

Legislative Council

Thursday, 8th November, 1956.

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The PRESIDENT took the Chair at 2.30 p.m., and read prayers.

BILL—BELMONT BRANCH RAILWAY DISCONTINUANCE AND LAND REVESTMENT.

Introduced by the Minister for Railways and read a first time.

BILL—FRIENDLY SOCIETIES ACT AMENDMENT.

Read a third time and transmitted to the Assembly.

BILL—PROFITEERING AND UNFAIR TRADING PREVENTION.

Report of Committee adopted.

BILL—SUPPLY (No. 2). £18,500,000. *Second Reading.*

Debate resumed from the previous day.

HON. A. F. GRIFFITH (Suburban) [2.36]: Normally, when a Supply Bill is introduced, members take the opportunity that is afforded them—as is also the case on the Address-in-reply debate—to refer to parochial matters in their constituencies, and also to generalise on any subject that they consider should be brought to the attention of the House. This afternoon, however, I do not intend to speak on matters of that nature, but to express an opinion on the State's financial position. I hasten to add that I do not know a great deal about the financial position of the State at present, because it has been extremely difficult to obtain any information

concerning it, and it has also been difficult for members in another place to be given by the Premier anything that approaches an accurate assessment of the condition of the State's finances.

In this House we are presented with Supply Bills which we are supposed to pass without very much comment. In the existing circumstances, however, when there is reason to believe that the finances of the State are in an extremely precarious position, I consider that we in this Chamber should accept more responsibility in regard to making inquiries into this subject than we have in the past. I am of the opinion that we receive some of this legislation more or less back to front.

This session, as members know, we have had placed before us two taxing measures already and, following inquiries persistently made in another place as to when the Budget is to be introduced, I understand that it is to occur this afternoon. Following the Budget, the Estimates are presented, and Parliament is given an opportunity to hear what can be expected in regard to revenue and expenditure in carrying out the normal functions of Government.

In addition to the two taxing measures that we now have before us, we can foresee others which will reach this House sooner or later, the extent of which we are not aware. It appears to me that the Government finds itself in a position where it has to resort to the most extreme measures to gain further revenue to make up some of its financial leeway. As a result, the impact of these extra taxation imposts is going to be far greater than ever before. It would be a far better plan if Parliament were to see the Estimates much earlier than has been the practice, even before the Government introduces the taxation matters, so that Parliament would be able to examine the taxes which the Government intends to raise and how it intends to dispose of them. Such is not the case under the present procedure. I feel that Parliament should be given this opportunity.

I do not propose to delay the House much longer except to say this: It is distressing to see a Bill such as the amendment to the Licensing Act being introduced to impose a tax on one section of the community, and another measure to impose a further tax on bookmakers, both of which appear to be out of proportion.

What the other taxation Bills will be and what impost will be made upon the people of the State remains to be seen. I reserve my decision on this Bill. It is a pity that the Budget has been introduced so late in the session and that we were not given an opportunity before this to know what it contains. However, before much longer we will know what its contents are.

HON. N. E. BAXTER (Central) [2.42]: This Supply Bill, which is the second one introduced during this session, provides for the supply of £14,500,000 from Consolidated

Revenue and £4,000,000 from Loan Funds. This makes a total for the year from Consolidated Revenue of approximately £27,500,000, plus £8,000,000 from Loan Funds, and £2,000,000 from Public Accounts.

Looking at the Public Accounts in the little time available since they were tabled yesterday, I found it interesting to summarise what happened during the last financial year, a year in which the Government received an increase in revenue of almost £4,000,000 above that of the previous year. Yet the results showed a deficit of £1,830,000. It makes one wonder what this Government is doing to curtail expenditure in the various Government departments and to try to balance the finances of the State.

One wonders whether the members of the Government are good financiers, or bad financiers, or whether the cards are stacked against them. We can leave it to individual members to form their opinion on the three possibilities. Even in the Estimates, the Government seems to have gone astray in the last financial year to the tune of £894,000. Some of this may be accounted for by the fact that the Government is trying to set up what might be the ideal socialistic State.

The Chief Secretary has sneered at this remark; but when we consider what has happened during the regime of the present Government in the way of making grants—benevolent or otherwise—as a sop to the public, we may well ask the reason. It was done with one object in view—to provide social benefits which are not provided in other countries of the world.

The Chief Secretary: If you tell yourself a thing often enough you begin to believe it.

Hon. N. E. BAXTER: I ignore that remark. In my opinion the grant of £100,000 for free school books is purely a socialistic move and a sop to the public. It will have a detrimental effect on the State. If the Government could afford it, I would have no objection to the granting of £100,000 for this purpose. But I would point out that I brought up a family of four children without any free issue of school books from the Government. Whilst rearing my family I had as hard a time as any other member of the public in this State, or anywhere else.

The Minister for Railways: You were never without a pound or two.

Hon. N. E. BAXTER: During the time when my children were young, we did not receive any child endowment, baby bonuses, or grants of that sort. Yet we brought them up well without such assistance. That is more than the parents of young children today can say, because it seems to be the practice for them to ask the Government for anything they want. Anything which they ask for the Government seems to be only too happy to

give them. What is the reason for this? I contend it is purely for socialistic purposes.

The Chief Secretary: Why didn't you get baby bonuses?

Hon. N. E. BAXTER: If the Chief Secretary were to go out to two schools in my electorate—the one at Canning Vale and the one at Wanneroo—he would have doubts as to whether the Government was justified in granting £100,000 for free school books, instead of building schoolrooms in those two places. I know what the parents of those children would rather prefer. They would prefer decent schoolrooms rather than free school books. The school at Canning Vale is a standing disgrace to the Education Department. Throughout this State I have not previously seen such dog kennels for the accommodation of children as those which exist in Canning Vale. When I say they are dog kennels, I mean that. They cannot be called anything else.

For the past 12 months we have been trying to obtain an assurance from the Education Department and the Government that two new schoolrooms will be built at Wanneroo. We cannot get any information from the Government that it is prepared to make an allocation in this respect, yet that school is on a high priority in the programme of the Education Department. Is it justifiable for the Government to grant £100,000 for free school books when there is such a lack of school accommodation? It certainly is not.

On the other hand, there is penny-pinching going on in various parts of the State. One example is the contraction of school bus services. In quite a number of districts the department has pared down the school bus services by a few miles here and there. Such contraction has inconvenienced the people. In some cases farmers are compelled to drop their work to take their children to a school bus route some miles away, and to pick them up again in the afternoon.

The city dwellers are well served by transport provided by the State, but it is not so convenient for country people to have to put up with a contraction of school bus services. In some instances the contraction has resulted in a ridiculous situation, and in one case the bus service was discontinued for a family of four children attending the school, yet it was extended by a mile in order to bring one child to that school. This is the sort of thing that is going on in the Education Department, and it is high time somebody brought it to notice.

The Chief Secretary: How did you get to school when you were young?

Hon. N. E. BAXTER: For the Chief Secretary's information, I walked to school.

The Chief Secretary: But just now you were talking about going back to your days.

Hon. N. E. BAXTER: I walked to school because the Government of the day did not provide transport as has been done since. I am not growling about the school bus services, but about the way they are handled.

The Minister for Railways: They cost the State over £1,000,000 now.

Hon. N. E. BAXTER: Who walks today? The Minister can cast his memory back to some months ago when there was trouble over the position in Scarborough. People got up in arms because their children had to travel seven miles to school. Yet some of the children in the country districts travel 93 miles! As a result of the protest in Scarborough it was decided to build two new schoolrooms to save the children the trouble of travelling that distance of seven miles. Is there justice in the treatment meted out to country children as compared with those in the city? There is not, and the Minister knows it. I bring up these matters because one cannot get satisfaction either from the Education Department or from the Government, and I trust that the Chief Secretary will bring these points to the notice of Cabinet and do so very forcibly.

The Minister for Railways: Who created the regional schools?

Hon. N. E. BAXTER: Let us have a look at the matter of benevolent and other grants. Who will provide the money for them? It does not look to me as though it is coming out of the normal channels of taxation. It appears that the Government is looking for other avenues from which to obtain money to make its generous donations.

The Chief Secretary: Tell us where we can get more.

Hon. N. E. BAXTER: Firstly, there is the increase in the land tax. I do not think the Chief Secretary can deny that another small avenue is by way of an increase in fees on land transactions.

Hon. H. L. Roche: You have been crystal-gazing.

Hon. N. E. BAXTER: It is proposed also to impose another tax on the liquor trade and a further one on probate. I believe it is also intended to levy a tax on agricultural land, which has been free of such taxation for a number of years. These are only a few of the directions in which it is proposed to raise money. I do not know how many more avenues the Government will explore.

The Chief Secretary: Can you tell us any new ones?

Hon. N. E. BAXTER: I feel that in speaking to a Bill dealing with finance we are justified in voicing complaints such as these because, if we do not do so, we will

get nowhere at all. Not that we will get very far, in any case, because the Chief Secretary appears to treat our complaints with levity instead of seriously. But I want to assure him that my complaints about the Education Department are justified, and I trust that he will regard them in that light, and not in a frivolous way.

The Chief Secretary: Your complaints will be sent to the appropriate quarter.

Hon. N. E. BAXTER: I appreciate the Chief Secretary's assurance.

Hon. E. M. Davies: See how co-operative he is!

Hon. N. E. BAXTER: I do not want to labour the matter too long, but it is high time the people of this State realised that the Government is not conducting the finances of the State as they should be conducted. There is a move on foot to reduce by about one-fifth the present length of railway lines.

The Minister for Railways: Surely you agree with that!

Hon. N. E. BAXTER: We have been told that by this method a lot of cost to the railways will be saved, but we have not been told how much will be saved. Nor have we been informed by what means goods will be transported that are at present carried by the railways.

The Minister for Railways: You didn't listen.

Hon. N. E. BAXTER: I did.

The Minister for Railways: Then you can't hear; that is all I can say.

Hon. N. E. BAXTER: No actual plans were outlined and nothing definite was given to us by the Minister. He did not assure us that alternative transport would be provided. There was nothing definite; but only an intimation of what was ahead of us.

The Minister for Railways: You were told very clearly.

Hon. N. E. BAXTER: We were not told what could be saved. The mere fact that alternative transport will be provided does not mean that there will be a saving. Take the case of the Burakin-Bonnie Rock line.

The Minister for Railways: Home again?

Hon. N. E. BAXTER: That is the one line that concerns me most, and the one I know most about and concerning which I feel qualified to speak. Over that line last year about 1,000,000 bushels of wheat was transported.

The Minister for Railways: How much would that be in tons?

Hon. N. E. BAXTER: The Minister can work it out for himself; it is 60 lbs. to the bushel. In addition there is back-carting of super and that would amount to a considerable sum, apart from miscellaneous traffic. I am led to believe, and

I understand it is correct, that the original capital cost of the railway was found by the British Government.

Hon. H. L. Roche: It was about £1,500 per mile, wasn't it?

Hon. N. E. BAXTER: That was in connection with the 3,000 farms scheme, and the capital cost to the Government is not as great as the Minister would try to make us believe.

The Minister for Railways: I did not tell you the capital cost.

Hon. N. E. BAXTER: The Minister states that we will save money. Suppose we did away with the trains and used road transport and subsidised it. According to the figures shown in the report laid on the Table, the saving in the first year would be £5,000—if one can believe the figures. What would happen in the second year? If the figures are correct, and it was found—as is generally the case—that the cost of the subsidised road transport was £5,000, £6,000 or £7,000 more than the estimate, we might break square, or we might lose money. We have no assurance on the point.

The Minister for Railways: You are only estimating, of course.

Hon. N. E. BAXTER: Yes. But the figures shown in the report tabled by the Minister are only an estimate.

The Minister for Railways: Yes.

Hon. N. E. BAXTER: There is nothing definite about it. I think the Minister will admit that up to date no tenders have been called that would give an indication of what the cost of road transport is likely to be.

The Chief Secretary: We cannot call tenders until we know whether the lines are to be closed.

Hon. N. E. BAXTER: If the Chief Secretary likes to have a look at the Transport Act, he will find that when it is decided to discontinue a line, the matter shall be referred to Parliament; otherwise the Minister shall call for tenders for alternative road transport. If the Minister reads the Act he will find it is along those lines.

The Minister for Railways: It says that he "may".

Hon. N. E. BAXTER: The Chief Secretary says we cannot call tenders beforehand. Of course we can! It is not necessary to accept a tender. It is done in many instances.

The Chief Secretary: You don't put people to bother without having something definite in view.

Hon. N. E. BAXTER: This is a serious matter. It is a business matter, and if the Chief Secretary and the Minister for Railways had been honest in their intentions in this regard they would have called some

tenders in time to be able to tell us what the proposed road transport would cost the State.

The Minister for Railways: From experience elsewhere we know what it would cost.

Hon. N. E. BAXTER: The question has been left in the air, and this House is asked to agree to close these railways although we are not told what the alternative transport will cost. If we agree to the discontinuance of these lines, we will have shut the gate; and so I ask what was the idea behind the presentation of the motion to this House. Such a thing has never been done in the past when the Government wanted to discontinue the running of a railway line. Would it not have been proper to place the proposal before another place? The Minister shakes his head; but I am afraid this is an attempt at a very shrewd move, intended to make this House responsible for the closure of these lines.

The Minister for Railways: You have a very suspicious mind.

Hon. N. E. BAXTER: As far as I am concerned, the Government and the Minister will not be allowed to get away with it.

The Chief Secretary: You will not accept responsibility.

Hon. N. E. BAXTER: We will accept any genuine responsibility, but we refuse to be suckers when playing with a two-edged sword like this. If we refuse to agree to the closure, the Government will say to the people, "There you are, the Legislative Council has refused to allow us to close these lines and save the State £6,000,000; so it is responsible to you, as the people of the State, for that amount of money."

On the other hand, if we do agree to the closure of these railways and there is any trouble about it, the Government will say to the people, "But the Legislative Council did it." If the Minister and his Cabinet think we are silly enough to fall for these tactics, they should think again.

This House is justified in lodging a strong protest at the present handling of the State's funds. Unfortunately we can only lodge a protest in the matter. We could, of course, vote against the Bill; but the result of doing that would be to the advantage of no one. I think, however, we would be justified in saying to the Government, "We will grant you Supply for a further three months; but if at the end of that time, you have not pulled up your socks and really got down to a proper handling of the finance of the State, we will give further consideration to refusing you Supply altogether." As I said earlier, it is time the Government woke up to the fact that the finance of the State is not to be played with willy-nilly.

On motion by Hon. J. McL. Thomson, debate adjourned.

BILL—LAND ACT AMENDMENT (No. 1).

Second Reading.

THE MINISTER FOR RAILWAYS
(Hon. H. C. Strickland—North) [3.5] in moving the second reading said: The Bill seeks to amend the principal Act in three ways. The purpose of the first amendment is to ensure that the interpretation of "Crown Lands" in the Act definitely includes "all lands between high and low water mark on the seashore and on the banks of tidal waters." This amendment has been included in the Bill at the suggestion of the Solicitor General, the reason being that in the original Act of 1898 which was repealed by the present Act in 1933, the definition of Crown Lands was clearly expressed to "include all lands between high and low water mark on the seashore and on the banks of tidal waters."

However, in the definition of "Crown Lands" in the Land Act, 1933, the word "include" was omitted, and the reference to "all lands between high and low water mark on the seashore and on the banks of tidal waters" could be read as a further exception to the definition of Crown lands, instead of an inclusion.

The second proposal in the Bill is in connection with the acquisition of Crown Lands by the Commonwealth Government. The amendment proposes to make this section of the Land Act reciprocal with the Commonwealth Lands Acquisition Act, 1955. Under the old Commonwealth Act, land could be acquired by agreement between the Governor of the State and the Governor General. The Commonwealth has repealed its Act of 1906-1936, and last year enacted a new Lands Acquisition Act, the name of which I just quoted.

This new Commonwealth Act provides that, where the value of the land does not exceed £500, a transfer may be effected by agreement with the Commonwealth, not the Governor General. The proposed amendment will bring the State Act into line with the Commonwealth Act by authorising the Governor to make the necessary agreement with the appropriate Commonwealth authorities.

Another purpose of this Bill is to preclude the lessee of pastoral land from transferring or subletting such land until he has complied with the appropriate improvement conditions of the lease as at the date of transfer. This amendment is designed to preclude trafficking in pastoral leasehold land.

Except in special cases approved by the Minister, no conditional purchase lease may be transferred or sublet until after the expiration of two years from the commencement of the lease, unless the holder has expended on the land in prescribed improvements the full amount required to

be expended during such period. No such restriction is included in the parent Act in respect of pastoral leases.

At present 208,003,368 acres are leased from the Crown under pastoral lease conditions. This area is comprised within 1,809 leases, the areas of which vary from 20,000 acres to 1,000,000 acres. All leases, however, expire on a common date—the 31st December, 1982. Many of the leases are for various reasons transferred and, in the great majority of cases, the land concerned is improved and stocked in accordance with the conditions of the lease. Since October, 1951, 671 leases have been totally transferred and portions of existing leases have been transferred on 22 occasions.

The officers of the department, however, have noticed that there has been some trafficking in leases. One person, with other members of his family, selected 13 separate pastoral leases or licences over a period of years, covering a total area of 1,657,015 acres, and has, in nearly every case, sold the lease very soon after it was approved. In practically all instances, the transferee has had to comply with the improvement and stocking conditions before presenting the transfer for approval by the Minister. During the last five years, 179 pastoral leases have been approved comprising an area of 23,237,960 acres. The yearly approvals have been:—1951-52—35 leases of 2,575,943 acres; 1952-53—38 leases of 3,378,823 acres; 1953-54—33 leases of 3,347,112 acres; 1954-55—41 leases of 5,014,180 acres; and 1955-56—32 leases of 8,921,902 acres.

Although large areas are still vacant and available in the North-West and Eucla Divisions, selection will be sporadic because of the scarcity of water. Selection will proceed as bores are located and put down. I move—

That the Bill be now read a second time.

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

BILL—LICENSING ACT AMENDMENT (No. 3).

Second Reading.

Debate resumed from the previous day.

HON. L. A. LOGAN (Midland) [3.10]: This is just one more taxing measure introduced by the Government since taking office in 1953. I believe that, when speaking to the debate on the Address-in-reply, I enumerated something like one dozen Bills which the Government has introduced into this House to increase taxation; and, from what we are told of the probabilities of the future, we can imagine that the present Government will go down in history as the greatest taxing Administration this State has ever seen. I am concerned that the gradual increasing of all

these items of taxation will bring us to saturation point and then our public works programme will have to be drastically reduced.

I realise that Governments must have money, and that taxation is necessary to produce the funds with which to carry on; but there is a limit to the imposition of any type of taxation, and I think that limit has almost been overreached in respect of liquor licensing.

One strange aspect of this question is that when the Little Budget was introduced by the Federal Government earlier in the year, the hotelkeepers and beer drinkers caused a great deal of discussion and raised all sorts of arguments against the increase in excise; and they were, in my opinion, justified in doing so.

It seems strange, however, that the liquor licence fees in this State can be increased from 6 per cent. to 8½ per cent. yet the U.L.V.A. and hotelkeepers as a body remain silent. One wonders why, because if the Little Budget hit them in February or March of this year, surely the present measure will affect them also, particularly when we realise that the amount involved is £120,000, and could be as high as £800 to £1,000 for one particular hotel. I find it strange that a person who is going to pay an extra £1,000 in taxation is not worried or concerned, and I am equally surprised when he is not hitting the roof about it.

A letter has been read from Mr. Tippet, vice-president of the U.L.V.A., stating that they were not opposing the measure. I believe that Mr. Tippet is exceeding his authority, and that he was given no mandate from the U.L.V.A. to do so. Even so, there has been no definite move from the hotelkeepers to oppose this measure. One can only conclude that their silence is due to an arrangement to do away with the one-armed bandits. I may be wrong in my assumption; but, as I said earlier, they made a row about the excise tax imposed by the Commonwealth Government in February or March this year, yet they do not appear to be at all worried about the taxation contained in this measure. That being so, it makes one stop and think.

They have said that they intend to absorb the increase; but that statement was made by them before the last basic-wage increase. Is there any guarantee that since the increase of 3s. 10d. in the basic wage they are still going to absorb it? Of course not! What will happen now is that because of the increase in the basic wage, and because of this tax, the price of beer will go up.

Hon. A. F. Griffith: And they will blame Mr. Menzies.

The Minister for Railways: Rentals come down; it will be adjusted.

Hon. L. A. LOGAN: Not to the extent of £800 in one hotel.

The Minister for Railways: It could be; the Swan Brewery might open its heart.

Hon. L. A. LOGAN: In 1939, the price of a 7 oz. glass of beer was 8d. It is no longer called a glass; today it is called a large goblet. Why it is called a large goblet or middy today, when in 1939 it was called a small glass, I do not know. The price today is 11½d. I foresee that in the near future that price will go up another ½d. to make the price 1s. When the price does go up I wonder if the beer drinkers will react in the same way as they did when the Menzies Government imposed that excise tax! If the effect is not the same, then we will know that it was due to the publicity which was put over at that time because there was an election on, and that that was the cause of the reaction that took place.

One other aspect of this measure is its retrospectivity on the clubs. If I read the amendment correctly the retrospectivity of the clubs will go back 12 months. Whilst it might be desirable to go back six months, it is certainly not acceptable to have it retrospective to 12 months. The Bill refers to liquor purchased on or before the 30th day of September, 1955. If it is not intended to be charged on liquor from that date why is it included in the Bill at all? I would like the Minister to clear up that point. If there is to be retrospectivity at all, it should not include that period when the House was in session last year; it could start from when the House adjourned. I hope the Minister will enlighten me on that.

