

Mr. JAMIESON: The first amendment standing in my name touches on the question of whether the Government or the Perth City Council should administer these provisions. I have to move an amendment in this clause because that is where the principle first appears. Various speakers have touched on this aspect during the second reading but the Minister did not indicate during his reply any reason why the Government should not administer this legislation.

Earlier he did imply that from a financial point of view the Government exercised control. If the Minister has no reason to offer for handing this matter over to the Perth City Council, it is proper that I should proceed with my amendment which, if agreed to, will give his department the authority to administer the provisions contained in the Bill. I move an amendment—

That the word "council" in line 27, page 2, be struck out and the word "Minister" inserted in lieu.

Progress reported.

#### **BILLS (2)—RETURNED.**

- 1, State Transport Co-ordination Act Amendment.
- 2, Wheat Pool Act Amendment.  
Without amendment.

*House adjourned at 6.8 p.m.*

## **Legislative Council**

Tuesday, 18th December, 1956.

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

### **ASSENT TO BILLS.**

Message from the Governor received and read notifying assent to the following Bills:—

- 1, Land Act Amendment (No. 1).
- 2, Bookmakers Betting Tax Act Amendment.
- 3, Betting Control Act Amendment.
- 4, Farmers' Debts Adjustment Act Amendment (Continuance).
- 5, Mental Treatment Act Amendment.
- 6, Architects Act Amendment.
- 7, Brands Act Amendment (No. 1).
- 8, Criminal Code Amendment (No. 2).
- 9, Land Act Amendment (No. 2).
- 10, Royal Commissioners' Powers Act Amendment.
- 11, Trustees Act Amendment.
- 12, City of Perth Act Amendment.
- 13, Friendly Societies Act Amendment.
- 14, Child Welfare Act Amendment (No. 1).
- 15, Medical Act Amendment.
- 16, Licensing Act Amendment (No. 4).

**QUESTIONS.****RAILWAYS.***Removal of Pithara Station.*

Hon. A. R. JONES asked the Minister for Railways:

(1) When was the railway station removed from Pithara to another area?

(2) Why was it necessary to make the removal?

(3) What was the age of the station?

(4) Is it a fact that it was moved and placed at a siding with a lower tonnage of freight and lower earning capacity?

(5) What was the total cost of removal, freight, and re-erection of the station?

(6) What was the estimated cost of a completely new structure?

(7) Is it definitely decided that Pithara will not have a station master established again?

The MINISTER replied:

(1) Last week of August, 1956.

(2) To provide facilities at Kukerin where a station master has been appointed.

(3) Twenty-one years.

(4) Yes; but this position may alter now that Kukerin has been opened for business. Furthermore, it is considered that Kukerin requires more detailed attention than Pithara.

(5) The work was carried out by contract at a cost of £665.

(6) £2,500.

(7) If rail traffic improves sufficiently the position will be reviewed.

**FORESTRY.***Release of Timber Area.*

Hon. J. McI. THOMSON asked the Chief Secretary:

Further to my inquiries regarding vacant land west of the Great Southern line from Chorkerup to Denmark—

(1) Is it the intention of the Forests Department to hold in perpetuity the land at present under its control within this area; or

(2) Is it intended to throw this area open for selection when the estimated potential of 50,000 loads of millable timber has been removed?

(3) If the reply to No. (2) is in the affirmative, will he give some indication when this area of land can be expected to be available for land development?

The CHIEF SECRETARY replied:

(1) It is not the intention of the Forests Department to hold the land in this area in perpetuity except perhaps for such limited areas of better quality forest as may be disclosed by air photo mapping and field examination.

(2) The Forests Department will not oppose alienation when the marketable timber is removed, subject to reservation of areas carrying better quality forest.

(3) It is not practicable at present to indicate when the land will be available for agricultural development, as this is dependent upon the air photo of marketable timber and preparation of a scheme of subdivision.

**PUBLIC WORKS.***Deferred Payment Contracts.*

Hon. J. McI. THOMSON asked the Chief Secretary:

Further to my questions regarding deferred payments—

Has the Government entered into any deferred payment contracts this financial year? If so—

(a) What is the amount to date?

(b) What are the contracts to date?

(c) What is the estimated expenditure of deferred contracts for this financial year?

(d) Will he advise details of the proposed contracts for the remainder of the financial year?

The CHIEF SECRETARY replied:

(a) Yes; £51,206 12s.

£

(b) Hampton Park school — additions	2,955	12	0
Koonawarra school — additions	9,789	0	0
Shannon River school — additions	3,200	0	0
North Innaroo school — additions	5,800	0	0
Lathlain Park school — additions	12,249	0	0
Applecross school — additions	4,482	0	0
Wembley school — additions	5,498	0	0
Brentwood school — additions	3,897	0	0
Capel school — additions	3,336	0	0
Total	51,206	12	0

(c) and (d) The matter is still under consideration.

**BILLS (2)—FIRST READING.**

1. Municipal Corporations Act Amendment.

2. Road Districts Act Amendment.  
Introduced by Hon. E. M. Davies.

**BILL—LAND TAX ACT AMENDMENT.***Second Reading.*

Debate resumed from the 12th December.

**HON. F. D. WILLMOTT** (South-West) [4.42]: I have given considerable thought to the proposed land tax, and I am afraid I cannot bring myself in any way to agree to it. Land tax is essentially a tax on capital assets, and as far as primary producers are concerned it is mainly a tax on revenue producing assets. Just how the unimproved values are arrived at is somewhat of a mystery to me. The department has some miraculous formula, which I doubt whether many members fully understand; but we are told that it is at least in some part based on the sales of farms and land in the areas where the valuing is being done.

I do not know to what extent such sales are taken into consideration; but I do know that if they were taken fully into consideration in many parts of the heavily timbered country of the far south of the State, no price which could be obtained for a property would be as much as the cost of the improvements on the land. In other words, the cost of the improvements is far in excess of what the property could be sold for; and in a case such as that, I cannot see how the unimproved value would not be a minus quantity. I repeat that the method of arriving at unimproved values appears to be far from satisfactory.

Another unsatisfactory feature of the proposed tax is that the holder of land of an unimproved value of £5,000, on which there are no improvements, is to pay no increase in tax; and even in the case of property of an unimproved value up to £20,000, where there are no improvements, the increase in tax is only 15 per cent., which is very different from the position of a parcel of land with an unimproved value of £20,000 but which carries improvements, because in that instance the increase is 150 per cent.; and it seems to me that that is quite the wrong approach.

If we were to put a higher tax on land that holds no improvements at all, with the idea of trying to force people to effect improvements, I would be more in agreement with the proposal; but it seems to me that the measure with which we are dealing proposes a tax on thrift, because the taxpayers who have spent money on improving their land are to be hit for having done so.

As far as I can see, land tax does not have any regard to capacity to pay; and I think that is an important factor, because it does not matter to what extent a man's land may be mortgaged or to what extent the property may be running at a loss, the owner is still called upon to pay land tax to the full extent.

It has been suggested that this land tax would be preferable to a rise in rail freights; but to me that is not so, because a rise in rail freights does to some extent have regard to capacity to pay, as the producer—I am speaking entirely from the point of view of the rural areas at the moment—who produces the most goods is the heaviest sufferer under a rail-freight rise; but also, in most cases, he has the best chance of recovering any debts he may owe; and so, as I have said, an increase in rail freights does to some extent have regard to capacity to pay, whereas a land tax has absolutely none.

There are some areas in this State that will be very heavy sufferers under the proposed land tax, and I refer to rural districts. We know that there is to be an increase in irrigation rates from 22s. 6d. per acre to 25s. per acre, and that allows for two waterings. Additional waterings at present cost 3s. 9d. per acre and that figure is to be raised to 5s. per acre. When one considers that that is the charge per acre of agricultural land, it is seen that these people will be pretty hard hit.

Drainage rates are also to be increased in all districts and that will affect these same people again. There is to be an overall increase of 20 per cent. in drainage rates and that is a pretty stiff increase for people trying to farm in the irrigation areas where—I ask members to remember this—a lot of the land has an unimproved value of £40 per acre. That is a very high unimproved value for agricultural land.

**Hon. Sir Charles Latham:** Is it £40 per acre, unimproved?

**Hon. F. D. WILLMOTT:** Yes, in the Waroona area. That shows what a tremendous tax will be placed on these people, when we consider the increase in their drainage rates, together with the proposed land tax increase; and I would point out, also, that their local road board rates are based on that value. They are only dairy farmers. I think members know without my telling them that dairy farmers are not making fortunes today. The Government has not given enough consideration to the effect that this increased land tax will have on people in some of the rural areas. Without knowing, and without having in my possession the figures on which to base a calculation, I would think that it would have a considerable effect on the price of milk.

In my opinion, one of the first things that will happen, if irrigation rates, water charges and land tax are increased, is an increase in the price of milk. Therefore, any increase in this tax could have a very inflationary effect. I do not think it is going to have the effect that the Government anticipates. It is not going to be a case of all the money going into the coffers without any going out. In fact, in many cases, I think it is going to have a

bad effect on our economy. That is only one factor that I have instanced to demonstrate my point.

I would now like to quote from the 1948 Parliamentary Debates an extract from the speech made by Hon. A. R. G. Hawke which he made on the second reading of a Bill that was introduced by the McLarty-Watts Government to increase the land tax by 4d., which was anticipated to increase its revenue by £10,000. Hon. A. R. G. Hawke had this to say—

It may be that the Premier has been far more cunning, speaking in the financial sense, in connection with this measure than he has led us to believe. It may very well be that the increase in the tax by virtue of this Bill will be twice £10,000 a year, and even the member for Canning might find that not every landowner in his electorate appreciates this action of the Government in increasing the taxation burden. It must be remembered that the burdens which the people are being called upon to bear in these days are many in number. If the only burden were this increase in the land tax, no one would have cause for complaint. Members should bear in mind, however, that every taxpayer has in addition to paying land tax, to pay heavy income tax; he has to pay increased water rates, at least in the metropolitan area; he has to pay heavier indirect taxation, and of course he has to face up as best he can to the increased cost of living.

If those words applied in 1948, surely they apply with greater force today! In that year the money to be raised by the proposed increase in land tax was £10,000, but today it is calculated that this increase in land tax will bring in £1,000,000—not 10 times the amount proposed in 1948, as Mr. Baxter said, but 100 times; and judging by Mr. Hawke's own words in 1948, it could be 200 times. Therefore, I repeat that if Mr. Hawke's words meant anything in 1948, they certainly carry a lot more weight today and need a great deal more consideration.

In view of what I have said on the effect of this taxation in rural areas, I believe that the land tax, at least for the present, should remain as it is until we have a better opportunity to assess the overall effect it will have in rural areas. This would also give us a better chance to arrive at a better basis for the calculation of land tax on unimproved land values because they are far from satisfactory at the moment. I realise that the Government needs money, and money it must have.

However, I also agree with Mr. Watson when he said, during his speech on this measure that a great deal of our present trouble stems from the existing arrangement between the Commonwealth

and the States whereby the Commonwealth collects £30,000,000 in income tax from the States and returns a mere £12,000,000. Therefore, no matter what taxes we apply, we will still be on an unsound financial footing. Mr. Watson also referred to this State having to pay to the Commonwealth £1,000,000 in payroll tax each year. Surely that is an absurdity!

Hon. F. J. S. Wise: It is much worse than that.

Hon. F. D. WILLMOTT: I entirely agree. It seems to me that this ship of State appears to be continually having to trim its sails to catch the fickle winds of the Grants Commission. Until that position is revised and the financial arrangement is put on a sounder and more sensible basis, I do not think the imposition of a further increase in land tax or any other tax in this State is going to get us on to a stable financial footing. However, that is digressing a little from the Bill.

If rural land is to be brought into this field of taxation, we should be given time to assess what the effect is going to be because I do not think the Government knows itself what the effect will be in many instances. This House would be well-advised, therefore, to leave the land tax as it is for the present. If we are to disturb the status quo, I think we need to know more than we do now. I oppose the Bill.

HON. J. McI. THOMSON (South) [4.58]: Before the vote is taken on the second reading of the Bill, I wish to have a few words to say, although I do not desire to delay the House for any length of time, because Mr. Willmott has very aptly and ably explained the effect and the impact on the community—particularly those people engaged in primary industry—that this increase in land tax will have. Therefore, I will not attempt to go over the ground again and weary the House by so doing.

I intend to oppose the Bill. First and foremost it will mean an added impost on those engaged in primary production and the people who live in the rural areas of Western Australia. Secondly, I oppose it from the point of view that it cuts across the source from which the local governing bodies obtain their rates. I have heard it said on many occasions that there are many people in the country districts who consider that the rates which they pay on their land at present are extremely excessive. The further tax proposed under this measure will become an added cost to the community.

Thirdly, I oppose this measure because, if this Bill is placed on the statute book, Parliament will not have any future say as to the increase in the rate of that tax. If the Government introduces amending legislation, Parliament will not be able to control the rate of increase.

If what we have experienced during this session is an indication, we can expect increased taxation in the next session of Parliament. For those three reasons I oppose the second reading.

**HON. SIR CHARLES LATHAM** (Central) [5.11: I regret the necessity for the Government to impose increased taxation. In my view, the Government should be challenged on this issue. One only has to have regard to the financial returns attached to the Budget speech by the Treasurer to appreciate the lack of control in governmental expenditure. It is alarming to realise the losses incurred by Government instrumentalities. I propose to quote a few figures to indicate those losses. The railways in one year lost over £4,000,000. If the population of this State increases, so will the losses of those undertakings be proportionately increased. Before I can agree to any additional taxation, I would suggest, although I cannot insist, that some responsible person from abroad be appointed to investigate the management of Government departments.

The figures which I shall quote are alarming to those who give thought to the financial position of the State. On page 33 of the Financial Statement of the Treasurer for this year, various undertakings are shown in return No. 17. The losses were as follows:—

	£
Fremantle Harbour Trust	166,360
Country Areas Water	
Supply	634,112
Railways Commission	4,615,844
Tramways	266,117
Ferries	6,948
State Batteries	146,971
Cave House	7,189

The Metropolitan Water Supply, Sewerage and Drainage Department, included in this return, showed a profit of £100,661.

Further information is supplied showing details of how those losses are made up, and the Fremantle Harbour Trust figures are contained in return No. 18; business undertakings, including Country Areas Water Supply, in return No. 19; Metropolitan Water Supply, Sewerage and Drainage Department in return No. 20; the Railways Commission in return No. 21; the Tramways in return No. 22; the Ferries in return No. 23; the State Batteries in return No. 24; and Cave House in return No. 25.

I want to say a few words in regard to Cave House. A comparison of the trading result is shown for the last five years. In 1951-52, that undertaking showed a loss of £469; in 1952-53, it was £1,647; in 1953-54, it was £2,995; in 1954-55, it was £5,688; and in 1955-56, it was £7,189. Surely no proper control is being exercised over this undertaking. Why should visitors and tourists be provided with board and lodging at Cave House at some

cost to the Government, especially when no rates and taxes are paid? The only tax which has to be met in connection with Cave House is that on liquor. The Minister in charge, or the responsible Treasury officials, should not allow such losses to continue.

Return No. 26 is a summary of results of operations of various State trading concerns. In it the State Engineering Works is shown as making a profit of £59,964. This undertaking carries out all the big engineering jobs for the State, and there is a charge to Consolidated Revenue to make sure that it does not sustain a loss. When State trading concerns have to compete with private undertakings, the story is different, and they suffer losses.

The State Brick Works in the last financial year lost £48,584; and the State Saw Mills, £13,549. Those two undertakings suffered losses when they had to compete with private undertakings which were also handicapped by having to pay taxes. That return also shows that the State Shipping Service received a Treasury grant of £697,258. Annually the Treasury pays a contribution to the State Shipping Service to make up the losses. Wyndham Meat Works, which was a terrible drag on the community for a long time, made a profit of £52,260.

However, the seven State hotels showed a loss of £2,458. One is situated at Gwalia, a mining town with a considerable number of people; another at Bruce Rock; one at Corrigin; one at Wongan Hills; and one at Dwellingup. They are all very good hotels, and none should make less than £3,000 profit a year, remembering that they do not pay rates or taxes, even to the local authorities. All these hotels have exclusive rights, as there are no other hotels within reasonable distances. The two others which are not so profitable are those at Bolgart and Kwolyn. Yet in all they made a loss of over £2,000.

Does that not indicate to this House that there is lack of control of the finances of Government undertakings? Irrespective of its political colour, no Government has a right to impose additional land tax to make up for these losses. The State Brick Works, for the last five years, showed the following losses:—

	£
1951-52	7,794
1952-53	4,754
1953-54	2,603
1954-55	29,918
1955-56	48,584

The huge losses in the last two years were incurred when the Labour Government took office.

I ask members whether we are justified in giving the Government the right to impose further taxation before it has attempted to put its house in order. The State Saw Mills last year showed a loss

of £13,549. The earnings of the State Shipping Service were £770,400, but the working expenditure was £1,328,280, and the total annual cost was £1,467,658. Wyndham Meat Works have made a reasonable profit over the last five years, as I said previously. The West Australian Meat Export Works at Robbs Jetty have always made a profit.

When those figures of losses are placed before us, no encouragement is given to members to vote in favour of increased taxation. How would a private individual or a company carry on when such huge losses were experienced? Would not the manager be sacked? In this case, all we can dismiss is the Government itself, and we can only do that by refusing to pass any further taxation measures. It will be a very sorry day indeed if I have to agree to as severe a step as that being taken.

To my mind, the Government railways are very badly managed. One only needs to look at the report of the commission—a very extensive document—to realise how discouraging is the position. I want to point out that half of the revenue derived by the railways comes from the agricultural, mining and timber areas. I would like to quote the following figures showing the freight derived from the various items last year:—

	£
Timber .....	1,054,752
Wool .....	379,190
Wheat .....	1,895,390
Grain .....	337,859
Chaff .....	33,711
Grain Products, Cereals, Flour, etc. ....	187,375
Potatoes .....	71,356
Fruit and Vegetables .....	145,973
Ores and Minerals .....	515,609
Livestock .....	394,492
Fertilisers .....	674,888
<b>Total .....</b>	<b>£5,690,505</b>

I am credibly informed that the Government has one alternative to this land tax and that is to increase rail freights. I am not going to agree to that.

Hon. N. E. Baxter: You have no option.

Hon. Sir CHARLES LATHAM: It will not require an Act of Parliament or any consideration by this House to increase rail freights. For this reason, I am a bit fearful. If the Government is to raise £1,000,000 from people who today are producing half of the income from rail freights, there will be little encouragement for settlers to go on the land. As a matter of fact, I would say that it would be a very bad thing. So I have to ask myself: What is the alternative?

