]: I regret that what I intended to say on the Bill has been stolen from me by the speaker who has just resumed his seat. This Bill seeks to impose a tax at the source but introduces a new principle into our taxation laws, different from the pay-as-you-go system as we know it in Australia today. The volume of work that is carried out by employers in collecting income tax on behalf of the Treasurer is considerable. For instance, as members know, an employer deducts the tax from the employees' wages at the source each week and in due course remits it to the Treasury. He has to keep a record of the total amount of tax deducted for each employee, and at the end of each year he is responsible for issuing to the employees group certificates and for furnishing a summary sheet of the tax deducted to the Taxation Department. For that service he receives precisely nothing.

It would be interesting to know what it costs to keep such records on behalf of the Treasurer in a firm such as Boans or in any other large establishment in the city which, has to keep these records without remuneration, according to our taxation law.

Under the Bill one-fifth of the total amount obtained on winning bets is allowed to be retained by the person collecting it and, as the previous speaker pointed out, the work involved is practically negligible. Recently I asked the Premier

whether it was considered that the remuneration the racing authorities would get from this tax would be commensurate with the work involved. The Premier, after making an estimate, said the amount would be in the vicinity of £35,000 but he rather evaded my question.

It is expected that the amount received by the club will be spent on the provision of further amenities for the public and to increase the stakes. There is no guarantee or assurance that the racing authorities will do this. Under the Bill it is proposed to permit them to retain the money to use it as they think fit, and there is nothing that the Premier or anybody else can do to prevent it. There is no guarantee that the stakes will be increased nor that better amenities will be made available to the public and, what is more important, in an endeavour to combat S.P. betting, that the admission prices will be reduced because of the revenue they will receive under this measure. If the Premier desires to ensure that increased stakes are paid, he should endeavour by this Bill or by another to tighten up the provisions a little more.

Perhaps the money could be retained by the Treasury—although that would be a most dangerous precedent—and made available to the racing authorities for some specific purpose. To give them an open cheque and pay them money on the assumption that they may do certain things, would, to my mind, not be in the interests of the public generally. I would support any attempt to reduce the amount that the racing authorities will receive under the provisions of the Bill, because I feel sure they will not spend the money as the Premier intimated they would in answer to the question I put to him in the House. I am not particularly happy about the measure generally, but I know it has not brought forth any public outcry. In view of the Government's desperate financial position, I shall support it in principle, with the reservations I have indicated.

Hon. J. B. SLEEMAN: I move—

That the debate be adjourned.

The Premier: No, let us get on with the second reading and take the Bill into Committee.

Motion put and negatived.

HON. J. B. SLEEMAN (Fremantle) [9.46]: If the debate on the Bill cannot be adjourned one way, we will deal with it by some other means. I oppose the Bill because I do not think it is justified. It does not represent justice. We have had many arguments in this House with regard to betting, S.P. and otherwise, and I might inflict upon the House the report that was compiled in South Australia on the betting question. I shall not do that because the report that I quoted some years ago covered a good many pages in "Hansard". I said previously that I considered the whole question of betting should be thoroughly investigated. In this instance, I do not think the measure is just. The intention is to impose a tax on winning bets.

A man might go to the races and lose anything up to £80 or £90, and because he collects on the last race he will have to pay taxation. That is wrong. Something of this nature should have been done years ago. I think we should do what was proposed with regard to another Bill the other night, when we suggested that it should not be proceeded with until the report of a Royal Commission dealing with the subject had been furnished. I think this legislation should not be proceeded with until a thorough inquiry into all phases of betting has been conducted. Not one member in this House, even though he be a member of the legal fraternity, can say whether betting is illegal or not.

I know that on one occasion a High Court judge said that betting was not illegal and then it was decreed, that betting on a racecourse was illegal. In one instance a man who was betting on a racecourse was charged with the offence and was fined 1s. Therefore we have a judge saying it is legal and a magistrate saying it was illegal on a racecourse. When S.P. betting was conducted in shops, those conducting them were arrested and charged with having kept common gaming-houses or betting-shops, which was illegal. That drove the operators into the street and then they were charged with obstructing the traffic and have been fined amounts of up to £40. The whole thing is a damned farce. Those people were charged with obstructing, and they were obstructing nothing.

It is up to the Government, or any future Government that deals with the problem, to have a full inquiry into the subject of betting, so that members may know what the position really is. No one knows at present. Why should there be any hurry? In the next few months there will be an election. Whatever political party is returned to power should authorise the inquiry I suggest into the betting question and then a report could be submitted to members that would indicate what the legal position really is. Members would then know where they stood. The time has long since passed when people should be charged with obstructing when they are simply making bets.

To my mind, someone charged with the offence should make it a test case and find out whether the charge of obstructing can be maintained. I have noticed people in yards or on vacant blocks and they have been charged with obstructing—and they were obstructing no one at

all. Instead of fooling about with the business and taxing people just because they may have a winning bet, something more comprehensive should be undertaken. The Government is very short of money and yet it proposes to give nearly £40,000 to the racing clubs.

Some members have said that the bookmakers should keep a duplicate record of the bets made with them. I do not know what happens at the gallops, but I have watched what goes on at the trots. A man rushes round to the bookmakers at the end of a race and says, "Give me your betting sheet." If the bookmakers make them in duplicate, I do not know. I think we should lay this Bill aside and do the job properly next session. We would then find out where we are. I move an amendment—

> That the word "now" be struck out with a view to inserting the words "this day three months" in lieu.

THE PREMIER (Hon. D. R. McLarty—Murray—on amendment) [9.52]: I hope the amendment will not be agreed to. It would mean the defeat of the Bill. As I explained to the House when I introduced the measure, the idea is to get more revenue. I expect from this measure a sum of £200,000 will accrue to the Treasury.

Mr. Needham: You will not get that if you are to pay out £40,000.

The PREMIER: I say we will get about the sum I have mentioned. Let me remind members that the reason for the Bill and its urgency arises out of the demands made upon the Government in many directions by just about every member of Parliament. If the Bill is deferred for three months, it means we shall be without that amount of revenue for many months to come, and certainly that will be an embarrassment to the Treasury. I have already informed the member for East Perth that I do not intend to rush the Bill through tonight. Certain criticisms have been voiced regarding the measure, and I think those points should be investigated. I would like to investigate them myself. I hope that tonight the second reading of the Bill will be carried and the Committee stage postponed.

Hon. J. B. Sleeman: You introduced it only yesterday.

The PREMIER: Yes, and I do not mind if the Committee stage is postponed until Tuesday next, which will give members an opportunity further to consider the Bill. At this stage I do not propose to refer to any of the comments made regarding the Bill but will do that if the amendment is defeated.

Amendment put and negatived.