The Minister for Railways: He will.

Hon. L. A. LOGAN: As I say, I have not had much time to study the measure.

Hon. F. J. S. Wise: That is the date from which it will be assessed.

Hon. L. A. LOGAN: That may be so.

Hon. F. J. S. Wise: It is so.

Hon. L. A. LOGAN: If they are to be assessed, then surely they will be assessed from that period. If that is not the case, why include that provision in the Bill at all? That is what I want to know.

Hon. N. E. Baxter: Why did they not assess the s.p. bookmakers on the same basis?

Hon. L. A. LOGAN: I have not criticised this measure as some members have; nor have I endeavoured to bring out the disparity between it and the measure dealing with the s.p. bookmakers. I will say what I want to say on that aspect when discussing the Bill dealing with s.p. bookmakers.

It seems to me as though the Grants Commission has reached the stage where it is dictating policy to the Government of this State. Because some of our taxing

measures are not as high as those in other States, the commission is forcing this Government to increase those taxing measures, on threat of reducing the grant to the State.

THE PRESIDENT: I hope the hon. member will connect his remarks with the Bill before the House.

Hon. L. A. LOGAN: I think it ties up, because of the fees charged on different angles of taxation—and because of that, the Grants Commission has already reduced the grants to this State.

Hon. N. E. Baxter: The Minister gave that as an excuse in his speech.

Hon. F. J. S. Wise: The report of the Grants Commission shows that it was a reasonable excuse.

Hon. L. A. LOGAN: I do not think it is reasonable. The Grants Commission was set up to examine the disabilities of the State and not to control its finances. Our State Government should show more fight on some of these matters. I might have something more to say in that connection a little later. In the meantime I will reserve my decision on how I shall vote on the second reading of this Bill until after the Minister has explained the points I have raised.

Question put and passed.

Bill read a second time.

In Committee.

Hon. L. A. Logan in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Section 73 amended:

Hon. N. E. BAXTER: It is my intention to oppose this clause. The tax proposed is unjustified. Here is a section of the community which for years has been paying 6 per cent. of its turnover in addition to its annual licence.

The Minister for Railways: Not turnover.

Hon. N. E. BAXTER: Turnover less excise and freight, if the Minister prefers it.

The Minister for Railways: Purchases, not turnover.

Hon. N. E. BAXTER: Turnover on purchases. The sum paid under this provision is much greater than that in other States of Australia. In addition, it is a retrospective tax. I do not remember the Federal Government ever introducing a retrospective tax. In the case of the excise tax it was done from the date it was proclaimed. If the Government wishes the standard of hotels in this State to deteriorate, it will impose this tax. This will mean an increase in the price of liquor, and I hope the reaction on this Government will be similar to that which took place when the Federal Government introduced its excise tax. Perhaps the supporters of this

Government will transfer the epithet of "Tax-us Rangers" and apply it to the present Government.

THE CHIEF SECRETARY: In case the matter of retrospectivity is repeated, I must point out that the clause is not a retrospective one at all. Sir Charles Latham was quite correct when he said it was not.

Hon. Sir Charles Latham: It might be retrospective to the 1st July.

THE CHIEF SECRETARY: It takes it from last year to a certain part of this year for the clubs, and from the 31st December for the hotels. Mr. Baxter shakes his head.

Hon. A. R. Jones: When would the tax actually start?

THE CHIEF SECRETARY: Not until the Bill is passed. From what members have said, it would appear we are doing something that has not been done in Australia before. Members say the tax is being increased. It definitely is; no one denies that. But in respect of the taxpayers in this particular instance being overburdened with something, I would say they are very fortunate in having got off so lightly for so long, in comparison with the rest of Australia. The amount of tax averaged throughout Australia is 12s. 4d., while the amount in Western Australia is 8s. 10d., and we are well below the Australian average.

Hon. G. C. MacKinnon: Is that a bad thing?

THE CHIEF SECRETARY: No. Members would have people believe we are imposing a burden which is not imposed anywhere else in Australia. That is not the position, and we are simply evening it up a little more. The amount by which we are not taxing our people—and I do not care what Government is on the Treasury bench—is a definite loss to this State in the amount received from the Grants Commission. If we want to get our dues from the Grants Commission, we have at least to tax people in a particular sphere somewhere near the amount paid by the people in the non-claimant States. Would it be fair for us to be granted moneys from the Grants Commission, and the people in a State who are not getting moneys from the Grants Commission to be taxed higher than we are?

Hon. N. E. Baxter: Yes, of course!

THE CHIEF SECRETARY: The hon. member's ideas and mine differ. I have explained the attitude of the Grants Commission, and it is quite reasonable.

Hon. G. C. MacKinnon: They have been very generous to us in the past.

THE CHIEF SECRETARY: They have been generous in this particular field, because we are not raising by taxation anywhere near the amount of money being paid by people receiving no assistance.

Hon. C. H. SIMPSON: There is a fair body of opinion which contends that the retrospectivity—

The Chief Secretary: There is none in it.

Hon. C. H. SIMPSON:—in regard to the various sections works out unfairly, and there is a feeling within the trade that in view of the already high taxes they have to pay as a result of the "Little Horror" Budget there should be a lag on this tax; and I am hopeful that this Committee will consider an amendment to report progress until the Budget comes out, and we can see exactly how the Government intends to impose other forms of taxation and to meet its commitments which we realise have to be met. I have here a letter from the general secretary of the United Licensed Victuallers' Association, addressed to the Leader of the Opposition, Hon. Sir Ross McLarty, which reads as follows:—

I am directed by my Committee of Management to convey to you a resolution carried at a special meeting of that committee held today—

That "this Association objects to the proposed approximate 40 per cent. increase in the liquor tax; that the trade already has too many imposts to bear, including the October quarterly adjustment of the State basic wage, and an anticipated considerable increase in rates and taxes; and that when the full impact of all such imposts is known, then serious consideration must be given to a review of retail prices."

That is the considered opinion of the United Licensed Victuallers' Association. In view of my previous remarks, I move—

That progress be reported.

The CHIEF SECRETARY: I hope the Committee will not agree to this motion. I take things pretty easily in this House, but I am surprised at the action of an ex-Leader of the House taking the business of the House out of the Leader's hands.

Hon. C. H. SIMPSON: In explanation, I was under the impression that I had spoken to the Bill and had no right to adjourn it. That is why I did not get up when the hon. member rose, and I must crave the indulgence of the House in that regard.

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

Ayes	.....	12
Noes	.....	11
Majority for	.....	1

Ayes.

Hon. N. E. Baxter	Hon. J. Murray
Hon. L. C. Diver	Hon. C. H. Simpson
Hon. A. F. Griffith	Hon. J. McI. Thomson
Hon. Sir Chas. Latham	Hon. H. K. Watson
Hon. G. MacKinnon	Hon. F. D. Willmott
Hon. R. C. Mattiske	Hon. A. R. Jones

(Teller.)

Noes.

Hon. G. Bennetts	Hon. F. R. H. Lavery
Hon. E. M. Davies	Hon. H. C. Strickland
Hon. G. Fraser	Hon. W. F. Willesee
Hon. J. J. Garrigan	Hon. F. J. S. Wise
Hon. E. M. Heenan	Hon. W. R. Hall
Hon. R. F. Hutchison	(Teller.)

Motion thus passed.
Progress reported.

BILL—BETTING CONTROL ACT AMENDMENT.

Second Reading.

Debate resumed from the 6th November.

HON. R. C. MATTISKE (Metropolitan) [3.42]: Normally my betting activities are confined to a 2s. ticket in the Melbourne Cup sweep; but since this legislation appeared in the Chamber I have made various inquiries, the bulk of which have already been traversed by previous speakers. I will therefore not bore the House by covering that ground.

However, there is one aspect to which I must make reference, and for that purpose, I would like to read a letter which has been received by me from Mr. O. Peterson, manager for W.A. of the Tote Management Co. of Australasia. It reads as follows:—

Hon. R. C. Mattiske, M.L.C.,
Legislative Council Chambers,
Parliament House,
Perth.

Dear Sir,

In view of the Betting Bill now before the Upper House, we would like to place the following facts and suggestions before you:—

1. Our Automatic Totalisator (Premier) is Australian manufacture, and the equipment is either sold or leased to race and trotting clubs. In this State the W.A. Turf Club have purchased all their equipment, and the W.A. Trotting Association and Fremantle Trotting Club have lease equipment. We have agreements with these clubs, the former for a further twenty years, and the latter two for eight years.

We operate and maintainance the totalisators for these clubs, and receive in return a commission on all turnover. During the last twelve months, our turnovers have fallen alarmingly, and we have had to drastically cut our casual racecourse staff. Our normal turnover at a race meeting is about £11,000, whereas twelve months ago it was £18,000. No doubt legalised S.P. has seriously affected race attendances in particular, and for us to function, and show a profit on existing rates of commission now operating with these clubs, we must get the investors to the racecourse.

Totemobile lease equipment was introduced into W.A. in 1952, our particular unit costing the company in

the region of £30,000. This machine services race meetings at Pinjarra, Northam, York, Beverley and Toodyay. As is the case with the W.A. Turf Club and metropolitan trotting clubs, we operate this machine on a commission basis, and with the sharp fall of turnovers since the introduction of legalised S.P., our normal turnover of £4,000 at Pinjarra is now £2,500, and with agreements for 10 years with these clubs, there is no possible chance of our company ever getting back our capital outlay.

It is realised that we as a company are no different than any other business concern, we have our agreements and commission rates which have been fixed so that a working profit can be made, but at the time of the signing of these agreements it was never anticipated that a Government which receives 7½ per cent. on totalisator turnover would intervene and set up what is actually an opposition business.

2. Everywhere in Australia where S.P. betting operates, it has always been the practice to pay win odds as those operating at the close of betting on the racecourse, and a quarter of those odds for the place. The place totalisator odds being paid by all S.P. shops in W.A. is absolutely fictitious, as they are actually paying on a dividend which is created by the investors who are on the racecourse, and from which pool 13½ per cent. has already been deducted.

To substantiate in our opinion why these place totalisator odds should not be paid by the S.P. operators, one only has to observe at country race meetings such as Pinjarra, Northam, York, Beverley and Toodyay which circuit is covered by our mobile totalisator, to see the money that is placed on that machine by S.P. contacts to ruin place dividends. A normal place pool at any of these meetings would be £300. Should a commission of £25 be placed on the favorite, it could return a ridiculous dividend, as has occurred frequently in the last 12 months. From this pool, 13½ per cent. has to be deducted, then the remainder divided into three equal parts for the placed horses. The Premier recently stated that the "poor" S.P.'s get caught with the "hot money," and are not able to get rid of it like the course bookmakers, who with the weight of money on a particular horse can adjust the odds accordingly; but for your information the S.P.'s are very well organised, and have contacts at all race and trotting meetings to place this "hot money." It can be seen that in fairness to S.P. investors, the place odds should be a quarter of starting price odds. If a limit of 12 to 1 is paid

by S.P.'s for a place, why not a minimum of stake returned and not 3s. 6d. for a 5s. stake as happened at a recent Beverley meeting. With the "hot money" for a win, S.P. contacts can place this money with on-course bookmakers, getting the cream of the odds, using the S.P. investors' own money, e.g. a horse opens on-course at 10 to 1 but owing to S.P. "hot money," may eventually start at 4 to 1. The S.P. pays out 4 to 1 to punters whose money they have used to reduce the price, also making a nice profit themselves for no outlay. If the horse loses, it is the punters' loss and not the S.P. bookmakers' loss.

3. The Betting Control Board's report on the operations of legalised S.P. in W.A. for the first 12 months, after all submissions had been perused from the race, trotting clubs and totalisator company, have left us with S.P. shops for a further period as the Board considered the present set-up quite satisfactory, and that a totalisator system was impracticable. However, during the first 12 months, the race and trotting clubs have found themselves showing big losses, which has forced them to take deputations to the Premier seeking assistance. A solution or change should have been tested after this period, and we submit the following proposal, which would substantially benefit the Government, race and trotting clubs and totalisator company:—

The present Government having legalised S.P. could use the S.P. bookmakers operating in the metropolitan area (within a radius of 12 miles) as agents, to phone all bets on local races to a central bureau, where they would be collated and then transferred to the totalisator on the course. The Government would then automatically get their 7½ per cent. instead of the proposed 2 per cent. from the off-course bookmakers, race, trotting clubs and totalisator would participate in the remaining 6 per cent., according to their agreements. The S.P. as agents could receive a percentage from the Government. The S.P. shops in this metropolitan area would then pay totalisator win and place dividends, and shops outside the area would pay bookmakers' odds and a quarter of these odds for a place. With the local money all going through the machine, punters would be paid their correct odds and it would not be necessary to have any limits in the metropolitan area, such as now exist.

In Tasmania, the betting shops close at 12 o'clock and all S.P. bets have to be placed before this time.

If they have accepted this form of betting in Tasmania, surely S.P. investors in W.A. could be made to place their bets one hour before a race, so that the off-course money could be placed on the machine before opening betting on the course. The S.P. bookmakers could pay out as usual as soon as tote dividends are declared, and adjustment between control bureau and S.P. bookmakers could take place later.

At present, the Government propose to tax S.P. bookmakers 2 per cent. on turnover, but in the metropolitan area, if this local money was channelled through the tote machine, the Government would receive $7\frac{1}{2}$ per cent. on present ruling, out of which would have to come S.P. percentage as agents. Control bureau administration could be handed by tote company under Government supervision.

In conclusion, we would say that the above proposition would make most people contented, namely:—Government, totalisator, turf and trotting clubs, also S.P. operators who claim they are losing on local racing would probably be content to receive a small percentage from the Government's $7\frac{1}{2}$ per cent. with no risk attached, also the S.P. investors in the metropolitan area would be content as they would be getting better odds for their money, as statistics have proved.

Yours faithfully,

Tote Management Company
of Australia,
O. Peterson, Manager for W.A.

I know Mr. Peterson personally. He is a man of great integrity and I have discussed the subject matter of the letter with him. What he has put forward is, I think, sound and I strongly commend it to members for their careful consideration. In discussing a previous measure this afternoon, we were blaming the Government for taxing this and that; but I am now in the unique position of being able to say that, in my opinion, the Government is not taxing sufficiently in a particular avenue. I am pleased to note that Mr. Murray has submitted an amendment to be considered in Committee, and I shall support that amendment and commend it also to the earnest consideration of members.

THE MINISTER FOR RAILWAYS (Hon. H. C. Strickland—North) [3.53]: All I wish to point out is that Mr. Mattiske desires to tax those who back winners, not the bookmakers. In supporting the proposition for a $7\frac{1}{2}$ per cent. tax through the totalisator he is merely proposing that we should tax the backers of winners on the totalisator.

Hon. Sir Charles Latham: Where does it come from? The bettors.

THE MINISTER FOR RAILWAYS: If Mr. Mattiske's idea was adopted, all money would be channelled through the totalisator. Of the money invested in the totalisator, $13\frac{1}{2}$ per cent. is deducted and the balance is shared between the winner and the three placed horses. Therefore the money taken out is taken from the winners, not the bookmakers.

Hon. C. H. Simpson: From the investments.

THE MINISTER FOR RAILWAYS: From those who back winners. They would get less from the totalisator. This must be so because the deduction is taken from the general pool. The totalisator is no different from a one-armed bandit. It is a machine; and as long as a person is willing to stand and keep putting his money into it, it must get the lot.

Hon. Sir Charles Latham: So must the bookmakers.

THE MINISTER FOR RAILWAYS: It must get the lot, because it takes $13\frac{1}{2}$ per cent. of all that is put into it. The punter can break a bookmaker, but he cannot break the tote. The tote breaks the punter.

Hon. J. Murray: The bookmaker does not pay that $13\frac{1}{2}$ per cent. before he starts calculating.

THE MINISTER FOR RAILWAYS: What I have said is a positive fact.

Hon. Sir Charles Latham: I think you are getting into deep water here.

THE MINISTER FOR RAILWAYS: There is nothing deep about plain facts, and anyone can work this out. The hon. member knows that for every 5s. he invests in the totalisator, a percentage is taken out. It is possible to invest 5s. on a winner and receive 4s. or 4s. 6d. back.

Hon. J. Murray: Never, in Western Australia.

THE MINISTER FOR RAILWAYS: Yes, plenty of times until the Wise Government, I think it was, altered the position. That Government also amended the law so that the sixpences were paid. The totalisator company used to take all the odd money as well as a percentage; it paid to the nearest shilling. The company was not satisfied with bleeding the bettor to death but wanted to take the lot in exactly the same way as the one-armed bandits do.

HON. A. F. GRIFFITH (Suburban) [3.56]: When the original legislation was introduced here, I made the comment that I thought it would have a better title if it was called the "Betting Encouragement Act" rather than being called a "Betting Control Act." I think the operations of the last 12 months have proved, without a doubt, that the legislation is operating as a betting encouragement Act because of

the terrific amount of money that is obviously going from the public pocket into betting. I admit that whilst I was an opponent of the Bill then, I think now that in some ways it has improved the conditions that existed prior to its introduction.

Hon. Sir Charles Latham: It has only saved the law-breakers.

Hon. A. F. GRIFFITH: I think it is better to have organised betting in shops than to have people betting up alleyways and in other places, as they were. Whilst I agree that the position has improved, there are some unsavoury features in regard to the operation of the Act. It seems to me that the Betting Control Board—a statutory body, set up by Parliament—has put its fingers to its nose, if I may use the expression—even to the Minister.

The PRESIDENT: Order! That is hardly an expression to use here.

Hon. A. F. GRIFFITH: I apologise. It treats the Minister in such a manner that—

Hon. Sir Charles Latham: He is seconded to fourth place instead of being at the top.

Hon. A. F. GRIFFITH: —he has very little to say.

The Chief Secretary: Parliament did that to remove it from politics.

Hon. A. F. GRIFFITH: That may be so. It might not be a bad idea to remove the profiteering Bill from politics in the same way.

The Chief Secretary: You missed your opportunity.

Hon. A. F. GRIFFITH: I think the outstanding example of the complete disregard shown by the board of any desires of the Minister controlling the Act, or of the Government of the day, was the attitude of the board towards the question of the Applecross betting shop. There we had an instance of a man applying for a licence to operate a shop, the residents of the district petitioning the Minister, and the Government saying it did not want the shop. Because of the rows that went on in the district, the man who was building the shop stopped; and then, according to the file tabled in the House, the next step was that the Betting Control Board sought the man who owned the business premises and directed him to try to find someone else to operate the shop.

The Chief Secretary: Otherwise they would have cancelled it.

Hon. A. F. GRIFFITH: What an extraordinary statement to make!

Sitting suspended from 4.0 to 4.15 p.m.

Hon. A. F. GRIFFITH: Before the suspension, was dealing with the establishment of a betting shop in Applecross. I pointed out that that was a case where the Applecross people did not desire a

betting shop to be established and when the stage was reached at which the owner of the premises decided not to continue with the building, the Betting Control Board—as the correspondence on the file shows—wrote to him encouraging him to find someone else to take over the licence for the establishment and to carry on.

At this stage the Chief Secretary said that if that had not been done betting would not have been able to have been carried on. But, after all is said and done, that was the basis of the protests in the application made to the Minister. A stage had been reached where the owner concerned had decided not to proceed with the building, and all would have been well if the position had been left at that. But the Betting Control Board, despite the fact that the residents of Applecross did not want the shop established, reopened proceedings with the owner so that a licence could be granted for a betting shop on these premises. The result is that the Applecross people have a betting shop in their district in face of their strong opposition against it and, as far as I know, they are still opposed to its establishment.

I remember that, at the time the Bill was discussed in this Chamber, you, Sir, ruled out a proposed amendment of mine which would have had the same application as a local option. It would have granted the people in any district the right to express their opinion on whether they wanted a betting shop established in their district. This responsibility now devolves on the local authority because the by-laws of a local authority seem to be the only regulations through which control in any shape or form can be exercised over the granting of a licence for a betting shop in any district. If the by-laws of a local authority provide that a betting shop shall not be established in its district, it can object to the granting of a licence for the establishment of such a shop. However, I understand that if such action were taken the disadvantages would offset any advantages that might be gained.

Whilst I am not narrow-minded and believe that people should be permitted to have a bet if they so desire, I consider that it should not be the function of the Betting Control Board to encourage people to spend their money on bets, because frequently the people who indulge in betting can ill afford to do so. I know that it would be of no avail to express any further objection I may have to this legislation; but I warn the Government of the day and the Minister in charge of this Act, and in particular the Betting Control Board itself, to beware of the time when betting transactions in this State are going to be encouraged to such a degree that the money that passes between book-makers and punters, in conjunction with all the evil ramifications of betting, will prove detrimental to the people and the welfare of the State generally.

HON. C. H. SIMPSON (Midland) [4.22]: I had not intended to speak on this Bill and therefore I did not prepare any matter for presentation to the House. It seems to me, however, that the whole tenor of the debate has been, not a commentary on the operations of the Act since it was proclaimed, but a commentary on its machinery since it was brought into operation, and whether we are obtaining sufficient revenue from this source of taxation.

When this legislation was introduced, we spent days discussing the pros and cons of whether the Bill should be agreed to. We even went to the extent of agreeing to an amendment moved by Mr. Logan which provided for an annual review of the operations of the Betting Control Board. The Premier, in another place, agreed that the Act should be limited for a certain period.

All speakers seemed to think that, whilst betting was anti-social, possibly by a controlled system we would be able to keep it within bounds compared to the old s.p. betting system which encouraged betting to be conducted in back lanes and so on. The question still remains however, as to whether betting should be controlled or the principle of condoning what is an anti-social act is to be recognised. Betting produces nothing and benefits only a very few.

Hon. F. R. H. Lavery: It produces a few arguments.