I will admit that this proposed land tax is a bitter pill to me because in 1932 I was responsible for the land tax being taken off. The statement by Mr. Willmott is perfectly

true—it is a tax on capital. It is the capital from which the farmers and pastoralists get their income.

Hon. E. M. Davies: Everyone's land tax is a tax on his wages.

Hon. Sir CHARLES LATHAM: We are taxed on income now from our farms.

Hon. E. M. Davies: We all have to pay land tax.

Hon. Sir CHARLES LATHAM: Now we are called upon to pay tax on the material from which we get our income. We get it from the land. I do not know what alternative there is. I am not going to ask the people who are on the land to find £1,000,000, and let the city area off. I know that some of the land tax will be passed on to the farming community because the business houses that can pass it on will, no doubt, do so by increasing the prices of their goods.

There has been a lot of hot air in the remarks as to how this will affect the farmer. What decided me to give some support to the measure is that on a farm that I was interested in at one time, the owners today pay £400 in rail freights. If freights are to be increased by only 50 per cent., they will pay £600. With the taxation of land, the total amount will be about £6 5s. a year. That does apply to the property I have just mentioned. That is at the present value—and values do not increase rapidly.

In his speech, Mr. Willmott said he did not know how the value of land was assessed. The present method has been adopted for a long time; particularly since a High Court ruling was given as to how to determine the value of land. The court said it would take into consideration the last few sales effected in a district. It did not take just one sale. Mr. Willmott referred to land at £40 an acre. I can picture that type of place; it would be one where they grow potatoes.

Hon. G. C. MacKinnon: It is along a 60-mile strip.

Hon. Sir CHARLES LATHAM: Yes, but I am surprised to know that anyone would pay £4,000 for 100 acres of land. I can remember when an owner on the left-hand side of the road sold some of his property on the right-hand side and received £12 an acre, and he thought it was a remarkable price. Potatoes have brought up to £50 a ton locally, and some sold in another State returned, I understand, up to £150 a ton. Such prices would immediately create higher land values, but they are only temporary.

Hon. F. J. S. Wise: Land values around Dardanup are of that order, approximately.

Hon. Sir CHARLES LATHAM: Yes; that is a valuable area, too; but there are not many such districts in the State. No one will pay a high value for land unless it

will produce an income. If people do pay such amounts, they are not good business people. In those areas there must be production something like that which the market gardeners at Osborne Park achieve, where they can produce as much as £100 worth of produce per acre. There are, however, very few of those people, and they will not be affected a great deal.

There has been a lot of hot air about the terrific amount that will be paid by way of the land tax if it is spread over all the people. As I said previously, I do not like this tax because in 1931 or 1932, when the then Premier was in the East on one occasion, I got Cabinet to decide to abolish this tax. This was done to help the farmer because the price of his commodity was so low—we were not collecting the tax, anyhow, because the farmer could not pay it. Until now, no Government has seen fit to reimpose it.

The Federal Government retained its land tax, but limited it by providing that it did not apply to land of a value less than £5,000. From £5,000 to £20,000 the Federal tax was £75 and, with the State tax added, it amounted to £179 3s. 4d. Now it is proposed to double, pretty well, the £75. I understand that the suggested State tax will be £156 5s., or a difference in favour of the State tax of £22 0s. 4d. What is proposed will mean that land with an unimproved value of £1,000 will pay £6 5s. under the new tax as against £5 4s. 2d. today, which is an increase of £1 0s. 10d. The tax will be 1½d. in the £, roughly, and the halfpenny vermin rate will, of course, be removed.

I would not like to give any Government the right to have an opportunity of again putting a land tax permanently on the statute book. For that reason, I propose to support an amendment which was moved in another place and which is now included in the Bill; but I hope to amend that provision slightly, too. If we do amend it, I warn the Government that if I am here when the matter again comes up for consideration—there will be no election between this and the time I refer to—and there has been any increase in rail freights, as they apply to the farming community, I shall vote against the measure.

This is not a threat, but stories are going around that we are going to have the land tax and also an increase in rail freights. I am not going to be of any assistance to the Government in that respect. For this reason, I shall try to limit the tax. This will give us some control over it. If the Government did what it ought to do—namely, see that the State receives some increased payment for the services it supplies, such as through the State hotels—the position would be somewhat different. The State should at least receive the cost of

the service. We ought to be making a huge profit out of the State hotels,—a private individual would.

I am anticipating a resolution that is to be debated here. If we are to spend money on the pulling up of railways, this means another tax or that another sum of money will be required. We have no right to anticipate something like that just when we are increasing taxation. Let us become sensible. Let us try to anticipate what we shall do in the future to bring about a balanced economy so that we may know where we are going. I do not know from where the Government is to get this additional money, but I presume it is from trust funds. The Government, however, must reach a stage when it will have a headache in deciding how it is going to meet the trust funds, or pay the people for whom it is holding the funds in trust.

For my part, I am reluctant to say that unless some better argument than I know of at present is put up, I shall be compelled to support the second reading of the Bill because I believe that the people of the outback—those in Kalgoorlie; those going down to Esperance to settle; and people in the wheatbelt and pastoral areas—should not be the only ones called upon to make good the deficit from which the State is suffering. That would be the position if the rail freights only were raised in order to find the money required to meet, or nearly so, the deficiency of the budget.

In the circumstances, regretful as I am, the Government will have my support for the second reading of the Bill, and if some of the amendments that I think should be made, are included, I shall probably support the third reading. But it will be on the clear understanding of the statement made by the Treasurer who said that there would be no increase in rail freights, indefinitely as far as he was concerned; and then, in answer to an interjection, he said, "At least for a year." However, previously he had said that as far as he was concerned he hoped that any increase would be indefinitely postponed. I support the second reading.

**HON. H. L. ROCHE (South) [5.38]:** I approach this piece of legislation with mixed feelings. On the score of expediency, there is much that can be said in justification of those representing country districts who think they ought to vote for the Bill. I think it becomes a matter of principle as to whether I am justified in accepting the imposition of a land tax on agricultural land: In these circumstances, I find myself definitely of the opinion that the principle cannot possibly be accepted. Under the proposals, roughly 65 per cent. of the additional revenue will be collected in the city or metropolitan area and the balance in the country areas.

We have been given an alternative by the Treasurer. Whilst in the ordinary course of events I would be loth to take any action that would deny the Government of the day anything involving its financial proposals, we have an alternative stated by the Treasurer because he has said that he will have to get his revenue from increased rail freights if he does not get it from land tax. With an alternative in front of the Government, and an alternative which we have been given plainly to understand, my reluctance to do anything which would deny the Government its financial proposals is to a considerable extent overcome. I feel that I can with more confidence and assurance oppose the second reading of this measure.

Whilst those in the city, under the proposals contained in this Bill, will contribute by far the greater amount, it is also obvious to country members that any increase in rail freights will be paid by country people. We will not expect, because we know we will not get it, any sympathy from those who will be spared the imposition of this extra taxation on land in the metropolitan area. But it seems to me that once we accept the principle of a tax on agricultural land, we have that principle with us forever. If some future Government finds the easy way to raise more revenue is to double the land tax, we, having accepted the principle, will have to find other grounds to fight it on, if there are other grounds available.

One of my major objections to a tax on agricultural land is that, in effect, the Government is placing a tax on part of the farmer's tools of trade. He has to use the land for production and for providing his income—for providing the produce that means so much to the people of Western Australia. On the other hand, whilst we have an assurance—which, I think, coming from the source it did, everyone is prepared to accept—that for 12 months we will have no increase in rail freights if this measure is passed—

Hon. N. E. Baxter: On all measures the Treasurer said.

Hon. H. L. ROCHE: Suppose we tie it down to this measure. I would be prepared to accept that that is what is intended by the statements that have been made.

Hon. N. E. Baxter: You should read the Treasurer's statement.

Hon. H. L. ROCHE: The hon. member has made his speech and I am trying to make mine. Because of the expenditure and extravagances that we see in the railways and railway administration, with no effort to economise or reduce costs, I cannot see that this or any other Government can look forward to the future without expecting the people in the country to pay increased rail freights. This proposed land tax on agricultural land will, in effect, be payable on part of the tools of trade of a

farmer, irrespective of whether he is working at a profit or a loss. It is certainly not going to be as big an impost as I have heard suggested or as the possible increase in rail freights would be, which is somewhere about 25 per cent.

If this proposed tax on agricultural land is levied, it will cost a farmer £20 to £40 per annum extra and I should say that a farmer who would be called upon to pay that much in land tax would probably be paying £200 or £400 in rail freights. So if there is a 25 per cent. increase in rail freights, he will be temporarily out of pocket. But the principle has been thrown away and there is no assurance that there will not be an increase in rail freights after the 12 months' period has elapsed. I do not think any assurance could possibly be given unless there is a drastic reorganisation of the railways and economies, which are so obvious to everyone, are practised by the railways administration. Obviously, the Government is not likely to institute those economies.

The proposed land tax is a duplication of local authority rates. Those rates in country districts are as much as 6d. in the £ on Taxation Department values. But if this Bill is passed, a land tax will be superimposed on those local authority rates; and while some members may say that it is only an extra £20 or £40 a year on each farm, and that in itself is not a heavy burden, it has a cumulative effect and will add to the ever-increasing cost of production in our industry.

I am not so concerned with the increases that have been quoted regarding the additional taxation which certain big institutions will be called upon to pay. Most of the concerns that have been cited are limited companies. They are paying a company tax of 8s. in the £; and so, if their land tax goes up to £5,000, there is a deduction of £2,000 from income taxation. Therefore, their position is not so bad as it would appear, and they are in the happy position that extra costs imposed upon them can be passed on.

Hon. R. C. Mattiske: What if they are making losses? They still pay land tax.

Hon. H. L. ROCHE: That is so, and the same thing will apply to the farmer. If some big companies were making losses, they would still have to pay their land tax, but I did not know that many of them were losing. If the Government had brought down a measure to tax what is really unimproved land, many of us on this side of the House would have been much happier about it. Although this taxation is said to be a tax on unimproved land, it is not confined to unimproved land.

As I said, if the Government had introduced a Bill for the purpose of taxing unimproved land with the idea of raising revenue and also forcing that land into production, many of us would have been much happier; and for my part, I would



have had no hesitation in supporting it. But under this legislation the more a man has improved his agricultural land the more he stands to pay in unimproved land tax. That is one of the anomalies and one of the injustices of the present method of levying land tax on the farming community.

It is as well to bear in mind that when the Federal Government vacated the land tax field, it was stated officially that the costs of collection of the tax were such that it was hardly worth while the Government's maintaining that tax. I think we should bear that in mind; because I would not be at all surprised to see, if this measure becomes law, that the costs of collection will be such that while £1,000,000 may be raised, a great proportion of that sum will be devoted to paying salaries and paying for the services utilised in the collection of the money. I see no reason why our experience in this State, in respect to the collection of land tax, is likely to be any happier, particularly under the present Administration, which does not seem to know the meaning of the word "economy," than it was under the Federal Government in the past.

Admittedly, there are arguments for and against this legislation. There are those who say that it is justified by the expediency of the moment and because it will save our people more money since, if the Bill is passed, rail freights will not be increased. On the other hand, the acceptance of the principle of a land tax on agricultural land is so foreign to what I believe in and what I think is in the best interests of our people, that I cannot support the second reading.

**HON. L. C. DIVER** (Central) [5.41]: I do not suppose, since I have been in this House, that I have had to deal with a greater problem than the one that confronts me now, which has regard to the striking of a land tax on rural land and an increase in the rate of land tax for the metropolitan area. Mr. Roche mentioned the principle of taxing rural land. As far as that is concerned, it holds no terrors for me because, as has been said this afternoon, we have had a rural land tax in the past and, because of dire necessity, it was suspended for some considerable time. Hence the argument in regard to principle disappears to a large extent.

**Hon. H. L. Roche**: Why should it?

**Hon. L. C. DIVER**: I will deal with that later. As regards the cost of the collection of this tax, the State Government, through the Taxation Department, pays for the collection of vermin tax on rural land and also for the collection of land tax on metropolitan land. If this Bill is passed, there may be some small added cost because of the increased rates. The Government has said that it requires more money; and I have no doubt after reading

the Treasurer's statement respecting last years expenditure, that the Government does need more money. But I do not know that we will be much better off this time next year, if we agree to this measure, than we are at present; for, as other speakers have pointed out, there appears to be no control over expenditure, and economy has not been practised in departmental circles as it should have been. It is obvious that many of our Government trading concerns should go out of existence. The moment such enterprises become State trading concerns, inefficiency and incompetence permeate the whole structure.

Much play has been made on the principle of land taxation. To me land tax is something entirely different from income tax, especially when it is levied on urban and suburban areas, for the very reason that capital has been induced to believe in the past that if money is invested in land in a favourable spot in an urban area, it will not only earn very good interest, but any appreciation of capital accruing from the activities of society in general becomes the entitlement of the person who has sufficient capital to invest in that favoured spot.

When we look at the position closely, we find these favoured spots—whether they be homes in suburbs, a shop, or a factory—have appreciated through the spending of money, and the provision of various public facilities such as roads, water supplies, electricity, telephones, police protection, and postal and health facilities. Each in its part adds to the centralisation of the people's effort. To me there is nothing wrong in society saying to the fortunate individual, or company, that has invested capital in this manner, "We do not mind your having a fair slice of the unearned increment on that land, but we do feel that society is entitled to some proportion of that unearned increment, and payment will be by way of land tax." Personally, I can see nothing wrong with that.

**Hon. R. C. Mattiske**: What about increases in the taxes of local authorities?

**Hon. L. C. DIVER**: That is quite right. In their respective areas local authorities do strike a rate for the provision of some of those special features to which I referred earlier—facilities such as roads, footpaths, health undertakings, the provision of playing areas for the people and so on. They are all responsible for creating this unearned increment of which I spoke.

**Hon. H. K. Watson**: The people pay for it themselves.

**Hon. L. C. DIVER**: As I see it, when an individual or a number of individuals have invested money in a given area—perhaps many years ago—and they decide to sell that land for many times more than

the price they paid for it, nobody seems to take exception to it; they consider that to be good business.

Hon. R. C. Mattiske: Does that not apply to the country?

Hon. L. C. DIVER: I do not know whether that question has been asked in an endeavour to sidetrack me, but I am quite prepared to break off and answer it. I would point out to Mr. Mattiske that I know a farming property at Mandiga that was offered to the war service land settlement authorities. It was adjoining a siding and had an area of 3,000 acres, 2,500 of which were cleared. It also had a reticulated water scheme; it was rabbit-netted on the external boundary and had reasonably good subdivisional fences. There was a homestead on the property, together with all the other necessary buildings, and that property was offered for £6 an acre. I would challenge the hon. member to say that he could effect all those improvements at that price.

Hon. R. C. Mattiske: What would a residential site cost at Mandiga?

Hon. L. C. DIVER: I have now been relieved of the necessity, by the hon. member's previous interjection, of emphasising that the impost on rural land should be as light as possible. As a country representative of the farmers in areas where substantial freight is carried on the railways, and where a substantial number of farmers would be in the category of freight-payers, as mentioned by Sir Charles Latham, it is my duty to conclude whether they should be sentenced to the payment of a 20 per cent. increase in rail freights forthwith, or whether there is some alternative which would prevent this.

If we look at the total receipts of the railways for the last year we find the amount is over £13,000,000. Of that, perhaps £1,500,000 or £2,000,000 would come from metropolitan transport and miscellaneous items. That would leave £11,000,000, on which the rural resident—whether he be in Kalgoorlie, or living in a country town, and whether he be a farmer or not—would have to find a 20 per cent. increase, which would amount to over £2,000,000.

Hon. F. D. Willmott: Do you want to pay our railway losses with land tax?

Hon. L. C. DIVER: I could not think of a fairer method.

Hon. R. C. Mattiske: The Treasurer would not give a guarantee that there would be no increase in rail freights.

Hon. L. C. DIVER: The Treasurer was most forthright in the statement he made. He said that the country members of the Legislative Council had to make up their minds whether they were prepared to accept a 20 per cent. increase in railway freights, or the land tax proposed in this measure.

Hon. R. C. Mattiske: He still did not guarantee that rail freights would not be increased.

Hon. L. C. DIVER: I forget the exact words used by the Treasurer but, in effect, he said that he hoped it would never come about.

Hon. F. D. Willmott: So do we all.

Hon. L. C. DIVER: I must admit, however, that it is one of those points on which I would like to be reassured by the Chief Secretary when he replies to the debate.

Hon. H. K. Watson: The Chief Secretary cannot bind the Government.

Hon. Sir Charles Latham: He speaks for the Government in this House.

Hon. L. C. DIVER: While the Chief Secretary may not be able to bind the Government in some cases, I would point out that it will not be long before we suspend this sitting for tea. I have no doubt that the Chief Secretary could make the necessary approach to the Treasurer during that time and give us an assurance on this point later. After all is said and done, the third reading stage of this Bill will not be taken for some time.

After a good deal of thought, some people claim that the imposition of this land tax would mean an increase in the costs of goods and services. That is perhaps so, but it is difficult for a layman to estimate to what degree these costs will increase. The imposition of land tax, especially on city properties, would have the effect of making it less attractive for capital, and this in turn would prevent city properties increasing in value to extravagant heights.

When those high values are paid by an individual or a company, it is necessary for them to receive interest on those amounts, if they are to make their investment an earning proposition; and while that is an isolated, and not a general cost, it still has to be passed on to the tenants, or the consumers of goods, as the case may be. At the same time the people carrying on business of that nature have to compete with other businesses, and we do not see that variant either in the cost structure or in the price asked for the land by others or themselves. Consequently someone is getting quite a consideration between these two instances.

Without labouring the point any further, I propose to support the second reading; but I will only support the third reading on conditions. The first condition is that the measure will apply for only two years. I realise that can be dealt with in Committee. The second is that I have a tangible undertaking from the Leader of the House that the Government will not increase rail freights until at least the end of the next calendar year.

Further, I intend to support certain amendments so as to make the measure at least comparable with similar legislation which is in operation in New South

Wales; in regard to providing exemptions for the mutual assurance companies in that portion of their establishments which they occupy for the operation of their own business. That is a perfectly fair suggestion. The Chief Secretary understands that the New South Wales Act has been operated by a Government of the same political colour as his own, and the very least that Western Australia can expect is to have privileges similar to those of New South Wales. With those remarks I support the second reading.