THE PREMIER (Hon. D. R. McLarty—Murray—in reply) [9.54]: A suggestion was thrown out by the member for East Perth, and later by the member for Fremantle, that the matter of betting should be considered first of all as an all party matter and that makes an appeal to me. I would be agreeable at some future time to setting up a representative committee of this House, drawn from all parties, to give consideration to betting generally and to submit recommendations. I believe that only by such means would it be possible for us to reach a solution of the problem—if a satisfactory solution can be reached at all. Therefore I am quite prepared to give favourable consideration to the suggestion put forward by the member for East Perth and by the member for Fremantle in the direction I have indicated. I was sorry to hear the Leader of the Opposition say that he intends to vote against the second reading. He considers that this is a cumbersome method of collecting the tax and will cause bookmakers very considerable trouble. I agree with the views expressed by the member for Pilbara. I do not think it is a cumbersome method or that it will cause the bookmakers much extra work.

Hon. A. R. G. Hawke: It is much more cumbersome than the present method of stamp duty paid on tickets.

The PREMIER: Stamp duty has to be paid on betting tickets at present and when a bookmaker completes his day's transactions, he lets the racing club have a copy of his dealings and the club is able to inform the Taxation Department exactly what amount is due to it.

Hon. A. R. G. Hawke: Why introduce a second method?

The PREMIER: Let us have a look at the second method. All that is required is that the bookmaker writes down his bets. He takes a carbon copy which he hands to the race-club. I do not see any great difficulty about that. As the member for Pilbara said, a bookmaker's clerk should have little difficulty at the end of the day, or even at the end of each race, in telling the bookmaker what his obligations were respecting the tax. I do not see anything cumbersome about that. It is true, as the Leader of the Opposition said, that a punter might have a losing day at the races and yet still have to pay the tax.

Mr. May: He might pick a winner on the last race and be a heavy loser on all the previous events.

The PREMIER: I said that if the man's winnings did not equal his losses it would not matter; he would have to pay tax on his winning bets. That is right and I do not know how we could get over the difficulty. It would be impossible to provide in the Bill that a man should pay on his winnings for the day. I do not regard that as a practicable proposition. If we are to have a winning bets tax, it must be on winnings only. I do not think the tax will drive people

away from the racecourse to the starting-price bookmaker. After all, it represents a small tax of only 2½ per cent. I do not think the ordinary punter—most of them go to the races for the sport and not from the standpoint only of the profit they may make—would object to paying 2½ per cent. on his winnings.

Mr. Needham: You will send them back to the S.P. bookmakers.

The PREMIER: I do not agree with the hon. member.

Mr. May: They may go to the races but will have their bets before they go there. That is what I think will happen.

The PREMIER: It is a matter of opinion. It may have some effect in that direction, but I think it will be of little effect. With regard to the 20 per cent. to be paid to racing clubs, I would point out that portion of the winning bets taxed in Victoria and South Australia is paid back to the racing clubs. The clubs will be put to some expense in regard to the collection and payment of this tax.

Mr. Graham: Do you honestly believe they will?

The PREMIER: Yes. This is a small matter actually, but I think that the W.A.T.C. and the Trotting Association may have to employ an extra clerk to look after this side of the business.

Hon. E. Nulsen: I think that 20 per cent. is very extravagant.

The PREMIER: I have heard that view expressed by several other members this evening. We are taking this money, which the tax will provide, from the patrons of the racing clubs and the trotting clubs of the State. From the tax we are giving something back to the clubs for their work in collecting it; and although it is not provided in the Bill, we suggest that the money should be used to supply better amenities for patrons and perhaps higher stakes. It could, of course, be used in other directions.

Mr. Graham: Are there not more deserving cases in Western Australia?

The PREMIER: Just a minute! It is left to the discretion of the racing clubs. They might say, "With this, we can reduce admission fees to racecourses." I do not know. I have not discussed this aspect with them, but that is one of the possibilities.

Hon. A. R. G. Hawke: That would reduce taxation.

The PREMIER: I do not know whether it would. If it had the effect of bringing more people on to the racecourse, to use the tote, it would increase the amount of money to be derived from the totalisator tax and from this tax as well.

Mr. Needham: I think you are doing a lot of guessing.

Mr. May: I think the object should be to reduce and not to encourage this business.

The PREMIER: The member for Collie has spoken! What is he doing about it? The member for East Perth asks whether this money could not be used in better directions. That is right outside the scope of the Bill, but I suppose I can say something in reply. I hope that this money will be used in many directions for the betterment of the people, but even to the particular bodies he mentioned we may be able to give something as a result of this additional money. Something has been said about the illegality of betting on the racecourse. So far as I can ascertain, there is nothing at all illegal about betting, as such. For instance, I could have a bet with members opposite, provided it was not on the election results or something like that, and it would be perfectly legal.

Mr. McCulloch: Even S.P. betting is illegal?

The PREMIER: No; but if I am obstructing, I am committing an illegal act.

Mr. W. Hegney: Obstructing what?

The PREMIER: The traffic, or the hon. member passing along.

Hon. A. R. G. Hawke: What about theatre queues?

Hon. E. Nulsen: It is definitely not legal to bet on the racecourse.

The Attorney General: You can bet on the racecourse. It is a question of consorting for the purpose of betting.

Hon. J. T. Tonkin: Do you consort with the totalisator?

The Attorney General: That is legalised by Act.

Mr. Kelly: Whose brain child is this Bill?

The PREMIER: I have a note that I wanted to read dealing with this matter, but I have mislaid it. In looking into this subject and hearing it said that betting on the racecourse was illegal, I tried to get an opinion about it. As I have said, betting in itself is not illegal. I have found the extract from which I wish to read. It is from page 173 of Gunn's Commonwealth Income Tax Law and Practice, 3rd Edition, 1951. Under the heading of "Profit from illegal transactions" it is stated—

> The fact that a trade or transaction is unlawful does not prevent its profits from being assessable.

Then it goes on to quote certain cases where judgment in regard to the legality of taxing from income has been upheld. For instance, there was the case of Partridge v. Mallandaine in 1886, and a smuggling case, Lindsay v. I. R. Commissioners, in 1932.

Hon. J. B. Sleeman: Is betting on the racecourse illegal?

The PREMIER: No, I do not think it is.

Hon. A. R. G. Hawke: The information the Premier is quoting has nothing to do with the point under discussion.

The PREMIER: No, except to show that even if this money were being illegally obtained, it would still be taxable.

Mr. Graham: Yes. If you break the law by overcharging for certain commodities, your profits are subject to tax, but that does not prove it is legal to overcharge. I think you had better lose that piece of paper again!

Hon. J. B. Sleeman: This is tainted money.

The PREMIER: Even if the claim made by some members that betting is illegal were correct, the income would still be taxable.

Hon. J. T. Tonkin: Suppose a bookmaker did not pay the tax which he was supposed to pay on one of these transactions, would you not be in the same position as they are in Victoria with regard to women, that the bookmaker could not recover it?

The PREMIER: The bookmaker?

Hon. J. T. Tonkin: Yes.

The PREMIER: I am not prepared to answer that question. I would draw attention to the fact that there is a tax on betting tickets now, and that has been collected by Governments for many years. It has not been questioned, because it is generally agreed that success would not be achieved if a challenge were made. If that tax is legal and can be collected, this tax is equally legal.

Mr. Styants: There was a test case with regard to betting at the Goodwood racecourse some years ago.