Hon. C. H. SIMPSON: On the question of control, if the figures which have been published from time to time are considered, it must be agreed that the volume of betting has increased considerably since avenues for easy betting have been made available to the public. Shops are now provided wherein a person can place a bet within the provisions of the law.

This is definitely an encouragement to bet which did not exist before, and must have had some influence on those people who consider that a small bet can do no harm, but who would be unwilling to risk being prosecuted for doing something that the law said they could not do. During the debate on the Bill, reams of evidence were brought forward to show that the evil of betting is not peculiar to this State but is evident in all countries of the world; and at times there have been various methods devised to control it, with very little success.

However, members should give some attention to the thought not of whether the present system is to remain and how much revenue we can obtain from it, but whether the system is inherently anti-social and should be erased from the statute book. The legislation will come up for review at the end of the three-year period, and we should reserve some consideration in our minds when we are called

upon to reflect not on what the Betting Control Board has done, but on the system of betting as a whole, particularly in the light of the experience we have gained of the legislation now in operation.

As far as the present operations are concerned, it does seem to me—and I am certainly one who does not know very much about betting—that bookmakers are being let off lightly in regard to the payment of taxes imposed on them, compared with those people who are engaged in the liquor trade. I think that question, too, should receive more consideration; because if this tax is to continue, it should compare more favourably with that which is imposed on bets placed on the totalisator. Therefore, steps should be taken to make a fair adjustment of the rates paid by s.p. bookmakers.

HON. L. A. LOGAN (Midland) [4.29]: The introduction of this measure has brought about a spate of propaganda and a good deal of argument as to whether the W.A.T.C. and the W.A.T.A. should receive more money from the imposition of this tax which, of course, has resulted in many facts and figures being presented to members of Parliament, and to such an extent that I defy any member of this House to arrive at the truth from the statements that have been presented to us. The Government will benefit to the extent of approximately £109,000 less the difference in the amount of licence fees to be paid. The position of the trotting clubs will be improved by about £5,000, and that of the racing clubs by about £14,000.

It has been said that the tax of 2 per cent. is not sufficient, and that the s.p. bookmakers have submitted figures endeavouring to prove their case. I would suggest that in endeavouring to follow the figures given by the bookmakers through C. P. Bird & Associates, one must come to the conclusion that they are too ridiculous for comment.

In supplying members of Parliament with information such as that they are weakening their case, rather than strengthening it; because when we look at the figures, we find that bookmakers holding over £200,000 are shown as making a net profit of £1,133. That is brought about by extraordinary good book-keeping, by very bad management, or through bad business. I for one have no intention of accepting that figure as being correct.

In the statement of account we find wages vary from £1,500 in group 1 to £8,120 in group 4. I am perfectly certain that, if that figure is tested, many discrepancies will be found. When we consider the item of "other expenses" we find that for a bookmaker with a turnover of £50,000 to £75,000 a year it is £1,967. Wages and rent have already been accounted for separately. So what constitutes the other expenses leaves much to the imagination, particularly when we consider group 4

where the other expenses amount to £5,053. It is too much to expect members of Parliament to accept those figures.

The Chief Secretary: They were put up by a reputable firm.

Hon. Sir Charles Latham: On information supplied.

Hon. L. A. LOGAN: I have not said that C. P. Bird & Associates have done anything wrong. They have worked this statement out on the figures given by their clients.

The Chief Secretary: The figures might have been audited.

Hon. J. Murray: We can accept the hon. member's statement as correct.

The PRESIDENT: Order!

Hon. L. A. LOGAN: I am perfectly certain the Chief Secretary would not accept the figure of net profit as £1,133 with a turnover of over £200,000. Even he is not so green as to accept that.

The Chief Secretary: I am not allowed to reply.

Hon. L. A. LOGAN: I do not say that the s.p. bookmakers are in a position to pay the tax which many people would like them to pay. I believe there is room for a small increase. As one who supported the measure for legalising s.p. bookmaking, I say that if the same conditions applied today as applied then, I would be voting in exactly the same manner.

It has been said that s.p. betting has increased as a result of the measure; but as far as Geraldton is concerned, betting has decreased, because the facilities for betting were reduced considerably. Under the old set-up there were 19 to 20 persons operating in the streets, hotels and back lanes. They used to go into clubs and ask what people wanted to bet on in the next race; they also did this in hotels. Many people who would not have placed a bet did so because the operators went into those places after each race.

Those conditions have disappeared. Today the only way to place a bet is to go into an s.p. shop. Instead of Geraldton having 19 operators and channels for betting, there are only three today. That had the effect of reducing the betting in my area.

Some people are astounded at the amount of money that has been turned over in the last 12 months. I am not, because I had a conception of the amount that went through the hands of s.p. bookmakers before licensing came into operation.

The Chief Secretary: A lot of that money was turned over more than once.

Hon. L. A. LOGAN: Money passing through the s.p. bookmakers turns over approximately four times. If we were to get the correct figure of every penny passing through the s.p. bookmakers we would

find that 25 per cent., or four times, would be very near the figure. That means a bookmaker holding £1,600 is actually turning over £400 four times. In effect, the tax of 2 per cent. is increased to 8 per cent. because every time the money is turned over the tax is paid. On totalisator bets a tax of 13½ per cent. is taken, 7½ per cent. of which goes to the Government. The letter read out by Mr. Mattiske shows that one percentage goes to the racing clubs and another goes to the totalisators. The more money they can channel through the totalisators, the more will Totalisators Ltd. make.

Hon. Sir Charles Latham: They get a percentage.

Hon. L. A. LOGAN: That is an Eastern States firm, not a Western Australian firm. Having criticised the s.p. bookmakers for giving incorrect information, I can say the same about the W.A. Trotting Association. We all received a booklet printed by that association and containing much information, including the annual report and the chairman's remarks. The chairman said that a considerable amount of publicity had been given to the suggestion that the serious fall in attendances and revenue had not been due mainly to the introduction of legalised betting shops, but to prevailing economic conditions.

He went on to say that the Melbourne Racing Club, with attendances up by 13.5 per cent., showed a substantial profit after providing record stakes. He mentioned the Victorian Amateur Turf Club as having concluded the year with a good profit, and said that the Victorian Racing Club, after paying record stakes, was able to report a profitable year. He further said that the Moonee Valley Race Club recorded a satisfactory profit.

I am not doubting that statement, but the chairman did not tell the full story. That is what I do not like because, despite the fact that these clubs make substantial profits, the profits were substantially less than in previous years. Surely that is sufficient proof that these conditions do not apply only to Western Australia.

The statement I have here shows that the profit for the Victorian Racing Club for 1944-45 was £11,000 as compared with £17,000 in 1946-47; it went up to as high as £45,000 in 1945-46. Similarly the V.A.T.C. made a profit of £7,000 compared with £8,000 in the previous year and £19,000 in 1948-49 and £33,000 in 1945-46. The Moonee Valley Racing Club showed a profit of £7,000 compared with £5,000 in 1953 and £14,000 in 1948-49. The Melbourne Racing Club last year made a profit of £5,128 as compared with £5,001 in 1953-54 and £15,000 in 1948-49. So we see that although those clubs made a profit, the amount has in some cases been reduced substantially. We cannot blame the s.p.

shops for the reduction, so obviously there must be another reason; and that is, the economic conditions.

The Chief Secretary: The attendance at the last Randwick meeting was 13,010 less than last year.

Hon. L. A. LOGAN: I am not saying that the s.p. bookmakers within the city have not been responsible for some of the decline in attendances. It would be silly to make such a statement. If we compare the same position in the city and the country we will find that the s.p. shops did not affect the race meetings in country centres, yet they declined as much as the race meetings in the city. The position had been reached where one or two country centres did not hold race meetings last year because of the economic conditions.

If I remember rightly the first race meetings in our area were run at a loss. That was not because of the s.p. shops. Then a concerted effort was made by all the clubs together to improve attendances; and over the last two or three meetings they were able to bring back some of the support that had been lost. Although they finished the year at a loss, it was not as great as it would have been without that concerted effort.

There is one aspect of betting control which I do not think is justified. As I stated previously, the workings of this Act would depend largely on the capability of the men in control. We know that Mr. Andersen was appointed Chairman of the Betting Control Board at a salary of over £3,000. He is still holding that job at that salary. Another member of the board was paid over £2,800 a year. Now that the Betting Control Board has been established, the duties and functions do not warrant the continuance of such salaries. Its job now consists of relicensing every year and considering one or two applications throughout the year, and surely that does not warrant the payment of such sums to the chairman and members of the board.

It would be all right if these men went into the ramifications of s.p. betting. From my observations there are still things occurring with the industry that should be stamped out; and if the board did the job I think it should be doing, the payment of such sums might be warranted. But I am afraid it is not looking into those phases of the industry which I consider should be examined.

I do not intend to touch upon the subject mentioned by Mr. Diver. But that in itself proves, I think, that certain practices are being adopted which are not in the best interests of the public. People who bet are just fools, of course, and it is said that a fool and his money are soon parted. But it is claimed to be the inherent right of every Australian to have his two bob each way, and those bets should be made in the best possible manner.

Criticisms and suggestions are still being made in regard to the value of totalisators. I was responsible for an amendment to the Act the year before last providing for a report to be submitted to Parliament on whether it would be possible to start a totalisator system in Western Australia. Unfortunately, I have not read the report and I cannot say who is right and who is wrong; but the fact that there was a majority report against the totalisator system—

Hon. N. E. Baxter: It was loaded.

Hon. L. A. LOGAN: The minority report could have been loaded, too. Only the Turf Club and the Trotting Association said it was possible. Prior to the introduction of this measure, those two bodies were in favour of totalisators. If that is not a matter of loading, I do not know what is! So both sides are loaded.

I am still of the opinion, as I said last year, that it is impossible to run a totalisator system properly in Western Australia. If I recall the matter correctly, in the letter read by Mr. Mattiske, the only betting mentioned was that on Western Australian races. I see no very great bar to running a totalisator purely on Western Australian races. But it is entirely different with regard to Eastern States racing. The figures I gave before were roughly 60 per cent. Eastern States, and 40 per cent. local races. I believe that those figures were not quite correct, and that it is about 50 per cent. each way. Even so, 50 per cent. is too great to permit of the working of the totalisator system.

Hon. F. J. S. Wise: There is the time factor.

Hon. L. A. LOGAN: Time and the telephone are two important problems. South Australia is 1½ hours ahead of us and New South Wales and Victoria are 2 hours ahead. The suggestion by Mr. Peterson that we could close an hour before a race and ring up a central point and channel to the totalisator is impracticable. The totalisator would not be operating, and there would be nobody there when the Eastern States races were run. Their racing has almost finished when ours starts.

Hon. N. E. Baxter: Staff could be put on earlier.

The Chief Secretary: They would not get their own investment back in many cases, even if they won.

Hon. L. A. LOGAN: It is only the fact that the totalisator can be run in conjunction with attendances on the race-course that makes the totalisator system possible.

Hon. J. Murray: Not entirely so.

Hon. L. A. LOGAN: Yes; I think it is.

Hon. J. Murray: No, otherwise—

The PRESIDENT: Order!

Hon. L. A. LOGAN: If the proposition could be proved to be workable, I would be prepared to support it; but I am not prepared to throw away the existing system for something that might not operate satisfactorily.

Hon. N. E. Baxter: Why not try it on the trots first?

The PRESIDENT: Order!

Hon. L. A. LOGAN: It could possibly be tried out there. But the s.p. men throughout Western Australia would have to be paid a commission. They would still be operating betting shops, and I do not see very much point in that.

I have not been able to ascertain the exact amount that will be paid to country clubs under the new set-up. I believe it is printed somewhere, and that if I went through the Bill, I might find it. I thought it might have been mentioned in the figures given when the Bill was introduced, but unfortunately it was not. I hope that the Chief Secretary, when replying, will tell us the amount that will be paid to country clubs, because I believe that the percentage is not enough. I say that because quite a big proportion of the amounts that the Government receives from s.p. betting comes from the country, but the percentage that goes back to the racing clubs is very small. I believe that those clubs are just as entitled to consideration as the metropolitan turf club. I hope the Chief Secretary will be able to give us the figures so that I can prove—to myself at any rate—whether or not the country clubs are getting a fair crack of the whip.

This tax, I believe, could be increased a little; but I am not one of those who believes it could be increased a lot, because, although there are 16 s.p. bookmakers with a holding of £200,000 there are 34 with a holding of between £50,000 and £75,000. A lot of those are small bookmakers in country towns, and for some of them it can hardly provide a living. If there were any great increase in taxation it would almost put them out of existence. Some people might say that would be a godsend.

Hon. N. E. Baxter: Don't the figures show that they make £1,600 a year?

Hon. L. A. LOGAN: If they made an average of £1,600, that would mean that some were making about £800 and some were making £2,000. That is what has to be remembered. The £1,600 would be an average. Any increase on the small man would be to his detriment.

Though some people might say that if these places were closed down, it would be all the better, the fact remains that that would not stop betting. The betting would be channelled through other licensed premises in the next town. The fellow now operating under licence in the open would

go back to the old method of collecting bets down back alleys and channelling them to the licensed bookmaker in the next town. In country towns there has been a definite improvement in the set-up. If people could realise what went on in Geraldton, for instance, before this measure was passed, and what prevails today, they would say that this House did the right thing in agreeing to the legislation. In some places there is a certain amount of underhand bookmaking. I think that probably some provision could have been made for those areas, but unfortunately that was not done.

Hon. N. E. Baxter: It has not solved the problem there.

Hon. L. A. LOGAN: It was not intended to do so in those areas. If the board did the job it ought to do, it would make an investigation into the circumstances and submit recommendations. But the board is not doing the job I think it should be carrying out. I shall support the second reading of the Bill and will give due consideration during the Committee stage to the amendments on the notice paper.

On motion by Hon. N. E. Baxter, debate adjourned.

BILL—BOOKMAKERS BETTING TAX ACT AMENDMENT.

Second Reading.

Debate resumed from the 25th October.

HON. J. MURRAY (South-West) [4.57]: I regret very much that the Chief Secretary decided to take this Bill before the House had reached finality on the other measure. That is in keeping with the action of the Chief Secretary and of the Government in relation to many measures. This Bill is a taxing Bill, which has close relationship with the measure which has just been under discussion. Until the fate of the latter has been decided by the House, this taxing measure should not be considered and finalised.

The Chief Secretary: I will be surprised if it is finalised.

Hon. Sir Charles Latham: So will I.

Hon. J. MURRAY: I have placed on the notice paper amendments to the other Bill which affect in some measure this taxing legislation. It is not the privilege of this place to amend the Bill under discussion. We can only request amendments. It is evident from the discussions in another place that it is not even the privilege of private members there to amend such a Bill.

So I have taken the step of requesting that an amendment be made in the other Bill with a view to amendments being made by the Government. It is futile for me at this stage to discuss a Bill of this nature beyond saying that it is one

means of securing revenue for the Government. I admit that revenue is necessary, because the Government has committed itself to a phenomenal expenditure and must get funds from somewhere.

This amending Bill, without making heavy imposts on individual taxpayers, could have given the Government very considerable revenue. It could have done that without inflicting taxation on the people generally because the taxation under this measure would be a tax on people who believe in playing to a degree. It is similar to the excise duty on beer. If people want to drink beer they must face up to the taxation on it.

Hon. Sir Charles Latham: They are voluntary taxpayers.

Hon. J. MURRAY: Yes. A member for the North Province suggested that I was supporting sectional taxation but that is not so. When individuals are prepared voluntarily to help the Government out I see no reason why we should prevent them from doing so. It is highly desirable that any voluntary contributions should be received by the exchequer. Under this measure the Government has opportunity, without inflicting a burden on an already over-burdened populace, of getting more revenue. I do not know that it is competent for me to illustrate from where the added revenue should be obtained.

If I were to move certain amendments to this measure when the Bill is in the Committee stage the Chairman of Committees would probably rule me out of order but I intend to move amendments to a measure previously introduced. It is most regrettable that a certain body of people should have been singled out for protection and licensing under the legislation and then that they, after only 12 months of operation of that law, should have been singled out for very special treatment by the Government of the day.

I have noticed in the Press statements that the Government has decided, after remarks that were passed in another place, to increase the licence fees on a sliding scale. Even taking into consideration what the Government has decided in regard to that sliding scale of taxation, it is only a fleabite compared to what these people should pay to consolidated revenue and I think they are entitled to pay some portion of it to the race clubs and the like which are in a measure providing the sport.

As I said the other evening, the public provide the sport, but these people to a degree provide the facilities for it, and therefore these other people are entitled to contribute towards it. I would say at this stage that this is the picture we have to keep in mind when referring to a taxing measure to cover off-course bookmakers. On the course people congregate, and some are owners of racehorses and some are trainers, while others are just interested in racing. I will deal with these people in sequence.

The owner of a racehorse or trotter—probably bred in the purple—for various reasons has hung on to it, and he decides that it has cost him quite a poultice to get the horse into condition as a three or four-year-old, and that now is the time to reap dividends. He goes to the race track or trotting course to invest money and he knows that the stake is, perhaps, £400, which would only go one-third of the way towards covering what the horse has already cost him. He goes to the racecourse and says, "Well, I have to invest my money on this one," and he does so and he steps in and probably gets the benefit of very lucrative odds. He may get 10 or 12 to 1 and he puts his money on what he thinks is—

Hon. Sir Charles Latham: A dead cert.

Hon. J. MURRAY: No, not a dead cert. I take exception to that term. But he thinks that taking all things into consideration he will recover what he has laid out on the horse in bringing it up to that stage. He invests the money with the bookmakers on the racecourse and indicates that in the stable's opinion this horse is at least a goer and that if it is not a dead cert it is at least galloping.

Hon. H. K. Watson: It is a racecourse cert.

Hon. J. MURRAY: Yes. Where do we go from here in dealing with this picture?

Hon. A. F. Griffith: To the racecourse.

Hon. J. MURRAY: No, we are already at the racecourse. There are certain people in the ring who do nothing else but are what we call professional punters. It is not the public, but the professional punters and they base all their investments on what these owners do in the way of investing money on their own horses. Having seen the money come up for this particular horse, when the owner has already got 10 or 12 to 1 for it, the price may come down to 4 or 5 to 1 in the ring. That is a normal variation in the odds if the owner's money comes on for the horse before the professional punters get on.

What is the professional punter's action from then on? The professional punter looks at the betting boards which are exhibited throughout the betting ring and he says, "4 to 1 on this thing," and looks at the totalisator which is laid out handily and says, "The totalisator at the moment allows me to get 10 to 1 on my money" and he immediately swamps the totalisator. In using the word "swamp" I use it to its fullest ramifications. He puts his money on as a professional punter—there is not only one of them, because I could name at least four at the trots but I will not do it.

They swamp the totalisator and take it down so that even money is probably the best bet anyone can get on it. Believe me, the professional punter on a racecourse today, as long as he knows that the owner

of a certain horse is prepared to back it, is prepared to take even money about it. What is the result on the s.p. field? I would say the man in the street, it might be the Chief Secretary, is only a small bettor. The same applies to the Premier and other men who are only small bettors; but if they have a fancy on any racecourse, they are entitled to pick it out and get the odds available to them in normal circumstances.

If the Chief Secretary or the Premier or anyone else wants to invest on s.p. betting, what does he get? He invests on a horse and he might know that the owner and breeder and others think it is going, but he has to be prepared to accept the minimum payment. He has to realise that the breeder has stepped in on the course and has taken the cream of the odds if he could get them. One might almost say that it is skulduggery and juggling, so that he gets the extreme odds.

The small bettor has to realise that between what the owner gets and what he is going to be paid by the s.p. man is the professional punter who does nothing else but study it, and who has gone in and not only reduced the odds in the betting ring, but has also reduced the odds on the totalisator, which means that the s.p. man pays out on the straight-out betting on the minimum that the ring quotes.

The Chief Secretary: Not necessarily the minimum.

Hon. J. MURRAY: Yes, it is.

Hon. J. J. Garrigan: That is not so in country areas.

Hon. J. MURRAY: I do not care whether it is s.p. in Albany or Mukinbudin or Timbuktu. Do not run away with any ideas about getting a real hand-out there. I know a little more about it than the hon. member does. Some people might remember only a few weeks ago when there was a little bit of Press publicity over the Michael Mac case. That horse was a trotter which started once on a metropolitan track. It was taken to the country and run in a country town; and because of the ramifications of the Betting Control Act, which sets down certain rules for country meetings, stating that certain places are not allowed to bet on certain days, it put the s.p. bookmaker in the metropolitan area and elsewhere in the position of refusing to accept a bet on this particular horse in a country start.

The owners tried to invest a legitimate amount of money on Michael Mac but they found that they could not get a shilling on it. The s.p. men said they were not supposed to be open and could not accept a bet. It was only after the whole incident was over that the Betting Control Board said that the s.p. men should have accepted a bet, but then, of course, it was too late. The owner was asked to accept

2 to 1 on his money on the course and, needless to say, that horse has not won since in the metropolitan area.

Anybody who talks about bets placed outside in the field refers to something which is really small beer as compared with what is going on. Those who are being caught are not being caught by the owners of the horse or by the trainers of the horse; they are being caught by the Pat Healys and others of their ilk. They receive money in the metropolitan area and duly lay it off in the country. They do not lay it off on the course but in the country. They have been doing the most phenomenal things and have been allowed to get away with them in the past, though I cannot understand why.

When speaking to another Bill, Mr. Diver illustrated that very fact. They were registered betting establishments; they could accept the bets coming in to the premises and yet say they were not going to make a record of it. They were not going to make a record because they did not want to start a song and dance about it. They are robbing the Government and the public because they will not make a record of it for taxation purposes. By this taxing measure the Government now proposes to give them preferential treatment. To me the whole ramification of this set-up is astounding, and I feel I am justified in getting hostile and a little hot under the collar about it.