**HON. L. A. LOGAN (Midland) [6.41]:** Like Mr. Diver, I have given this measure a great deal of thought and consideration but have come to a different conclusion. It is obvious to me that it is intended to recoup the losses on the railways by the imposition of this land tax; and it has been used as a threat—call it what one likes it is still a threat, particularly to the Country Party members of this Chamber—that if we do not support this measure—and the Treasurer in his speech in another place said all measures; and not just this particular one—there will be an increase in rail freights.

It seems that Mr. Diver and Sir Charles Latham are quite prepared to accept the statement of the Treasurer that there will not be an increase in rail freights; but they are forgetting one very vital factor: the power the Grants Commission has over the Government of this State. If the Grants Commission said to the Government next year, "You have lost £4,000,000 on the railways; and unless you increase rail freights by 20 per cent. we are going to penalise you to the extent of £1,000,000," what would the Government do?

**Hon. L. C. Diver:** Do you think the Grants Commission is a shadow Cabinet?

**Hon. L. A. LOGAN:** It has proved it. Look at the taxation measures before us—one after the other—and all because the Grants Commission has told the Government to increase taxes! The Government has increased them readily, because the Grants Commission has said it will penalise the State to the extent of £750,000 in some cases. If the Grants Commission said it would penalise the State to the extent of £1,000,000, what would the Government do?

**Hon. Sir Charles Latham:** The Treasurer said it was either this Bill or an increase in rail freights. That was the statement.

**The PRESIDENT:** Order!

**Hon. L. A. LOGAN:** I would like to deal with another point raised by Mr. Diver in regard to unearned increment, or what he termed entitlement to some persons in favoured spots. I take a different view. If I buy a house in South Perth for £5,000, I probably want that house to live in for

the rest of my life, and I do not want valuations to rise to £20,000, because I am paying for the privilege; and what is the good of it to me? Where is the unearned increment? All I am doing is paying for the privileges in higher taxation. While it will apply to the fellow who is buying and selling at a high profit—he gets something out of it—the house-owner who wants to live in a property for the rest of his life pays for the privilege. What is more, he has to pay for postal facilities and roads by way of direct and indirect taxation and local government rates. There are two sides to unearned increment.

**Hon. G. C. MacKinnon:** Under the scheme there is only one tax; that is, land tax.

**Hon. L. A. LOGAN:** I was interested in the statement by Sir Charles Latham in regard to the increase on his own property. He said he was paying £5 today and it would only be increased to about £6 10s.

**Hon. Sir Charles Latham:** No; I am paying £3 today, and it will be increased by about £6.

**Hon. L. A. LOGAN:** Even that does not seem to be quite correct because, under the Bill, the rate will be 1½d. in the £1 on the whole of the unimproved value and another 1d. on all that portion unimproved.

**Hon. Sir Charles Latham:** There is no unimproved land on it.

**Hon. L. A. LOGAN:** The vermin tax today is 15.32d. so the land tax must be three times more. I would remind members that a good many primary producers in this State are in a very sound financial position, but there are a lot of farmers who are not—quite a lot. I know a good many young fellows who are endeavouring to set up their properties, and they cannot afford to pay any more increased taxation, even if it is only £20 or £30; it makes a lot of difference to them. Mr. Willmott mentioned dairy farmers. I say "God forbid!" if they have to pay a higher tax rate on their land, as they just cannot do it.

I believe sufficient consideration has not been given to all the ramifications of this tax. Surely, if it is the intention to raise £1,000,000 by the end of 1958—I believe it will almost double that amount by the time the Taxation Department revalues the whole of Western Australia; I cannot see it doing anything else—we must appreciate the fact that the majority of the £2,000,000 will be added to the cost of goods and services. No one else will absorb them, and in the long run they will be paid for by the producer himself. This land tax will operate in three ways: increases on goods and services and eventually increased rail freights. We have to give this a great deal of consideration.

Hon. F. D. Willmott: And the farmers will pay a great proportion of the proposed increases in the metropolitan area.

Hon. L. A. LOGAN: I believe that, in his introductory speech, the Chief Secretary stated that the farming industry had been in a very sound financial position for the last 15 or 16 years. I would suggest the Chief Secretary review that statement, because he is entirely wrong, even despite the fact that in 1951-52, there was a high price for wool. That was not quite the godsend to a lot of farmers that most people believe, because at that time they not only had to pay taxation, but on that high wool price they had to pay provisional tax as well.

Hon. F. R. H. Lavery: It has helped them.

Hon. L. A. LOGAN: At that particular time they had to borrow money from the banks and pay 5 per cent. interest for it. Although quite a lot of them have repaid that money, they have not had the 5 per cent. interest refunded. All in all, when we consider all the ramifications, I believe we would be justified at this particular time in refusing to pass this legislation. As I said earlier, it is a measure to which each one of us must give a great deal of consideration.

In my opinion, this measure and the railway discontinuance resolution are two of the most serious subjects which have ever been introduced to this House during the nine years that I have been here. I have given this Bill a great deal of thought and consideration, and my final reason for voting against the second reading—

The Chief Secretary: What would you put in its place?

Hon. L. A. LOGAN: I can be proved wrong; and if so, I will admit it. But I have given my reasons, except my final one, for opposing it. The taxation field for local authorities is the unimproved value of property. Surely we realise the encroachment by the Federal Government into the taxation fields of the State and have seen what an unholy mess has come of that encroachment! This tax is an encroachment upon the field of the local authorities' taxation; and what is going to happen after a few years? There will be a further encroachment on the taxation field of local authorities and it will reduce local authorities to the same condition as the State Government in its relationship to the Federal Government. I believe that if we had a Government strong enough to push for this land tax, we would eventually reduce local authorities to subsidiaries of the Government.

Hon. G. C. MacKinnon: That is the idea.

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

*Sitting suspended from 6.15 to 7.30 p.m.*

Hon. L. A. LOGAN: There is only one other phase I wish to deal with, and that concerns assessing properties on the unimproved value. There is a definition in the Act as to what should be taken note of, but I would like to give the House my own experience in regard to this unimproved value basis. In 1948, I bought an estate in Geraldton which consisted of eight acres of land in one area, with a house on it; and another area within the city with two houses on it, the total value being £1,600.

Eventually, I sold one acre of the land in the 8-acre property. It was the best acre, with the house on it. I practically gave it away for £500. Then the council decided to change from the annual value to the unimproved value for rating purposes; and the Taxation Department immediately put an unimproved value of £710 on the remaining seven acres of land, which increased my rates from £1 to £25.

I immediately appealed to the Taxation Department against the valuation. Naturally I got the cold shoulder. It was just a complete wipe-off; no consideration whatsoever. In 1956 that same unimproved value was increased to £910; and I can say without fear of contradiction that nothing took place within the area to warrant any increase. Naturally my rates went up—this time to £30 odd—my land tax to £5, and my water rates from £1 to £2 7s. 6d.

That is a demonstration of what can happen to an individual, and it shows what an adverse effect there could be on young office workers buying their own properties and having to pay terrifically high rates and taxes and then having this further land tax imposed upon them afterwards. The unimproved value of the land to which I have been referring went from £200 or £300 to £910 in four or five years.

I want to know how that value could have been increased to that extent, without anything having been done to cause such an increase. I queried the method adopted by the Taxation Department valuers in arriving at the unimproved value. When I appealed a second time to the Taxation Department I intimated that I considered that perhaps the Taxation Department's officials had never even inspected the land; and that is exactly what had happened. The valuer never even looked at it.

Hon. H. K. Watson: Just sat on his seat in Barrack-st.!

Hon. L. A. LOGAN: This happened to be in Geraldton, of course. That is the way the unimproved value was arrived at, and that is what I am paying tax on. I know that throughout the agricultural areas quite a lot of places have been revalued for taxation purposes, but there are still a number of areas where that has not occurred and probably the locality in which Sir Charles Latham's farm is situated is one of them.

I reiterate that not only the householder in the city will be paying this increase which he cannot afford; but there are a terrific number of young farmers who are endeavouring to build up properties and putting everything they can earn back into those properties in order to establish themselves, and any further encumbrances like this one will make it harder still for them. So I plead for some further consideration to be given to this measure, with a view to our discovering exactly what would be the ultimate result if it is passed.

In 1953, Mr. Hawke—who was then Leader of the Opposition—said on the hustings that there would be no increase in railway freights. That was probably said for the benefit of people like Mr. Diver and Sir Charles. Within six months of his becoming Premier, however, an increase was imposed. Mr. Baxter and Mr. Willmott have told us just what the Premier's thoughts were in 1948 concerning land tax. So it will be seen that it is quite easy for a person in a responsible position to change his mind.

But surely the man who is Premier and Treasurer of the State should not look upon railway freights and land tax as balancing each other. Surely railway freights should be looked at as a business proposition. If this House refuses to pass this measure, is the Premier going to say, "All right; you would not pass the Land Tax Bill, so we will increase railway freights"?

Hon. H. K. Watson: In a fit of pique!

Hon. L. A. LOGAN: What kind of a business proposition is that? I would call it an irresponsible action on the part of the Premier to make such a threat to members of this House.

Hon. J. Murray: Some people make a business out of party politics, too.

The Chief Secretary: We have noticed that here very often.

Hon. L. A. LOGAN: I foresee that such increases must affect the goldmining industry. Quite a lot of goldmines today are working on very narrow margins, and a 20 per cent. increase in railway freights would affect them considerably. It would also have an effect upon farmers in the Eastern wheat belt where the margins are not very great. I might add that this year a lot of the wheat returns are as low as 9 to 10 bushels per acre, and the margin of profits is nil. Any increase in railway freights would put the farmers on those properties out of business. We must look at increases in railway freights as a business proposition and not as a substitute for land tax. It is wrong for the Premier and Treasurer to threaten that, if we do not accept one, he will impose the other. Surely they must be divorced.

Hon. R. F. Hutchison: Not necessarily.

Hon. L. A. LOGAN: Why not? Why not get the taxation from licences to pay for the losses on railways? It is just as feasible. One might even say, "Why not use money from the tax on bookmakers to pay for the losses on the railways?"

The Minister for Railways: It would help.

Hon. L. A. LOGAN: After having given consideration to all aspects of the Bill that I have mentioned, I can come to only one conclusion, and that is that at the moment I must vote against the second reading.

**THE CHIEF SECRETARY** (Hon. G. Fraser—West—in reply) [7.40]: I thank members for the contributions they have made to the debate.

Hon. A. R. Jones: Especially from your side.

**THE CHIEF SECRETARY**: I am not meting out any different treatment to those on my side than to those on the other.

Hon. A. R. Jones: They were fairly silent on your side.

Hon. F. R. H. Lavery: Don't you want to go home? Do you want to talk all night?

**THE PRESIDENT**: Order!

**THE CHIEF SECRETARY**: I thanked members for their contributions—I did not say from which side. Of course, I cannot agree with quite a lot that has been said—in fact, with the majority of what has been said. Nevertheless, we do give consideration to various phases to which attention is drawn in connection with these Bills. I am not going to put myself in the position tonight of being told, when I make some statements, that I am speaking on a subject I do not know anything about. I think Mr. Watson was the spearhead of the attack on this measure.

Hon. R. C. Mattiske: And a sharp one.

**THE CHIEF SECRETARY**: Pretty blunt at times. I have taken Mr. Watson's speech and submitted it to responsible officials. Those who spoke subsequently to Mr. Watson dealt with somewhat similar points. They may have elaborated on his remarks, but what they said was not very much different from what he said. So what I shall say with regard to Mr. Watson's speech will apply to most of the others.

Hon. G. C. MacKinnon: Is he a smart fellow, this chap?

**THE CHIEF SECRETARY**: When a person opposes something and makes heavy weather of it—

Hon. J. G. Hislop: We cannot expect much.

**THE CHIEF SECRETARY**: —a great deal does not need to be said in refutation.

Hon. J. G. Hislop: We will give that understanding to your reply.

The CHIEF SECRETARY: I have here a statement from a responsible official and propose to give it to members.

Hon. L. A. Logan: It needs to be better than some we have had.

The CHIEF SECRETARY: Afterwards I may have one or two comments of my own to make. I realise that this Bill and the assessment measure are twins and what is said on one applies to the other. The comment I have from an official source is as follows:—

To keep the matter in proper perspective, it is necessary to consider this measure objectively. Much has been made of the increase in the rates but it must be remembered that the Commonwealth vacated this field in order to permit the States to raise this revenue. Had the Commonwealth not done so, the total amounts paid by the organisations which have been referred to by the members in the examples quoted, would have been much greater than those complained of.

Hon. H. K. Watson: I challenge that so far as churches and other non-profit organisations are concerned.

The CHIEF SECRETARY: Of course, there are always exceptions to every rule. I am speaking to the general rule. The hon. member gave some examples. I will give some, too—

On land of an unimproved value of £20,000, taxed as improved land, the present State tax would require £104, plus Federal tax at the rates existing when it was discontinued, £75, which would make the taxpayer's total amount of tax £179, whereas under the Government's present proposal the taxpayer would be called upon for £156, which is £23 less.

Again, using the case of the wealthy company quoted by Mr. Watson, on the figure of £247,000, the position would be as follows:—Under the present State tax, £1,286; under the discontinued Federal tax, £7,684, making a total payment of £8,970, whereas the Government's proposals will require £6,360, which is £2,610 less. Therefore members can clearly see that the State is not imposing rates which are in excess of those which have been previously paid.

Although reference has been made to increases in costs which may be brought about by business organisations passing on increased land tax charges to consumers, it is considered that when these increases are spread over unit costs, they will be of a very small order, and will not produce the catastrophic effects predicted.

It must be pointed out that all other States have introduced land tax on various scales, the maximum rates of which are either equal to or in excess of those proposed by the Government. They are:

Victoria—7d. in the £.  
New South Wales—8d. in the £.  
Queensland—6d. in the £, plus 2d. supertax.

South Australia—7½d. in the £.  
Tasmania—7d. in the £.

It is hoped that members will bear these points in mind when considering details of the Bill.

I now turn to Mr. Watson's remarks. The statement that farm lands have been exempt for 25 years is not correct, as regards land tax. Farmers subject to Federal land tax in this State were paying land tax up to three years ago, and unimproved farm lands have always been, and are still, taxed by the State.

Mr. Watson has stated that in his opinion the rates proposed by the Government would produce £2,500,000 to £3 million in a full year. I do not know how he has arrived at this amazing result, but I would inform the House that the estimate made for the Government was not based on guess work but on application of the rates to the present assessments, and therefore I feel that the Government's estimate is a much more reliable figure.

The hon. member devoted some time to criticism of the methods of valuation and gave a number of examples claiming that scarcity values and excessive prices paid by oil companies have been utilised as a basis for valuation of lands in a district. This is not so.

Valuations are carried out in accordance with the Act, which contains a definition of unimproved value. Therefore the market value which is determined by the community is the basis. Far from being a group of theorists, the valuers employed are practical men who are professionally qualified under a Commonwealth institute and who scientifically measure the market values.

Hon. H. K. Watson: Scientifically is right!

Hon. G. C. MacKinnon: Come down to Bunbury!

The CHIEF SECRETARY: Continuing with my notes—

The department does not adopt the basis claimed by Mr. Watson. The values are determined from sales of improved property, as well as those of vacant land, and are co-ordinated throughout the State for lands of a comparable nature. With regard to the price paid by oil companies, this

was not used to determine the unimproved value of any adjacent land, as disclosed in the report of the evidence given to the recent Royal Commission into petrol retailing. In the matter of increase of road board rates, where the department's values have been adopted, it is open to local authorities to adjust the rates, which they are able to do annually, to reduce their incidence.

This matter, of course, is one which is not under the control of the Government, but is exclusively the responsibility of the various road boards and municipalities. Increases in actual collections are not accounted for by valuations alone. Development of land which was previously rural and has become residential, and lands which were previously not within the scope of the Act being developed and brought under the Act, have accounted for a substantial amount of increase. I am informed that since 1948, the approximate average increase for departmental valuations is about 300 per cent., which members will realise is certainly no more than most other commodities.

In connection with the Fremantle area, this was listed for review in June of 1956, so that the evidence quoted by Mr. Watson will be taken into account. In addition, I feel it is fair to inform members that the vendor company was, at this time, in liquidation; consequently this sale was a forced one. Mr. Watson has chosen one isolated case, and dealing with the same area I would like to quote three examples, and there are numerous others, which will enable members to view this matter in better perspective. These are recent cases.

#### Case No. 1:

The property was sold for £16,000; value of improvements was £8,000, leaving an unimproved value by sale of £8,000. Land tax assessments were issued on an unimproved value of £4,950.

#### Case No. 2:

The property was sold for £15,000; value of improvements was £7,600, leaving an unimproved value by sale of £7,400. Land tax assessments were issued on an unimproved value of £5,850.

#### Case No. 3:

The property was sold for £25,000; the value of improvements was £8,500, leaving an unimproved value by sale of £16,500. Land Tax assessments were issued on an unimproved value of £11,375.

Hon. C. H. Simpson: How do they arrive at those differing values?

The CHIEF SECRETARY: On the scientific basis of the valuations that they make, so that the benefit is given to the owner and not to the department.

Hon. Sir Charles Latham: There were probably sales at the lower value in the area just previously.

The CHIEF SECRETARY: That is the only deduction to make, because, on the actual sale prices, the amount of tax was a lot lower than it should have been on the unimproved value and the actual sales.

Hon. N. E. Baxter: It is purely a matter of opinion.

Hon. J. G. Hislop: Will they be employing a new scientist since these recent sales?

The CHIEF SECRETARY: I think it will be agreed that taxation valuations are generally much lower than actual values. I have not known of any case where the taxation value was more than the actual value, and it is generally the reverse. I would draw attention specially to the fact that all these properties are within 15 chains of the land quoted by Mr. Watson, west of Market-st. in the area under discussion. So I am not quoting cases far removed from that quoted by Mr. Watson.

Hon. H. K. Watson: The stir caused by the case I mentioned may have been responsible for the difference.

The CHIEF SECRETARY: No, these were assessed in June, 1956. The statement continues—

It is rather surprising to find Mr. Watson criticising the department for over-valuing when in a recent compensation case, in which Mr. Watson himself was an assessor appointed by the owner of the resumed land, Mr. Watson expressed a minority opinion that the department's value should be almost three times greater.

Hon. H. K. Watson: That was the only time the department was anywhere near the mark.

The CHIEF SECRETARY: The hon. member suggested that they should have been three times greater.

It is pointed out that the same basis of valuation is employed to determine compensation value as that employed for the purpose of land tax assessment.

Hon. H. K. Watson: One of the persons concerned made a statement to the department that he could value the land at £10,000 or £20,000 and justify either valuation.

The CHIEF SECRETARY: We know the old saying that anything can be proved by means of figures.