The PREMIER: I do not think we need have any fear in that direction. I do not know that I can say anything more in support of the Bill. Those are the facts as I know them.

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

Ayes	....	25
Noes	....	20
Majority for		5

Ayes.

Mr. Abbott	Mr. McLarty
Mr. Ackland	Mr. Nalder
Mr. Butcher	Mr. Nimmo
Dame F. Cardell-Oliver	Mr. Oldfield
Mr. Corneil	Mr. Owen
Mr. Doney	Mr. Perkins
Mr. Grayden	Mr. Read
Mr. Griffith	Mr. Thorn
Mr. Hearman	Mr. Totterdell
Mr. Hill	Mr. Watts
Mr. Hutchinson	Mr. Wild
Mr. Mann	Mr. Bovell
Mr. Manning	*(Teller.)*

Noes.

Mr. Brady	Mr. McCulloch
Mr. Graham	Mr. Moir
Mr. Guthrie	Mr. Needham
Mr. Hawke	Mr. Nulsen
Mr. J. Hegney	Mr. Rodoreda
Mr. W. Hegney	Mr. Sleeman
Mr. Hoar	Mr. Sewell
Mr. Johnson	Mr. Styants
Mr. Lawrence	Mr. Tonkin
Mr. May	Mr. Kelly
	(Teller.)

Pairs.

Ayes.	Noes.
Mr. Brand	Mr. O'Brien
Mr. Yates	Mr. Coverley

Question thus passed.
Bill read a second time.

In Committee.

Mr. Perkins in the Chair; the Premier in charge of the Bill.

Clauses 1 and 2—agreed to.

Progress reported.

MOTION—GOLDMINING INDUSTRY.

To inquire by Select Committee.

Debate resumed from the 22nd October on the following motion by Mr. Moir:—

> That a Select Committee be appointed to investigate and report upon the difficulties facing those engaged in producing gold, with particular reference to the effect of freights, water and other charges upon such operations, and to make recommendations by the use of which the Commonwealth and State Governments could assist and encourage the greater production of gold, including production by prospectors.

Mr. BUTCHER (Gascoyne) [10.15]: I realise there is hardly any time now to do anything really worth while with the motion, but I still think we should voice our opinions as to the urgency of the matter. I do not believe there is any member here who has not a deep sense of the great debt that Western Australia owes to the goldmining industry. It was the discovery of gold that caused the population of the State to rise almost overnight. Thousands of men were attracted here to try their luck. These men by their courage and tenacity discovered goldfield after goldfield, and the result was so momentous that the whole State potential had to be recast. These men—prospectors we call them but they are really explorers in the true sense of the word—kept penetrating deeper and deeper into the interior. Not only did they pave the way for the foundation of the goldmining industry, but, due to their explorations, the pastoral and farming areas were quickly opened up. Indeed, many prospectors turned their attention to grazing and farming. They caused the old idea that Western Australia was a land of sand and sorrow to be discounted.

To show that the motion is necessary I read from "The West Australian" of the 1st October as follows:—"The Sons of Gwalia had a loss last year." That is indeed bad. We know that the Gwalia is one of the outstanding mines beyond the Golden Mile. If it should close down through losses, the repercussions will be terrific, not only to the towns of Leonora and Gwalia and the adjacent districts, but to the whole economy of the State. It is well that we should ponder on the great pioneer statesmen of the days of the golden era. We should take into consideration their tremendous works programme, including the construction of railways eastward to Kalgoorlie, northward to Laverton and southward to Norseman, and also from Geraldton to Meekatharra, from Mt. Magnet to Sandstone and from Port Hedland to Marble Bar. Their programme also included the pumping of water from Mundaring to Kalgoorlie, the sinking of huge dams, and the development of rock catchments throughout the whole of the auriferous areas.

It is, as I have said, well that we should ponder on these activities and model our behaviour on their greatness. When I see that mines like the Sons of Gwalia are in danger of closing I realise that there could be repercussions of great magnitude to the State due to the danger that the railway lines from Kalgoorlie to Laverton, from Mullewa to Meekatharra and now to Wiluna, are in. We know that losses of revenue due to the decline in mining has made these propositions almost a Treasury impossibility. Unless we can stimulate traffic on these lines the difficulties will become too heavy for the State to bear. Therefore I say it is right that we should do everything possible to give this great industry a blood transfusion to arrest its mad rush towards extinction—and I say that with all sincerity.

We have so much that we owe to the industry that it would be madness indeed if we did not do everything possible to preserve its life. We who have an intimate knowledge of the industry know that all mines, no matter how good they are, have an economic life, but we are concerned because that life has been shortened by rising costs in all directions—transport, water, and, in some instances, taxation. So it is only proper that this House should resolve to do something to find ways and means of arresting the gallop towards the untimely extinction of goldmining. We know today that there are many efficiently-managed mines that have to work on a much higher-grade ore than they should be working on to meet the rising costs. If we could reduce those costs we would naturally prolong the lives of the mines.

We know also that there are some mines where, owing to bad management, or because of insufficient profits being put back into development, the development is lagging so that should a stope run into a section of lower grade ore, or an unexpected fault occur, then the battery is short of ore, and ultimately the mine closes down. I have here another extract from "The West Australian," under the heading "Rich crushing from the Bellevue Mine"—

> A crushing of 100 tons of oxidised ore from the Bellevue mine gave a return of 484oz. 6dwt. of bullion over the plates, an average of about 4oz. 18dwt. to the ton, at the Ora Banda State Battery on Wednesday.

This is a case of a mine closing down prematurely. All of these things could be inquired into and ways and means found so that development would be undertaken as it should be to preserve the continuity of ore supply. It is now that I must disagree with the motion because, in my opinion, it does not go far enough. I realise that gold is becoming more difficult to find. All of the easy surface deposits have been more or less discovered, and now we have the serious proposition to tackle of making new discoveries. But there is another field which, I think, will do for Western Australia what the goldmining industry did 50 or 60 years ago, and that is the mining of base minerals.

Base minerals occur very largely in association with gold. One of the great examples of that today is to be found in South Africa where the greatest goldmines of the world—the Rand—are now extracting uranium from the lode material. Not only will they be the greatest goldmines in the world but they will probably be the greatest producers in the world of uranium. That mineral, hitherto, has been pumped to the residue dump, but they are now erecting a £40,000,000 plant to recover it. We have quite recently found in Western Australia highly radioactive minerals in jasper dykes on the Murchison, and those dykes are no different from literally thousands of others that are to be found all through the auriferous belt of Western Australia. So there is a great field for development there. There are other minerals, too.

I have a quotation from the "Daily News," "Rich Yield of Scheelite." That was from Laverton, just where we want it at the head of the line to make traffic for the railway. As a gold-producer the mine would not be worth twopence—it is on 4-dwt. dirt—yet £1,400 of scheelite was recovered from 9¾ tons of this low-grade gold ore. To my way of thinking it is necessary that the prospecting for these base minerals should be encouraged. The minerals are in the hinterland which is where we want them so that we can keep open our great railway lines, upon which the pastoral industry and, in fact, the whole future of the State, depend. North of Meekatharra there is a huge deposit of manganese. Recently we had a very firm

inquiry from America for it, but just at that time the B.H.P. had trouble in getting manganese from India, and an embargo was placed on the export of manganese from Western Australia or Australia.