When the Commissioner of Police was appointed chairman of the Betting Control Board, I thought we might get somewhere. The s.p. man pays 1d. stamp tax on his betting ticket, while the course bookmaker has to pay 3d. When the course bookmaker makes out a ticket, he makes it out as a straight-out investment on a particular horse. Anybody can go into a betting shop in town and make an investment each way on a horse and pay 1d. tax on the ticket. Under the fundamental principles of betting those are considered as two separate bets.

If one is on the racecourse one has to go to the bookmaker and to the totalisator. In the first place the bookmaker pays 3d. stamp tax on his betting ticket and any investment on the totalisator, with sundry deductions, is 13½ per cent. But the s.p. man, who has all the privileges in the world under the present Government administration, can make two bets under that system for a 1d. stamp tax on the ticket.

The s.p. man pays a 1d. stamp tax on an investment whether it be £1 or £100 on a horse as long as the investor goes up to the counter in the usual way and interviews a clerk and has a ticket made out. As I have said, his tax will only be 1d. If the man says "I want to see the owner of the premises" and goes into the back room and takes his £100 with him he makes an investment just as securely as

if he had done it over the counter, inasmuch as he will still be paid the requisite odds.

But what happens to his investment as far as this taxation measure and the other one which we are due to consider are concerned? In his good judgment the bookmaker might say, "This is hot money; I am not going to keep it, there is going to be no record of it in my establishment." That is an infringement of the Betting Control Act which we passed in 1954; yet the Betting Control Board has not taken any action to prosecute these people!

Why has it not taken action to prosecute? I believe the reason is that there is still in the Act a provision which states that if a man is prosecuted he shall lose his licence forthwith. That has been going on, and that it has been going on has been proved by a statement read out by Mr. Diver, which was taken from a tape recording that was made. It might have wearied the House a little, but it did prove my point.

Hon. Sir Charles Latham: It was a fact.

Hon. J. MURRAY: Mr. Diver might have dramatised it a bit more; but there is no doubt that it was a factual statement of what was happening. That statement clearly indicated the breaches to the original Act; and despite Mr. Diver's exoneration of Mr. Byfield—and with all due respect to Mr. Byfield—the latter is not in a position to say that the people mentioned were good customers of the Government and were beyond reproach. Those people were committing a definite offence against an Act of Parliament. As I pointed out, an investment can be brought into a back room of a betting shop and the owner can say he is not going to record it.

Before the 1954 Act was passed it was recognised as general practice among the unlicensed s.p. men who received hot money, for them to send it to a racecourse to lay off with the definite intention of lowering the odds on the horses. This would enable them in the main to reap the benefit between what had to be paid out on settling day—which was actually the starting price on the course—and what they could have got when they invested with the bookmaker on the course. It probably varied from 3 to 10 per cent.

But because of the legislation of these people; because of the magnitude of the businesses that have been set up and other matters related to this aspect, we find that all this money which these people get hold of is not recorded in their own offices; they do not pay stamp tax on it, and therefore they do not pay any turnover tax on it. They place it with a bigger man in the metropolitan area who has the facilities to work it. If they do that transaction with the bigger man they are evading a further turnover tax which is legally due to the Government. It has not been

paid because the second man in this transaction says, "It is all right. You can go into my office; I am not recording it on my betting slips; I am not paying stamp tax. Mr. Byfield says it is not necessary."

Hon. L. C. Diver: Mr. Byfield said he was going to close it up.

Hon. J. MURRAY: He tried to, but he was not very successful. The second man who is receiving this money which he considers hot, says, "No, I won't pay a betting tax on my betting slip; it is only a small amount of 1d. a ticket. Nor will I pay the turnover tax." He says, "I am going to treat this as an investment between myself and sundry bookmakers in the country." That is what he does. If there is any more barefaced robbery of the Treasury, and eventually of the public, I have yet to read of it.

He lays off £100 in small bets to a man in Collie, Manjimup or Kalgoorlie who takes the complete rap. The man without money has to pay out large sums on horses that are "red hot," and the big man in this game, whom the Government has been trying to protect all along the line, is not even prepared to pay a penny tax on the ticket and is not prepared to pay turnover tax. He gets away with it because the Act is not tight enough. The Act would be tight as it could be if the betting board had functioned courageously and taken the matter in hand.

Many a man is still operating because the Betting Control Board was not prepared to put him out of business as he should have been, because he has acted illegally all along the line. I regret the Chief Secretary has gone on to discuss this measure before bringing forward the other Bill. However, with those few words I support the second reading, because it is a measure which will get something from the bookmaker who is able to pay.

On motion by Hon. L. C. Diver, debate adjourned.

BILL—STATE TRADING CONCERNS ACT AMENDMENT.

Second Reading.

Debate resumed from the 7th November.

HON. J. MURRAY (South-West) [5.32]: If I had realised I was going to speak again so soon I would have slipped out and got a cough lozenge. Before proceeding I wish to advise the Chief Secretary that I am supporting the Bill. However, I would have liked him, when he introduced this legislation, to give an indication of where the economies are going to be provided.

Hon. A. R. Jones: Reduce the office staff.

Hon. J. MURRAY: That is not provided for in the Bill and is not even going to take place.

Hon. A. R. Jones: Reduce the railway mileage and not the staff.

Hon. J. MURRAY: In the introduction of this Bill, the Chief Secretary suggested that the State Saw Mills provided 15.5 per cent. of all timber production in Western Australia, and he went on further to illustrate the large number of men employed in doing that particular job. I do not think that this amalgamation can in any way effect economies on this side of State activities unless, of course, we are going to accept the position that the general manager has not been keeping a very watchful eye on affairs. In other words, I might say that he has allowed the position in regard to employees to get out of hand in order to produce this amount of the total production for the State. However, I doubt very much if that could be substantiated.

It was also said by the Chief Secretary in regard to the State Brick Works, which it is intended to amalgamate with the State Saw Mills, that it produced one-third of the total production of bricks in Western Australia. He also went further to state that the pressed bricks from the State Brick Works were the yardstick of what a brick should be. Other members might question that statement, but I do not intend to do so at this stage. He said that in the sawmilling production centre of the State Saw Mills there were 357 employees; and in the main distributing section, 299. In relation to bricks they had 227, which not only included production and works but also the distribution of the bricks.

Further discussing the Bill, the Chief Secretary spoke of likely economies and also said there would be little likelihood of a movement of wages employees in the two concerns. If we are going to take the statement of the Chief Secretary as he made it, this amalgamation will bring about economies to the State. Yet if there is to be no reduction in wages staff, where is the economy really going to be effected? We cannot say that the reduction of a few personal staff such as the girl on the telephone or a girl in records, is going to effect very much economy in a decision of this nature. Surely not.

He also said the amalgamation will facilitate the transfer or interchange of clerical personnel. That is the only thing, in my view, that this amalgamation will facilitate. It means that an employee who has been engaged by the State Brick Works and becomes surplus to the establishment, can be transferred to the State Saw Mills with all privileges. That is the only benefit which I can see in the Bill, excepting, of course, the undisclosed benefit. This undisclosed benefit will not benefit the people of Western Australia, the employees of the State Saw Mills or the employees of the State Brick Works.

Let me say here and now in discussing this matter for the first time since a certain appointment was made, that it was

a political appointment. I am referring to the general managership of the State Saw Mills.

Hon. L. A. Logan: Aren't they all?

Hon. J. MURRAY: I would say that probably they are not in certain circumstances. But this was a political appointment, and the only way this man can get more money than now is by this amalgamation. I say that in all sincerity, and believe it is the only reason for this Bill. It will enable a recommendation to be made to the Government for an increase in salary which he does not warrant.

The Minister for Railways: Want or need.

Hon. J. MURRAY: I said, "warrant". I strongly believe that the savings—we will see from reports which come before the House—will be used to provide additional salary for the General Manager of the State Saw Mills and State Brick Works.

The Chief Secretary: Isn't the same man the manager of both now?

Hon. J. MURRAY: Yes; but the amalgamation will enable his salary to be raised. I would say that all economies will be made in the one direction.

The Chief Secretary: I cannot get your reasoning.

Hon. J. MURRAY: I do not think at this stage it is necessary to say more about the position, because I hope some future Government may be sincere in this matter if a complete amalgamation is desirable and is going to really effect economies. When we examine the position, we find that under the present set-up there is one general manager. There is one assistant general manager, who is really looking after bricks at the present time, and there is one finance manager on the credit control section and industrial officer. I fail to see how, by the simple means of amalgamation, economies as suggested by the Chief Secretary can be effected. At present this man is in the position of general manager so that he is supervising both departments, but because of accounting difficulties and the like they are separate departments.

From the point of view of the State I think the Government is taking a retrograde step. I do not say that this man does not know about timber, because he does through his forestry background, but the Government should have a look at the figures of the State Saw Mills to see the position there since he has been appointed as general manager. I support the second reading.

HON. R. C. MATTISKE (Metropolitan) [5.47]: The Bill appears to be simple on the face of it; it is merely to effect the amalgamation of two existing enterprises. There is a small technical matter to which I would draw the Minister's attention and

that is in line 4, page 3 of the Bill. It seems that the word "who" should be "and." Mr. Murray, when speaking, said that the Minister had claimed that by amalgamating these two enterprises we would have one operating at a considerably reduced administration cost. Mr. Murray queried whether the reductions claimed could be effected.

The Chief Secretary: I did not use the word "considerable." I did not make that claim.

Hon. R. C. MATTISKE: Well, the Chief Secretary claimed that the costs would be reduced. That puts a different complexion on it. If that is so, why the necessity to amalgamate the two bodies? If the amalgamation is not going to bring about some considerable saving in the high overheads involved, why have it? I, too, would like to know more about these savings, and how they can be effected because I think the answers to these questions are extremely important.

I draw the attention of the House to the trading results for 1955-56. In that period the State Saw Mills lost £13,594; and the State Brick Works, £48,584.

Hon. Sir Charles Latham: Have you the figures for the State Brick Works for the previous year?

Hon. R. C. MATTISKE: No; but from memory they were just over £29,000. In a period in which we have enjoyed good conditions in the building industry, I think these figures reflect great discredit on the persons responsible for the running of the organisation. These trading concerns are competing with private enterprise, which has been accused of making huge and excessive profits. On the one hand we have free enterprise accused in that manner; and on the other, the State works are, in fact, losing money hand over fist. This is a serious matter indeed and one which would warrant a clear explanation. If economies are required in the future I can suggest one, here and now, and that is to close up these concerns.

The brick works have reflected a particularly bad trading result for the past few years. In answer, recently, to questions in another place and also to some in this Chamber, it has been stated that at the State Brick Works, Armadale, there are millions of second quality bricks held at grass. We all know that during the last 12 months there has been a slight recession in the building industry so that all brick works have been forced to hold bricks at grass, but by no means to the same extent as at Armadale.

Another bad feature concerning the bricks being held at grass is that, in the main, they are pressed bricks. Pressed bricks are, for internal work, practically useless because they will not take the

plaster. For that reason it is going to be extremely difficult for the State Brick Works to unload these second-class bricks.

In the annual report for 1955-56 the general manager of the State Brick Works stated that the total cost per 1,000 of his bricks was £14 8s. 7d. whereas the sale price, on the average, was £13 2s. 4d. The reason why they are losing money is obvious. If they are not even selling their bricks at a sufficient price to recoup their cost it simply means that the further they go the more money they lose—money that has to be made up by the taxpayers of the State or by advances from the Federal Government. Therefore I feel strongly that there is no reason at all why, particularly, the State wire-cut brick works at Armadale should continue in operation.

Recently the information was given in another place that the Government had modified the operations at this yard; it had reduced the output and the number of employees. I understand from an answer given to a question in another place that the services of 11 men have been dispensed with. This means, however, that there are still 20 persons employed in the wire-cut section at Armadale.

I repeat that, in view of these conditions, there is absolutely no reason to continue operating the wire-cut brickyard at Armadale, and I strongly urge the Government to investigate this matter thoroughly, without delay, so that it may effect considerable savings. I further urge the Government to investigate thoroughly the production at both the Byford and Armadale pressed-brick yards with a view to curtailing the activities in those yards, too.

We all know that in recent months the sand-lime bricks have been coming into fairly great production and are available for face work. Other brick manufacturers, because of the normal competition now operating in the industry, are giving far greater attention to the quality of their article with the result that we have a number of wire-cut bricks which are quite suitable for face work.

Both of these reasons give the State Government the opportunity to curtail considerably the output of the State pressed-brick yards at both Armadale and Byford. I feel that if there is to be any major amalgamation we should have a close investigation into the affairs of the two organisations concerned, namely, the saw-mills and the brickworks, to see what immediate steps can be taken to effect considerable savings and to ensure that the selling price of the products, in the future, will not be less than the production costs.

I have no alternative but to support the second reading of the Bill because I feel that there is a good reason why the two enterprises should be amalgamated, but I hope the Government will take urgent steps in an endeavour to effect these economies.

HON. N. E. BAXTER (Central) [5.55]: I would like to believe that this measure represents a genuine attempt by the Government to effect economies in two departments; but, like Mr. Murray, I am doubtful whether the economies suggested by the Chief Secretary will be made. The Chief Secretary said that by an amalgamation a certain amount would be saved in the accounting section. Admittedly where there were two sets of accounts—one in the State Saw Mills and one in the State Brick Works—probably for the same person, the amalgamation would, perhaps, save having the two sets of books. But, after all, the cost of having two sets of books is not going to be so great that the saving to be effected by this proposal will mean a huge economy.

The Chief Secretary: No one suggested that they will be huge savings.

Hon. A. F. Griffith: The Government does not mind putting private individuals to expense when it comes to keeping books.

Hon. N. E. BAXTER: Not at all. As Mr. Murray said, there is no suggestion of cutting down staff; and, after all, I would say that staff would be one of the major costs in running the accounts of both the State Brick Works and the State Saw Mills. The Chief Secretary window-dressed quite a lot of his speech by giving us a great deal of what I consider superfluous matter in connection with the production of the State Saw Mills and of the State Brick Works. What this has to do with the effecting of an economy by amalgamating the two shows, I do not know.

The Chief Secretary: I have given you too much information.

Hon. N. E. BAXTER: The trouble is that the Chief Secretary has not given us enough. This is similar to the question of the railways. We have been told that economies will be effected; but are we told where or how? We are not given one iota of information; we are not even told what the amount is that it is anticipated will be saved.

The Minister for Railways: Tell the truth!

Hon. N. E. BAXTER: Can the Minister for Railways read from the speech of the Chief Secretary where he stated what would be saved?

The Minister for Railways: You were referring to me.

Hon. N. E. BAXTER: There is not one word in the Chief Secretary's speech as to the saving that will be effected. I am inclined to agree with Mr. Murray that this is purely a move to put the manager, and perhaps someone else on the staff, on to a higher scale of salary.

The Chief Secretary: Rot!

Hon. N. E. BAXTER: I fail to see how it will effect a saving. There is only one good point in the whole thing that I can see: by the amalgamation of the accounts, it will be possible for a check to be kept on the credit side of the business. In other words if a client is purchasing from both the State Saw Mills and the State Brick Works a check can be kept on his credit to see that he does not get out of hand and become unable to pay.

I suggest to the Chief Secretary and the Minister for Railways that if they are going to put up these propositions, they should give us something basic and sound so that we may know where and how the savings are going to be effected and what they will be.

The Chief Secretary: If I read from the Bible you would be suspicious of it.

Hon. N. E. BAXTER: If I did not think that by an amalgamation a check could be kept on the credit side, I would vote against the Bill. I would ask the Chief Secretary, when replying to the debate, to give us something definite in regard to facts and figures on the situation.

On motion by **Hon. J. McI. Thomson**, debate adjourned.

BILL—FACTORIES AND SHOPS ACT AMENDMENT (No. 1).

Second Reading.

Debate resumed from the previous day.

HON. R. C. MATTISKE (Metropolitan) [6.0]: This measure is a very lengthy one, and its main purpose appears to be to deal with the earlier closing of shops and with the bringing into line of the parent Act with the relevant Arbitration Court awards. Clause 2 is designed to amend Section 4 by including hairdressers' shops under the definition of "shops."

But the clause makes the inclusion retrospective and this retrospectivity could perhaps involve major alterations to hairdressers' establishments. Even though they have served adequately for years, if this amendment is agreed to they might not be up to the standard required for shops under the Act and especially according to the amendments proposed in the Bill.

The next clause, Clause 3, amends Section 28, which applies to women and boys employed in factories. This amendment is intended to reduce the normal working week from the prescribed 44 hours to 40 and the working day from eight and a half hours to eight.

Hon. Sir Charles Latham: Do they come under any Arbitration Court Award?

Hon. R. C. MATTISKE: Yes.

Hon. Sir Charles Latham: Then this means giving it to them by Act of Parliament.

Hon. R. C. MATTISKE: Yes. The Government is trying to bring the Act into line with Arbitration Court awards. The amendment also advances the defined finishing time for the normal working week and for the half-day, and has altered it on Saturdays from 1 p.m. to noon and during the normal week from 6 to 5.30 p.m. Overtime would thus be incurred by those workers working in a factory which continued production after noon on Saturdays. Some factories do work until 12.30 p.m. and these amendments will tend to militate against total production, or increase the scope for these workers to earn overtime. Both these aspects would have an inflationary effect and there are strong objections to them as a consequence.

Executives and certain staff would also be given a lawful claim to overtime. Executives work especially long hours in order to meet today's problems today and mostly they would be too responsibly minded to claim overtime. But the legislation before the House amounts to compulsory unionism. What if this is enacted?

All industry could be obliged to pay executives and staff overtime. Again, people employed as cleaners, caretakers or watchmen in factories not covered by awards, could do well out of this clause. They could incur overtime every night they work and on Saturdays.

Hon. C. H. Simpson: Will this be at penalty rates?

Hon. R. C. MATTISKE: Yes. This applies particularly to females engaged on cleaning when circumstances do not permit them to work between 6 a.m. and 7 p.m.

Subclauses (a) to (d) of Clause 4 amend Section 31 of the Act by increasing overtime rates so that workers to whom it applies will get the benefits of the maximum scale granted by arbitration. The Act provides for the payment of time and a quarter for the first two hours of overtime worked and time and a half thereafter. The amendment would make the rates time and a half for the first four hours and double time thereafter. This would make the Act contain identical overtime provisions with many, but not all, awards. It is not desirable for the Act to prescribe higher rates than award rates; the Act should prescribe only the minimum conditions and if the worker looks for more he should apply through the Arbitration Court.

Clause 4 (e) increases the time and a half payable for all work done now, other than on working days, to double time and sets out that time and a half is the minimum for continuous process workers on these days; a working day is any day except declared holidays. Work done by these workers is paid for at widely varying rates, according to the awards or circumstances affecting individual industries.

Continuous process workers are employed throughout essential services which are consistently required to work on holidays. They could not reasonably be paid the high overtime rates paid in other industries which might occasionally decide to work on a holiday. Many industries which have to work consistently on holidays are required by awards to pay only time and a half. The Act should not give non-award workers more than awards give to many workers in essential industries.

The next clause, Clause 5, amends Section 35 of the principal Act by including all non-award workers in the provisions covering meal money and it raises the meal allowance from 1s. 6d., as now prescribed, to 3s. 6d. This will make the Act require meal money to be paid in every case where extended hours are worked by factories. The Arbitration Court standard clause does not require meal money to be paid when notification is given the night before that a worker will be required to work extended hours or when he will be able to go home for a meal.

In the October issue of the "Industrial News," which is circularised by the W.A. Employers' Federation, there is an interesting article on the principles of tea money, which reads as follows:—

Tea money like most award provisions, is based on well defined and established principles.

Many industries are losing sight of this and are thus uncertain about when to pay tea money and how much should be paid. An explanation might be valuable to employers.

Basically an allowance for a meal is to compensate workers for extra expenses incurred when required to work overtime, but in some circumstances no additional outlay is incurred. These include:—

- (a) when a worker lives close enough to his place of employment to let him go home for a meal.
- (b) when he has been notified on the previous day that he will be required to work overtime.

Hon. F. R. H. Lavery: He does not get it then.

Hon. R. C. MATTISKE: It continues—

There is no question in the second case of a meal having been wasted at his home because of his absence. Also, he is able to provide himself with a meal. Tea money should be payable only when conditions such as these do not apply.

Some people assume that tea money is simply the cost of buying a meal at current restaurant prices. Not all workers buy a meal on these occasions, however. Some go without, some wait and have it at home. Others merely buy a snack. The allowance is to them purely an *ex gratia* payment.

Tea money is payable after such a short period of overtime that most workers would rather work through and finish the job rather than waste time for tea.

Thus the basic principle which applies is to cater for the average. The tea money paid should be something less than the normal cost of buying a meal. Most awards fix the figure around 2s. 6d. to 3s.

Clause 6 of the Bill amends Section 39 of the Act which prescribes a five and a half day week for non-award factory workers, and this clause prescribes a five-day week from Mondays to Fridays inclusive. By this amendment all factories which now work on Saturday morning will either have to close down or pay their workers eligible under the Act overtime rates for work done on Saturday mornings.

Hon. L. A. Logan: Does not the Arbitration Court come into this matter?

Hon. R. C. MATTISKE: It is the job of the Arbitration Court and that is why I prefaced my remarks by saying that this Bill is trying to take away from the Arbitration Court the job which is normally that of the court.

The Chief Secretary: You know that that is not correct. This is to cover only those people who are not covered by awards.