Mr. Watson apparently requires high values when the State has to pay and low values on which it is to collect its revenue. It is common knowledge that the owners of valuable property do not accept departmental valuations unless they are considered fair and reasonable, and provisions for objection and appeal are contained in the Act. The fact that no cases of appeal in recent years have been taken to court further emphasises the inaccuracy of Mr. Watson's assumption in respect to the departmental valuers' assessments.

Hon. H. K. Watson: That does not follow.

**The CHIEF SECRETARY:** Continuing—

To fix the values at the 1951 level would create many anomalies. As I have pointed out, land which at that date did not come within the scope of the Act has since become liable to land tax—for example, land sold by the City of Perth. Also, we have land which has been extensively developed since that date by the provision of roads, water and other services. Consequently, we would have lands which are equally used and developed being subject, by virtue of the artificial basis of valuation, to different amounts of tax.

With respect to graduated tax scales, these are employed, as members are aware, in most taxing Acts, and in the case of land tax particularly, in every other State in Australia. It is not being used for the first time in this State, as this was the type of scale used under the discontinued Federal Act. Mr. Watson's suggestion that an increase of 50 per cent. on the present figures would give the revenue yield required is not borne out by officers' assessments of the collections, particularly if the valuations were to be reduced to 1951 levels. This would, of course, mean a very much steeper increase in the flat rate than is suggested.

Hon. H. K. Watson: I did not base my calculation for that on the 1951 level but suggested the status quo.

**The CHIEF SECRETARY:** The statement proceeds—

The Government has already made concessions on land owned by churches, clubs and associations which are retained for profit and gain, and these are considered reasonable.

Again it is emphasised with regard to clubs and kindred associations, that the amount to be imposed is considerably less than that which would have been collected under the combined State and Federal tax assessments.

Mr. Watson quoted at length from the New South Wales Act in regard to exemptions, but he omitted to inform

members that New South Wales employs a graduated scale, the maximum rate of which is higher than that proposed by the Western Australian Government.

Mr. Baxter raised the point, in dealing with valuations, of the tables for calculation of valuations, and for his information, this provision was inserted to deal with the calculation of leasehold interests. As other sections of the Act made the owner only taxable, it has never been necessary to construct the table referred to in Section 30. The values for purposes of land tax assessment must be determined under the principles laid down in the Land Tax Act, and as I have previously elaborated, this is done.

The only other comment I wish to make refers to the fact that quite a number of members mentioned a supposed threat made by the Premier.

Hon. L. A. Logan: It is not a supposed threat.

Hon. H. K. Watson: It was pretty real.

**The CHIEF SECRETARY:** I know that any statement can be misconstrued; but the Premier and Ministers often make statements merely saying that, if a certain thing is not done, something else will have to be done. That is not a threat, but a statement of fact.

Hon. G. Bennetts: It is good advice.

**The CHIEF SECRETARY:** The Premier has stated, and will state again, that the revenue required by the Government to carry on must be raised; and if it is not raised in one way, it must be raised in another. Because he says that, it is not a threat. It is telling members what they should know, namely, that certain revenue must be raised to enable the State to carry on.

I was rather amazed at Mr. Willmott's suggestion that the land tax should be left as it is. A somewhat similar attitude has been adopted by him and other members in regard to all taxing measures. I wonder what would be said by them if we said the same thing to the members of this House. That is, if we said, "Leave the schools as they are; leave the hospitals as they are; leave the water supplies as they are." I wonder what they would say to that. The hon. member apparently wants to leave everything as it is when the Government is desirous of raising finance to provide all these facilities, but he does not want to leave things as they are when he is seeking to effect improvements in the provision of various facilities throughout the State.

Another member who is continually asking questions and making requests is Mr. Thomson. In his speeches on the Address-in-reply debate, and on other measures for improvements to the Albany hospital, for example, he has done so. He is



always asking when a start is going to be made on a new hospital at that centre. I do not blame the hon. member for that. It is the duty of every member to endeavour to get the best facilities he can for his electors.

However, I cannot dovetail the attitude of those members who are continually requesting improvements to be made in their electorates in the way of better water supplies, more wings for hospitals and increased accommodation for schools, etc., and then expecting the Government to provide all of those things without being given the necessary finance.

Hon. J. M. A. Cunningham: That is reminiscent of the last election.

The CHIEF SECRETARY: It is reminiscent of every election. How can members expect to get these things done if the Government is denied the finance with which to carry out the work?

Hon. L. A. Logan: Cut some of the expenditure!

The CHIEF SECRETARY: Some of which expenditure?

Hon. L. A. Logan: Departmental expenditure.

The CHIEF SECRETARY: Anyone can make a bold statement and offer destructive criticism; but what we want is constructive criticism, which we would welcome. I could tell the hon. member many things that he should do but which he does not do. But how far would that get us? So let us be reasonable and look at the facts. The facts are that we have a State that has grown very rapidly in the past 10 years, and it is continuing to grow. As a result, we have to meet the varying requirements of the State by imposing further taxes and floating more loans.

Members do not need me to tell them that we have not all the say in regard to the raising of loans; and no Government of any State in Australia has been able, since the war, to obtain anything near 50 per cent. of its urgent requirements. Therefore, if a Government cannot obtain the money from that source it must get it another way, and this Bill constitutes one of the methods. Some members want an assurance or a confirmation of the statement that was made by the Premier at the last elections that there will be no increase in rail freights.

I do not think the Premier has ever stated that rail freights would not be raised. What he and Cabinet have done is to examine every avenue possible from which extra revenue can be obtained; and as a result, many Bills have been introduced to impose taxes in various ways. In so doing the Government has had one objective; namely, to raise finance by these means in an effort to avoid an increase in rail freights. That has been Cabinet's objective and the Government's aim. Neither I nor any other member

of Cabinet would be brave enough to say what would happen in two years' time, so far as rail freights were concerned.

We are determined to avoid, in any way possible, an increase in rail freights. Every Minister has examined various avenues along which revenue can be raised so as to avoid rail freights being increased. I will not say that railway freights will not be increased. However, we believe that if these taxing measures are passed and we receive the money that is anticipated, no increase in rail freights will be necessary in the next 12 months, particularly in view of the fact that we are endeavouring to bring about a reorganisation of the railway service, as far as is humanly possible, with a view to reducing expenditure. Further, our energies in this direction are not directed towards the Railway Department alone.

We consider that if we can get these taxing measures agreed to, we will be free of any increases in rail freights for the next 12 months; but what will happen after that we do not know. No Minister would be so foolish as to say, "Pass these taxing measures and we will not raise rail freights." Cabinet is a body of men who face facts, and we know that many things could happen which would alter circumstances.

One member quoted Mr. Hawke as saying that when he became Premier he would not increase rail freights. However, when he became Premier he was not afraid to face up to the situation. He did not shirk his duty when he found it was necessary to raise rail freights, and neither did any other member of the Cabinet. Nor will we shirk our duty in other respects. I appeal to all members to treat this Bill on its merits.

Hon. N. E. Baxter: Do you think it has any merits?

The CHIEF SECRETARY: Of course, the hon. member cannot see merit in anything that is proposed by this Government. Sometimes he comes round to our way of thinking, but I am sorry to say that apparently this is not one of those instances. Nevertheless, I hope that members will see the light and will assist us to achieve our aim.

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

Ayes	.....	14
Noes	.....	13
Majority for	.....	1

#### Ayes.

Hon. G. Bennetts	Hon. Sir Chas. Latham
Hon. L. C. Diver	Hon. F. R. H. Lavery
Hon. G. Fraser	Hon. H. C. Strickland
Hon. W. R. Hall	Hon. J. D. Teahan
Hon. E. M. Heenan	Hon. W. F. Willesee
Hon. R. F. Hutchinson	Hon. F. J. S. Wise
Hon. G. E. Jeffery	Hon. E. M. Davies

(Teller.)

## Noes.

Hon. N. E. Baxter	Hon. H. L. Roche
Hon. J. Cunningham	Hon. C. H. Simpson
Hon. J. G. Hislop	Hon. J. M. Thomson
Hon. A. R. Jones	Hon. H. K. Watson
Hon. L. A. Logan	Hon. F. D. Willmott
Hon. G. MacKinnon	Hon. J. Murray
Hon. R. C. Mattiske	(Teller.)

## Pair.

Aye.	No.
Hon. J. J. Garrigan	Hon. A. F. Griffith

Question thus passed.

Bill read a second time.

**BILL—GOVERNMENT EMPLOYEES  
(PROMOTIONS APPEAL BOARD)  
ACT AMENDMENT.**

Received from the Assembly and read a first time.

**BILL—ADMINISTRATION ACT  
AMENDMENT.**

*Assembly's Message.*

Message from the Assembly received and read notifying that it had agreed to amendments Nos. 1, 2 and 3 made by the Council, had disagreed to Nos. 5, 6, 8 and 9 and had agreed to Nos. 4 and 7 subject to further amendments.

**BILL—FISHERIES ACT AMENDMENT.**

Returned from the Assembly without amendment.

**BILL—ELECTORAL ACT AMENDMENT  
(No. 1).**

Received from the Assembly.

*First Reading—Defeated.*

**THE CHIEF SECRETARY** (Hon. G. Fraser—West) [8.15]: I move—

That the Bill be now read a first time.

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

Ayes	13
Noes	14

Majority against 1

## Ayes.

Hon. G. Bennetts	Hon. F. R. H. Lavery
Hon. E. M. Davies	Hon. L. A. Logan
Hon. G. Fraser	Hon. H. C. Strickland
Hon. W. R. Hall	Hon. W. F. Willesee
Hon. E. M. Heenan	Hon. F. J. S. Wise
Hon. R. F. Hutchison	Hon. J. D. Teahan
Hon. G. E. Jeffery	(Teller.)

## Noes.

Hon. N. E. Baxter	Hon. R. C. Mattiske
Hon. J. Cunningham	Hon. H. L. Roche
Hon. L. C. Diver	Hon. C. H. Simpson
Hon. J. G. Hislop	Hon. J. M. Thomson
Hon. A. R. Jones	Hon. H. K. Watson
Hon. Sir Chas. Latham	Hon. F. D. Willmott
Hon. G. MacKinnon	Hon. J. Murray
	(Teller.)

## Pair.

Aye.	No.
Hon. J. J. Garrigan	Hon. A. F. Griffith

Question thus negatived.

Bill defeated.

**BILL—CONSTITUTION ACTS  
AMENDMENT.**

Received from the Assembly.

*First Reading—Defeated.*

**THE CHIEF SECRETARY** (Hon. G. Fraser—West) [8.19]: I move—

That the Bill be now read a first time.

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

Ayes	13
Noes	14

Majority against 1

## Ayes.

Hon. G. Bennetts	Hon. L. A. Logan
Hon. G. Fraser	Hon. H. C. Strickland
Hon. W. R. Hall	Hon. J. D. Teahan
Hon. E. M. Heenan	Hon. W. F. Willesee
Hon. R. F. Hutchison	Hon. F. J. S. Wise
Hon. G. E. Jeffery	Hon. E. M. Davies
Hon. F. R. H. Lavery	(Teller.)

## Noes.

Hon. N. E. Baxter	Hon. R. C. Mattiske
Hon. J. Cunningham	Hon. H. L. Roche
Hon. L. C. Diver	Hon. C. H. Simpson
Hon. J. G. Hislop	Hon. J. M. Thomson
Hon. A. R. Jones	Hon. H. K. Watson
Hon. Sir Chas. Latham	Hon. F. D. Willmott
Hon. G. MacKinnon	Hon. J. Murray
	(Teller.)

## Pair.

Aye.	No.
Hon. J. J. Garrigan	Hon. A. F. Griffith

Question thus negatived.

Bill defeated.

**BILL—LAND AND INCOME TAX  
ASSESSMENT ACT AMENDMENT.**

*Second Reading.*

Order of the Day read for the resumption of the debate from the 13th December.

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

Ayes	14
Noes	13

Majority for 1

## Ayes.

Hon. G. Bennetts	Hon. Sir Chas. Latham
Hon. L. C. Diver	Hon. F. R. H. Lavery
Hon. G. Fraser	Hon. H. C. Strickland
Hon. W. R. Hall	Hon. J. D. Teahan
Hon. E. M. Heenan	Hon. W. F. Willesee
Hon. R. F. Hutchison	Hon. F. J. S. Wise
Hon. G. E. Jeffery	Hon. E. M. Davies
	(Teller.)

## Noes.

Hon. N. E. Baxter	Hon. H. L. Roche
Hon. J. Cunningham	Hon. C. H. Simpson
Hon. J. G. Hislop	Hon. J. M. Thomson
Hon. A. R. Jones	Hon. H. K. Watson
Hon. L. A. Logan	Hon. F. D. Willmott
Hon. G. MacKinnon	Hon. J. Murray
Hon. R. C. Mattiske	(Teller.)

## Pair.

Aye.	No.
Hon. J. J. Garrigan	Hon. A. F. Griffith

Question thus passed.

Bill read a second time.

# **BILL—CEMETERIES ACT AMENDMENT.**

## *Second Reading.*

**THE CHIEF SECRETARY** (Hon. G. Fraser—West) [8.25] in moving the second reading said: The intention of this small Bill is to provide that the fees payable to trustees of cemeteries shall be prescribed by regulation. Since 1902, Section 6 of the principal Act has provided that each trustee may be paid a fee of 10s. 6d. or such other amount not exceeding £1 1s., as the trustees may prescribe, for each meeting attended.

The trustees of only three cemeteries in the State are paid fees; these being Karrakatta, Fremantle and Kalgoorlie. The fees paid to these trustees during the last financial year totalled: Karrakatta £63; Fremantle £68; and Kalgoorlie £23. Most of the other cemeteries in the State, of course, are so small that the trustees have little work to do and are pleased to act in an honorary capacity. In a large number of cases the local authority for the district has been appointed as the board of trustees for the local cemetery or cemeteries.

The Karrakatta Cemetery Board has pointed out that fees allowed by the Act bear very little relationship to what they were worth in 1902 and subsequent years, and the board has requested that steps be taken to increase the amount. There is no doubt that with the growth of the metropolitan area the responsibilities of the Karrakatta cemetery trustees have increased considerably, and I feel sure all will agree that under their control the cemetery is managed admirably.

It is considered preferable that the amount of fees should be fixed by regulation instead of being specified in the Act, as this will permit future alterations to the fees without the more cumbersome procedure of amendment to the Act. The Government does not make any contribution towards the upkeep of public cemeteries, nor has it made any grants to assist in capital expenditure for many years. The fees charged by cemeteries, however, have to be approved by the Governor-in-Executive Council, on the recommendation of the Minister for Local Government.

The Karrakatta cemetery is administered by a special board appointed by the Governor, upon which representation is given to various interests, including the City of Perth and the Nedlands Municipal Council, in whose district the cemetery is situated. The Fremantle Cemetery is also administered by a special board.

In effect, all that the Bill sets out to do is to remove the figures from the Act and insert a provision that fees are to be prescribed by regulation. At present there is a ridiculous position in that the

director of the Karrakatta Cemetery Board can only draw fees amounting to 10s. 6d. or £1 1s. as the case may be. Members will realise that those fees are out of all proportion to what is generally paid to persons serving on similar boards. By removing the figures from the Act, the necessity to introduce Bills to Parliament to alter them will not arise.

Hon. Sir Charles Latham: How often would such a board meet?

**THE CHIEF SECRETARY:** Some boards meet fortnightly and others monthly. Altogether the present fees are very low. It is unwise to insert a figure in the Act which will result in Bills being introduced if a revision of fees is necessary. This provides that fees in the future will be fixed by regulation.

Hon. J. M. A. Cunningham: Will it apply only to the three main boards?

**THE CHIEF SECRETARY:** It will apply to any others that may be established, but they would have to go before Executive Council for approval as boards to which payment would be made. At the moment, there are only three.

Hon. H. K. Watson: You do not propose to treat this board the same as the King Edward Hospital Board?

**THE CHIEF SECRETARY:** That not being one of my boards, I cannot answer the hon. member. I would say, however, that this board, the same as any other, would receive the just treatment it deserves. I move—

That the Bill be now read a second time.

**HON. C. H. SIMPSON** (Midland) [8.31]: This seems such a small Bill that, in view of the amount of work on the notice paper, we should say, "Yes" to it and clean it up. I am wondering whether the Chief Secretary has any figure in mind as an equitable payment to the trustees; or whether he has given the point consideration. I do not see that it matters because the amount, as he has said, is so small that it can be dealt with as suggested in the Bill. I support the second reading.

**HON. L. A. LOGAN** (Midland) [8.32]: It is only one step from government by Parliament to government by regulation. It is all very well for the Chief Secretary to say that it should not be necessary to come to Parliament every time the fees have to be altered. But Parliament sits for five months in the year, and surely the figure is not altered so often that it cannot be brought to Parliament. We will gradually get to the stage where we will do everything by regulation and we will not need Parliament at all. We should not get to the stage where we pass our responsibilities on to someone else.

**THE CHIEF SECRETARY** (Hon. G. Fraser—West—in reply) [8.33]: Mr. Logan said that as this matter would be dealt with by regulation Parliament would not deal with it. I would point out that Parliament will be able to deal with the regulation. The method proposed by the Bill is not so cumbersome as that required to amend an Act. Parliament, each year, will have the opportunity to disagree with the regulation.

Hon. L. A. Logan: Sometimes a regulation is not put up when Parliament is sitting.

**The CHIEF SECRETARY**: It would not matter whether it was put up in January or February; the hon. member would have the opportunity to move to disallow it when Parliament sat. So Parliament will be the supreme master. In answer to Mr. Simpson, the figure today generally is £3 3s. for persons who sit on boards. Whilst we have not arrived at a figure it possibly would be £3 3s.

Hon. J. M. A. Cunningham: Would the Minister have any say as to the frequency of board meetings? There might be abuse.

**The CHIEF SECRETARY**: If the Minister considered a board was meeting too often, he would intervene. As these boards come under me, I can guarantee that they will not play ducks and drakes. Members need have no fear that they will hold too many meetings or become too large in expense. The men who sit on these boards mostly render honorary service rather than paid service.

Question put and passed.

Bill read a second time.

*In Committee, etc.*

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

Bill read a third time and passed.

## RESOLUTION—RAILWAYS.

### *Discontinuance of Certain Lines.*

Message from the Assembly requesting the Council's concurrence in the following resolution now considered:—

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 railways listed in Appendix "B" to this motion should notwithstanding certain other considerations, be discontinued and that such railways should cease to be operated, subject to the Government—

- (a) ensuring that through increased efficiency and economies throughout the W.A.G.R., including workshops and administration, a substantial reduction in the railway deficit will be achieved as a result of the cessation of the railways in Appendix "B"; and

- (b) ensuring an adequate replacement system of passenger and freight transport before cessation of operation of the railways in Appendix "B"; and
- (c) overhauling and reorganising the metropolitan Government passenger transport services with a view to reducing substantially the deficits in such services.