The B.H.P. is taking 10,000 tons a year at a very fair price for the mining company, but 10,000 tons out of a 1,000,000-ton deposit is a very small amount. If that ore could be exported, look at the revenue that would accrue to our railways by the transport of that ore from Meekatharra to Geraldton. Also, in that locality there is a great deposit of chromium and, owing to the financial restrictions at the time, the prospectors were not allowed to obtain capital to put into it. In my opinion that needs investigating. If something could be done about that deposit large quantities of ore would be transported over the railways and that would be of considerable benefit to the State.

I recently spent a night at Yalgoo and one of the first people I met was a man whom I knew as a State battery manager years ago. Thinking that he was in charge of the mill there, I asked him how things were going and I was amazed when he said that he was there, not to put a parcel through but to pull the battery down. Yet next morning I met the chairman of the road board and he showed me some excellent specimens of wolfram and told me of a lode he had discovered. Crushing facilities will certainly be needed to crush that lode, and if what I saw and what he told me are correct then I say that a base mineral will save the life of an old mining town. Wolfram is worth about £2,000 a ton and there will be a decent mine in that locality.

I know also that the Minister for Mines is impressed with the possibility of lead-mining in this State and that he was distressed when the financial position made it necessary to curtail or stop the erection of a treatment plant at Northampton. Fortunately ways and means have been found to go on with the erection of the plant and that will result in considerable wealth for the State. Many men who are prepared to work, and like working in the country, will have the means of producing the revenue to keep them there, and I am extremely pleased that the Government found a way, even with the reduced finances at its disposal, to erect this mill and give the prospectors of Northampton that which they were promised and to which they are entitled.

The mining of lead, copper, antimony and tantalite will be the salvation of our North-West. They will be the means of attracting a population to our northern areas and bringing back life to those centres that are dying out. I am extremely pleased that an opportunity has been given to bring this matter before the Chamber, but I realise that at this late hour nothing can be done; we could not possibly investigate this industry in the time at our disposal. However, I hope that consideration will be given to this question, and that next session an honest endeavour will be made to give a blood transfusion to the goldmining industry and that some improvement will be made in the development of our base minerals.

We cannot continue with this policy of pulling up railways and, unless we develop our mineral resources, I do not see how we can possibly shoulder the burden of keeping them running. Therefore I appeal to members to give this matter their earnest consideration, because the economic stability of this country depends on the development and encouragement of goldmining and the mining of base minerals. It is my intention to move an amendment to this motion which will make it read—

> That a Select Committee be appointed to investigate and report upon the difficulties facing those engaged in producing gold and other minerals, with particular reference to the effect of freights, water, taxation and other charges upon such operations, and to make recommendations by the use of which the Commonwealth and State Governments could assist and encourage the greater production of gold and other minerals, including production by prospectors.

In order to test the feeling of this Chamber I move an amendment—

> That in line 4, after the word "gold" the words "and other minerals" be inserted.

On motion by the Minister for Lands, debate adjourned.

MOTION—COALMINING INDUSTRY.

To Inquire by Select Committee.

Debate resumed from the 29th October on the following motion by Mr. May:—

> That a Select Committee be appointed to investigate and report upon the coal mining industry, with particular reference to—
>
> (1) the decreasing percentage of coal being produced from deep mines at Collie when compared with the production of coal from open-cuts at that centre;
>
> (2) the system used in arriving at the price of coal charged to the Government and other consumers,
>
> and generally to make recommendations for the better development, control, of the coal mining industry, its management and other matters incidental thereto.

MR. BRADY (Guildford-Midland) [10.40]: I think the member for Collie is to be commended for moving this motion because the coalmining industry means so much to the economic and industrial welfare of the State. Parliament should give the fullest consideration to matters raised by the hon. member because coal is the lifeblood of this State. Our electricity supplies depend upon Collie coal as do our railways. This year the railways will use about 550,000 tons of Collie coal. Our tramways depend upon electricity which is generated from Collie coal, and most secondary industries in the metropolitan area depend upon that electricity. I think we have even reached the stage where a large number of primary industries depend to a certain extent upon coal because in these days electricity is used to power a number of machines used in primary production.

That brings us to another point—the quantity of Collie coal that is being produced. There have been times when we on this side of the House, have been twitted about the lack of production in industry owing to strikes and stopwork meetings. Fortunately, in recent years, the Collie miners have built up a record in that they approach their industrial problems in a commonsense manner and strikes are now a thing of the past; rarely is a stopwork meeting held. As a consequence the production of coal at Collie has been stepped up considerably in recent years and production is now well over 880,000 tons per annum and this year will approach the 1,000,000 ton mark. That, too, raises another question as to whether we should not as a State be getting some economic benefit as a result of this increased production. The usual thing is that when an industry's production is stepped up costs come down but it seems to work in the opposite direction in the coal industry at Collie.

A few years ago Collie coal could be purchased for about £1 a ton, but these days—and I found this out from answers to questions asked in this House recently—the price is about £2 9s. and £2 10s. a ton. One would have thought that as a result of mechanisation and improved methods, the price of coal would have been reduced and one could ask the question "Why has it not been reduced in price?" A news item was issued from Canberra, dated the 27th October. It is headed "Prices for Open-cut Coal Down," and reads—

> Reductions of about 8s. a ton in the price of open-cut coal in New South Wales were announced by the Minister for National Development, (Senator Spooner), tonight. The reductions are being made by the New South Wales Mining Co., a subsidiary of the Joint Coal Board." The reductions vary according to the location and physical conditions of the mines, but the average will be about 8s. a ton. "The reductions have been made possible by the elimination of long hauls by road and pruned management expenses and certain surcharges," said Senator Spooner.

I want to refer to the latter portion, where he referred to pruned management expenses which enabled this reduced charge to be brought about. The news item goes on—

> They are additional to the announcement by the Joint Coal Board during the week-end that coal prices will not be increased as a result of the November basic wage variation.

So we have the open-cut coalmining industry in New South Wales not only giving a reduction of 8s. a ton on open-cut coal but in addition absorbing the basic wage increases.

> A drive to reduce, or at least hold, the price of coal, coupled with more exacting tests of quality, will have a beneficial effect on industrial undertakings throughout the Commonwealth.

I think we could expect the industry in this State to be offering a reduction in coal prices. Looking at it from a State point of view, if on 880,000 tons—which is the coal produced—we can get an overall reduction not of 8s. a ton but of 5s. a ton, the economy of the State would benefit to the extent of £220,000. That is a very big consideration at the present stage of the history of Western Australia. So, as I said before, the member for Collie is to be commended for advocating an inquiry into the industry so that we can see exactly what is going on, what has been done with the finance that has been spent in its interests, and whether the management is such that we can expect to see reductions in prices in future. There are many industries and activities in the State which depend upon coal, and members of the Government will be well advised to support the motion of the member for Collie in the hope that we shall have an investigation that will be worth while.