Hon. R. C. MATTISKE: I will deal with that in a moment. Clauses 7 and 8 amend Sections 60 and 61 of the principal Act, which sections relate to the health provisions in factories defined by the Act and in sawmills situated within a 15-mile radius of the G.P.O. These sections give an inspector power to order the installation of ventilation. Clause 7 (a) increases the minimum cubic space per worker in a factory from 350 to 400 cubic feet while 7 (b) makes it arbitrary for a factory to be ventilated against all air-borne impurities whether harmless or not and whether the impurities exist or not. The Act requires factories to be ventilated if the inspector considers it necessary. Clause 7 (c) brings into the Act a new subsection which will include sawmillers, situated within 15 miles of the G.P.O., in the definition of "factory."

The increase in cubic space and the arbitrary ventilation provision both represent capital cost increases and in a large number of factories the cost would be considerable. In all but isolated instances 350 cubic feet is ample space for a worker and the amendment would involve expensive alterations in factory lay-out and therefore strikes at basic factors which are quite adequate as they stand.

The Chief Secretary: Why do the Health Act and the model by-laws used throughout the State lay down 400 cubic feet?

Hon. R. C. MATTISKE: The increase is not necessary and will contribute nothing to safety. This ventilation policy will needlessly increase costs. Nobody would contest the importance of adequate ventilation but there is no justification for taking the matter as far as this amendment goes. The present requirements of the Act more than meet the need in this regard so why make these alterations? By no means are all gases and impurities injurious to health so why ventilate where it is known that nothing injurious exists.

Hon. G. Bennetts: To make sure.

Hon. R. C. MATTISKE: So far as sawmills are concerned, many of those in the metropolitan area are virtually in the open air any way; at least they are open-sided. Would these have to be ventilated? Furthermore, while on that aspect, as the Chief Secretary knows only too well, the various local authorities are making every effort to have the remaining sawmills within this area removed more distant from the city.

Hon. F. R. H. Lavery: They have been trying to do that with the cement works for years but they will never succeed.

Hon. R. C. MATTISKE: Clause 9 of the Bill amends Section 62 which is the provision relating to meal facilities. This clause will make the provisions in the Act applicable to sawmills within a distance of 15 miles of the G.P.O. Quite clearly the instigator of these amendments has not worked with millhands. Mr. Murray could quite easily confirm that millhands are not very interested in meal rooms and they would prefer to have their meals in the open air.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. R. C. MATTISKE: The Bill further provides that there should be sufficient toilet, lavatory and washing facilities constructed to the satisfaction of the inspector, and that they should be maintained in a clean and hygienic condition. The Department of Public Health has adequate control over such matters and it is not necessary to include these powers in this legislation also.

Another provision aims at repealing certain sections, together with the re-enacting of another section, so that all shops in the Fourth Schedule should be closed at noon on Saturday and at 5 p.m. on all days from Monday to Friday. This will eliminate all the provisions giving the right to change the half holiday in any district by a petition of shopkeepers, do away with the last hour of the present lawful Saturday trading and cut 30 minutes off week day hours. The possibility of late trading is thus eliminated even where it is now carried on by agreement with the union. From time to time the Governor may extend these reduced hours to all shops throughout the State.

From noon to 1 p.m. on Saturdays there is peak trading in many districts. Mr. Lavery will appreciate that Fremantle is a good example of that. Therefore, why deprive the public of this extra hour of trading if storekeepers are prepared to give this service?

Hon. N. E. Baxter: It is not done in the Goldfields.

The Chief Secretary: The Act requires that that shall be done now.

Hon. R. C. MATTISKE: The Act requires that those shops outside the Fourth Schedule shall close on the five days during the week, apart from the half holiday, at 6 p.m. Most shops close at 5.30 p.m. but they could, if they so desired, remain open until 6 p.m. and pay overtime to their staff for the last half hour. The amendment would end all this.

The repeal of Section 99, as proposed in the Bill, would eliminate any late shopping night in any country district where the Act now permits it, and would prevent the holding of any poll of electors to decide what shall be the late shopping night and on what day the half holiday might be held. The small storekeeper both in the country and in the city needs every hour of trading he can get in order that he may stay in business in the face of the extremely keen competition that is offered by the big stores. Many of these small shopkeepers do not employ labour; but why should we limit this trading? I would point out, too, that many of the big stores which now operate started by giving long hours of service.

The provision in the Bill dealing with an alteration in the trading hours for service stations does not require to be dealt with at length by me, because I am sure that Mr. Diver will refer to this clause when he speaks on the Bill. However, I would draw the attention of members to the fact that the Royal Commission appointed to inquire into the retailing of motor spirit, in recommendation No. 20 of its report, suggested that the trading hours for service stations already provided in the Act should be extended rather than restricted.

Hon. L. C. Diver: Emphasise that that is in the Act.

Hon. R. C. MATTISKE: Another clause in the Bill provides that chemist shops shall close at 5.30 p.m. on Mondays to Fridays and at noon on Saturdays. The object of this clause is to bring these times into line with the provisions of Section 99 as proposed to be amended by this Bill. At present many chemists keep their shops open until 6 p.m., as is now permitted under the Act, from Mondays to Fridays. The half hour of trading would be extremely important to city workers who cannot reach a chemist shop before their own work-day ends. Saturday trading between noon and 1 p.m. on Saturdays is no less important to the

public. Many people require that hour to pick up prescriptions which take a while to dispense.

Hon. E. M. Davies: I have not seen too many open at that time.

Hon. R. C. MATTISKE: The Bill also provides that if in any award or agreement made under the Arbitration Act shop assistants are required to cease work before the statutory closing time, the shop must close. This amendment adds nothing to the existing section in the Act because if the award does not require work to cease at the end of the hours prescribed, the shop will still not be compelled to close. In actual practice shops do not have to close in the way prescribed because the relevant awards do not state when work will finish for the day. Overtime can be paid and the shopkeeper decides when work will actually cease. In most cases this would be the position, but if the amendment adds something, could the Minister inform the House what it is?

Another clause in the Bill seeks to amend Section 116 which defines the holidays on which all shops except those in the fourth schedule—namely small shops—and warehouses shall close. The amendment in the Bill proposes to add to this list Boxing Day, Australia Day, Easter Saturday, Labour Day and State Foundation Day. It also seeks to limit the exemption to fourth schedule shops only and to add a subsection requiring the owners of those shops to pay assistants double time for work performed on these days. Further, it is intended that all shops, including those in the fourth schedule, shall be brought under the provisions of this section relating to annual leave.

This would bring the statutory days for closing into conformity with the award holidays for shop assistants, where they exist. In fact, the Governor can and does already proclaim these extra days to be public holidays, upon which shops shall close. The Bill aims at making these days arbitrary, whereas at present they are not necessarily so. Forcing small shops to close on holidays would result in much-needed revenue being lost to the proprietors who already have to battle to exist against keen competition from larger shops and self-service markets. Payment of double time to fourth schedule shop assistants would deter shopkeepers who come within this category from remaining open on holidays.

The clause which seeks to amend Section 118 of the Act provides that the closing times mentioned in this section shall be noon instead of 1 p.m. It also requires that no shop assistant, except those employed in fourth schedule shops shall work for more than half an hour after the

closing time stipulated by this legislation. This is consequential upon the proposal to close shops at noon on Saturday.

Another provision in the Bill seeks to amend Section 124, which limits the hours of employment for women and young persons. The relevant clause seeks to bring this section into line with standard hours. This would be a set statutory provision which would help consolidate the 40-hour week and make it changeable only by Act of Parliament.

A further provision seeks to add a paragraph to Section 138 of the Act requiring that meal rooms and change rooms, of a standard satisfactory to an inspector, shall be provided in shops and warehouses. In my opinion, this provision is entirely unnecessary. The call for such amenities does not warrant it, especially as a blanket measure. There are very few employees in shops and warehouses who have to change out of their street clothes. Where full changes are necessary adequate facilities are already provided in the majority of cases.

I will cite a concrete instance of this. Some time ago Metters Limited at Subiaco received a request from their factory employees for the installation of change and shower rooms. At considerable expense the management provided well-fitted change rooms with hot showers. Shortly afterwards there was a further approach from the men who said that there was an insufficient supply of hot water. The company then installed a fairly expensive hot water system which was capable of supplying hot water to half the residents of Subiaco, and which should have been ample to meet their hot water requirements.

The men again approached the management and said that there was trouble in the shower rooms during the day because they were being used for purposes other than shower rooms. Further complaints came forward to the effect that some of the employees were losing tobacco and money from their pockets of their clothes left in the change rooms. As a result of all these complaints, it became necessary for the management to employ a pensioner to act purely as a caretaker in the change rooms; and after a short time, the change rooms were practically unused by the employees. Therefore, it is not necessary for elaborate amenities to be provided in all cases.

Hon. G. Bennetts: I suppose the inspector would see that the amenities provided were sufficient to meet the requirements.

Hon. R. C. MATTISKE: The union officials were not able to do anything in Metters factory to ensure that the change rooms were put to proper use and that the men's belongings were not tampered with.

Those are the principal provisions in the Bill; and as I said at the outset, the general tenor of this measure is to bring the

Act into line with Arbitration Court awards. I maintain that those awards need not be in line with the Factories and Shops Act entirely because they are being amended from time to time. All the unions have their proper approach to the Arbitration Court and consequently are able to ensure that their claims are duly met and that their members are receiving up-to-date allowances for work done and that the other requirements, such as amenities, which are provided in the awards, are fully provided.

If the Bill were to become law, how would we get on if, in future years, the Arbitration Court in its wisdom were to say, "All right, we will now have a 44-hour week because this is the standard that should apply everywhere?" Would the Government then bring forward an amendment to the Factories and Shops Act to increase the number of working hours?

Furthermore, if conditions in the industry were to change so that the rates for overtime had to be varied, would the Government introduce amendments to reduce the rates? Suppose we were to enlarge the activities in the State to an extent that it was necessary to introduce staggered trading hours, so that all shop assistants might have an opportunity of visiting other shops to see what was available for sale and to make purchases, or to obtain services normally required to be done in the usual working hours, would the Government then introduce legislation to amend the Act to cover such a situation? We must take a long-term view of these things and envisage the time when the conditions I refer to will apply and it may be necessary to have staggered hours.

The Chief Secretary: You are taking a long ago view of the position, not a long-term view.

Hon. R. C. MATTISKE: I hope, therefore, that this Bill will be given careful consideration and will not pass the second reading stage. I intend to oppose the second reading.

On motion by Hon. H. K. Watson, debate adjourned.

BILL—OIL REFINERY INDUSTRY (ANGLO-IRANIAN OIL COMPANY LIMITED) ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. N. E. BAXTER (Central) [7.47]: According to what the Chief Secretary told us when introducing the Bill, and even from the wording of the Bill itself, the Government was doubtful whether it was necessary to introduce the measure to establish a wet canteen at Medina which provides the liquor requirements of the people working in Kwinana.

Some time ago I asked the Chief Secretary if he was prepared to lay on the Table of the House a copy of the agreement. His answer was in the affirmative; but he said that as the agreement was the subject of legislation shortly to be placed before the House, it was considered that a copy should not be tabled until the Minister had introduced the Bill.

Unfortunately, a copy of that agreement has not yet been tabled here or in another place. One would have thought that the Minister would make sure that when the Bill was being dealt with in this House the agreement would be tabled so that members could look at it. I know it is the desire to carry on the wet canteen at Kwinana if, as the Bill states, it is made possible to carry it on. However, I believe that everything should be done at the right time.

I make that remark because earlier in this session I asked the Chief Secretary some questions in regard to this wet canteen. One of them raised a query as to whether the canteen had been carried on illegally since the 1st of June, 1956. In asking that question, I gave my reason for thinking it had been illegally carried on because, under the terms of the agreement by which the canteen was established—and the Minister also made the statement in his speech—it was to continue until the hotel was built at Medina, and was to be closed a week after the hotel had been built or on the 1st of June, 1956.

As everyone knows, the 1st of June, 1956, has already passed. In the speech of the Minister during the second reading, those facts were reasserted. It may be that the Government has the right under Clause 5 (c) of the agreement to amend or alter it to cover this position without reference to Parliament. The Chief Secretary could have made that clear in reply to my question, when I suggested that the canteen had been illegally carried on from the 1st of June. The reply of the Chief Secretary was not lucid or fair.

The Chief Secretary: It was true.

Hon. N. E. BAXTER: It is just as well this Bill has been introduced. It is interesting to see on what date the Government decided to bring forward this legislation. I am of the opinion that it has been entirely overlooked.

The Chief Secretary: No. The agreement was signed on or before the 1st of June.

Hon. N. E. BAXTER: It is rather fortunate that the hotel at Medina has not yet been built. I view the matter in this way: I do not think that a hotel, with the large amount of bedroom accommodation which the Licensing Court will insist on, is really required in that centre. It is not a place where people go for their holidays. Furthermore, people going there on business would travel by car and return the same way. They would be most unlikely to stay overnight. If they had

business to do the following day they would return rather than stay at the hotel. This rather fits in with my ideas of hotels in nearby centres. The type of hotel known as the American bar system is what is required in such centres of this State. I know that eventually the Government will agree that this is the type of premises required at Medina.

Hon. J. Murray: The bar returns in Medina surely would warrant the provision of some bedroom accommodation.

Hon. N. E. BAXTER: That is a fair enough question. But what is the sense in providing bedroom accommodation when it is not required?

Hon. F. R. H. Lavery: How do you know it is not required? You do not live there.

Hon. N. E. BAXTER: If the hon. member knew anything about hotels, the travelling public or their movements, he would realise that one or two travellers might stay at such a hotel during the week. If a hotel with full bedroom and bathroom facilities were to be established at Medina it would become a white elephant.

Hon. F. R. H. Lavery: Would you be surprised to learn that seamen from the tankers go the Fremantle hotels to get bedroom accommodation?

Hon. N. E. BAXTER: That may be so. Even if there was a hotel at Medina I do not think the seamen would remain there. They would still go to Fremantle for the night life, if I am any judge of seamen. There are no attractions at Medina.

The Chief Secretary: You do not know what the attractions are.

Hon. N. E. BAXTER: I went there recently over the week-end but the place was as dead as Perth on a Sunday afternoon. That argument does not hold water. The fantastic idea that because a hotel is to be built, large bedroom accommodation and an ablutions block must also be provided, is unrealistic. Look at the returns of the State hotels shown in the public accounts for the last year! Including that on the Medina hotel, there was a total profit of £2,000. If the Government is to spend £100,000 on a hotel at Medina, as is visualised, it will have to get a return on its investment. The trade in the bar would not return the interest for the capital outlay, let alone the little trade on the house side.

Members who have anything to do with this matter will have to reorient their ideas. When capital is outlaid, an assured rate of interest on the investment is necessary. It is all very well to say that the Government has to build such a hotel; if it does, it will be making a very foolish move.

Hon. F. R. H. Lavery: There is nothing in the Bill to say that the Government is building a hotel there.

Hon. N. E. BAXTER: I shall not delay the House much longer. The present set-up is quite adequate to meet requirements. I did not suggest that the Government should spend a large sum on a huge and palatial hotel; nor have I suggested to anyone that it would be a good idea to spend £100,000 in building a hotel in a place like Medina.

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—PIG INDUSTRY COMPENSATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 30th October.

HON. L. A. LOGAN (Midland) [7.59]: I for one am at a loss to understand why it is necessary to bring an amendment to the pig industry compensation fund while it is standing in its present affluent position. We know that the Act was originated in 1942 when a wave of swine fever swept over Western Australia as a result of importation of bacon or some other meats, presumably from the United States. Since that time, the fund has grown until today it stands at £58,000. It must be remembered that the money comes from the producer or from the butcher. The only time the fund is drawn upon is when a pig dies from a disease specified in the Act. Over the last few years the amount paid in compensation has not been anywhere near as much as the amount received.

The department could be receiving from the sale of pigs a maximum of 3s. 9d. per head, but it is not doing so. That sum is made up of a tax of 3d. in the £. At present, however, only 1d. is being collected. So, without increasing the amount as proposed by the Bill, the department could, of its own volition, collect 3d. instead of 1d.; and that is the reason why I say there is no need for this amending legislation. There is no necessity for pig breeders to continue paying into the fund and building it up still further. I understand that the original intention was to provide for £50,000, which was considered sufficient to meet any eventuality.

It must be remembered that a lot of pig breeders who put money into the scheme have left the pig-breeding industry. There is no need to build up the fund unnecessarily or to make men pay out money which is not required, particularly when the maximum amount that could be taken is not being taken. It should be obvious, even to the Minister who introduced the Bill, that only 1d. is being collected instead of 3d.

The other part of the Bill deals with the amount of compensation payable, and increases it from £15 to £24. In view of the increase in the price of pigs, I see no reason to object to this provision. I believe the amendment was sought by the Meat and Allied Trades Federation.

I can find no indication of the Government having been asked by the farmers to increase the rate of tax. It seems to me strange that an organisation like the Farmers' Union, which is supposed to be the mouthpiece of the farmers, has said nothing about this Bill. Whether or not it knew the matter was coming up for discussion, I do not know. If it did not, it should have done so, because its business is to know this sort of thing.

It seems to me that the union has taken the same attitude over this Bill as it has adopted towards a lot of others. Its members have become a bunch of fence-sitters and are not prepared to give the farmers a lead. Consequently, we, as Country Party members, have to take responsibility in regard to most of these measures, without receiving any help or advice from the farmers' own organisation. I am not worried about taking responsibility; I am prepared to do so. But I consider that the Farmers' Union, which is supposed to be looking after the interests of its members, should observe that duty.

Hon. H. L. Roche: It is very jealous of its prestige.

Hon. L. A. LOGAN: This is not the only occasion on which it has dodged the issue. There are other Bills which have been of grave concern to country people and on which we have had no lead from the union. I would be out of order in mentioning what they are.

The fact remains that, to my knowledge, there has been no move from the producers themselves for an increase in this fee; and because the Act already provides for a larger collection than is being made at the moment, I suggest that the second reading of the Bill be passed in order that Clause 3, dealing with the amount of compensation, can be agreed to. But the other part of the Bill should be deleted. Unless the Minister can prove to me that this increased fee is necessary, I am afraid I must vote against it.

HON. F. D. WILLMOTT (South-West) [8.7]: Like Mr. Logan, I fail to see the necessity for the raising of the maximum contribution payable to the pig industry fund from 3s. 9d. to 5s. The Bill also proposes to raise the maximum compensation payable under the Act from £15 to £24.

At the 30th June, 1950, the money in the fund was approximately £16,500. At the end of August, 1956, the fund had been built up to £57,600. The yearly pay-out

from the fund has been somewhere between £2,000 and £3,000. On one or two occasions it has been just over £3,000. The result has been that the increase in the fund has been in the vicinity of £7,000 per annum, and it now stands at £57,600.

Hon. A. R. Jones: I wonder how the money is being utilised.

Hon. F. J. S. Wise: It is an insurance.

Hon. F. D. WILLMOTT: It is being built up into a fund. The yearly pay-out has been only between £2,000 and £3,000.

Hon. Sir Charles Latham: The Government is using it and not paying any interest on it.

Hon. F. D. WILLMOTT: Yes; the Government would be making use of the money and probably desires to build up a nice fat fund to operate on. The pig raisers are not getting the money.

Another point is that outback pig men at distant points are deriving no benefit from the fund at all, because they never make claims. This is because the Act provides that the Chief Veterinary Surgeon, or a person approved, must declare that a pig has died of a disease that comes under the Act. Furthermore, an approved person has to value the pig. That facility is not available to men in the outback, so they do not make application because their application would have to be backed by a certificate from the approved person.

The Minister for Railways: Can you quote any cases?

Hon. F. D. WILLMOTT: It could perhaps be argued that if there were a big outbreak of disease the fund would not be large enough. But I do not think that is likely to happen. The fund was inaugurated because of outbreaks of swine fever which occurred during the war and were caused by infected pigmeats imported from America. It is unlikely—though not impossible—that we will have further heavy losses. But even if that were to occur, there is provision in the Act for it. Section 13 of the Act provides that—

(4) Any sum which the Treasurer of Western Australia at any time certifies to be required for payment by way of compensation under this Act (so far only as the fund is insufficient to pay any sum payable under this Act) shall be paid out of the Consolidated Revenue, which is hereby, to the necessary extent, appropriated accordingly.

(5) Any sum paid out of the Consolidated Revenue under the last preceding subsection shall be deemed to be an advance to the fund and shall remain a charge thereon, to be repaid when funds are available.

So in the event of any serious outbreak, money could be made available from the Consolidated Revenue Fund.

Hon. F. J. S. Wise: That had to be the initial proviso in order to build up the fund.

Hon. G. C. MacKinnon: But it still applies.

Hon. F. D. WILLMOTT: I can see no need for the Bill, and I am opposed to it.

HON. G. C. MacKINNON (South-West) [8.12]: It would appear that many of us are of the same mind in regard to the Bill; and, in reading the Minister's speech one feels that one is also very much in accord with the Minister for Agriculture. It would appear from what was said by him in another place that there is no real need for an increase in this fee.

The statement has been made—and this has some reference to what Mr. Willmott mentioned—that the sum required to ensure that the fund would be great enough to handle a plague is £50,000. The figure in the fund at present is £57,000. The situation was very wisely summed up by an interjection by Mr. Wise who mentioned that this was an insurance policy. Indeed it is in a somewhat favoured position from the point of view of insurance, because, it is one which is guaranteed.

As was pointed out earlier, payment is guaranteed from the Consolidated Revenue Fund, and any amount so disbursed would be in the nature of an advance against subsequent moneys raised through this levy. The aim of any good insurance is not to continue to increase the premium but to decrease it, with due regard to safety.