### Appendix "A."

(1) The annual cash deficit 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 Railways. 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 Flinders Bay	29
Elleker to Nornalup	61
Brookton to Corrigin	56
Lake Grace to Hyden	58
Katanning to Pingrup	59
Gnowangerup to Ongerup	35

**THE MINISTER FOR RAILWAYS** (Hon. H. C. Strickland—North) [8.37]: I move—  
That the resolution be agreed to.

When this matter was first brought to Parliament, a motion was introduced in this Chamber on the 1st November last. On the 7th November an amendment was moved by Mr. Simpson referring the motion to the Legislative Assembly for its consideration. The Legislative Assembly has considered it and has agreed to it by a large majority. It has referred the resolution to this Chamber for further consideration. The motion in its original form has been amended since it was discussed here. The Legislative Assembly agreed to the motion subject to the addition of paragraphs (a), (b) and (c).

The Government has in mind all the objectives contained in those paragraphs, and some of them are being actively pursued. Therefore when the amendment was moved in another place, no objection was raised to it by the Government. I would say that the reasons expressed by me on the 1st November, covered a great deal of the ground in connection with the resolution. However, since it was debated here we have had laid on the Table of the House the annual report of the Railways Commission for the year ended the 30th June, 1956. I suggest that out of this report quite a substantial reason can be found for the need for a considerable reduction in the route mileage of the Western Australian Government Railways before they can be placed in an economical operating condition.

It is necessary to discontinue services over very lightly patronised lines and it is also necessary to take into consideration each of the items I have mentioned—that is, paragraphs (a), (b) and (c) that have been added to the motion—in conjunction with any reduction in unpayable railway services.

The proposal before Parliament now is to begin at the beginning—that is, to reduce the services on these lines; to save unnecessary expenditure on them and to transfer that expenditure to the remaining lines. These matters are of great importance if the principal railways of the State are to remain in operation. I am not saying they would collapse overnight, but we are heading that way fast.

As an illustration of the moneys that these railways are soaking up—and they are soaking them up in such a manner that the railways are only being patched up and not improved in efficiency; and there is no hope of improving their efficiency while we continue to operate the full 4,111 miles of line—I would refer members to Appendix 7 of the annual report. This shows that not since 1928 has the quantity of goods and livestock that was carried in that year been handled by the railways until last year—28 years later. I submit that had it not been for the

carryover of wheat from the previous season, even last year's figures would not have reached those of 1928.

A striking example of why the route mileage should be contracted into reasonable proportions is, in my opinion, shown by the fact that in 1928, when the tonnage carried was 3,697,000, the train mileage to move that freight was 5,900,000 miles. In 1956, for the same quantity of goods hauled, the trains travelled 8,278,000 miles; in fact, 2,300,000 miles more, which represents an increase in mileage of almost 50 per cent.

Hon. L. C. Diver: What was the total tonnage for those two periods?

The MINISTER FOR RAILWAYS: The total tonnage for 1928 was 3,697,648 tons.

Hon. L. C. Diver: And for last year?

The MINISTER FOR RAILWAYS: For the year ended the 30th June last, 3,792,856 tons were hauled, or approximately 95,000 tons more.

Hon. G. C. MacKinnon: Could you give us some figures regarding the number of employees and the number of those concerned with the administration?

The MINISTER FOR RAILWAYS: The number of employees and the administration can be dealt with later. The hon. member can have something to say about that when he speaks to the motion and I will refer to it when I reply.

Hon. L. C. Diver: In the 1956 year book the figure shown is 13,000,000 tons.

The MINISTER FOR RAILWAYS: I am reading from Appendix 7, the tables regarding tonnage. Perhaps the hon. member is looking at the number of passenger journeys, whereas I am talking of total goods and livestock carried. The figures I have given do not include departmental tonnage; I have referred to what is classed as paying freight—that is goods upon which freight is paid, whereas departmental tonnage is a different matter altogether. For instance, the carriage of coal from Collie for the locomotives still goes on; but whereas the railways used to cart water and coal for the locos on the northern line, that has been discontinued because of dieselisation.

When we look at those figures, we must agree that there are too many trains travelling too many miles with not enough goods being carried. Just imagine that in 28 years the railways have only just reached the 1928 figures again! But let us compare that with the expansion of the State in the meantime. In 1928 the population was 414,000 odd; but in 1956 it has grown to 677,000-odd people, an increase of approximately 63 or 64 per cent. When we look at the passengers carried on the railways, the number of passenger journeys in 1928 was 16,032,536, whereas in the last financial year the number of passenger journeys was 12,582,979, approximately 3,500,000 less.

Hon. G. Bennetts: There are more motorcars now.

The MINISTER FOR RAILWAYS: Despite the fact that the population has doubled, the number of passenger journeys dropped by 3,500,000. We know that the great bulk of the population is in the metropolitan area, or nearby; but when we look at the goods that must be produced in this State as the result of our agricultural expansion, we wonder where that freight goes. In 1928 there were 8,943,000 sheep in Western Australia, and in 1956 that number had increased to 14,129,000. So members can see that there was an increase of between 55 and 60 per cent. in sheep numbers in 28 years. And the fact is that all those increases in sheep numbers are in railway areas.

There was a time when the areas north of Geraldton grazed more sheep than the southern half of the State—that is, south of Geraldton. But that is not so these days. The most the areas north of Geraldton had was approximately 3,000,000 sheep—that is, including the Kimberleys and the Murchison—but today there are approximately 2,225,000 in the whole area. All the rest of the sheep are in the southern half of the State in which the railways operate.

When we look at the area of land cleared and prepared for cultivation, in 1928 it represented 11,486,000 acres approximately; but in 1956 there were 21,465,000 acres cleared and prepared for cultivation—double the acreage in 28 years. Yet we find that the railways are carrying no more goods now than they carried then. Why? The reason is obvious. Motor transport must be carrying the additional produce.

The only commodities that are still carried on the railways, to any large extent, are wheat and grain. The sheep farmer does not use the railways to anywhere near the same extent. The quantity of wheat carried last year, even though it was high in comparison with other years because of the carryover, did not reach the record carried in 1930-31. It was not far off that figure, but it still did not reach the record even though the State has expanded considerably since then.

So we find that those who produce the grain patronise the railways; and it is no wonder that they do because the freight rates are very low in comparison with other freight rates. To expect the railways to operate as they did in 1928 is asking something beyond the resources of the State. Obviously they are not being patronised as they should be and they cannot continue to soak up the moneys that are being poured into them. Appendix 7 on page 39 of the annual report shows that during the last five years something like £26,500,000 of loan moneys was spent on the railways and another £4,000,000 will be spent this financial year. What is that money being used for? It is merely being

used to patch up the railways or to keep them operating; but it is not being used to arrest the deterioration which must eventually catch up.

Hon. N. E. Baxter: Of course, a lot of that money would be absorbed on new locomotives.

The MINISTER FOR RAILWAYS: The payment for those locomotives would be included in that sum; but loan moneys require interest payments; the interest does not come from loan funds but from revenue raised within the State. When we look at the total of operating expenses—the excess of operating expenses over earnings during the last five years—we find that they add up to £11,122,000. We also find that the interest bill was £5,847,000 and depreciation amounted to £4,367,000. So there is a total loss of £47,250,000, made up of £25,500,000 of loan funds and £21,750,000 of revenue. The revenue can be found from only one source—from the people of the State.

Hon. N. E. Baxter: Do you mean to say that the £25,000,000 spent from loan funds is a total loss?

The MINISTER FOR RAILWAYS: It is not a total loss.

Hon. N. E. Baxter: You added that in as a total loss over a period of years.

The MINISTER FOR RAILWAYS: I was talking about the total funds expended on the railways.

Hon. N. E. Baxter: That is different. You said it was a loss.

The MINISTER FOR RAILWAYS: I would not say that it is a loss at present, but it will be eventually because it has gone into locomotives, sleepers, ballasting, permanent way or something else that deteriorates all the time, and ultimately the money will be a loss which will have to be recouped from the depreciation fund—if we can find enough money to do it. There is only one way to find that money and that is by taxing the people of the State. The Commonwealth might provide some of it but not the total; there is no hope of its doing that. There must be loan repayments and there must be other sources.

That is the financial picture of the railways as described in the annual report. Surely it is depressing enough! Surely it is time that somebody took a hand and tried to arrest the drift! That is exactly what this Government is attempting to do—tackle the job and tackle it thoroughly. I am not going to say that we will get results in a year.

Hon. Sir Charles Latham: Not if we still have the same commissioners. It will be another 10 years of mistakes and getting worse.

The MINISTER FOR RAILWAYS: That question has not been lost sight of, but we must start somewhere. We cannot do

the whole job in one day. By making a start we are getting somewhere, and we have no intention of saying, "Parliament agrees that these lines should be discontinued" and then just sit down on the job. No. The problem of the railways will be thoroughly investigated from every possible angle and, as I have said before, this is one of the most essential angles from which we must attack the problem.

So long as we keep the route mileage of the railways open, we must have men to see that the lines are safe; we must have men repairing them; we must have a proportion of administration tacked on to that; we must have extra locomotives, rollingstock and everything that goes with the railways. It is obvious that no Government could allow that situation to continue. It would be calamitous and an absolute negation of the oaths taken by Ministers when accepting their portfolios. It would be a complete waste of money. Accordingly we must approach the problem realistically. I have shown that there is not the slightest shadow of doubt that the railways are not receiving the patronage they deserve. They are not receiving that patronage because of the more modern and speedier modes of transport.

These days one of our human failings seems to be to place more value on speed than on expenditure. To instance what I mean, I would point out that I know of several cases in the far North of people who could be sent a parcel by parcel post at comparatively small cost for which they would only have to wait a week or a fortnight—it is not an urgent matter anyway—but yet that parcel, for some reason or other, must be sent by air mail at a minimum cost of 2s. 6d. Speed seems to be of more value to people than does money.

In many districts that seems to apply to our railways. We all know that protests are received. I think that I have received telegrams from pretty well every road board—at least, from every road board that is affected. I have even met men who have protested about the possible discontinuance of the railway services, and yet those same men cart 90 per cent. of their produce by road. I was speaking to one such man only today.

Hon. L. C. Diver: How do they get a permit to cart their produce by road?

The MINISTER FOR RAILWAYS: I do not know, but permits do not seem to worry a lot of people.

Hon. L. C. Diver: You have sufficient inspectors.

The MINISTER FOR RAILWAYS: These people probably receive permits because they have parliamentary representation.

Hon. N. E. Baxter: I won't have that one!

The MINISTER FOR RAILWAYS: After the hon. member has spoken, I could read him a list of the names of those who have

recently made representation in support of applications. When Mr. Simpson was Minister, I made these representations myself for people who wanted to cart their produce to and from Carnarvon; and I would be surprised if Mr. Diver had not been asked to make similar representations. It is a fact, however, that 60 per cent. of the livestock that comes in and goes out of Midland Junction, is conveyed in and out by road. A rail service cannot be given unless it is ordered.

It is a fact that large numbers of stock wagons were built since the war and they have not turned a wheel. Some of them have been converted because of the lack of patronage. They were ordered in the expectation that stock-owners or dealers would patronise the railways; indeed, they were ordered by the previous Government, and built by that Government; but they are not being used. There is a breeder of fat lambs, about whom we read, who each year sent one or two special trains down. If, however, one got up early enough in the morning one would see stock coming down by road.

Only recently we read an account in the papers of a wool truck having capsized on its way from Pinjarra. Although the people want the railways, they will not patronise them. It is true that some, like Mr. Diver, patronise them 100 per cent.

Hon. L. C. Diver: Wool is contraband. Why don't the inspectors pick it up?

The MINISTER FOR RAILWAYS: Those are the difficulties that the railways have to face. From Appendix 7 it is interesting to note that there was a surplus of earning over operating expenditure up until, and including, the year 1946. From 1947 onwards, it has simply gone from bad to worse.

Hon. Sir Charles Latham: Wasn't that about the time we changed the commissioners?

The MINISTER FOR RAILWAYS: It was about the time we changed both the commissioners and the Government; we changed the Government in 1947, and the commissioners in 1948.

Hon. C. H. Simpson: There was the mushrooming of wages.

The MINISTER FOR RAILWAYS: Unless we make some reduction in these big costs, we cannot hope to save very much nor will we be able to overcome this problem. It would be impossible. I listened with some interest to Mr. Diver when he was speaking on another measure, and I had a quick look at what the effect would be to farmers of a 20 per cent. increase—that is, to the farmers who produce wool and grain, and use some fertiliser. If we have a look at Appendix 16 we will find that a 20 per cent. increase, on a calculation of the figures contained in that appendix, would mean that the farmers concerned would have to pay something like £700,000 extra on those commodities

Hon. L. C. Diver: You are talking about the country dwellers.

The MINISTER FOR RAILWAYS: A lot has been said about the Government promising that there will be no freight rises and so on. The Government appreciates the fact that the people living in the back country should not be penalised by higher freights. That has been our objective right through. We have endeavoured to see if we could not reduce railway expenditure, and bring it down to a reasonable figure. We wondered if we could not build a system that could operate economically for those people, and everybody else; and by doing so avoid increases in freights, and at the same time give the people in the country the service they deserve. But while the railways are disregarded and considered only as a public utility, to be used how and when people like, we can never expect to get any return from them. The amendment contained in this motion is the only road to follow; it is the only line to take; and it is one that will be taken.

Hon. Sir Charles Latham: A line of despair.

The MINISTER FOR RAILWAYS: There must be a general overhaul of the entire railway transport system. It can start from one end or the other. There are people living in the far-flung areas, such as the Laverton and Malcolm areas, and others at the end of the line in the Viluna area, who must be disturbed at the thought that they are going to lose the railways. I was similarly disturbed when the Marble Bar railway was taken away in 1950.

Hon. F. D. Willmott: Who would have it back today?

The MINISTER FOR RAILWAYS: Not one person in that district would have it back today. But that type of action must be taken before results can be seen. So far as the other lines in the wheat areas are concerned—and let us take the area of Geraldton, as an example—I am led to believe that if the railways there were discontinued, the freight rate to the farmers in that area would not, in fact, be much higher than it is today.

Hon. L. A. Logan: You have not given us any information on it.

The MINISTER FOR RAILWAYS: I have not the full details with me, but I am led to believe that that will be the effect. I will let the hon. member have the information later.

Hon. L. A. Logan: It should be here now.

The MINISTER FOR RAILWAYS: As soon as I am able to lay my hands on it, I will make it available to the hon. member. I hope this House will fully realise

what this resolution, as it is now on the notice paper, means. I hope members will give it their earnest consideration, because it must be realised that no Government—no matter what its political colour—can carry on under the existing circumstances. To say, "All right, you must keep all those lines and services operating" will simply mean that the remainder of the railway system will gradually deteriorate.

I explained that approximately only 10 per cent. of the whole railway track did not have some limitation on it, either in the way of speed or loading, or both. So it is clearly shown that there will never be enough money available to run the whole system as it is today. Accordingly, the reasonable and logical thing to do is to reduce it to what we consider a reasonable mileage, and concentrate our financial resources on those lines, and so endeavour to give the people an efficient and economic service.

HON. C. H. SIMPSON (Midland) [9.14]: As has been remarked by the Minister for Railways, this motion was thoroughly explained by him when it was first submitted to this House. The position of the railways was clearly set out, and he asked us to endorse the motion as submitted. On my own amendment, this Chamber decided to refer the matter to the Legislative Assembly, I think very rightly, because that is the House where most of the individual members are affected and where most of the Ministers belong. It is only right we should have their reactions to this motion before being called upon to make a decision ourselves.

If we had endorsed the Minister's motion, the other House could have been faced with a fait accompli, and the Government had the numbers to endorse the motion which was already sanctioned by the Upper House. There would have been debate, perhaps, but no result. The motion has gone to another place; has been ventilated there, and is now returned to us with a vote in favour of the motion by a fairly substantial figure. It now contains a proviso which I shall read—

Subject to the Government—

- (a) ensuring that through increased efficiency and economies throughout the W.A.G.R., including workshops and administration, a substantial reduction in the railway deficit will be achieved as a result of the cessation of the railways in Appendix "B"; and
- (b) ensuring an adequate replacement system of passenger and freight transport before cessation of operation of the railways in Appendix "B"; and



- (c) overhauling and reorganising the metropolitan Government passenger transport services with a view to reducing substantially the deficits in such services.

In speaking to the motion when first introduced here, I went to considerable trouble to point out where I thought economies could be achieved and what aspects of railway working should be very carefully examined. I do not intend at this juncture to repeat in detail the matter I put forward to members then. But as we are called upon to deal with this motion I, like other members, will admit that the general position as set out by the Minister, and the figures he gave us, cannot be disputed. But as I told him outside the House, I think each line should be taken separately.

When these lines were built, each was the subject of a special Bill placed before Parliament and the pros and cons were closely examined, the potential traffic was carefully studied, and, at a later stage, a transport advisory committee was appointed, which supplemented the submissions made by members with factual technical information. On the figures then submitted, these lines were built. That operation should, it seems to me, now be reversed.

For instance, we are asked to sanction a blanket motion covering the pulling up of 17 lines. I think it is clear to members that the Minister has the right to suspend traffic on these lines without any reference to Parliament at all; but under Section 11 of the Transport Act, he must have the sanction of Parliament before these lines can be finally abandoned and the material taken up and salvaged.

I suppose that if members here and in another place were asked the question, they would be quite prepared to endorse a number of lines which are before us, provided all the relevant details had been submitted. However, I am left in doubt as to whether all the details regarding each line have been submitted.

The Minister for Railways: They are in the report.

Hon. C. H. SIMPSON: I am speaking in regard to the area I represent; particularly the line to Yuna and the line to Ajana. It is all very well to give the figures on an analysis basis as to the mileages run, the actual cost of operation, and the returns in revenue over a period, and say these are figures which we must accept.

However, at the same time, we are not told in detail—and we want to be told in detail—exactly what the Government's plans are in regard to any particular line before we can be expected to give our affirmative vote for the abandonment of that line. We have a right, on behalf of our constituents, to be able to say the

Government proposes to dismantle a line and that it has proved it does not pay. We also have the right to know what the Government is going to do by way of providing alternative transport.