During the discussion of the Estimates, the Premier referred to the fact that the Tramways expenditure was £100,000 in excess of the Estimates. One of the main factors for that was the supply of electricity. Just as I said before, the tramways and secondary industries depend on coal, and this is borne out in the Estimates. Another aspect we have to anaylse is the quality of the coal. Members will recall that last year the members of the Loco. Drivers Union gave me some samples of coal which I brought to this House. One sample was slag and the other was slate. These samples had been taken from the tenders of engines used for haulage on the railways of this State. At the time there was an indica-

tion that the coal being supplied was not all that could be desired. One would have imagined there would have been an improvement in the quality of coal supplied, but, strange as it may seem, complaints are still being received from the locomotive section of the railways that the firing qualities of the coal are not all that could be desired.

The loco. men drew my attention only a fortnight ago to the fact that a locomotive hauling a train to Sawyers Valley had to clean the fire completely at Mundaring, which is approximately six miles from Midland Junction from where the train was being hauled. The steaming of the engine was so bad that the driver had to report that he had had trouble all the way. A short time ago I was catching a train at Perth; I walked on to the platform and asked the driver, "How is the coal on the engine?" He said, "I only went to Fremantle and when I came back to Perth I had to clean out the fire." I did not go into details, nor did I inquire his name or the number of his engine. The railwaymen tell me that on the small locomotives used on the railways, namely, the Fs., Ds., Ns. and Rs., the firing quality of the coal is bad because there is poor ventilation from the firebox.

But on the larger engines, the Ws. and the Ps., the fireboxes are much larger, and the ventilation of the exhaust taken through the fireboxes enables the coal to burn better and brighter. Even then, the coal is not all that the railwaymen desire. Not only does it make extra work for the train crews, and the engine crew in particular, but it makes bad economics for the railways. If the fires have to be cleaned out after short distances run, that all adds to the expenses of the Railway Department. So there is another angle which would justify an inquiry; it would show whether the prices we are paying for coal are justified and whether the coal could not be improved. Anyone who has analysed the answers to questions asked in this House recently must have been alarmed in regard to the ash content and the reduced B.T.U. of the coal now being used.

For example, a question was asked on Tuesday, the 23rd October as to what was the cost of coal at the 30th June, 1952; what was the calorific value and the ash content? The answer was along these lines: The cost is based on cost of production over all mines and open-cuts and the average price to the 30th June, 1952, is £2 9s. 3d. The calorific value and the ash content for all coals were not available as certain coals were being mixed. The answer went on to show that the Co-operative Mine has its coal mixed with the Black Diamond open-cut and that the calorific value and the B.T.U. is 9,455 and the ash content 11.19. The Proprietary coal is mixed with the Ewington open-cut and the calorific value is 9,296, while the ash content is 7.42; the Stockton Mine coal is mixed with the Stockton open-cut, and the calorific value is 8,874, the ash content being 9.79.

The Co-operative Mine is mixed with the Neath Mine, the calorific value being 8,045, while the ash content is 11.75. I would like to draw particular attention to the fact that the ash content is around about the 11.75 mark. I know that years ago when men were testing locomotives, if they had an ash content of 5 per cent. that was considered high. But today, apparently, the railways are getting coal with an ash content of about 11 per cent., and no-one is worrying. I have a reason for saying that no-one is worrying because I understand that even after the loco. men complained about the steaming qualities of coal, of the bad runs they have had on the coal, and after having left samples at the loco. superintendent's door, or the door of the storeman in charge of the depot, those samples remained there indefinitely; in fact, they were left so long that they perished and could not be tested.

So it would appear that the powers that be in the railways have reached a very indifferent stage of testing coal and in the meantime the cost of coal to the railways is going up at a terrific rate, so much so that the Railways Commission has continually to consider the fares and freights being charged, and has to recommend increases. In no small measure the costs of the railways are attributable to coal. It is questionable whether the best coal is being obtained for the money paid, so the member for Collie has every justification for advocating an inquiry. We must bear in mind another aspect of the coal position. I think open-cut coal mining was permitted as a war measure, but it appears now that the deep mines are producing less while the open-cut mines are getting out a greater production. An article in "The West Australian" dated the 23rd October, 1952, reads as follows:—

> Open-Cuts Give Half Coal Output.
>
> The four open-cuts produced about half of the coalfields total output last week when 15,672 tons of coal were mined in five days.
>
> Working a five-day week for the first time in several months, the Stockton open-cut put out nearly 2,900 tons.
>
> Coal consumption rose by about 2,100 tons compared with the previous week.
>
> The South Fremantle and East Perth power houses bought nearly 4,000 tons and the Railway Department 4,600 tons. Private consumers used 3,135 tons.

The statement then gives details of each of the open-cut mines. I do not wish to delay the House unnecessarily by reading those details, but the portion of the article I have quoted shows that the open-cut mines at Collie are now producing one-half of the total output. In view of the money being advanced to the industry, that is not at all a desirable state of affairs. The House would be well advised to support the holding of an inquiry as this would indicate whether there was room for improvement in the deep-mining of coal at Collie.

Turning now to the profit side of the industry, I have not investigated all the balance sheets, but I shall take as an example the operations of Western Collieries Ltd, for the year ended the 30th June, 1952, as reported in "The West Australian" recently. That company made a profit of £35,804 for the year and declared a dividend of 10 per cent. So far as I am aware, this company has only one open-cut mine, and if the companies are now producing 50 per cent. of their output from open-cuts and are making about £35,000 a year profit, it would appear that they are concentrating upon open-cut mining, where, I should imagine, the costs would be cheaper than in developing the deep mines. Such a tendency might prove to be dangerous.

In the report of the New South Wales Coal Board for 1950-51, it was stated, that, in the opinion of the board the deep-mining of coal was the backbone of the industry. I wish to emphasise that point. If deep-mining is considered to be the backbone of the industry in New South Wales, it would be logical to conclude that it is equally the backbone of the industry in this State. Hence it behoves us to authorise an inquiry to determine whether the industry at Collie is being conducted in the best interests of the State.

Another interesting comparison may be drawn with New South Wales. I have already mentioned that the Collie field seems to be producing 50 per cent. of its output from open-cut mining. In New South Wales, out of a total production of 13,000,000 tons in 1950-51, only 2,000,000 tons were open-cut coal or approximately one-sixth, whereas here we have the alarming proportion of 50 per cent. of the total being produced from open-cuts.

Mr. May: More than 50 per cent.

Mr. BRADY: Well, more than 50 per cent. as the hon. member says. Therefore there is good reason for urging an inquiry into the industry. I read a statement recently that 130,000 tons of open-cut coal will be sent to the Goldfields for the Kalgoorlie Power Corporation. We should consider whether the long haulage from Collie to Kalgoorlie of that quantity of coal with such a large percentage of inferior open-cut coal would be economical.