In the words of the Minister for Agriculture himself that safety margin has been attained, for he maintains that a sum of £50,000 is adequate to cope with a possible epidemic. The fund contains £57,000, so the margin of £7,000 ought to be quite adequate. It would appear, therefore, that an increase in the payment is unnecessary. The calculation of 75 per cent. of the value of the pig and the intention to increase the payments from £15 to £24 are reasonable and I support the remarks of Mr. Logan in this regard.

HON. N. E. BAXTER (Central) [8.16]: I cannot allow this measure to pass without making a contribution to the debate—

Hon. F. R. H. Lavery: That is not unusual.

Hon. N. E. BAXTER: It is not usual for a Country Party member to shirk his responsibilities or fail to take part in a debate which affects country people; but there are members opposite who rarely take part even in debates which affect those they represent. We do not take that line of action, but let members and Ministers know what we think of the legislation which we are asked to pass.

The figures for the past five years, as given by the Minister, show that the total amount received into the fund in that period is £49,000 odd and that the fund

at present stands at about £57,000. Total payments out of the fund in that period have been £15,000 odd, yet the Bill proposes to increase not only the maximum value of a pig but also, if the Government thinks it necessary—and it probably would—to increase the levy from 3s. 9d. to 5s.

What purpose would the proposed increase serve other than to create a larger fund for the Government to use in balancing its budget? The Government is trying to get as much money as it can, where it can and however it can, so long as it can balance the budget. It does not matter how long that money is carried over so long as the Government gets it from the people. I object to money being obtained by fair means or foul simply to balance the budget and do not think that country people should be imposed upon by legislation such as this, which the Minister said might not require to be used but which would be there if needed. If very heavy payments from the fund were necessary between the end of this session and the beginning of the next the Government has the authority to make them from Consolidated Revenue. I intend to vote against the second reading.

HON. SIR CHARLES LATHAM (Central) [8.20]: The Bill seeks first to increase the maximum amount to be paid in compensation for any pig from £15 to £24, and there appears to be no objection to that. It also asks for an increase from 3s. 9d. to 5s. in the fee, and I cannot understand the reason for that as the compensation paid in the last four years has averaged about £2,000 per annum, and there is now sufficient in the fund to meet a requirement of that nature for the next 10 years unless there is an outbreak of disease in the meantime.

I wish members would express themselves more often in this House. We would not be so much an opposition if members supporting the Labour Party would express themselves, as they should. As it is many of them do nothing but applaud the Ministers. I often wonder whether at party meetings Labour members consider Bills—

Hon. E. M. Davies: That has nothing to do with the party.

Hon. Sir CHARLES LATHAM: Our party not only considers measures but expresses publicly the opinion of the people it represents in this House. Members supporting Labour do not do that, and we do not know what are the opinions of those they represent. I will support the second reading but will also support any amendment moved to prevent the increase sought unless the Government can justify it. I know how all the trust funds are being used. They have all disappeared and will

have to be recouped; but do not let the Government recoup them from people who are running pigs.

THE MINISTER FOR RAILWAYS (Hon. H. C. Strickland—North—in reply) [8.22] This is another of those Bills which enable the admitted Opposition to have a field day; but surely they are confused as to the objectives of the Bill! The main purpose of the measure is to increase the compensation payable on a pig condemned for the diseases specified under the Act or lost on the farmer's property and found to have died from one of those diseases.

The Bill is also deemed necessary as an insurance against a possible epidemic, and to make certain that the maximum payable in stamp duty on a pig will be adequate to meet the situation. In other words, the amounts paid in compensation and the maximum which can be charged in stamp duty are to be kept in a proper relationship.

Members say that the stamp duty is to be raised from 3s. 9d. to 5s. but that duty is 1d. in the £1 at present and can be decreased to ½d. or ¼d. The charge can be up to 3s. 9d. now and the provision in the Bill is purely an insurance. If we had an epidemic similar to that of 1942-1943 the amount required in the fund would be in the vicinity of £130,000.

Hon. N. E. Baxter: But there is the maximum of 3s. 9d.

The MINISTER FOR RAILWAYS: Yes, and it has never been used; but this provision is an insurance. The maximum of 3d. has never been levied and the stamp duty is 1d. When the fund is deemed to be adequate to withstand high claims for compensation in the event of an epidemic the levy will be reduced.

Hon. J. Murray: How much interest has been credited to the fund?

The MINISTER FOR RAILWAYS: I do not think I have the figures.

Hon. J. Murray: I do not think you could find them.

The MINISTER FOR RAILWAYS: There is probably no interest. I do not know, as there is no mention of it here; but the fund at the end of June, stood at £55,415.

Hon. J. Murray: It is a loan to the Government of £55,000.

The MINISTER FOR RAILWAYS: It is an operative fund and there are continual payments into and out of it.

Hon. Sir Charles Latham: More in than out.

The MINISTER FOR RAILWAYS: Yes; and that is necessary, as we are going to provide for more to come out of it. We are seeking to raise the maximum payment by £9, or more than 50 per cent. above the present maximum.

Hon. G. Bennetts: It costs something to operate the fund.

The MINISTER FOR RAILWAYS: Members opposite object to socialisation, but not when it suits their corner; and this is socialistic.

Hon. Sir Charles Latham: No; the farmer is paying for it.

The MINISTER FOR RAILWAYS: Yes, and insuring himself.

Hon. Sir Charles Latham: They could insure cheaper outside.

The MINISTER FOR RAILWAYS: Then why don't they?

Hon. Sir Charles Latham: Because you will not allow them to.

The MINISTER FOR RAILWAYS: Why were they not insured when the epidemic occurred?

Hon. Sir Charles Latham: They were.

The MINISTER FOR RAILWAYS: Then why was this fund necessary? It was started as the result of that epidemic when 3,000 pigs died on the farmers' properties, and there were payments made of about £35,000 for beasts destroyed to eradicate the swine fever. It is not the butchers who are always paid compensation from the fund.

The 1956 figures show that 324 pigs were condemned, 183 on account of tuberculosis, eight on account of swine erysipelas and 133 on account of para-typhoid and £2,243 was paid in compensation—from July, 1955, to June, 1956. Of that the farmers received compensation on 121 pigs and butchers and other purchasers received compensation for the remaining 203. There are other purchasers such as dealers. Mr. Willmott said that farmers in remote areas would not or could not claim.

Hon. F. D. Willmott: I said they seldom claimed.

The MINISTER FOR RAILWAYS: Under the circumstances, if a farmer does not claim it is his own fault.

Hon. F. D. Willmott: He must have a certificate that the animal died of this disease and it would be rotten before the officer concerned got there.

The MINISTER FOR RAILWAYS: I know that these people at Bridgetown and elsewhere are a long way from Perth; but could the hon. member name one man in the predicament he mentioned? If a farmer insures himself and does not claim insurance, it is his own fault. If he informs the Chief Veterinary Officer, he will send a stock inspector or somebody who is in the district to have a look at the pig. What is wrong with that?

Hon. F. D. Willmott: The pig is bad before he gets there.

The MINISTER FOR RAILWAYS: There is nothing wrong with that. It is a jolly good fund. It appears to me that the only objection raised is to that part of the Bill which, in the event of an epidemic, could provide that the breeder would be required to pay up to 5s. instead of being required, as at present, to pay 3s. 9d., no matter what happened. That is the provision to which the Opposition is opposed. While the Opposition might have its own views on this matter I can see nothing wrong in keeping the amount relative to present-day values. I pointed out that the amount of compensation is being raised by more than 50 per cent.—from £15 to £24.

Hon. G. C. MacKinnon: It is only three-quarters of that.

The MINISTER FOR RAILWAYS: Would not that be relative? It would be 50 per cent. or more than 50 per cent. Therefore the maximum that might be required to be paid in stamp duty only in case of an epidemic is sought to be raised by 33½ per cent. from 3s. 9d. to 5s. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

In Committee.

Hon. A. F. Griffith in the Chair; the Minister for Railways in charge of the Bill.

Clauses 1 to 3—agreed to.

Clause 4—Section 15 amended:

Hon. L. C. DIVER: I hope the Committee will leave the Act as it stands. If the amount were increased to 5s., the fund would increase by about £3,000 a year, taking an average of the last five years. If the claims against the fund continue at the same ratio—that is the number of claims at the increased amount already agreed to—the fund will continue to increase substantially every year. If we increased it to 75 per cent. of £30 under the existing stamp duty paid on pigs it would still increase. I see no justification for this increase. Originally £10,000 was agreed upon as a suitable amount for the fund and in 1951 an amount of £50,000 was considered reasonable. The vast majority of pigs sold today range from £15 to £23. The amount accruing to the credit of this fund on all the pigs would increase the fund. Consequently there is no need to increase the fund and I am sure the Minister will agree with me when he views in 12 months' time the figures I have given.

The MINISTER FOR RAILWAYS: The amount is not charged and will not be charged unless there is need for it because of an epidemic or an outbreak of some disease. The amount being charged is 1d. It can be reduced to ½d. or ¼d., or it can be increased to 3d. The maximum is 3s. 9d. Members should not mislead the Committee by saying this is a charge.

Hon. Sir Charles Latham: Why increase it if you have that money in hand?

The MINISTER FOR RAILWAYS: It is required to meet any emergency. This is what the hon. member did when he was Minister for Agriculture.

Hon. Sir Charles Latham: I did not bring in a Bill to increase it.

The MINISTER FOR RAILWAYS: The hon. member's Government did.

Hon. Sir Charles Latham: But there is no necessity—

The CHAIRMAN: I would suggest that the hon. member allow the Minister to continue.

The MINISTER FOR RAILWAYS: The reason for the compensation to the buyer is so that he will know that if he pays a certain price for a pig he is covered if it is found to be diseased. Round Midland Junction and Robbs Jetty all pigs are examined before they are slaughtered. I am not too sure what happens in the country.

Hon. L. A. LOGAN: The reason why this amount has been increased from 3s. 9d. to 5s. is because of the increased value of the pig that is sold.

The Minister for Railways: No.

Hon. L. A. LOGAN: I can see no other reason.

The Minister for Railways: You would not believe any other reason.

Hon. L. A. LOGAN: The increased price payable to the pig owner when a pig has had to be destroyed because of disease should not increase by 75 per cent. Because of the increased value of pigs it is proposed to increase the amount that has been collected under this tax by the same proportion.

The Minister for Railways: Not exactly.

Hon. L. A. LOGAN: Under this Act on 1d. in the pound there is a maximum of 3s. 9d. per pig. So a pig sold on the market for £45 will return a maximum of 3s. 9d. Am I correct?

The Minister for Railways: Yes.

Hon. L. A. LOGAN: If a pig were sold for £60 the amount returned would still be 3s. 9d. There is no necessity for this increase. As Mr. Diver has pointed out, the majority of pigs range from £15 to £23 and a £15 pig would have to be sold for three times its value before the maximum of 3s. 9d. could be obtained. An amount of 3s. in the pound could be charged and still return 3s. 9d. per pig. There is no necessity to alter the amount from 3s. 9d. to 5s.

Hon. G. C. MacKINNON: The Minister for Railways seems to labour under the delusion that the original Act was perfect.

The Minister for Railways: The original Act has been amended.

Hon. G. C. MacKINNON: The Minister has taken for granted that the proportion of the compensation and the maximum deduction in stamp duty is correct and accurate in every respect. I notice that prior amendments to the Pig Industry Compensation Act have increased the maximum allowable compensation and also the maximum allowable deduction. That does not necessarily follow, for the simple reason that when the Act was originally compiled a certain amount of guesswork had to be made as to what would be a reasonable contribution on behalf of the pig growers.

It has been proved quite obviously by the figures quoted that an error was made, and that the proportion originally decided on as a contribution by pig producers to this fund was too great in proportion to the amount of compensation payable. That has been amply proved by the speakers tonight, and it would be reasonable for this Committee to correct that position by leaving the contribution as it is at present.

The MINISTER FOR RAILWAYS: I am not going to persevere if the mind of the Committee is made up; but I would just mention that the Act was amended in 1951 in the same manner. It is a matter for this Committee, if it does not think that the pig breeders are entitled to pay more as a maximum for the reason that they will be receiving more. Surely to goodness it is only fair and reasonable that the values should be kept relevant!

Hon. A. R. JONES: I think the Minister is wrong when he says that if the Committee feels that the pig breeder should not be called upon to pay more it is just too bad. It is not a matter as to whether the pig breeder should pay more. I would say that it is a matter as to whether it is necessary; and it is not necessary. That is our point.

Hon. J. MURRAY: I wish to say that this measure is along the lines of similar taxing measures we have in this House.

The Minister for Railways: Rot!

Hon. J. MURRAY: This is a trust fund which has been built up and on which the Government is paying no interest which will benefit the pig breeder. That concerns me. I am not concerned whether the rate is proper and what rate the pig breeder should or should not pay. My concern is what eventually happens to the moneys paid into the trust fund. I say in all seriousness that this fund is built up and is at the disposal of the Rural & Industries Bank to lend out at interest from which the pig breeder derives no benefit.

The MINISTER FOR RAILWAYS: I cannot understand the hon. member. The fund is kept at the Treasury and is an operative fund; it is alive all the time. Moneys are paid in and out of it all the time. It earns no interest. However, the industry does get this in return. It gets free administration of the fund. The hon. member knows in his heart that this is not a taxing measure. I hope and trust the Committee will be fair in this matter.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

MOTION—RAILWAYS.

Discontinuance of Certain Lines.

Debate resumed from the 1st November on the following motion by the Minister for Railways:—

That in the opinion of this House, having regard particularly to the considerations referred to in Appendix "A" to this motion, the services provided by the railway listed in Appendix "B" to this motion should, notwithstanding certain other considerations, be discontinued and that such railways should cease to be operated.

Appendix "A."

(1) The annual cash deficits of the State railways.

(2) The condition of State railways generally and particularly of the railways listed in Appendix "B."

(3) The need for improvements in the economical operation of the State railways, and for the concentration of railway resources to permit of all-round improvements in the cost of operating the railways.

(4) The facts that the railways listed in Appendix "B" are unprofitable and that their rehabilitation and operation would involve heavy expenditure when compared with existing and anticipated future traffic on those railways.

(5) The rising costs of operating railways.

(6) The need to avoid, to every possible extent, any necessity to increase rail freights on the remaining railways, and to provide for the adequate rehabilitation and operation of the remaining railways.

(7) The recovery of materials for use on other railways.

(8) The availability and use of other means of transport.

(9) The most satisfactory and economical employment of staff.

Appendix "B."

Railways.	Length of Railway. Miles.
Meekatharra to Wiluna	111
Cue to Big Bell	19
Malcolm to Laverton	64
Geraldton to Ajana	67
Wokarina to Yuna	38
Burakin to Bonnie Rock	76
Mukinbudin to Lake Brown	8
Lake Brown to Bullfinch	50
Bullfinch to Southern Cross	22
Boddington to Narrogin	51
Busselton to Margaret River	38
Margaret River to Flin- ders Bay	29
Elleker to Nornalup	61
Brookton to Corrigin	56
Lake Grace to Hyden	58
Katanning to Pingrup	59
Gnowangerup to Ongerup	35
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HON. C. H. SIMPSON (Midland) [8.52]: This is a motion which has been submitted to the House by the Minister for Railways asking the approval of this House for the discontinuance of certain railways, and that request is supported by evidence in two schedules which are shown on the notice paper. The object is, of course, to enable this House to sanction the discontinuance of certain lines and help the Minister in his task of adjusting railway finances. The effect would be that these railways would no longer be operated.

At first sight, this motion would really appear unnecessary, because the Minister already has the power to discontinue services, and he has assured us it is not his intention to pull up the railways concerned. However, it is the intention of the Government to try to experiment with the substitution of road services in order that the position might be examined and reviewed. It will enable the Government, if it decides that railways are a payable proposition, to have them renewed.

Appendix "A" gives the Minister's reasons for desiring the discontinuance of these lines. In order that members may gather a full idea of what is meant by these reasons, I will read them out one by one. No. (1) of Appendix "A" gives the reason why this motion is necessary and reads as follows:—

(1) The annual cash deficits of the State railways.

I would like to remark that, as the railways have shown a deficit—a very substantial deficit—for very many years, and have had to appeal to the Treasurer for

sufficient finance to carry on, the task of Government has been to consider certain economies. That is really a Cabinet matter, determined largely by the officials of the Treasury; and the Treasurer, of course, is the Premier. Therefore, it is really a matter of finance. No. (2) reads—

The condition of State railways generally and particularly of the railways listed in Appendix "B."

That follows the same pattern and is essentially a matter which owing to the impecuniosity of the railways has become the responsibility of Cabinet as a whole, and the Treasury; and the Treasurer is the Premier. No. (3) reads—

The need for improvements in the economical operation of the State railways, and for the concentration of railway resources to permit of all round improvements in the cost of operating the railways.

Again, a financial matter. No. (4) reads—

The fact that the railways listed in Appendix "B" are unprofitable and that their rehabilitation and operation would involve heavy expenditure when compared with existing and anticipated future traffic on those railways.

I remark again that that is a financial matter governed by necessity because the railways have no money of their own and again it has to be supplied from the Treasury. This also is the responsibility of the Government for decision and direction. No. (5) reads—

The rising costs of operating railways.

This falls into exactly the same category. No. (6) reads—

The need to avoid, to every possible extent, any necessity to increase rail freights on the remaining railways, and to provide for the adequate rehabilitation and operation of the remaining railways.

Again, a financial matter. No. (7) reads—

The recovery of materials for use on other railways.

Again, brought about by the fact that the railways have not been able to purchase out of its own funds new heavy rails for certain routes and the necessary sleepers, and its desire to salvage the required material from some of those lines. Once more it is a matter of Government policy. No. (8) reads—

The availability and use of other means of transport.

That is essentially a matter which comes within the province of the Minister for Transport. No. (9) reads—

The most satisfactory and economical employment of staff.

That is the only item, so far as I can see, which comes wholly and solely under the administration of the Minister for Railways. It is purely a matter for administration, and is definitely not one which needs to be referred to either House of Parliament in order to deal with that particular question.

I mention all these matters because, at a later stage, I intend to move for an amendment that this motion be referred to another place for necessary consideration and direction before being again submitted to this House for further discussion. We know that it is necessary for this motion to receive very serious consideration.

We are not trying in any way to evade the duties which would devolve on a House such as this; but I think it will be admitted that in a primary house, under our bicameral system, a matter which concerns all members of Parliament should be submitted to the opposite numbers in this Chamber who are more intimately acquainted with all the conditions and problems of a particular line and are better able to examine this question and ask for the necessary information to enable them to come to a decision than are the members of this Chamber.

The Minister for Railways: Why is that?

Hon. C. H. SIMPSON: I have just given the reason. They have a smaller area and, I would say, would be more intimately acquainted with the problem. Apart from this being a railway matter, and so one that should be dealt with by the Minister for Railways, I would say it is definitely a policy matter which is the responsibility of the Government as a whole. For the Minister for Railways I have great sympathy because I handled, or tried to handle, this department for three years.

Hon. F. J. S. Wise: What would you do if you were in his position now?

Hon. C. H. SIMPSON: I do not think I would do the same as the Minister has done. I think I would have followed the line I am suggesting now.

Hon. R. F. Hutchison: You do not want the responsibility.

Hon. C. H. SIMPSON: It is just as logical to say that because the Minister for Railways is a member of this House, a matter affecting railways should be submitted here, as it is to say that because the Local Government Bill comes under the Minister for Local Government, it should of necessity be reviewed in this House before going to another place. In fact, I think the contention I have just made applies more particularly to this matter because, as I see it, it is more the concern of another place than it is of members here.

If anyone has a doubt on the attitude of members of another place in regard to the necessity for the Minister for Railways to be a member of the Legislative Assembly, I would refer him to two speeches made by Hon. W. M. Marshall, who was Minister for Railways prior to me. The first of these speeches appears in the 1950 Hansard at page 524 when the hon. member spoke on the Address-in-reply debate, and the second occurs at pages 1145 and 1146 when he spoke on the Acts Amendment Bill. The hon. member was then rather scathing in his comments; he thought it was too much to expect a Minister in the Upper House—I happened to be that Minister—to carry on the jobs of Minister for Railways, Transport and Mines, as well as the leadership of the House. In any case that was the considered opinion at that time.

When the present Government obtained the Treasury bench in 1953 it remedied that position because Hon. H. H. Styants was appointed Minister for Railways. The Minister may be able to explain later why that policy was departed from when the present Government was formed this year.

Hon. Sir Charles Latham: I have a good idea.

The Minister for Railways: They know a good man when they see one!

Hon. C. H. SIMPSON: Before asking members to speak or vote on the amendment to the motion which I shall submit, I shall quote certain portions of the Minister's address as they bear out the submissions I have made. I shall also quote from the appendices which he laid on the Table of the House—the reports of two very good committees which shed considerable light on the problems. Here again I consider this is a matter of policy, and a matter for the Government as a whole. I contend it should be considered primarily in another place.

In his address, the Minister commenced by telling us that the Government had appointed an inter-departmental committee in 1954 to give urgent consideration to the question of railways, and the particular problems they presented. He gave, as his reason, that the remedying of the serious financial condition of the railways and its physical condition depended entirely on money. Some of the information given is very interesting. The Minister stated further that this committee did report also on the question of roads. That, I contend, is the province of a Minister in another place; and this again supports my contention that this matter should be discussed there and further information submitted before it is referred to us.

The committee submitted a report and the Government considered that a comprehensive investigation by experts should be carried out and a report submitted to Cabinet; and it laid down the various items which it considered should be examined.

In the report, furnished early this year, a proposal was made to close 1,500 miles of line. This was followed by an official report which strongly recommended the closure of approximately 2,000 miles of line which, of course, included the original 1,500.