In regard to the lines I have mentioned there has been a suggestion—and I mention it now—that it could be taken over by a private company; and the Midland Railway Co. has been suggested. I do not know whether that company would take it over. I know a great deal of negotiation would have to be conducted before such a proposition could be entered upon; and, probably, as in the case of establishing a new railway, a special Act would have to be passed.

The Minister for Railways: They have not made any approach.

Hon. C. H. SIMPSON: I know. But that is one of the alternatives which has not yet been discussed by the Government; and, until such a proposition was actually examined and the practicability determined, I would not be prepared to say to the House that all of these lines should be closed. In fact, I must vote against the motion, because I am the mouthpiece of my constituents.

The Minister for Railways: What did you do with the Port Hedland line?

Hon. C. H. SIMPSON: The Minister was the mouthpiece of his constituents.

The Minister for Railways: We are in opposite corners now.

Hon. C. H. SIMPSON: I was the Minister determining what should be done.

The Minister for Railways: What did you do about alternative transport?

Hon. C. H. SIMPSON: At the Minister's suggestion, nothing; but we did construct a road.

The Minister for Railways: No subsidy was paid, nor was there any alternative transport.

Hon. C. H. SIMPSON: The road was constructed to take the place of the line; and, as a matter of fact, the cessation of service on that line was delayed until the problem of water supplies for Port Hedland was satisfactorily solved. That is the position as it developed.

The Minister for Railways: That was only nine miles out of 114 miles.

Hon. C. H. SIMPSON: No; I think it was to the Turner River; and when the supplies were made available from this nearby point then, and not until then, was the line pulled up.

I am glad the Minister agrees he was then in exactly the same position as I am now, and he took exactly the same course as I am taking now. I admit that on a broad point, if I were asked my opinion in regard to each of the lines singly, I might give a different decision. On a

broad point this does not concern all members and they will probably support the Minister on the question concerning the State as a whole.

I was taken to task when this motion was initially dealt with in this House because I said there was hardly the distribution of membership which was vitally concerned with the functioning of railways to be really entitled to consider it before another place had the opportunity. I will say again that in this House of 30 members there are four provinces represented, and each served by three members, where the question of railways or no railways is not a burning one.

In the North Province, with the pulling up of the Port Hedland railway, there is now none. In the Suburban, Metropolitan and West Provinces, the actual incidence of railways or their operation or their services being adjusted in any way is not a burning question to the same degree as it would be in a country district, where the local people think, rightly or wrongly, that their railway should receive consideration.

I make this point now: that these are the people who have to be satisfied and deserve to be satisfied that everything has been done to examine the question on their behalf; otherwise they might be left high and dry if alternative facilities are not provided.

Some of the agricultural areas have been developed because of the promise of a railway being provided. With no railway being provided, they were given special concessions on road transport in lieu of the cheaper rates which they would have received had the railways run. So far as I know, these concessions still obtain; but these farmers were induced to go there, open up that land and develop their properties on the promise these facilities would be provided.

I asked a question then: Can these people claim that a promise made to them had been repudiated? If a railway is pulled up in a case like that, or if some concession is withdrawn, they have a right to be satisfied that everything possible has been done to provide them with roads and transport in lieu of what they are called upon to give up. That, generally speaking, is my own attitude.

I am here not to say what I think about the railway question as a whole, but as a mouthpiece of my constituents as the motion applies to particular lines with which I am concerned. I have read the data which has been provided, and I know of other lines which may be affected later on in stages 2, 3 and 4. I would like these particular lines to receive a good deal of consideration before steps are taken to do anything about them; and irrespective of whether it is a question of our railway or anybody else's railway, the people have a right to be satisfied that

all possible economies are being achieved in the running of the railways and by that means there can be a good deal of money saved and the picture of the railways would not be quite so bad as it appears now. I do not intend to support the motion.

**Hon. J. McI. THOMSON** (South-West [9.30]): No doubt the Assembly, the Government and the Minister in this House have satisfied themselves that in the resolution sent to us they have adequately dealt with the motion that went from this place. This is how the resolution submitted to us reads—

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 railways listed in Appendix "B" to this motion should notwithstanding certain other considerations, be discontinued and that such railways should cease to be operated, subject to the Government—

- (a) ensuring that through increased efficiency and economies throughout the W.A.G.R., including workshops and administration, a substantial reduction in the railway deficit will be achieved as a result of the cessation of the railways in Appendix "B"; and
- (b) ensuring an adequate replacement system of passenger and freight transport before cessation of operation of the railways in Appendix "B"; and
- (c) overhauling and reorganising the metropolitan Government passenger transport services with a view to reducing substantially the deficits in such services.

I tender no apology for having read that once more. It will be recalled that when the original motion for the discontinuance of these lines was submitted in this House, Mr. Simpson successfully moved as follows:—

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.

I say unhesitatingly that the Assembly and the Government have failed miserably to do what was requested of them by this House by way of the motion sent to them; and because no consideration has been given to what we sought in relation to proposals for road transport in lieu of rail services, I feel that this House has been totally ignored.

The Minister for Railways: You will find it in paragraph (b) of the resolution.

Hon. J. McI. THOMSON: Admittedly there is some semblance of it in paragraph (b), but it is only a semblance of what we requested. I maintain that before we can agree to the passage of this resolution, we should have definitely outlined to us what it is intended shall be done in respect of road transport and the condition of the roads, and what is required to cater for the heavy traffic which they would be called upon to carry if these lines were discontinued. I maintain that the resolution gives us no indication whatsoever. The Minister may think otherwise, and he will have his right of reply.

The Minister for Railways: It was explained on the 1st November.

Hon. J. McI. THOMSON: The Minister referred to subsidised road transport. I shall deal with that in due course. I may be the only one here who considers that our request has been ignored. If no other member is in accord with me, I shall still be prepared to stand by my opinion and declare that we have not been given the information we sought by our motion.

Secondly, I would remind the House of what appears in Section 11 of the State Transport Co-ordination Act. It reads as follows:—

(2) If in the opinion of the board the services of any railway or tramway as aforesaid are inadequate, and the requirements of the district are or can be better served by road and/or air transport, the board may recommend the closure or partial suspension of service of the railway or tramway.

(3) Any such recommendation shall be put before Parliament for its sanction, or otherwise:

Provided that the Minister shall direct the board to call tenders for road transport and/or air transport to serve the district or area served by the railway or tramway, and the result of such tenders shall be ascertained before the Bill for the closure is put before Parliament.

(4) In calling tenders, the board shall frame such conditions as will ensure that adequate provision is made for all the transport requirements of such district or area.

In those circumstances, I maintain that the Government has totally defied the Act, in that the Minister did not direct the board to call tenders and ascertain the result of such tenders before submitting this proposition to Parliament.

The Minister for Railways: We are not asking for a closure, either.

Hon. J. McI. THOMSON: But the Minister is asking for a discontinuance of services. In paragraph (7) of Appendix "A" we read: "The recovery of materials for use on other railways." What is meant by that, if it is not eventually intended to pull up the lines and use the materials in other directions?

The Minister for Railways: That would mean a Bill.

Hon. J. McI. THOMSON: If we agreed to the Assembly's resolution, we would empower the Minister to do that.

Hon. L. C. Diver: The enabling Bill would be only a token measure.

Hon. J. McI. THOMSON: That is correct. I think I have based my opinion on very strong grounds in the two items I have instanced. It is abundantly clear that definite proposals should be made before Parliament is asked to sanction a partial closure.

The Minister for Railways: It was explained on the 1st November. The hon. member didn't listen.

Hon. J. McI. THOMSON: Perhaps the Minister will have to explain again.

The Minister for Railways: I can explain. I repeated it on that occasion.

Hon. J. McI. THOMSON: I maintain that the Government has not only defied the authority of this House in regard to the request we made, but it has also defied the law laid down by Parliament. Should we submit to this attitude meekly and humbly, without making a protest? In considering losses on country services it is necessary also to bear in mind the losses incurred on the metropolitan transport system.

Hon. Sir Charles Latham: Are they going to pull them up?

Hon. J. McI. THOMSON: No; they are not.

Hon. Sir Charles Latham: Of course not!

Hon. J. McI. THOMSON: They are not going to pull them up or decrease them in any way.

Hon. Sir Charles Latham: If one goes to the country to produce commodities required to maintain this State, one is penalised.

Hon. J. McI. THOMSON: I think it would be well to remind members that the net loss on the metropolitan transport system for the 12 months ended the 5th June last was £1,544,393. The losses on the lines proposed to be closed amounted to £543,435 for the year 1954-55. As will be seen from those figures, over £1,000,000 less was lost on the country lines as compared with the metropolitan system.

The loss on the suburban railways, of course, accounts for a very substantial part of the deficit on the metropolitan system. The net loss on suburban railways, or passenger services, for the year ended the 30th June, 1954, was £1,043,768; and for the year 1956, it was £1,096,574. That was on a mileage of approximately 45 miles; whereas the mileage of country lines for which the figures have been given, is 842 miles. That needs to be borne in mind by all members in considering this very important resolution.

The figures for 1954 showed that the loss on the suburban railway services was £500,333 greater than that on the country lines. In 1956 there was a further loss of £553,139 as compared with the loss incurred on the 842 miles of country lines proposed to be closed. Those losses extend over the period from 1951-52 to 1954-55, a matter of four years. Serious consideration should be given, not only by the Government but also by members of this House, to the figures I have quoted, because I cannot see how the closing of these lines can be justified while the metropolitan and suburban railways are showing increasing losses. Admittedly the Minister said that the Government was considering increasing rail fares to make up those losses; but, apart from that, it apparently has no intention of trying to reduce the losses on the metropolitan and suburban railway system.

How often in the last few weeks have the Premier and his Ministers said that if we do not agree to various new taxing measures country rail freights will be increased by anything up to 33½ per cent., clearly indicating that the country areas are expected to bear the full effect of any attempt at economising in our transport costs.

Hon. E. M. Davies: You have not told us where you would get the money to rehabilitate these railways.

Hon. J. McI. THOMSON: I shall leave that to the hon. member.

Hon. L. C. Diver: Tell him it does not require £10,000,000 to rehabilitate 800-odd miles of line.

Hon. H. K. Watson: You would double the land tax.

Hon. J. McI. THOMSON: It is amazing to me and other country members that the committee concerned never consulted the local authorities or even the Land Development Committee, wherever it has operated in the areas to be affected. In view of the

proposal to discontinue the service on certain of our railways I think the committee or the Minister could well have seen fit to discuss the question with those local authorities, and the omission to do so shows a distinct lack of co-operation which I and many other people in country areas regret.

When moving the original motion, the Minister stated that the departmental committee set up under the chairmanship of the Commissioner of Main Roads said that it would be noted that the specific question was asked as to whether the roads could carry the traffic; and in the report, the committee states that without doubt they could. The commissioner was quite satisfied that his roads are capable of handling the traffic, if called upon to do so, on the cessation of service on these railways. Members will recall what was said about the condition of Albany Highway after the wheat trucks had carted wheat along it from various country towns to Fremantle a few years ago.

At the present juncture those concerned are dubious whether the roads in question will be capable of carrying this additional traffic. In view of the experience of the past many people are now apprehensive as to the soundness of the opinion expressed by the Commissioner of Main Roads, although he is a highly qualified officer and has highly qualified departmental officers and engineers to advise him. The bitter experience of country roads that were expected to carry such traffic adjacent to the railways a few years ago has made it obvious that a very considerable sum of money will have to be spent on roads in the affected areas if they are to carry this extra heavy traffic.

The Minister for Railways: How do the roads carry the traffic to the bins now?

Hon. L. C. Diver: The wheat is carried in summer, and not in winter.

The Minister for Railways: What is the difference? You would not use Albany Highway?

Hon. J. McI. THOMSON: I did not say we would; but I mentioned that highway as an example because it is a sealed bitumen road with a good foundation, and even then it did not stand up to the heavy traffic of the wheat trucks. In view of that, how are these unsealed roads expected to be affected by the heavy traffic following the discontinuance of rail services?

The Minister for Railways: You will admit that they are carrying the traffic now.

Hon. J. McI. THOMSON: They are not carrying the very heavy traffic which they had to contend with a few years ago.

The Minister for Railways: In many cases they would not carry the traffic for more than 20 miles.

Hon. J. McI. THOMSON: If the Minister is to satisfy me and those who are vitally concerned he will have to be considerably more persuasive than he has been up to date.

The Minister for Railways: Are the country people ever satisfied?

Hon. J. McI. THOMSON: Yes, when their needs are met. Perhaps the Minister is chiding me. But are the people in his electorate more satisfied than those in mine? Of course we all realise the common difficulties which confront country people throughout the State when their transport services are affected. I reiterate that the Minister must give us something more concrete than he has yet put before us.

The Minister for Railways: I hope you will persuade them to send all their freight over the railways.

Hon. J. McI. THOMSON: Having in mind the loss on metropolitan transport services and the knowledge that only a fraction of the revenue derived from particular areas is credited to the mileage concerned on those sections of the line, I wonder how the calculations are made. As an illustration I would take the Hyden-Lake Grace section and through to Bunbury, in which instance the Hyden-Lake Grace section represents only 58 miles out of 305 miles and is credited only with the revenue within that 58-mile section. The remaining revenue for the balance of 247 miles, under the present method of calculation, goes to boost the profits of the payable sections of the railway system. That is an accounting system which is accepted by the Railway Department but I say it is unjust to condemn those sections of the railways which are concerned with this motion when the areas they serve produce the freight carried over far greater lengths of the system.

*Sitting suspended from 10 to 10.55 p.m.*

Hon. J. McI. THOMSON: Section II of the report which was compiled by the interdepartmental committee showed that the fixed costs of the railways represented 70 per cent. of the total costs of the traffic handled on the branch lines and that 30 per cent. represented the variable cost. Therefore, the closure of these branch lines would have little effect on the fixed costs.

If the House agrees to the motion it will only be the beginning, as a perusal of the report will indicate that the committee anticipates that further closures will follow. At first the committee recommended the closure of 1,500 miles of railway lines, but later it recommended that 2,000 miles of line be closed. In the first list submitted it recommended the closure of 630 miles of railway lines and in the second list 660 miles were recommended for closure. Eventually, the figure was reduced down to 842 miles, which is the mileage set out in Appendix "B."

So for the time being all that concerns us are those branch lines and services which are included in those 842 miles recommended for closure. However, it is along those lines that the wealth of the State has been accumulated from the areas of production. The Minister informed us, when introducing the measure, that no retrenchments of staff would result from these closures, but that it was intended to absorb into other sections of the service the men who would be unemployed.

The number of men engaged on the track and maintenance gangs would be in the vicinity of 500, and no doubt many others would be affected. Notwithstanding what the Minister intimated when he moved the motion, I have been given to understand, on good authority, that instructions, even at this juncture, have been issued to reduce by 10 per cent. the number of men who are employed in the track maintenance gangs. I obtained that information from very reliable sources relating to what the Minister had to say on retrenchments.

The track is in a deplorable state in many instances, as one experiences when travelling from my home town along the Great Southern. I question whether it is true economy to reduce this field of employment. As I said in this House, there were occasions when more could be expected from the workers in output per man hour. During the Address-in-reply I referred to the amount of work done by gangs. In some instances the amount was negligible, but I put that down to the foreman. He should see that each gang is gainfully employed. In that respect the industrial awards which have been made in this industry have proved disastrous to the output.

I do not suppose that the workers themselves can be blamed for it if they are not kept up to the job according to the standard expected in private industry. I doubt whether economy would be effected in this section, nor do I expect economy to be effected in the administrative section. When I referred to output per man, I had in mind the Midland Junction Workshops. With greater supervision much economy could be effected, as is evidenced from observations of outsiders and those in Parliament.

The Chief Secretary: Have you ever been in the workshops?

Hon. J. McI. THOMSON: I have not.

The Chief Secretary: Yet you go on criticising the workshops.

Hon. J. McI. THOMSON: I was very mild in my criticism. What I had to say has been corroborated by other speakers and by Press observations.

The Chief Secretary: Don't take any notice of what you see in the Press.

Hon. J. McI. THOMSON: Apparently the Chief Engineer in recent times has taken a lot of notice of the Press.

Hon. J. Murray: Do you think he took notice of it, or did somebody else in another place?

Hon. J. McI. THOMSON: I refer to Appendix "A." The anticipated saving in regard to the Elleker-Nornalup line for re-conditioning is £577,750. That works out at £9,471 per mile. From answers given to questions asked in another place, the cost to put down a line in a similar area would be approximately £10,800. The figures which have been supplied are very misleading. The estimate of £9,471 to put down a similar line elsewhere calls for explanation from the Minister.

In Appendix II the speed is limited to 30 m.p.h. which will indicate that there is not very much wrong with the track. I doubt whether the trains using the other lines referred to in the schedule can travel at a faster rate than that. According to the information contained in a file tabled in another place in connection with this matter in recent weeks, it was stated that the 30-mile restriction to Denmark would only apply to the next 2½ years, due to the rail and sleeper position, and the balance to the next 7½ years. That clearly indicates the state of the track. The distance from Nornalup to Elleker is 61 miles. According to the file, half of that will be good for another 2½ years without any further expenditure; the other half will certainly be in very good condition for the next 7½ years.

I quote these figures to indicate that the report submitted to Parliament by the Minister does not measure up to the facts, as stated by departmental officers in the files referring to the condition of the track. It is quite obvious that the investigations and calculations of the committee are open to question. Before members come to a decision on this matter they should bear that in mind. We should not hasten to discontinue any of these services until a much deeper investigation has been made.

A few miles away from Nornalup, there is a timber mill established at Walpole whose output is increasing steadily. This mill mainly cuts timber for export to the South Australian Housing Trust. It has now reached an output of 3,000 tons a year. It is very desirable to retain that trade, and to foster and encourage it. The return to the State for this year was £73,000, but I have not been able to check that figure. At all events, that trade is worth considerably more to the State, when we have regard to the desire to reduce the adverse trade balance.

These facts were not considered by the committee before making its recommendations. Members here were not conscious of these facts until enlightened

by me. Not only does this aspect apply to the Elleker-Nornalup line, but also to many others which will return a considerable sum of money to the State with beneficial result on the adverse trade balance between Western Australia and the Eastern States.

If we are to discontinue the rail service to these places we will lose the trade from those areas because the people will be forced to convey their timber by road to the headline at Marvel Loch, and transport it through Kalgoorlie to the Eastern States. The freight on the Commonwealth railway line bears favourable comparison with shipping freight. I asked why the timber was not shipped through Albany and the reply was that rail transport was preferred because of the infrequency of shipping which prevented the orders from being met on time. Other means of transport had to be availed of to enable the exports to be sent to South Australia on time.