Dealing with the railway position, in 1944, the cost of coal to the Railway Department was £150,000 and in 1951, it was £500,000. In view of those figures, is it any wonder that the railways are in financial difficulties or that the Railways Commission is indicating the probability of increased freights and fares? On that ground, the time is opportune to hold an inquiry into the industry.

I feel some concern about one phase of the motion in that the member for Collie proposes that the inquiry be made by Select Committee. The session is drawing to a close and, if a Select Committee were appointed to conduct an inquiry, there would not be time to make the investigation and report before Parliament closes. In the circumstances, I consider that an effective inquiry could be made only by Royal Commission, and in order to secure the appointment of a Royal Commission I move an amendment as follows:—

> That the words "a Select Committee" be struck out and the words 'in the opinion of this House, a Royal Commission should" inserted in lieu.

MR. McCULLOCH (Hannans — on amendment) [11.9]: I support the amendment for the appointment of a Royal Commission. Unfortunately the original proposal of the member for Collie could not be given effect to owing to lack of time. I suppose the Government will oppose the appointment of a Royal Commission on this question.

Mr. Brady: I think the Government will support it.

Mr. McCULLOCH: The reasons given by the Minister for not agreeing to a Select Committee to inquire into the goldmining industry did not appeal to me as being sound. As the member for Guildford-Midland has said, a lot could be found out by a Royal Commission. The mechanisation of mines could be inquired into. The Minister said the Government was subsidising the mines for mechanisation but the miners paid for, made and worked the machines. I feel that a Royal Commission could do something about the matter of open-cut coal. In my opinion it is not coal at all. The question whether coal is a mineral or a vegetable is undecided and experts have not yet told us what it really is. The open-cut coal at Collie has not appeared to me, from looking at it, to have any calorific value whatever; but because it is fairly easily obtained, it is mixed with deep-mined coal and exorbitant prices are secured for the product. There is coal on the surface all over the world, but it is not worked except

in cases of emergency. Deep-mine coal has always been classed as the best and cleanest coal.

Mr. SPEAKER: The amendment is to strike out the words "Select Committee" and insert the words "Royal Commission."

The Minister for Education: Why is a Royal Commission better than a Select Committee? That is the point.

Mr. McCULLOCH: A Royal Commission could inquire into all the pros and cons of coalmining, and I feel that it is my duty to say why one should be appointed and what it should inquire into. I think that such a commission would most definitely decide that the method of open-cut mining adopted at Collie at present is detrimental to industry throughout the State owing to the fact that immature coal is mixed with coal from the deep mines which has some calorific value.

Mr. Hearman: Have you ever seen the open-cuts?

Mr. McCULLOCH: Yes, and they are just open-cuts.

Mr. Hearman: What did you expect them to be?

Mr. McCULLOCH: One is lucky if one can get into them without breaking one's neck. Inquiries could be made by a Royal Commission into new methods of production. The Government has brought a deep-drilling plant that will drill to 4,000ft. I hope the Government does not think it is practicable to mine coal at that depth. I feel that a Royal Commission would not come to that conclusion. Once we get to 4,000ft. it is different from mining at 500ft. or open-cut mining. A Royal Commission could make inquiries into the question of price. In his speech on the motion for a Select Committee, the Minister said that deep-mined coal averaged £4 19s. 6½d. per ton, and the cheapest coal was that from Western Mining Colliery No. 2, at £2 3s. per ton. There seems to be a big discrepancy, probably owing to the fact that deep-mined coal is in lesser production.

A Royal Commission could also make inquiries into the activities of labour around the mines. Some people think that the whole work consists in producing coal. My experience has been that 46 per cent. of the work is done by getting coal; 24 per cent. on the surface, and 30 per cent. underground in timbering and other activities. The overheads must be loaded at Collie and I feel that a Royal Commission could make inquiries into that aspect. The Government is fairly independent at present in the matter of coal supplies. I think I read not so long ago that it had a fair amount at grass. It would therefore not be worried if the mines and the open-cuts shut down for a month or so.

The industry certainly requires investigation with a view to getting some decent coal from Collie and preventing the mixing of open-cut with deep-mined coal. The deep mine method is the proper one and I think that a Royal Commission would recommend the prompt closure of some of the open-cuts that are being worked today. We know that coal-owners are making fair profits from this open-cut coal but it is not to the benefit of the State as a whole. In the case of another war and in the event of our having fewer men available for work in the mines, we could then make use of the open-cut coal. I support the amendment.

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

Ayes	19
Noes	23
Majority against	4

Ayes.

Mr. Brady	Mr. McCulloch
Mr. Butcher	Mr. Moir
Mr. Graham	Mr. Nulsen
Mr. Hawke	Mr. Rodoreda
Mr. J. Hegney	Mr. Sewell
Mr. W. Hegney	Mr. Sleeman
Mr. Hoar	Mr. Styants
Mr. Johnson	Mr. Tonkin
Mr. Lawrence	Mr. Kelly
Mr. May	*(Teller.)*

Noes.

Mr. Abbott	Mr. Nalder
Mr. Ackland	Mr. Nimmo
Dame F. Cardell-Oliver	Mr. Oldfield
Mr. Cornell	Mr. Owen
Mr. Doney	Mr. Perkins
Mr. Grayden	Mr. Read
Mr. Griffith	Mr. Thorn
Mr. Hearman	Mr. Totterdell
Mr. Hill	Mr. Watts
Mr. Hutchinson	Mr. Wild
Mr. Manning	Mr. Bovell
Mr. McLarty	*(Teller.)*

Pairs.

Ayes.	Noes.
Mr. O'Brien	Mr. Brand
Mr. Coverley	Mr. Yates
Mr. Guthrie	Mr. Mann

Amendment thus negatived.

MR. MAY (Collie—in reply) [11.22]: May I preface my remarks in replying to the debate by saying that at least two members have been sufficiently interested in the subject to express their opinions on the motion. Usually on matters relating to the coalmining industry, mine—and that of my predecessor—has been a lone voice in the House. It is remarkable that out of 50 members of this Chamber so few should be acquainted with this, one of the main industries of the State. When the Minister spoke to the motion I was sadly disappointed because I felt his reply was most unsatisfactory and evasive. I want to make it perfectly clear that I do not say this in a disparaging manner, personally, so far as the Minister is concerned.

I realise that the Minister does not know one thing about the industry except what was put in front of him in the writing which he read to the Chamber in answer to my motion. Whether what he read was right or wrong he did not have the faintest idea. He did not know what it was all about. I do not blame the Minister. My reason for moving the motion was that there should be an inquiry into the industry to ascertain why the production of open-cut coal was ever-increasing, and the production of deep-mine coal was, on the other hand, decreasing. Incidentally, the motion also asks for the better development of the deep mines, and the control of the industry, management, and other matters incidental thereto.

I explained when I introduced the motion that I was not looking for anyone's scalp, but was simply seeking an inquiry to ascertain why certain things were happening; why so much of the taxpayers' money was being spent in connection with the industry and so little was being shown in return. The Minister when replying asserted that the Government had given great assistance to the industry. I do not deny that, but I do say that the money that has been provided has not been spent in a proper manner. I suggest that at least 50 per cent. of the assistance has been completely wasted, and I am not alone in that contention. Had the assistance been used in the transference from hand-mining to the mechanisation of the industry, then it would have been money well spent.