These recommendations were set down to operate in four stages. Cabinet considered the report and decided to adopt that part of it concerning the closure of the lines mentioned in the motion. As was previously mentioned, the Minister has asked us to endorse his action to the extent of discontinuing these services only. I think he either stated or implied that the question of discontinuance was a departmental responsibility—or rather the responsibility of the Minister—but parliamentary sanction must be sought under the Transport Act if lines are to be pulled up. That, he has assured us, he has no intention of doing.

The first of these stages was 630 odd miles and the second was 360 odd miles. These questions, I submit, are really decisions and directions by Cabinet, and they always have been. As the question of transport has been involved, I repeat it is necessary or advisable—I should say necessary—for them to be considered in another place before being again submitted to us for review. The motion could be defeated in this House—no-one knows—and then the Government, I think, would censure the Legislative Council, not for preventing it from doing what it already has power to do, but for trying in some way to hinder its programme.

Well, we say we are prepared to examine the position. But we feel that we should have the opinion of our sister Chamber first; and, in some regard, we certainly want more information before we can come to a decision. The Minister explained that the Government's object was the staggering of the closures to watch results. The Government decided on discontinuance rather than closure. Under the Government plan it would be possible to watch results, and if a mistake were made the service could be reintroduced.

The Minister went on to say, more pertinently, that a service could not be discontinued overnight; that road services would have to be provided, and that Co-operative Bulk Handling had some right to be considered. He also said that subsidies were considered, and that the committee had recommended—I cannot see where he has said he made the recommendation—that where a service was discontinued road transport would be subsidised to the extent of the difference between the new rate and that applying to the through freight rate on miscellaneous goods only.

The Minister for Railways: You will find the approval in the Hansard records.

Hon. C. H. SIMPSON: That is all right. It is also recommended that the existing subsidies be reduced proportionately over the years until completely eliminated. That will apply to the new subsidies; that is in addition to the existing subsidies.

In regard to items that might receive special consideration, the Minister mentioned mining, the wheat industry and the wool industry. He did not at this stage give us any idea of the details of what he had in mind, but I think he did intimate that the Government agreed that this should be done. The Minister also said that the capital invested in the railways was £56,000,000 which included the £12,000,000 that had been written off during the time when the McLarty-Watts Government was in office.

I might explain that the £12,000,000 was really an amount estimated to equalise the depreciation that should have been written off prior to that time, but which had not been written off. It is an amount on which interest has still to be found by the Treasury, but it was thought—at least on paper—that the writing-down should be done to give the railways a reasonable chance of trying to balance the Budget. For various reasons the position did not progress as we hoped, and further losses were made which, as a matter of fact, were referred to in the Minister's speech.

He told us that up to 1956, the total of the deficits on railway operation amounted to £34,000,000. He said that the Government was faced with two alternatives, one to reduce the costs of operating the railways by some means and the other to increase freight charges. He also remarked that out of 4,110 miles of railways, only three sections were free from speed and weight restrictions—they were, from East Perth to Bunbury; from Fremantle to Bellevue; and from Bellevue to Kalgoorlie. Those three sections represented a total mileage of 489 out of the grand total of 4,110.

Further, the Minister went on to remark that to put all lines in normal trafficable condition to enable them to carry full loads at 35 miles an hour, would cost at least £12,000 a mile. I assume from that the Government, if the measures envisaged here are carried into full effect, has in mind the idea of bringing the railways up to a standard so that they can and will carry these loads. By so doing, considerable time in the delivery of loads, and considerable wages, will be saved. The Minister pointed out that at present there was good motive power; that the rollingstock in many respects was good; and that, with good road beds, these objectives could be achieved. Unfortunately, while it provided some good rollingstock and quite an amount of good motive power, it became very much handicapped when the question of the rehabilitation of the road beds cropped up.

I do not want to weary members by repeating what the Minister said, but I will make some comments on these points: The lack of finance allowed the tracks and rollingstock to deteriorate. The lack of finance retarded the provision of equipment, and the lack of finance meant further deterioration by allowing old rollingstock to go very much longer without attention. This, of course, makes the task of rehabilitation much more difficult. The lack of finance was accentuated by the upsurge of greater costs and court awards in regard to long service leave, increased holidays and penalty rates for overtime. The lack of finance was further accentuated by the introduction of the 40-hour week and basic wage rises, by the costs of stores, fuel, steel, rails, timber and houses.

I can remember when at one stage during the start of our rehabilitation programme, we found it very difficult to get steel rails and we had to import some rails from outside the Commonwealth. I forget the cost, but I know that at one time we were offered some rails by the Japanese merchants at £100 a ton. Obviously the programme would not stand that, and to that extent the very necessary re-railing programme was retarded. I have quoted some of the Minister's comments at length because I wanted to stress the fact that the finance factor and the provision of roads, if and when necessary, are questions recurring again and again in the Minister's address.

As the question of finance is obviously the concern of Ministers in another place, I think the members there should have the opportunity of a primary examination of this question before it is submitted to this Chamber. The appendices supporting the Minister's submission are very well prepared, and they give some very interesting information. On the other hand, they do not give enough information in regard to certain relative matters, and as regards others they do not give any information at all; and I want to refer to one or two of those items as I go along. Some of the references in the report, and Appendix "A" paragraph (2), subparagraph (2) (c) show that in the areas where rail services are to be discontinued and goods carried by road to and from the nearest rail facilities, such services should be subsidised.

The Minister for Railways: The nearest practicable facilities.

Hon. C. H. SIMPSON: I think the words were "nearest railway facilities" and I believe that was amplified later on in the Minister's speech. That obviously envisages preserving traffic to the railways by the provision of road services and there are some questions that do arise. He says that provision is made for carting direct with road transport in certain areas because it is shorter and cheaper. The question is: Would the Government direct that operation of a feeder road service, and the third

question I put is this: If the answer is "yes," and private contractors would be employed, is the Government in the position, as this is purely a State transport need, to buy the necessary vehicles, sales tax and duty free, and to hire them or perhaps sell them to the contracting parties concerned?

I think in one part of his address the Minister agreed that there are occasions—and I should say many—when private contractors may be employed to advantage. I say that where they can be employed they should at least have the same advantages of getting machines at the lowest possible cost for assisting the Government to do what we regard as a Government job.

Hon. E. M. Davies: You call that socialism at other times.

Hon. F. J. S. Wise: We would need the assistance of the Commonwealth Government to do that.

Hon. C. H. SIMPSON: I have been told that, but I am not so sure about it as regards hiring. I am told that the Federal Government has refused to allow that concession to owners of privately-owned vehicles operating under contract, for instance, in regard to education. But I have the idea that the difficulty might be overcome by hiring the vehicles instead of selling them. After all, this is a transport matter, and let me remind members that transport is a primary cost, more so than some of the other items one could mention. Sometimes the finished goods bear two and three lots of rail freights. First of all there is the freight on the raw material to the factory, then perhaps from the factory to another point, and finally freight on the distribution to the consumer. In each case the goods concerned bear a proportion of freight. I suggest that that is a matter which deserves serious consideration.

Paragraph (12) of Appendix "A" stresses the inability of new rolling stock to operate to full capacity owing to substandard tracks. This means reducing speeds and loads; and there is also the incidence of costly derailments of which there have been a considerable number. I agree with the Minister that that point wants emphasising. But that again is a matter of finance. The railways have not sufficient finance and the only place they can get it is from the Government or the Treasury. That, too, is something which should be considered in another place where the Treasurer can answer any questions which might arise as regards this very important point.

A section of the report is headed "Economics of Rail and Road Operation," and paragraphs 16 to 20 show the narrowing gap between costs relative to each. There is an illustration in paragraph 7 where, taking 1938 as a base, road construction costs have increased by 70 per cent. But that is hardly comparable because roads

constructed today are better than those constructed in 1938 and they have better grades and so on; they are more solid, too. The cost of their construction has gone up by only 70 per cent.; but railway construction, which of necessity requires the employment of a great deal of manual labour at much higher wages, has gone up by 300 per cent. That is one of the factors which has brought the incidence of actual cost of rail and road transport so much closer together and that tendency may increase as time goes on.

Paragraph 23 sets out the saving to the Consolidated Revenue Fund and loan funds by the closure or suspension of services on certain lines. Paragraph 24 points out—this is in regard to stage two which would cover about 1,200 miles according to the recommendations of the committee—that substantial relief could be expected through the reduction of administration, supervision, correspondence, stores and workshops. That is the first intimation that the committee has recommended—and I take it the Government has accepted the recommendation—that there should be and of necessity must be some reduction in railway staff.

At this point I might interpolate by saying that that does not necessarily mean that they will be unemployed. Obviously, feeder services have to be operated, and it could be that the men now employed on fettling and so on could be transferred either under Government control or private control to the other sections of transport which would operate and act as feeders to the system.

Both paragraphs 23 and 24 touch on the financial angle. Paragraph 23 sets out that where a railway is closed the traffic, where possible, should be diverted to other lines. The committee recommends that road transport services be operated by the Transport Board under the provisions of the State Transport Co-ordination Act, 1933-34. That is another matter for consideration, particularly by the Minister for Transport.

Two things which did not come within the ambit of the committee's deliberations were the telescopic and differential systems of rating. The telescopic system is a very sound one; and obviously in railway operation it is more payable to the railways to have traffic that goes a long way, because the terminal charges with the cost of loading and despatching and then unloading at the destination are proportionately reduced when the overall picture is considered and the earnings from railway mileage taken into account.

But the position has been made difficult in this way: It is an accepted axiom on the part of both road and rail experts that up to 60 miles, where road haulage delivers from door to door and thus avoid terminal charges it can give a cheaper

service than the railways, up to that point. The 60 miles may, because of possible rising railway freight rates, become extended.

But in order to have a system of that kind it is part of the practice to load the short leads with higher ratings to give those living further away the benefit of a reducing rate. When on short leads in actual practice they have to start at the 60-mile point instead of at zero and so they have to start loading the 60-mile point more and that reduces the difference between road and rail. So I think there should be an examination of that particular point because I do not think that the facts on which the system was based—it is quite different now to when they were actually applied—are relevant at this moment.

Regarding the differential rating, that system, too, is sound one; but it was based on policy to a certain extent more than on railway practice. But even from a railway point of view, it is sound. For instance, bulk commodities—like wheat and timber—are loaded by the sender and unloaded by the consignee; and so far as the railways are concerned, there are no terminal charges, and the railways get the full freight rate from the point of despatch to the point of destination.

Therefore, they deserve consideration and should be carried at lower rates than goods which have to be loaded, accounted for and checked off piecemeal at their destination. That is common to all railways whether run by private companies or by Governments.

To a large extent at least, it must be remembered that operators of road services do not offer the benefit of differential rates. For instance, they charge telescopic rates. Hauliers might give special quotes for goods that are to be hauled over long distances, or for the cartage of goods both ways; but on the whole, they make no distinction between the type of goods carried. They demand a full load initially; but if they get a truckload of 10 tons of one commodity or 10 tons of another commodity they are carried at the same rate. For instance, they do not charge a high rate for the cartage of petrol and a low rate for wheat. If they carted wheat, they would ask for a substantial amount of freight, and they would want a subsidy in addition to the railway rate.

Two other important matters which have not been mentioned in the report, and which have great bearing on a question such as this, are the state of the suburban railway services and railway concessions. Some years ago I was rather horrified to learn from a report by the commissioner that suburban lines were losing £450,000 a year; and that he recommended that something should be done about it. Later on that deficit increased—at the time very little could be done about it—and at one

time the takings on suburban lines amounted to approximately £250,000 and the outgoings were about £1,250,000.

There are two or three angles to that. The first is that suburban lines have generally carried many passengers who hold concessions—such as students and teenagers—and in order to retain that traffic, those passengers have been granted the benefit of concession rates lower than those charged by operators of road transport services. One effect has been to build up a fairly large deficit on those lines and also to affect seriously the road transport services which could handle the business, in many instances, more efficiently, but which were forced off the road because of the uneconomic rates charged by the railways.

I admit that to a certain extent the same position obtained when I was Minister for Railways. At that time, however, we had the idea that by rehabilitation and new country development the traffic build-up would alter the railway position; that we could build our railways up to a state of efficiency where they could carry full loads at full speeds with the diesel rail cars for suburban lines—as suggested by the commissioners—and would have solved the difficulties on our suburban lines by avoiding more frequent stops and giving a modern up-to-date comfortable service. If that could have been done, we considered that probably we could have made those railway services pay.

Under the zoning system which I had in mind when holding the office of Minister for Transport, there were road transport services running parallel with the railway line to as far as Bellevue on the one line and Cannington on the other. It was proposed that these should be taken over by the Government as part of the then zoning system. That idea was approved by the private bus operators because there was not room for both services; and under those conditions the railway service could have been built up, and the road transport services would not have suffered as they have suffered by this unfair railway competition.

To some extent this has contributed towards the present position, where there is undercutting by private road services, with the result that the bus companies came to the Government asking it to convert them into a transport trust in order to save them from going on the rocks. This was a position which should not and would not have occurred had we continued in office; because under the system that I had established, there was an independent fare-fixing authority to be appointed to fix the fares equitably between the two services so that private operators would not have been compelled to operate at a disadvantage in competition with the railways.

Hon. F. R. H. Lavery: In other words, you had price fixing even in the railways.

Hon. C. H. SIMPSON: I was prevented from carrying that out, unfortunately, because there was no provision in the Act that would permit me to do it; but I still consider it was the best scheme. The concessions that I have mentioned are partly the cheap fares to which I have alluded; and, as an instance, I will cite the case of my own daughter. She was a student attending a business college, and her fare by rail from Bassendean to Perth was 10s. 4d. a month. If she had travelled by the bus—which, by the way, shows a loss—her fare would have been 10s. a week; not 10s. a month. Therefore, I am convinced that there is a very great loss on railway operations on the suburban lines.

If there is a loss on operations whether on unpayable lines in the country or on unpayable lines in the metropolitan area, that is largely borne by the man in the country who pays the bulk of the railway freights. He is asked to pay higher freights in order that these unpayable lines may be operated at a loss.

As the question of finance has been alluded to, a complete statement in regard to the expenditure borne by the suburban traffic and the total amount of revenue received from the fares charged should be submitted to this House. I know that the lines are there and must remain there in order to carry goods traffic, but allowance could be made for them when analyses are made, the same as they are with other lines, to show exactly what the position is. I am fairly convinced in my own mind that in an area which is relatively prosperous, such as the metropolitan area, the cost of transport should be borne by the people it serves, so that the service can stand on its own feet.

I have mentioned concessions. There are many, and what they amount to I do not know. Again, we should have some information in regard to this feature of railway administration. As a business enterprise, can the railways afford to grant these concessions when it has not the money? However, the fact is that successive Governments have continued to grant these concessions and adopt the view, I think, that as it is known that the railways are to lose £2,000,000 or £3,000,000 each year that another £500,000 lost makes no difference. We have sown the wind and now we are reaping the whirlwind.

The Minister for Railways: See where you left us!

Hon. C. H. SIMPSON: Apart from maintaining the suburban services and what we have to pay for them, the town planning commissioner recommended that the railways be retained because Perth had an insufficiency of arterial roads to remove traffic at peak hours and the railways certainly helped to ease congestion. They were solid reasons advanced for the continuance of those lines, but it was not a solid reason for continuing to charge

fares to the detriment of private enterprise when the operations on those suburban lines showed a tremendous loss.

We have had insufficient information also on the methods to be adopted for the payment of a subsidy to road transport services. Some information has been supplied, but many questions have been asked on how frequently these lines will operate; exactly where they will go, and what the charges will be on those railways. Is an agreement to be entered into with the farmers of a particular district on railway services and freights? If that is done, is it not a repudiation of the contract? Those are the questions that are being asked which primarily should be posed in another place rather than in this House.

In conclusion, I am going to cite a few reasons why I intend to move my amendment in a moment or so. My first reason is that the Minister already has the power to discontinue rail services without reference to either House of Parliament. My second reason is that I consider this is a question of high policy which, of necessity, should be decided in another place where most of the members discuss these matters. They too, are more affected relatively than the members of this House. Also the majority of members in another place are available to ask questions.

My third reason is the availability of road transport. That aspect should be discussed with the Minister for Transport so that he can tell the private operators exactly what is in his mind and answer satisfactorily or otherwise the questions put to him. The question of the payment of a subsidy to road transport, as I have already said, has not been sufficiently explained. This again, is the particular responsibility of the Minister for Transport.

In putting forward my fifth reason, I contend that the overall question of economics requires further examination. I refer now to the question of suburban lines, the cost of the concessions that are granted, and the need for more detailed information on the question of economy. My sixth reason relates to an examination of the differential rating and telescopic rating to which I have already referred.

I consider that my seventh reason is the most cogent of them all. It is this: That a larger assembly, where there are members more intimately concerned with matters in the particular areas they represent, should examine this question before it is submitted to us, because in this House there is a proportion of members who have no need to worry about the railways, at least to the extent of being concerned about the condition of a particular railway line. For instance, the members representing the West Province would not be interested.

Hon. E. M. Davies: I am interested!

Hon. F. R. H. Lavery: I am interested too. Very much so! More so than you realise!

Hon. C. H. SIMPSON: That was my first impression. I might say that the members of the North Province are not affected to such an extent. The members here are not affected in the same way as the members in another place. This House is rather ill-balanced when it is called upon to decide a motion such as this.

Hon. F. R. H. Lavery: Do you mean to imply that members of this House do not represent the whole State?

Hon. C. H. SIMPSON: In a sense that is so. If the hon. member was coming up for re-election I do not think the question of railways would be a 64-dollar question. I say that with all respect. That is my casual reaction. I move—

That all the words after the word "House" in line 1 down to and including the word "operated" in line 10 be struck out and the following inserted in lieu:—

the discontinuance and cessation of operation of the railways referred to in Appendix "B" for the reasons mentioned in Appendix "A" be deferred:

- (a) until after they have been considered and a decision made by the Legislative Assembly, and
- (b) until after the Government has brought forward definite separate proposals in respect of the area served by each railway—of road transport and roads in lieu of rail services.

HON. A. R. JONES (Midland—on amendment) [9.48]: In speaking in support of the amendment to the motion, I am going to touch on other matters rather than to follow the line taken by Mr. Simpson. He has given us good reasons why the lines mentioned by the Minister should be first discussed in another place.

Whenever the need has arisen for a discussion on the closure of a railway line I have always opposed the move. I cannot recall having to discuss the discontinuance of a service before; but my reaction would be the same, whether the move be for the closure of a line or for the discontinuance of a service, unless it could be shown beyond doubt that the line served very little useful purpose and had little prospect of giving any further service, particularly in the development of an area which has a chance of progressing.

I leave it to the members who understand their own districts better than I to refer to the lines affected, such as the line from Meekatharra to Wiluna, and

the one to Big Bell. I know very little about that country, although I have been there. If one were to take the figures as they have been given to us by the Minister one would see that on the line from Malcolm to Laverton the tonnage hauled in 12 months was approximately 4,000 tons. We must consider whether it is a good proposition to continue a rail service on a line such as that. We must consider, too, whether there is any great possibility of there ever being a need for a greater tonnage to be hauled. There again, the members representing those districts know more about that line than I.

When it comes to a line like the one from Geraldton to Ajana, or the one from Wokerina to Yuna, or the one from Bura-kin to Bonnie Rock, I am of course more conversant with the matter. I do know that with the passing of time, development will continue in those places. On the figures supplied by the Minister, there is between 30,000 and 40,000 tons of goods hauled over 12 months. I do not think there has been any slackening off in the last 12 months, and I venture to suggest that the haulage in that period was greater than in any other 12-months period.

When we possess knowledge of what can possibly take place in regard to development in a particular area, we must give great consideration to any proposal to discontinue a rail service. If I remember correctly, the Minister said that if all these lines were discontinued as rail services, and road transport was made available in lieu thereof, there would be a saving in the Railway Department of £280,000. It strikes me that while this is a fairly large amount, it is not so great when we realise it serves the people affected by 800 miles of railway line. When the saving is compared with the total railway deficit of nearly £6,000,000, it is just 1/24th of the total loss incurred by serving people on 800 miles of line.

I consider that we owe a moral obligation to the settlers who have gone out to the distant places to continue providing them with a rail service, unless it is definitely unwarranted or unless the district can be easily and readily served by road transport. That would be easy where the haulage is 3,000 or 4,000 tons a year; but it would not be easy where the haulage is between 40,000 and 50,000 tons. As I said, it is a sum of £280,000 to serve 800 miles of line. I take it, from what the Minister said, that that amount is being expended.

The Minister for Railways: That is the operational cost only.

Hon. A. R. JONES: If that is the case, it is all the more reason that we should know more about this matter. What will the operational costs be with regard to road transport? Another point we want to know more fully is how, and by whom, would the roads be made and maintained? The Minister has led us to believe that

the Main Roads Department would take care of that side. If the Main Roads Department is to expend the funds to lay down roads over which the Railway Department will operate road transport, then some people in some parts of Western Australia will be deprived of the use of good roads, because they cannot be built in two places at the one time. We should take notice of that aspect.

I would rather see something done to improve the rail services and to effect economies in rail operation. I venture to say there is plenty of room for this to be carried out. While not many of us can lay down anything specific as to where and how savings can be effected, we have at some time or other heard either directly or indirectly of incidents in the railways which could have been avoided, and which can be avoided in the future. I have previously made criticisms against the Railway Department; perhaps in the Midland Junction Workshops greater production could be achieved.

Then it will be recalled that I asked some questions with regard to the running of certain trains and I received the answers. If one were to assess the amount of money lost in one instance, it would be considerable. I have been led to believe that the same thing will happen this year as happened last year. I refer to the running of a railway engine with two tanks of water and a guard's van from Piawaning to Miling, a distance of 30 miles. They were not discharging any freight in the sidings in between or taking anything on the train. They merely picked up the load from Piawaning and went through to Midland Junction.