We have to give serious consideration to the impact of the discontinuance of rail services on industries in the areas concerned. I am sure that aspect has not been given the slightest consideration by the committee. Apart from what the railway line means to the timber industry in the Denmark-Nornalup-Elleker district, the district is being developed gradually, and more use will be made of the service with further development. The discontinuance of the rail service, and its replacement by a road service, will retard the progress and prosperity of that area; furthermore, as happened in other areas, land values in districts served by railways have been enhanced.

During the last election campaign the Premier and the Minister for Forests announced that the Government intended setting up a new sawmill with about 1,000 people in the Shannon River area. The people along those lines, particularly at Denmark, were jubilant at the announcement. The Albany electors fully appreciated what the output of the new mill would mean to the port of Albany. It is hard to conceive that in so short a time—from April until now—there has been a change of face in regard to the railways in this area.

There is tremendous activity in land development to the north, east and west of Denmark. Many thousands of acres in this area, according to information I have received by way of answers to questions, will soon be coming into production. There is no cheaper service for development than a rail service. In the past, rail services were put into these areas, not from the point of view of making a profit but to give cheaper transport and to assist in development.

The cessation of the service from Ongerup to Gnowangerup is viewed with great concern by the settlers. At present 235

settlers use this service and this number will be increased by another 125 who will need the convenience of a railway service to develop their land and increase the productivity of the area.

Hon. G. Bennetts: They cannot be using the railway very much now.

Hon. J. McI. THOMSON: The amount of traffic drawn over the line in recent times is amazing. The figures supplied by the committee are very misleading. The estimated cost of building a similar line to that between Ongerup and Gnowangerup, is in the vicinity of £10,800 per mile, yet we find that the estimated cost of re-conditioning this section is £12,972 per mile, or £2,172 per mile more than the cost of construction.

Hon. J. Murray: You have to take it out and replace it.

Hon. J. McI. THOMSON: Yes; but there is no surveying or building of culverts and bridges. For the 1954-55 season, Co-operative Bulk Handling received at sidings along this line 1,500,532 bushels of grain. Owing to the dry conditions this figure was 250,000 bushels less than could be reckoned on for a normal year. I point out to Mr. Bennetts that the number of bushels I have mentioned represents 40,555 tons. This amount was carried over the line, without taking into consideration all the other goods and commodities conveyed along the line to Ongerup, such as food-stuffs, farming materials, etc.

The figures supplied to the Leader of the Country Party, in the Assembly in recent weeks show that the total tonnage per year averages 29,244 tons. Yet he was informed that under the classification of "Other Traffic" the total tonnage for the three years to the 30th June last amounted to only 28,926 tons, including wheat. In view of these totally inaccurate figures, can we justifiably accept the committee's report and pass this motion? If we do we will be striking the most staggering blow that Parliament has ever directed at the primary industries and the rural areas.

If the 235 farmers along this section are producing in the vicinity of nearly 30,000 tons of wheat, as indicated by answers to questions, surely it is reasonable to assume that the additional settlers will increase this figure to well over 45,000 tons. Apart from grain or wheat, I say that the total tonnage to and from Ongerup has not been fully considered; nor has it, in the committee's report, been given the credit to which it is rightly entitled.

What applies to the Elleker-Nornalup line and the Tambellup-Ongerup line applies equally to the section between Pingrup and Katanning which has, of course, produced a considerable amount of wealth over the years and will continue to do so. The same thing applies to the Hyden section of the Brookton-Corrigin line and the Boddington-Narrogin section. Therefore,

in considering these closures, we should be mindful of their impact upon the people concerned and, above all, upon their livelihood and the valuations of their properties which have grown steadily since the services have been available to them.

In conclusion, I ask: Who would suggest that we should close down the State Shipping Service because of its losses over the years? This service has shown a loss of £5,450,870 since its inception. The loss for the year ended the 31st December, 1954, was £535,065; and for the year ended the 31st December, 1955—the latest figure available to us—it was £697,258, or an increase of £162,193 in the 12 months. This figure is less the grant that the Treasury recoups for loss in the year. This means to say that the Treasury recoups the losses; and, as is shown in the Auditor General's report, there is no loss. I am not suggesting that we should even consider closing down the State Shipping Service to the North-West, because we are all very conscious of what it means to the people there.

The PRESIDENT: Order! The hon. member must confine his remarks to the proposed closure of certain lines and not discuss the North-West.

Hon. J. McI. THOMSON: I was using the State Shipping Service as a comparison with the service provided on these lines. I venture to suggest that there is no comparison in the freight handled by the two services.

We should bear in mind the tremendous amount of money that has been spent in providing a service in that area. If the money was spent in providing bitumen roads the people there would have excellent highways from Wyndham to Perth. Under the motion we have no guarantee of the type of road we can expect in the areas that will be affected. We should be conscious of all these aspects in dealing with an important motion like this.

The Minister said it was most depressing to read the figures showing the railway losses. I say it is most depressing to the people in the areas I have referred to not to know whether they will have a decent road service, or any other service in substitution of their present rail transport.

I hope the House will reject the motion, if only for a time, in order to enable further consideration to be given to the details of the report—which details, as I have said, are not factual according to the information which has been given from files and which has been gained from observation. I hope that the House will be prepared, if not to defeat the motion, to delay it so that further consideration can be given to and investigation made into the areas affected. I oppose the motion.

**HON. L. A. LOGAN (Midland) [11.30]:** I am very conscious of the seriousness of the proposal at present before us—the proposal of the Government to close 842 miles of railway lines. This is something to which all Western Australians, whether they be members of Parliament or not, must give serious consideration. But the closure of this 842 miles of line is not all that is involved, because the report of the committee which was set up by the Government recommended the eventual closure of 2,000 miles of line. The consideration of the closure of 842 miles of line, which this motion proposes, is only the first phase of the eventual closure of 2,000 miles.

If we agree to the closing of 842 miles, it will give the Government the lead to go ahead and close the rest of the lines as recommended. So the motion goes a little deeper than appears on the surface. I realise that the estimated loss of £4,000,000 or £5,000,000 this financial year is something this State cannot afford. As the Chief Secretary said earlier in the evening, members are demanding that hospitals, schools, water supply systems and so on be provided in their areas, and I can appreciate that a loss of £4,000,000 or £5,000,000 must of necessity reduce the expenditure on those items. Money must be obtained from somewhere; and if loan money is used to recoup the losses on the railways, it cannot be made available for the other amenities I have mentioned.

I can appreciate the story told to us by the Minister for Railways. From his own, and probably the departmental point of view, he put up a fairly good case; but he did not mention one word about the Railway Department attempting to reduce costs. He did not mention one word as to how railway officials intended to go about reducing costs. As one who has had experience and who knocks around with railway workers, I realise the inefficiency, bad management and over-administration that exist in the railways today; and I make that statement advisedly. Until the Government can give me proof that it is endeavouring to do something about this inefficiency, bad management and over-administration, I feel that the time has not arrived when we should close these lines.

It may be said that I criticise too severely. But I would be willing to take any member of this House into the highways and by-ways, into hotel bars and into club-rooms, incognito, and discuss with railway officials the position of the railways today. Members would be astounded at what they would learn. I make that challenge to any member of this House. The other day I wrote a letter to one of the local papers and it was published—as a matter of fact it was headlined.

**Hon. F. R. H. Lavery:** You were lucky.

**Hon. L. A. LOGAN:** The next day I happened to be in the company of a number of officials of the Railway Department, and I thought I was pretty game being in that crowd. I started to make some inquiries about the reception my letter had received, and they said, "How right you are!" I gleaned a lot of information from discussing the pros and cons with those railway officials.

There are quite a few of them in the department who want to make the railways click; but, unfortunately, they are not able to do so because of the over-administration and bad management by those who are on top of these other officials. Unfortunately, too, the attitude of the union officials themselves has something to do with it. They believe that the Railway Department today is an instrument for the benefit of the worker and not there to provide the service which it is intended to give.

That is why I say that this motion is premature. I will say, too, that insufficient information has been supplied to members of this House, and probably those of another place, regarding the Government's intentions when it replaces these services. I know that in the report the committee said that the services would be replaced by road transport. But we have not been told on what basis the service will be given; what its costs will be; who will control it; or how it will be controlled. I presume, from the report of the committee, that those services will be controlled by the Western Australian Transport Board. If that is so, we will get the same sort of administration as we have today, and so we will not be any better off.

I understand that Mr. Leach, of the Main Roads Department, who was one member of the committee, stated that our roads will carry all the goods which it is necessary to cart. I would remind members that a few years ago we had a railway strike in Western Australia and road transport was called upon to carry all the produce from the country to the seaport. If the Minister for Railways will check the figures, I think he will find that the local authorities throughout Western Australia, particularly in the areas affected, made repeated demands on the Government to subsidise them in repairing the damage done to the roads in their areas by road transport. The damage amounted to many thousands of pounds because the roads were not built to take such heavy loads.

In about February, 1954, there were severe floods in Western Australia; and again the local authorities requested the Government to subsidise them because they could not, from their own revenue, carry out the necessary repairs to the roads. So I am afraid Mr. Leach was forgetting a few essential facts, particularly when we realise that the transport



of wheat represents approximately 36 per cent. of the total tonnage hauled by the railways.

Hon. J. Murray: At an unprofitable rate.

Hon. L. A. LOGAN: Never mind whether it is unprofitable or not! It represents approximately 36 per cent. of the tonnage hauled.

Hon. A. R. Jones: It is not hauled at an unprofitable rate, either.

Hon. L. A. LOGAN: I do not believe it is unprofitable; but that does not come into the argument at the moment. The transport of wheat represents 36 per cent. of the goods hauled by the railways. All the wheat is transported by the railways; and if we put that haulage on to road transport, on top of what it already has, we will find that our roads will not carry the traffic.

The Minister for Railways: To the nearest practicable railway point.

Hon. L. A. LOGAN: That does not matter. The wheat will have to be carted over the 842 miles of railway lines that are to be closed.

Hon. G. C. MacKinnon: Not all the 36 per cent.

Hon. L. A. LOGAN: All the wheat carted over the 842 miles of lines to be closed will have to be carried by road, on top of what is already being carted over those roads.

Hon. F. R. H. Lavery: Road transport carried 9/10ths of the harvest during the war years.

Hon. L. A. LOGAN: But at what cost? A little while ago the Minister for Railways was good enough to give me some figures in which it is shown that the cost of road transport in my area, on the two lines affected, would probably be cheaper than rail transport is at present. I said previously that there was a lack of information. Had the Minister been able to give us these facts and figures before the motion was introduced in this House, and had the people in the areas affected been given all the facts and figures, they might have taken a different attitude from what they have taken in regard to this motion. Although those figures may be true today, how true will they be in the future?

The discontinuance of these lines is tantamount to closure; because after the services have been discontinued for 12 months, we may as well pull up the lines—they will not be any good for anything else. If these services are discontinued, and we are relying purely on road transport, the roads will reach a stage where the maintenance costs on vehicles will increase to such an extent that the 6½d. per ton, which was the figure given regarding my electorate, will prove to be much too low and so those road transport costs will rise. It will reach a stage where railway transport will be much cheaper than road haulage.

While there is a certain amount of opposition, costs can be kept down; but as soon as the opposition is taken away and unrestricted rights are given, costs usually rise. That must be taken into consideration too. I agree with Mr. Thomson that the figures given for each particular line were far from accurate. I would like to know whether the goods railed from Perth and paid for in Perth are credited to the portion of the line over which those goods travel. I do not believe that the position is as it should be.

I believe, too, that the over-administration I mentioned earlier and the portion of the loss in the passenger services in the metropolitan area are apportioned to the outback lines. So they have it both ways. Quite a lot of the revenue which should be credited to those lines is not credited, and they are debited with a portion of the over-administration and losses on the metropolitan transport system.

So it will be seen that we have not had a true picture of what is going on. The accounting system might be all right for the department, but it does not give us a true picture of the situation. It could be said that the line between Clackline and Midland Junction is the best paying line in the State. I should think it would be because, irrespective of where goods are produced, if they travel over the line between Clackline and Midland Junction it is credited to that line and probably on occasions more is credited to that portion of the line than to the line in the area where the goods were produced. I would say that the goods produced near the line between Clackline and Midland Junction would be almost nil.

Hon. N. E. Baxter: It would be a very small amount.

Hon. L. A. LOGAN: The Government, with its project at Wundowie, does not use the railways, but uses road transport for the carriage of its product from that project. Yet that line is credited as being the most payable in the State even though the goods produced near it would be nil. So in my opinion the accounting system is wrong and does not paint a true picture.

We have also been told during the debate that some 300-odd men will be displaced by the closing of these lines. When we consider that we have a total staff of 13,000 men, and that we are going to close one-fifth of the lines, it seems rather strange that only 300-odd men will be affected, and at the same time not one of them will be sacked. Surely we are not expected to believe that!

The Minister for Railways: It is a fact.

Hon. L. A. LOGAN: Of course it is not! The Minister for Railways: Why do you dispute it?

Hon. L. A. LOGAN: We are told that 262 of those men will be permanent way workers.

The Minister for Railways: They are.

Hon. L. A. LOGAN: If the Geraldton-Yuna line is going to be closed, what will happen to the staff already in Geraldton dealing with all those phases—men like loco drivers and loco repairers? What will happen to the locos themselves, and the trucks running on those lines? To say that it will only affect 300-odd men sounds fantastic to me. I cannot see how the Minister imagines that a saving will be effected by closing 842 miles of line without sacking any men, when we know that 81 per cent. of the costs incurred on the railways comprises wages, salaries and allowances.

Hon. F. R. H. Lavery: There will be a lot of natural wastage.

Hon. L. A. LOGAN: Up till the present men have been joining the railways for a career; but now they know that 842 miles of line is going to be closed, with the possibility of the closure of a further 2,000 miles, they will most certainly not join the railways. No man in his right senses would join that department for a career. It will be a dead-end job; there will be no future in it whatever. This move has already frightened away a good many potential railway workers who could have been brought to this country.

The Minister for Railways: You think the staff should exceed 14,000?

Hon. L. A. LOGAN: I say that if the staff were kept to 10,000 the railways would be run far more efficiently than they are today.

The Minister for Railways: I thought you were complaining that they were being taken away.

Hon. L. A. LOGAN: I am not.

The Minister for Railways: You complained a moment ago.

Hon. L. A. LOGAN: I was referring to present-day conditions.

The Minister for Railways: Under exaggerated conditions.

Hon. L. A. LOGAN: Not at all. The Minister for Railways should move around and talk to those men who really want the railways to click; he should not listen to what the commissioner has to say, but talk to the men who have been on the railways all their lives—men who have studied, worked and run the railways; they are the ones he should take heed of.

The Minister for Railways: I have listened to some of them and they have done nothing while I have been listening.

Hon. L. A. LOGAN: The Minister has not listened to the people to whom I have referred.

The Minister for Railways: Not to the same ones as you perhaps.

Hon. L. A. LOGAN: It is unfortunate the Minister has not; had he done so he might have gleaned better information.

What I am getting at is that by the displacement of 300-odd men we are tending towards greater centralisation. It cannot be otherwise. If we are to take away 300 men who have been working in the out-back, we must bring them nearer the metropolitan area; and this, of course, means greater centralisation. It is a feature that must be considered.

When we are dealing with the road versus railways problem we must consider the number of deaths caused by road transport as compared with those caused by rail. The figures given by the Safety Council over the last few days are most illuminating; and if it is necessary to close the railways and increase our road transport at the expense of a good many Western Australian lives, I think we should give the matter another thought. In my opinion we cannot value the lives of our young Western Australians in terms of money. The Safety Council in its propaganda used the slogan "Beware of the Kids" and its figures relative to the road accidents of children under the age of 16 years are most illuminating. Yet by closing these railways we shall increase the possibility of road accidents.

The Minister for Railways: If you close the lot they might decrease.

Hon. L. A. LOGAN: How is that possible?

The Minister for Railways: Because of the number of people killed by trains.

Hon. L. A. LOGAN: The number of people killed at level crossings is not very great. The people meeting with road accidents are those who are using the roads; and if the Minister obtains the percentage, he will find I am right.

Another aspect that must be considered is that, up till now, farmers, producers or business people in areas more than 12½ miles from a railhead—those areas where a railway had been promised but was never built—have been subsidised. The recommendations of the committee, of which the Government is apparently taking some notice, are to the effect that no subsidy will be paid to farmers living less than 20 miles from the railhead; that the subsidy should be decreased from the first 12 months in 1957; and that at the end of seven years no subsidy should be paid at all.

So we can only come to one conclusion and that is that the people in those areas are paying a known freight; and by way of taxation, they are paying portion of the cost on the rest of the railways. If we close these railways, they will be paying a cost of which they have no idea; but after seven years, they will be paying the full cost. They will still be paying, by way of taxation, their portion of the loss on the railways; and unless somebody can remedy the bad management and maladministration, the losses will be greater than ever.

From the figures we were given, we know that £1,000,000 was paid in overtime by the railways last year. I know that in certain cases overtime is essential; it cannot be avoided. If the Minister for Railways will only check and find out where and how this overtime is paid, I am sure he will find it most illuminating.

The Minister for Railways: Most of it is for penalty rates.

Hon. L. A. LOGAN: I appreciate that might be so.

The Minister for Railways: At least 75 per cent. of it.

Hon. L. A. LOGAN: If the men who were working in the railways and those managing them realised that the railways are there to give a service to the people and not for their own benefit, a lot of this overtime would not have been paid. I will be fair to the Minister and say that I believe that the people who want to retain their railways must use them more.

Hon. E. M. Davies: They should have worked up long ago.

Hon. L. A. LOGAN: I have woken up to it long ago.

Hon. E. M. Davies: I was not referring to the hon. member personally.

Hon. L. A. LOGAN: If the users of the country lines desire to retain them, they ought to use them to the utmost; the alternative will be to close those lines. I hope I am fair in my assumption of the position.

Another aspect that should be given serious thought is the position in which Britain finds herself today in relation to fuel oils. Had the Suez crises and the Middle East crisis continued for another three months or so, this country would have been in a similar position. From what I heard on the 7 o'clock news this evening, I am not sure that it will not catch up with us eventually, because the petroleum information bureau indicates that the shortage of tankers will in the next two or three months seriously affect the position in Australia.

The more railway lines that are closed, the more road transport will have to be relied on, and the more fuel will have to be imported to run that road transport. It should not be hard to visualise the position if the Middle East crisis were to continue; and there is no guarantee that it will not. It is quite possible that we will find ourselves very short of the fuel necessary to get our goods to port.