I could enumerate many instances where money has been wasted. I will give the House one in particular. A start was made at the Proprietary mine to open up the second seam. A tunnel was driven, and a road was laid, and it was taken up, laid and re-laid no less than three times. That is a glaring instance where money which was provided to assist the indutry has been absolutely wasted. I and others working in the coalmining industry know full well that the huge sums of money that have been provided for the re-establishment of the mines have not been used to the best advantage, and that is one reason why I have asked for the inquiry. I still maintain that charge, and I challenge the Government to hold an inquiry to prove that I am wrong.

The Minister said that a fair comparison could not be made between the conditions operating before World War II and those operating today. The deep-mine coal which was being won prior to World War II was far greater than what is being obtained today, in spite of the fact that we have four or five new deep mines opened up. Even the State Coalmining Engineer, who has been placed in charge of the whole industry, admits that the deep mining of coal on the Collie field has been sadly neglected, and he is the man responsible, under the Government, for reversing the present trend. The Government should hold this inquiry in an endeavour to disprove what I have said. I know there are certain influences at work which do not want an inquiry to be held and I know why.

The State Coalmining Engineer admits that he is unable to take any action by which the present state of affairs could be altered. Are we to continue to supply consumers with a coal that is reduced 5,000 B.T.U. in value, while still asking them to pay the top price for it? It is entirely wrong. As the Minister said, the industry is in the throes of a change-over from hand to mechanical mining, but it should be evident to members that it is impossible to mechanise a coalmine that has operated for 30 or 40 years under the old system, while still endeavouring to produce from it. That is one of the biggest mistakes that the Mines Department and the companies have made.

The correct procedure would have been to close one mine down completely at a time and mechanise it. Had that been done, it would have been possible eventually to mechanise all the mines without interrupting the continuity of supply of deep-mine coal. The attempted mechanisation of the old mines, while continuing production, has been a complete failure and 50 per cent. of the money provided by the Government in an effort to secure the best possible coal from the Collie field has been wasted.

Mr. Butcher: Would it not be very expensive to make the change-over in those old mines?

Mr. MAY: Yes. It would have paid the Government to tell the companies that if they desired Government assistance they should close the old mines and develop new ones. Western Collieries are developing two new deep mines along the right lines and the Griffin Company has opened up a new mechanised mine. None of the efforts I have made in this Chamber to bring these matters before the Government or the Mines Department have borne any fruit. The need for coal in this State has now reached a level where the requirement is greater than the total pre-war production, but apart from the development of the new mines that I have mentioned nothing of any real value has been done on the field.

In order to meet the increased demand for coal, Amalgamated Collieries were allowed to develop the open-cut system on the understanding that it would be of a temporary nature only. It was to be undertaken to allow the company to develop its deep mines and when that had been done the open-cut system was to fade out in accordance with the increase in deep-

mine production, but the result, in fact, has been just the opposite. The companies naturally desire to continue the open-cut system, which is a very simple method of winning coal when compared with deep mining.

Hon. E. Nulsen: And very much cheaper.

Mr. MAY: Yes. I can understand a company that has engaged in open-cutting since the inception of that system on the Collie field desiring to continue it in preference to developing its deep mines, but from the point of view of the State and the consumers, that policy is wrong. Very shortly the production of coal in the Eastern States will develop to an extent where the companies will be looking for markets, and this State will then be liable to be flooded with Eastern States coal to the detriment of the local product. Our only safeguard in that direction is the sea freight on the coal.

The Minister for Education: It is substantial.

Mr. MAY: Yes, but we have no guarantee that it will not be reduced and if that is done, the Collie field can say good-bye to the private consumers of coal in this State.

The Minister for Education: Even if it was halved, it would not catch up with the handicap.

Mr. MAY: That is no excuse for the companies producing the class of coal they are producing. I do not want the industry in this State to hang by a thread so far as sea freight on coal from the Eastern States to Western Australia is concerned.

The Minister for Education: You are exaggerating the position.

Mr. MAY: The Minister may think so, but I challenge him to agree to this inquiry. I can produce evidence which will prove that the Minister is quite wrong. If the Minister is satisfied that I am exaggerating the position I offer him that challenge, and to prove the position in the Eastern States, I quote this extract from "The West Australian" of the 13th October—

> N.S.W. Coal.
>
> Until recently, a chronic shortage of New South Wales black coal, most of which is required by railways and power, smelting and gas plants, was regarded as one of the principal factors responsible for inadequate industrial production throughout Australia. In 1950-51 the New South Wales mines, including open cuts, had a record output of 12,684,000 tons, compared with 10,383,000 tons in 1938-39, and it seems that in 1951-52 they produced even more coal. This would not have been possible without a substantial contribution from the open cuts.
>
> In its report for 1950-51 the Joint Coal Board estimated Australia's requirements of New South Wales coal in 1952 at 17,300,000 tons, rising to 19,000,000 in 1954. But now the board considers current production to be 2,000,000 tons a year more than the demand, and it has recommended that, among other things, output from open cuts be reduced.

That is in line with the argument I have put forward. They have discovered that their estimate of coal consumption has been well out and that they have overproduced to the tune of 2,000,000 tons a year. So the Joint Coal Board has decided that the open-cut production of coal shall be reduced. It will be reduced only for the reason that it is poor quality coal. It does not give the consumer value for his money, and if that method of mining is allowed to continue in this State, it will ruin our coal trade. I have harped on this question for the last six years in this Chamber.

The Minister tried to tell us that open-cut coal is normal Collie coal. Whoever gave that information to the Minister representing the Minister for Mines should be sacked, if he is a public servant, because he is definitely misleading the Minister and, as a consequence, he is misleading members in this Chamber and they, in turn, will ultimately misrepresent the position to the people of the State. I have never heard such nonsense and it proves to me how little some people know about the subject of coal.

I now want to refer back to the question of the State Coalmining Engineer. Since he has been appointed, he has visited Collie on an average of two days each week and the rest of the time he has spent travelling between Perth and Collie and sitting in his office in Perth. He cannot exercise any control over the industry if he visits the district only two days each week. I suppose his salary would be about £1,700 to £2,000 a year, and that is just a waste of money. I am not reflecting on the gentleman concerned because he is probably carrying out his instructions from the Mines Department, but it is silly to appoint a man on that salary and then tell him he has to visit Collie every week. He may go down there on a Tuesday, stay Wednesday and Thursday and then come back on Friday. On the other hand, he may not visit the district at all during one week, and in the meantime the companies go along in their own sweet way; they are certainly not doing any developmental work, and the State Coalmining Engineer should be underground most of the time to see that the State's interests are being safeguarded. His office should be in Collie and not in Perth.