When I asked why this was being done—and this can be seen in Hansard—I was told that because of the rush of work on the Wongan Hills line the beds had to be taken out of the barracks at Piawaning to the other line. For a number of weeks—I think it was 13 or 14—two trains a week went back and forth, a 60-mile return trip, for absolutely no reason except to barrack the men at Miling. If the department had purchased four beds, mattresses and pillows, the total cost would not have been more than £100. I am told that the minimum cost—and this was given by the Railway Department—was £980 to run these men to the barracks at Miling. In that case there was a loss of £800.

The Minister for Railways: When did that happen?

Hon. A. R. JONES: Last year; and I understand again this year. I was there the other day and saw the same-looking train passing with a van and two tanks. I made inquiries and was told they were going to Piawaning and were not taking anything until they got to Piawaning. That is one instance where something is wrong.

I mentioned this matter to the commissioner in passing, while I was making inquiries about something else. He said that sort of thing could not happen. But it has happened and can happen. I suppose he did not want to believe it. At any rate, I have not very much faith in the commissioner. There are plenty of other men in the Railway Department who can do the job he is doing. It would be a good thing, and would possibly result in a big saving to the Railway Department, if the present commissioner were pensioned off on £10,000 a year for as long as he lived. We would probably get a better man to take his place and do a better job.

There is another practice which represents a waste of money, and that is the removal of an old station from one place to another instead of erecting a new building. When I spoke to this same commissioner about that, he said that a new building would have to be erected out of loan money, whereas the removal of a building would come out of working expenses and could be done that way even though it might not be cheaper.

I want to emphasise again that there is another direction in which saving could be effected. I mention this to demonstrate that we have union leaders today who are going too far, inasmuch as they are making rules and regulations which are so ridiculous that they are pricing workers out of jobs. If at, say, a barracks there is need for the replacement of a stove, and for woodwork to be done, two men have to be sent to the job because a bricklayer is not allowed to do carpentry work, and a carpenter is not allowed to lay bricks.

Hon. G. Bennetts: They would not know how.

Hon. A. R. JONES: I am not a tradesman, and I have not served an apprenticeship in either of those occupations. But I could do both of those jobs, and so could the hon. member; and so could many people. It would be economical to send along a tradesman who could do both jobs; the saving would be terrific.

The same applies to the tramways. If there is a nut and bolt going through wood and not steel, a man is not allowed to take it out because he is a fitter and not a carpenter; and similarly, a carpenter would not be allowed to take out a steel bolt running through a tram chassis, if he were a carpenter. That is going just too far, and it gives us no chance to run anything in this country on a reasonable basis.

Last year, or the year before, a little shelter shed was erected at Chidlow to keep the rain off intending passengers while they were waiting for trains. I passed through that centre for a fortnight or three weeks while the work was in

progress. It took all that time to erect; and when it was completed, it was practically useless, because it consisted merely of a roof erected over a seat. A little wind blowing from any direction caused the rain to drift right inside. The only thing it provided shelter from was the sun. I do not know what the cost was, but I suggest that it was absolutely beyond all reason. Considering the little shelter that it gave, the shed might just as well not have been erected.

Hon. G. Bennetts: Did you see the bunk-houses the contractors built?

Hon. A. R. JONES: No.

Hon. G. Bennetts: Have a look at them!

Hon. A. R. JONES: I said previously that the way things are going, men will soon be priced out of jobs; and I made that remark after considerable thought. It applies not only to Government concerns but everywhere. I know perfectly well that many farmers would employ more labour, even though they had to pay a high price, if they could be sure of a reasonable day's work being performed. But they cannot be. Farmers get some really good men; but from a lot of the labour which is available, value cannot be obtained, so farmers do not employ the men. I think the same would apply to Government concerns. If men were prepared to give a fair day's work for the wage they received, we could go ahead, and this country would make progress.

There is a young chap who joined the railways three or four years ago, and is still not out of his time. He was a cleaner at the workshops and then went out as a fireman. He works from Northam as a centre, and goes to Narrogin and Merredin and various other places. He is only 19 now, and he told me a little while ago that he was in receipt of the basic wage, almost, and would get an increase of another £3 a week when he had served his time. He told me that, with the wage he got, together with all the perquisites and a living-away-from-home allowance, he made £46 per fortnight. If an industry can stand that expenditure, it is a pretty good industry. It is no wonder that we have a deficit of £6,000,000 when that sort of thing occurs!

Hon. G. Bennetts: Do you know what engine drivers with the Commonwealth get per fortnight?

Hon. A. R. JONES: No.

Hon. G. Bennetts: They get from £100 to £110.

Hon. A. R. JONES: Whatever the amount was, a man with a family could well spend the money. But so far as this boy is concerned, his life is being ruined, and it is costing the Government a lot of money. He told me he did not save a cracker out of his £46.

Slow-running trains have been mentioned as one of the reasons why the railways are called upon to meet increased costs. That may be so. However, I venture to say that if the matter were given consideration and everybody pulled his weight, it would still be possible to reduce the running even to a speed of 15 to 20 miles per hour and still get in on time. I think that the speed on some outback lines is about 30 miles per hour. But even if it were decreased to 20, and the trains stayed only half as long at sidings, they could still run to reasonable time.

I do not care who it is—the Minister or anyone else—he cannot say that trains do not stop for a longer time at sidings than they should. Sometimes one wonders just why they are there at all. If the men who were running the trains had the railways at heart and set their minds on making the job profitable and giving good service, the position would be much better than it is at present.

Why train running-times are not changed, I do not know. I have travelled by train from here to Milngavie. The train will leave the station on time—as passenger trains must not leave ahead of time—but when it reaches the next stop it has picked up five minutes. So the crew stays there and wastes that five minutes. Again the train leaves on time, and perhaps reaches the next stop 10 minutes before it should. If that sort of thing is possible, why should not the journey be made one of six hours instead of eight hours? I do not know why that is not done. Is it because men cannot be rostered to do these trips? It would be better to pay a man more to do the trip in six hours than to have him dawdling and taking eight hours over it. At least the passengers would get the benefit.

The Minister for Railways: He was probably waiting until the farmer had read his letters!

Hon. A. R. JONES: I do not intend to weary the House further; but I do think it would be a good idea if some organisation were engaged to investigate these matters from the point of view of making recommendations as to how savings could be effected. We know, of course, the shortcomings that exist. We know that we are up for big expenditure by way of maintenance, and in providing a good type of rollingstock.

Nevertheless it would be an excellent plan if some organisation, such as exists in America and even in the Eastern States—one firm by the name of Scott has been mentioned—which would be able to make such investigations as I have suggested were engaged to do so. It would be a good thing if the Minister would put that proposal to Cabinet. I like to think that, if that were done, the Government of the day—of whatever complexion it might be—would give effect to the recommendations

made and do something to effect such savings. From what I have seen of the results of inquiries, very little comes out of the investigations of Royal Commissions. I support the amendment.

THE MINISTER FOR RAILWAYS (Hon. H. C. Strickland—North—on amendment) [10.12] I am very surprised that an amendment of this nature should have been moved, particularly by an ex-Minister for Railways who represented the Railway Department in this House for a period of three years.

Hon. C. H. Simpson: Your folks said it was wrong.

The **MINISTER FOR RAILWAYS**: I thought that the reasons given for the advisability of this motion being dealt with in the Legislative Assembly before it was dealt with here were very weak.

Hon. F. R. H. Lavery: It is a reflection on this House.

The **MINISTER FOR RAILWAYS**: It seems that something has gone wrong with the austerity and importance of the Legislative Council if, as the hon. member suggests, it is ill-balanced and not a fit Chamber to deal with a motion such as this without its first having been referred to the Legislative Assembly. That is the substance of one of the reasons he gave. I feel that I am correct in saying that this House is well qualified to deal with any motion placed before it, and it has always claimed to be so qualified. In fact, it has claimed to be better qualified—

Hon. C. H. Simpson: In some respects.

The **MINISTER FOR RAILWAYS**:—than the Legislative Assembly to deal with motions and legislation generally. That has been the justification for the existence of this Chamber. In reply to an interjection when I was introducing the motion, I said that it had been brought here to save time; and I am quite sure that all members will agree that much time will be saved if the motion is dealt with here.

We know that the Legislative Assembly is at present cluttered up with legislation and that only this afternoon the Budget was introduced and that there will be a tremendous amount of debate and long hours of sitting there, particularly as that House has before it the Local Government Bill and a number of other highly contentious measures; while, although we in this Chamber have a number of Bills on our notice paper, we know that they will be dealt with expeditiously if past performance is any guide. Although there has been some delay with the Supply Bill we know it will pass through this House with probably little more debate.

Obviously, we have ample time to deal with this or any other motion. As the

Minister for Railways I am responsible for having introduced the motion, and I claim that I had the strongest justification for doing so, just as the ex-Minister for Railways, Mr. Simpson, introduced discontinuance measures while he was in office.

Hon. C. H. Simpson: That was the Port Hedland railway.

The **MINISTER FOR RAILWAYS**: The hon. member introduced three measures of that kind.

Hon. H. K. Watson: The motion is not a discontinuance Bill.

The **MINISTER FOR RAILWAYS**: No; I am only seeking approval for a closure; whereas discontinuance Bills, which were far more important, were introduced here by Mr. Simpson. I opposed the Port Hedland-Marble Bar railway closure Bill, but when it went to another place the member for the district supported it. I thought it would be a tragedy to close that line.

Hon. Sir Charles Latham: You have slipped since then.

The **MINISTER FOR RAILWAYS**: No; I have improved. I was wrong on that occasion. The people had convinced me they would be in a bad way if the line were closed, and I took a deputation to Mr. Simpson at that time.

Hon. Sir Charles Latham: You were in Opposition then.

The **MINISTER FOR RAILWAYS**: Had there been a division called on that Bill, I think the Minister might have lost it. Like me, Mr. Jones opposed that measure in his first year here, and it was opposed also by most Country Party members. Mr. Welsh, the North Province representative of that day, also opposed it. How wrong we were proved to me!

The Press entered the campaign against the member for the district and photographed his effigy on the front of the engine of the last train to run over the line and made headline news of the engine being run from Marble Bar to Port Hedland where somebody tipped the effigy into the creek. In spite of that, the member for the district won by a bigger majority at the next election. I went around the district with him both before and after Christmas this year and had public meetings in every town but the question was never raised; and when I inquired what various people thought of the position now that the railway was gone they said they never knew they would be so well off without it. The Government of that day refused road transport subsidies and the people concerned did not put the subject forward but I made representations to the Minister and he said no subsidy would be paid.

Mr. Simpson wanted to know more about alternative transport and I take it he wanted to know the figures per ton mile,

and so on, but I cannot understand his being so concerned about something which he did not mention during his speech; whether he supports or opposes the closure of any line mentioned in the appendix.

Hon. C. H. Simpson: It was obvious that we would consider it after another place had done so.

The MINISTER FOR RAILWAYS: The most amazing statement I have ever heard in this Chamber was that one—that this House considers itself not competent to deal with a motion. For the life of me I cannot make out what has come over members who are prepared to support the amendment. There is sufficient time at their disposal and every detail they want supplied, including the three reports which have been laid on the Table, has been made available and I announced that any files or information required by members would be supplied to them.

How could it be claimed that this motion should first be considered in another place? It was said that the Minister in control of roads and the Minister for Transport are in that House; of course, and they were also in Cabinet when it agreed that I should put this motion to Parliament—not only to the Legislative Council—and there is no fear that if passed it would not go there. By interjection, Mr. Griffith asked whether, if the motion still existed—or words to that effect—when this Chamber had done with it, I would move that it be sent to another place for its concurrence.

Hon. N. E. Baxter: But you said another place would not have time to deal with it.

The MINISTER FOR RAILWAYS: Although the hon. member has not spoken to the motion or to the amendment he took opportunity during the debate on the Supply Bill and another measure to speak on the question and castigate the government for wasting money and overspending and so on, but he will not help the Government and is opposed to any railway being closed no matter how uneconomical it might be.

Hon. N. E. Baxter: I did not say that.

The MINISTER FOR RAILWAYS: That is what it amounted to. The hon. member castigated the Government on its taxing measures and charges but would not support the closure of railways, and particularly the Bonnie Rock line. I remember him having supported the closure of the Mundaring Weir line and saying the people were not perturbed or worried about it. He also supported the closing of the Darling Range railway. Those measures were introduced here and were not first referred to the Legislative Assembly.

Hon. N. E. Baxter: They were Bills, and not motions.

The MINISTER FOR RAILWAYS: Although this is not in the form of a Bill, members have exactly the same jurisdiction over it.

Hon. N. E. Baxter: But we have not been told that adequate road transport has been provided in those cases.

The MINISTER FOR RAILWAYS: The hon. member has been hard to satisfy recently though whether it is due to the onset of the hot weather or to the fact that some railway in his area being closed might, in his imagination, cause him to lose favour, I do not know. I suggest that members of this Chamber should give this question, which is so serious in relation to the State's resources, earnest consideration. No consideration would have to be given to it by this House if the amendment is agreed to.

I claim that opportunity will not be presented for it to be dealt with in another place and returned to this Chamber for consideration if the amendment is agreed to. I have seen Bills—I will not say treated contemptuously—given no consideration here during the last few days of a parliamentary session because it was said there was insufficient time to give them due consideration. A lot of time has been wasted in this Chamber during the last few sitting days although I will not say there has been no earnest endeavour.

Hon. Sir Charles Latham: I do not think you are justified in saying any time has been wasted, because we are entitled to discuss all the business that comes along.

The MINISTER FOR RAILWAYS: A lot of time has been wasted.

Hon. Sir Charles Latham. You should not express it in that way.

The MINISTER FOR RAILWAYS: I meant no reflection on this Chamber and apologise if I did not express myself correctly. But I think much more business could have been done than has been done, and I do not think that opinion is out of order, although all members may not agree with it. If our recent slow progress is to continue I am sure there will be no chance of this motion being considered in another place and returned to this House in time for consideration. As Mr. Simpson told us, there are many members who will be affected by these closures, but each member will have the opportunity to express his opinion. That is why the matter was brought to Parliament; to enable members to have their say. Why not let us get on with the job instead of sending it to another place where it will not be able to receive the consideration to which it is entitled because of the precedence of the Budget in the first place, and other legislation which is partly dealt with.

Hon. A. F. Griffith: On the same line of reasoning what time would there be to deal with it after this House had considered the matter?

The MINISTER FOR RAILWAYS: There are far greater possibilities of another place dealing with it after it has been considered here than there would be if the matter was left on their notice paper. It can be dealt with here, and there is no necessity for it to go to another place. I think it was Mr. Baxter who said that the Legislative Council might be accused by the Government of having some ulterior motive.

Hon. N. E. Baxter: Yes; I plead guilty.

The MINISTER FOR RAILWAYS: I think the hon. member suggested that if no headway were made the Government would accuse the Legislative Council of holding it up. There was no such thought in our minds at all. As I have already explained the motion was introduced here as a discontinuance motion not as a closure motion as recommended in the report.

Hon. F. D. Willmott: Can't you do it without bringing it here?

The MINISTER FOR RAILWAYS: This is the place to which it should be brought, particularly when we realise the tremendous mileage that is involved; almost 2,000 miles of line is involved. If we start pruning one here, and another there, no doubt the report would be called for and all sorts of misconstructions would be placed by the public on the action that was taken. The Government felt that it should be open in this matter. Arrangements will have to be made with Co-operative Bulk Handling. It would not be possible to close these lines in a short period; the process would have to be gradual. If we started clipping a bit here and a bit there the Government would be entitled to be criticised by members and everybody else concerned. Parliament is the correct place for it and that is where it has been brought. It should get a full airing here and should be given the consideration to which it is entitled.

I was asked by Mr. Simpson to explain why there was a change, and why the portfolio of Railways was lodged in this Chamber rather than in another place as was the case previously. In reply to that, I would say that the portfolio of Railways was held by Mr. Styants, who was an experienced railway man. He had a great knowledge of railway workings, awards and so on and he was the logical Minister for Railways in the last Government. I do not for one moment suggest that I am the logical choice in this Government; but the Premier asked me if I would take on the portfolio of Railways and, after having administered two small portfolios for three years, I naturally felt elated and honoured and agreed to accept.

Hon. Sir Charles Latham: You do not mind a little trouble.

The MINISTER FOR RAILWAYS: There is no question of trouble. The problem is there and has been there for years; so what is there to be afraid of? Our job is to solve that problem, not to push it aside because "The West Australian" or somebody else, might wish to trim us up. Who worries about that?

Hon. Sir Charles Latham: You will get some publicity.

The MINISTER FOR RAILWAYS: We are here as statesmen to do our best for the State. That is what we are expected to do, and I think the electors give more credit to somebody who is prepared to stand up and say that he is going to do something for the State instead of worrying what will happen if he took the necessary action. Those matters should not worry anybody in this House.

The Chief Secretary: Why did he query it? He was Minister for Railways here.

The MINISTER FOR RAILWAYS: Quite a number of reasons have been advanced why it should go to another place.

The Chief Secretary: But he queried the fact of your being Minister for Railways here.

The MINISTER FOR RAILWAYS: That is not quite what he said; he asked me to explain the position. Mr. Simpson also said that Mr. Billy Marshall had remarked in another place that the Minister for Railways and Mines should not be situated in the Legislative Council. He did not say that because he thought the Minister could do a better job in another place; he said it because he wanted the opportunity to say something to the Minister for Mines.

I see no good reason why this Chamber should support an amendment of this nature simply because those who sponsor it feel that there are members in another place who are more widely interested. The suggestion has been made that there are Ministers in another place who would be able to give more information in regard to roads, or that the Treasurer will be able to supply details in regard to finance.

Hon. Sir Charles Latham: That is it; you have struck it.

The MINISTER FOR RAILWAYS: If there is any sound reason why this amendment should be agreed to I cannot see it in the reasons that have been advanced. This motion is here with Cabinet approval and all the Ministers concerned are fully aware of its implications. They were aware of them long before it was ever mooted. A study of these reports has been made over a long period. The first one was presented about Christmas time. Interim reports have been studied and

quite a lot of investigation has been made by the Cabinet sub-committee which submitted a report to Cabinet the result of which is this motion.

I am not one of those who looks for an ulterior motive. As I have said, this Chamber is fully qualified and able to deal with this matter; and the suggestion that members of another place would be able to supply the details which may be required is no excuse to send it there. Cabinet has given this matter full consideration on many occasions.

It makes one stop and think why this amendment has been moved. The only conclusion I can arrive at is that it has been put forward to deliberately delay consideration of the motion—I will not say to deliberately kill it—because it is apparent that it would be almost impossible to get it through another place and receive it back here for consideration before the closing of this session.

Hon. J. Murray: You realise—

The MINISTER FOR RAILWAYS: I realise that the hon. member may not agree with the motion; but he is entitled, as is any other member, to move any amendment he likes.

Hon. Sir Charles Latham: But you are growling about it.

Hon. C. H. Simpson: You are imputing motives.

Hon. J. Murray: You do not agree that the Assembly members should have a say.

The MINISTER FOR RAILWAYS: The amendment has been moved to delay consideration of the motion, and suggests that this Chamber is not competent to deal with it.

Hon. C. H. Simpson: I can assure the Minister that that was not my intention.

The MINISTER FOR RAILWAYS: That is the only construction I can place on the speech made by the hon. member and on his proposed course of action. While Mr. Simpson was Minister for Transport, Mines and Railways in this House, all the legislation relative to his departments was introduced here; so why should not a motion that concerns a Minister of the Government be introduced in whichever House that Minister is sitting?

Hon. C. H. Simpson: The propositions are not comparable.

The MINISTER FOR RAILWAYS: They are. This is a most urgent matter, and I think Mr. Simpson let the cat out of the bag when he said there were some members who might be affected in their electorates. I think that might have influenced him to move his amendment.

I appeal to members not to support the amendment, but to deal with the motion on its merits, just as the members of this

Chamber have done ever since its inception. I would say this is the first occasion on which the members of the Legislative Council of Western Australia have said, "Well now, this is a hot potato! We do not want to handle it here; we will pass it along the corridor and hope it never comes back again." I sincerely hope the amendment will not be agreed to.

Hon. Sir CHARLES LATHAM: Mr. President I wish to speak to this amendment—

The PRESIDENT: Standing Order No. 388 states:—

In all cases the reply of the Mover of the original Question shall close the Debate.

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

Ayes	.....	14
Noes	.....	10
Majority for		4

Ayes.

Hon. N. E. Baxter	Hon. J. Murray
Hon. L. C. Diver	Hon. H. L. Roche
Hon. A. R. Jones	Hon. C. H. Simpson
Hon. Sir Chas. Latham	Hon. J. McI. Thomson
Hon. L. A. Logan	Hon. H. K. Watson
Hon. G. MacKinnon	Hon. F. D. Willmott
Hon. R. C. Mattlake	Hon. A. F. Griffith

Noes.

Hon. G. Bennetts	Hon. E. M. Heenan
Hon. E. M. Davies	Hon. R. F. Hutchison
Hon. G. Fraser	Hon. H. C. Strickland
Hon. J. J. Garrigan	Hon. F. J. S. Wise
Hon. W. R. Hall	Hon. F. R. H. Lavery

Pairs.

Ayes.	Noes.
Hon. J. G. Hislop	Hon. G. E. Jeffery
Hon. J. Cunningham	Hon. J. D. Teahan

Amendment thus passed; the motion, as amended, agreed to.

The MINISTER FOR RAILWAYS: I move—

That the motion, as amended, be transmitted to the Legislative Assembly for consideration.

Question put and passed.

House adjourned at 10.50 p.m.