The Minister drew attention to the fact that the quantity of coal produced by mechanical means has increased. I would

remind the Minister that not one contract miner is producing coal in Collie today; whatever coal is produced by the deep mines is produced by the mechanised system and consequently the quantity produced must increase. The Minister also referred to engineers and mine managers who have been brought to Collie from other States and even from the Old Country. Those men are not acquainted with the geological set-up of coal seams in this State, and consequently they have found the position most difficult. As a consequence, many of these imported managers have left the industry, and another is leaving next month; he is returning to the Old Country. I know of six at least who have been brought into the industry at Collie from outside the State and who have become dissatisfied and left.

The boys who were born and bred in Collie and who have worked themselves up to be managers or superintendents have proved themselves to be the most successful in executive positions. One such man who occupied the position of manager for over 40 years died recently and he was one of the best managers we ever had. To tell me that we have no men at Collie capable of carrying out the duties of a manager is too silly for words. I know what has been going on as a result of importing managers and engineers from outside the State. Let us have an inquiry into the industry to ascertain what is right and what is wrong. The Government is afraid to have an inquiry. Sometime ago a coal advisory board was set up which was supposed to advise the Government on the proper functioning of the industry at Collie. Since its establishment whatever advice it has tendered to the Government has not been acted upon, or, at least very little of it.

That board will never function successfully because three companies operate at Collie and they have only one representative on the board, namely, Mr. Rowe, superintendent of Amalgamated Collieries Ltd. Can anyone imagine the other two companies saying to Mr. Rowe, "This is what we are going to do or what we are not going to do."? Of course they are not! Therefore, it is impossible for this board to function successfully under the present set-up. It has no power to enforce anything in an endeavour to improve the conditions of the men in the industry. It can only recommend. When making his speech to the motion the Minister mentioned the amenities that had been provided for the miners. I do not deny that and the men appreciate them sincerely. However, I remind the Minister and his Government that similar amenities were provided in the Eastern States by the Joint Coal Board long before the miners at Collie were able to enjoy them.

The miners at Collie have an excellent record. The Minister's explanation as to the cost of coal was as clear as mud. I do not know why it is such a complicated matter to fix the price of coal. I would like to see that aspect investigated to ensure that the public utilities and other coal consumers are not paying more for their coal than they should. The companies are entitled to a reasonable profit in return for the capital invested in the mines, the employees are entitled to their wages, and the consumers are entitled to obtain coal at a reasonable price. The Minister stated that Amalgamated Collieries Ltd. had made less than £12,000 profit during the year 1950-51. I have not the figures for that year, but I have those for 1951-52 and there is not such a big difference between them. Western Collieries Ltd. in the first year of operation made a profit of £35,804 and paid a dividend of 10 per cent. From its one open-cut Western Collieries Ltd. during 1951-52 produced 80,863 tons of coal. That is for the year ending 30th June, 1952.

For the same period Amalgamated Collieries Ltd. produced 342,561 tons of open-cut coal or, in other words, it produced four times as much as Western Collieries Ltd. Yet the Minister tries to tell me that Amalgamated Collieries Ltd. made less than £12,000 profit, whereas Western Collieries Ltd. made a profit of £35,804. I would like to know how he arrived at that figure, but I know he did not and that the information was merely placed in his hands. That statement is too silly for words, and when the report of it was read in the Press at Collie it caused a big laugh.

Mr. SPEAKER: The hon. member has six minutes left.

Mr. MAY: This inquiry has not been requested frivolously. It has been asked for by people who are thoroughly acquainted with the industry and who are aware of what is going on. I challenge the Government to refuse this inquiry and to prove that what I have said regarding the industry is incorrect.

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

Ayes	20
Noes	21
Majority against	1

Ayes.

Mr. Brady	Mr. McCulloch
Mr. Butcher	Mr. Moir
Mr. Graham	Mr. Nulsen
Mr. Hawke	Mr. Read
Mr. J. Hegney	Mr. Rodoreda
Mr. W. Hegney	Mr. Sewell
Mr. Hoar.	Mr. Sleeman
Mr. Johnson	Mr. Styants
Mr. Lawrence	Mr. Tonkin
Mr. May	Mr. Kelly

(Teller.)

Noes.

Mr. Abbott	Mr. Nimmo
Mr. Ackland	Mr. Oldfield
Dame F. Cardell-Oliver	Mr. Owen
Mr. Doney	Mr. Perkins
Mr. Griffith	Mr. Thorn
Mr. Hearman	Mr. Totterdell
Mr. Hill	Mr. Watts
Mr. Hutchinson	Mr. Wild
Mr. Manning	Mr. Yates
Mr. McLarty	Mr. Bovell
Mr. Nalder	*(Teller.)*

Pairs.

Ayes.	Noes.
Mr. O'Brien	Mr. Brand
Mr. Coverley	Mr. Grayden
Mr. Needham	Mr. Cornell
Mr. Guthrie	Mr. Mann

Question thus negatived.

Motion defeated.

House adjourned at 12.3 a.m.

Legislative Council

Thursday, 27th November, 1952.

CONTENTS.

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

BILL—CONSTITUTION ACTS AMENDMENT (No. 2).

Read a third time and transmitted to the Assembly.

BILL—TRAFFIC ACT AMENDMENT (No. 1).

Report of Committee adopted.

BILL—BROKEN HILL PROPRIETARY STEEL INDUSTRY AGREEMENT.

Second Reading.

Debate resumed from the previous day.

HON. F. R. H. LAVERY (West) [4.36]: I, like Mr. Davies, am a member of this House representing the area in which this great project is to be established. Like that hon. member, I have always done, and always will do, everything I can to ensure that Western Australia obtains its fair share of secondary industries that may be in the offing.

Hon. H. K. Watson: I think we will reserve judgement in that respect until you have finished your speech.

Hon. F. R. H. LAVERY: That interjection is not worthy of consideration! When I speak in this House, I do so conscientiously and sincerely, and I am not interested in what any other member may think regarding what I may say. I am required to bow to no one in this House but you, Mr. President, and that gives me pleasure. I was commencing my remarks by saying that, as a true Western Australian, I wish to do everything I can to encourage the promotion of secondary industries in this State.

I make no bones about it when I say that I am opposed to the second reading of this Bill. At the same time, I congratulate B.H.P. on its attempt—I hope it will be successful in that respect—to establish itself in Western Australia. I oppose the Bill for reasons similar to those mentioned by Mr. Davies. There are portions of the Bill that I think Parliament should have been afforded an opportunity to amend, if it so desired. I do not wish to be disrespectful to any individual or to the Government when I say that that course is not possible in this instance. The measure has been brought before the House for the ratification of an agreement that has already been signed. My complaint is not against B.H.P. or any other company that may attempt to establish itself in this State, nor is my complaint against either of the two signatories to the agreement who represent this State and are both gentlemen of very high standing in the community.

My complaint is against the system that allows any individual to sign an agreement absolutely and completely binding the State to its provisions, without Parliament having any say whatsoever regarding the terms of that document. I draw the attention of members to the second clause of the agreement which reads—

> This agreement is made subject to approval and ratification by the Parliament of Western Australia expressed in an Act to be passed before the thirty-first day of December, One