That matter also needs a great deal of consideration. Today we are using Collie coal on the majority of our railways; though we do import some Newcastle coal for use during the summer, when Collie coal is considered to be dangerous. It is all very well for the Collie coalminers to say that we should use Collie coal, but I

think they should use their thinking-caps. Finance is not the first consideration in the closing down of our railways.

It seems to me that the department has adopted a defeatist attitude in this matter. I would like to know which other country in the world has started to discontinue railway lines after their having been in existence for only 125 years. I am sure the Minister could not tell me of one such country. I would be interested if he could. Yet we in Western Australia propose to lead the world in the closure of our railway lines.

I know that the density of our population is such that it is difficult to keep any service on a payable basis. I will be quite frank and admit that I do not think we can ever run our railways at a profit with our present density of population; that is an impossibility. But are we to say at the moment that in 20 or 30 years' time the density of population will not be doubled or trebled? It easily could be.

The Minister for Railways: It has almost doubled but has had no effect.

Hon. L. A. LOGAN: It could have a very marked effect.

The Minister for Railways: It has had none.

Hon. L. A. LOGAN: I think the Minister said that it is only this year that the railways have carted as much as they did in 1928 and 1931.

The Minister for Railways: That is right; and the population has doubled since then.

Hon. L. A. LOGAN: I would remind the Minister that this is the first time we have produced a crop of wheat to compare with what was produced in those years; and that is why the revenue has picked up on the railways. Wheat which has been carted represents 30 per cent. of the total. The year 1931 was a record one for wheat, when 52,000,000 bushels were produced; and it was not until 1955 that that record was equalled. That is where we get the disparity, in between times. I will agree with the Minister that the reason why the tonnage is not being carried is that a lot is going by road.

I will be honest in this matter and admit that we cannot have it both ways. If people want the railways they must use them; and if not, they must use the road and put up with the consequence. It is up to the producers themselves, and I do not intend to make up their minds for them. Up to date they have asked me to vote against the discontinuance of these lines; and, because I represent them, that is what I intend to do. But I gave them a warning in a letter that they must make the maximum use of the railways, or there would be no case for continuation.

I now come back to the argument used in regard to the Grants Commission. We have been told time and time again by the

Grants Commission that we have to increase rail freights comparable to the other States. However, has the Grants Commission taken into account the density of our population, which is 158 persons per mile as against 500 to 600 in the other States? Despite this disability, we are asked to put rail freights on a basis comparable with those States. I do not think the Grants Commission has any right whatsoever to endeavour to put us on a comparable basis with the density of population we have.

I would like to ask the Minister for Railways a question in regard to costs. It is in relation to the use of motorcars in the metropolitan area. I do not know how many motorcars the Railway Department owns, and I do not know for how many motorcars it pays the owners mileage, but I would say it is considerable. Yet in the metropolitan area today, I think I can say we have the best metropolitan transport service ever given in Western Australia. However, despite the fact we have that rail service, the railway officers and men go out in a utility or motorcar from station to station instead of using the service given. That is only a small way in which money could be saved.

The Minister for Railways: How long has it been going on?

Hon. L. A. LOGAN: All the time, to my knowledge. Unfortunately, today, if a man is permanently employed in the Railway Department, no matter what he does, he cannot be sacked. I have said before in this House that inefficiency started when the boss lost the right to hire and fire, and it has grown like Topsy. I talk to railwaymen and know their opinions on these matters. They are appalled at the idea that they have lost that right. They get a man who is inefficient and incompetent to do a job, but they cannot sack him.

Eventually these men lose heart and say, "What is the good of my trying? Nobody else worries, so I am not going to worry either." That is the position in which the Railway Department finds itself today. One of my best friends, who joined the railways some four years ago, studied night and day for about two years to pass the necessary examinations to obtain the position he holds today; and he said the other night, "Les, it was the worst day's work I ever did to join the railways."

The Minister for Railways: Can't he be sacked?

Hon. L. A. LOGAN: He has got to the stage in life where it is very difficult to change from one job to another.

The Minister for Railways: Four years in the service?

Hon. L. A. LOGAN: Yes; but this man is about 40 and at that age one cannot chop and change. The same thing was said to me by another railwayman on

Sunday. He said, "I am too old to change. I have got to stick, and I do not like it." I am only mentioning these cases to give the Minister some realisation of what is going on.

The Minister for Railways: It is hopeless unless you can quote the actual cases. I cannot dive into 14,000.

Hon. L. A. LOGAN: It is not isolated.

The Minister for Railways: It is hopeless unless you can give me a specific instance.

Hon. L. A. LOGAN: I will now come back to a line in my particular area—the Wokarina-Yuna line. I believe the committee stated it would cost £762,000 to rehabilitate the line. I would like the Minister to realise that that particular line was rehabilitated right through last year. I do not know how much was paid to Baker Bros. by way of contract to do it, but it was a good many thousands of pounds, and that line is now in a better condition than it ever has been since it was laid down. Yet it is to be closed.

Hon. E. M. Davies: What does it earn per annum?

Hon. L. A. LOGAN: I have not got the figures; but I am talking about its rehabilitation. It has already been rehabilitated, and the people who live alongside the line say it is in better condition now than at any other time since it was first laid down. Therefore the figures given us cannot be right. It seems to me they have taken the cost for all the lines and have said that is going to be the cost to rehabilitate them, irrespective of what has gone on before.

Getting back to roads, I would remind members of the floods last year in the Eastern States which reduced the Hume Highway to such an extent it was impassable. If ever a road was laid down to carry heavy traffic it was the Hume Highway. Therefore how can we expect country roads to carry the necessary traffic if these lines are closed? Apart from all the traffic on the road today, to cart the necessary goods over the Ajana-Geraldton line it would require seven 10-ton trucks seven days a week, 365 days a year.

The Minister for Railways: Which line?

Hon. L. A. LOGAN: Ajana-Geraldton. Add that to what is already on it, particularly between Northampton and Howatharra. The section between the Fig Tree bridge and Nanson—just south of Nanson—was once a 9ft. ribbon road; but today it is about 6ft. and it is easy to imagine what sort of a road we will have if an extra five or six 10-ton trucks go over it 365 days a year. I am perfectly convinced that the extra amount of road transport that it will be necessary to put on these roads will be such that the roads will not stand up to the tests.

What is more, to lay down a foundation essential to carry a heavy type of goods will be just as costly as to rehabilitate

the railways. If one were to do the costing job correctly and put the cost of the road on to the actual cartage of the commodity, one would find that road transport costs a far greater amount than railway transport. However, fortunately or unfortunately, whichever way it is worked out, the cost of roads is not debited against goods carted.

We can take the Midland Railway Co. for example. That company runs a goods van six nights a week, and sometimes two or three are necessary between here and Geraldton. They are diesel trucks, for which the company pays a licence; but it does not pay id. towards the maintenance of the road. Therefore the cost of the road is not debited against the cost of the cartage of the goods. It is an important point in getting down to the basis of rail costs. In the case of the Midland Railway Co. we will find that the road service costs are very much higher. I will admit it is a better service; but one has to pay for that service a sum which is not debited against the cost of the road.

Therefore, after giving this matter a great deal of thought and realising—as I said earlier—that this motion and the Land Tax Bill, are two of the most serious problems we have had to consider in this House since I have been here, I feel that the discontinuance of the 842 miles is only the beginning of a recommendation to close 2,000 miles of railway line in Western Australia. That is a retrograde step. Surely we should look to the future with confidence and get down to a sound basis of running the railways. Are we still to have three commissioners?

The Minister for Railways: Your Government put them there.

Hon. L. A. LOGAN: I will admit that; and it was wrong. That was the worst day's work we ever did in this House. And they were three importations. One came from India, one from Pakistan, and the other from Victoria. I think that the one from Victoria cost this State more than the others put together. The accounting system in Western Australia is ridiculous. There are people in the country areas making out reports that are never used. Apparently somebody in an office down here has to make a report to submit to somebody somewhere else. But the reports are never used. If we inquired into the accountancy system of our railways, we would find that that is where most of the over-administration is to be found.

The importations that we made so far as our railways are concerned represent the worst day's work we ever did. I admit that I was wrong in giving my support to the proposal, and I do not think anybody can be fairer or more frank than that. If I had an opportunity to correct that mistake tonight, I would do so. In

the meantime, until the Railway Department can prove to me that it is honest in its endeavour to work efficiently and has carried out all the economies that are possible, I cannot accept the retrograde step suggested in this resolution.

HON. J. MURRAY (South-West) [12.17 a.m.] : I do not want to occupy too much of the time of the House on this matter, but there are one or two things I want to say in reference to it. I think it is well understood by everybody in this House and in another place that the cost of government in Western Australia has gone completely haywire. I am not just talking about members of Parliament, though we know that the cost in that direction has gone haywire, too, to a great degree. But in every department of the Civil Service we see the Vote going up and up.

In regard to the question of the high cost of government, which we cannot afford, this House tonight put its signature to the second reading of a Bill which, in my view—and that of a lot more people—is purely and simply a bonus to inefficiency. There has been mention of the loyalty of the Civil Service; but whatever has been said by this Government and the previous Government on that matter, I believe that, while that service is loyal to a degree, it is not loyal to the people of Western Australia so long as this continued building up and snowballing of inefficiency continues. That brings me to the motion before the House.

Hon. E. M. Davies: What you have just said was a preamble?

Hon. J. MURRAY: Yes. Nowhere in the Government service is there more inefficiency than in the Railway Department. That inefficiency has been occasioned in the past mainly by members of Parliament who, when the country faced difficult times, and people in their electorates were unemployed, acquired the unfortunate habit of saying, "Send them along to the railways. They will get employment there." From then on, the railway service, especially on the administrative side, has been built up to a tremendous load—such a load that people who really work in the railways have become very discouraged over a period of years and wonder if it is really worth while trying to make the railways pay.

Something has been said about this motion being a forerunner to further closures. If I thought that was the case, I would probably feel much happier than I do, because I consider that in just closing down 800-odd miles of railway lines, no Government would achieve the purpose it set out to achieve, because the economies effected would be comparatively negligible. It would be more satisfactory if in one sweep we could eliminate

the administrative side and denude ourselves of the people who are hangers-on—and I would include some of the commissioners that Mr. Logan said he admitted we had made a mistake in appointing. With that I quite agree. We are overloaded with commissioners, and also with a lot of personnel, who—to use an expression employed in the orchard districts of my province—are dead wood which needs to be pruned. Unfortunately, with the closing of this 800-odd miles of line, I am afraid—and I think a lot more people are—that that dead wood, which is really the cause of the present condition of the railways, will not be pruned.

Hon. G. C. MacKinnon: Perhaps the commissioners have not had a fair go, either.

Hon. J. MURRAY: It has to be realised that probably the strongest union in Western Australia today is the Railway Officers' Union.

Hon. E. M. Davies: I thought the strongest union was the B.M.A.

Hon. J. G. Hislop: You make me smile!

Hon. L. C. Diver: We are talking about the railways.

Hon. J. MURRAY: Reference has been made to certain railway lines in the Great Southern. My own view has been that this is a question that should be entirely divorced from parochialism and that the whole question of reducing railway mileage should be treated on an overall basis.

Mention was made of the line from Nornalup to Albany. I am mindful of certain pressure that was employed some years ago to secure an extension of the line from Northcliffe to Nornalup so as to couple it and take the timber trade from the South-West through that way. To any reasonable person, that would seem sound logic. Most of the haulage of the loaded vehicle would be downhill. But there are some almost insurmountable engineering problems in connection with those two lines. The cost of laying that small length to couple the two junctions would be out of all question. In regard to the amount of timber hauled over the section already laid, knowing full well the ramifications of the timber industry and haulage, I would say that the timber-millers themselves would declare, "Thank God we are still allowed to haul by motor truck!", because whatever else it does, it cuts down handling charges. At this stage I would hate to see dead-end lines coupled to other lead-end lines at a very huge overhead expenditure, without some proof being brought to the House that such expenditure was warranted.

Repeatedly I heard a member in another place say that the day had almost arrived when Donnybrook apples would be loaded on Albany. That gentleman is no longer a member of Parliament. But if what he hoped would occur ever takes place, I hope

that the apples will be carted by motor-truck instead of by rail. The cost of coupling the lines would never be recouped from the return in freight on a reasonable basis from that perishable commodity, and the timber trade would have to pay for the construction.

By way of interjection, I made a remark, to which some objection was taken when I said that wheat haulage was unpayable. It might just meet the cost, but that is all. Unless there is other haulage over a railway line besides primary products coming in and super and other goods going out, a very low freight rate does not in itself justify the maintenance of a line.

I do not agree with the suggestion that while certain prices have been quoted by hauliers in regard to the road transport of primary products in the event of temporary closure of railway lines, the quote would be increased within a short time. I do not subscribe to that view as I had considerable discussion with road hauliers on another occasion before a previous Government arranged a subsidy for the cartage of primary products, when the railways could not carry them, and also when a Government found itself in a spot in regard to timber haulage to the port of despatch. I am convinced that if the road hauliers could have a clear understanding with the Government that they would get continuity of employment and would therefore be able to amortise the cost of their vehicles and so on, no subsidy would be required.

I do not think anyone can take umbrage at the road hauliers asking for something concrete in the way of a proposal when they are requested to help the Government out in an emergency. Like any other businessmen, they need to know where they stand and one cannot expect them not to require some compensation unless they are offered continuity of employment. If the principle is laid down that certain lines are to be closed and tenders are called for the road cartage of primary products from the areas affected, I think the road hauliers will be willing to transport that freight on a very reasonable basis.

The question with which I am most concerned at the moment is the damage that may be done to our roads by the haulage of heavy goods. Mr. Logan remarked that, in relation to one particular line, a number of 10-ton vehicles would have to work 365 days in the year in order to deal with all the freight offering should the railway be closed down. I would say it is still competent for the Government, on the advice of the Commissioner of Main Roads, to specify in the case of road haulage contracts the weight of the vehicles to be used, where it is thought necessary, and unless the weight is limited right from the inception—

Hon. A. R. Jones: There is a limit now.

Hon. J. MURRAY: —what Mr. Logan fears may come to pass. With 10-ton vehicles constantly hauling dead weight

cargo such as wheat and other primary products over a road, untold toll of the road concerned might be taken. The position could not get out of hand, however, if the Government started off on the right foot in this regard.

It was suggested, in relation to a certain area in the lower Great Southern, that owing to the large quantity of primary products to be carted, the costs would go up, and that if it was left to the primary producers of the district to decide, they would say, "Hands off our railway." In reply to that, I know from personal conversation with settlers on farms at Rocky Gully, which is approximately halfway from Mt. Barker to Manjimup, that when the leader of a political party asked whether they wanted a railway line or road transport to serve their district—their produce is sheep and grain products—the unanimous answer was that the Government—there are no ladies present—could put the railway where it liked, and they said, "Let us have road transport." That is the position today.

Those settlers have not a railway line, despite the fact that theirs is a very progressive settlement; but a very good road was built from Manjimup to Mt. Barker, and I have not heard any complaint about it. I can sum up my own view in regard to railway closures by saying that such closure does not mean the immediate lifting of the railway line; and the depreciation on a line, once laid, is in the main due to the traffic over it. The result is that if the traffic ceases and, owing to changed circumstances after 18 months or two years it is desired to start the service again, the line is approximately in the same state—as regards traffic—as it was when the service ceased. For that reason I do not take a very serious view of a suspension of rail services.

If the Government proposed immediately to pull up the lines concerned I would wish to examine the situation far more closely than I do now; but I know that the lines will still be there in a couple of years' time, and the proof of the pudding, in this case, is in the eating. Let us see what is the effect of closing the lines proposed to be closed and see whether it is not similar to that in relation to the Marble Bar-Port Hedland railway. Let us examine the overall effect on the people of the districts concerned, after the Government has had opportunity not only to suspend the rail services but also to see the result of the amendment moved in another place, so as to prove to us that it is sincere in its wish to apply economies throughout the service and not only to the 800-odd miles of line in question.

The Government knows only too well that economies could be effected and it knows where, also. In supporting the

motion I am throwing the onus on the Government of proving strong enough to do what it has set out to do.

**HON. R. C. MATTISKE** (Metropolitan [12.40 a.m.]: I am in a rather invidious position in having to cast a vote on the motion in view of the fact that I have not in my possession the detailed knowledge that is possessed by other members who have already spoken. I admit I have not travelled over the particular section of railway lines listed in Appendix "B." I am not acquainted with the majority of the districts concerned, with the potentialities or with the type of goods that are being carried over the lines that are serving them at present.

Therefore, not having the advantage of being in possession of that detailed knowledge I will not be able to cast a vote in the same way as previous speakers. Nevertheless I intend to vote according to my conscience. In the short time I have had the honour of serving in this Chamber I have heard a great deal of criticism levelled against the railway system. Various speakers have said that economies should be effected from top to bottom—that this, that and the other should be done in order to overtake the huge deficit that are incurred in running the system.

I feel that the step now being taken by the Government is a step in the right direction, and is warranted by the figure presented to us this session. The Government is tackling the problem in a constructive manner. In effect, it is saying "Here are lines which are unpayable. Let us do something to stop losing money on those lines." However, an important point has to be considered: that prior to the cessation of the services on these lines the Government will have to ensure that efficiency is increased throughout the W.A.G.R. and that economies are effected in various ways as stated in paragraph (a) of the motion.

It must also ensure that there will be adequate replacements of passenger and freight transport; and, further, that there shall be an overhauling and a reorganisation of the metropolitan passenger services with a view to reducing substantially the huge deficit in such services.

Hon. Sir Charles Latham: Why can't the Government do that without introducing this motion?

**HON. R. C. MATTISKE:** That is a point I was coming to. I cannot see any necessity for introducing this motion. I understand that Cabinet has the necessary power to discontinue the services on certain railway lines if alternative transport can be provided and where those lines have proved to be unpayable. I cannot see why it is necessary to have the sanction of Parliament to discontinue the operations of a particular railway line. As

I understand it, if the Government desires to pull up a line, then it must have the approval of Parliament.

Hon. L. A. Logan: What is the difference?

Hon. R. C. MATTISKE: There is quite a deal of difference. If the services on a particular railway line are terminated, it is possible—if conditions change for the better, in a comparatively short period—for the services to be recommenced later on.

Hon. L. A. Logan: You have not had much experience of the discontinuance of railway lines.

Hon. R. C. MATTISKE: I admit that I have not had much experience of the various lines concerned, but I am dealing with the whole question in principle. In any business there is a time reached when one has to take stock and ascertain whether it is advisable to dispense with certain lines which are dealt with in that business—whether one is a retailer of goods, a manufacturer of goods, or, as in this case, is dealing with a railway system. There does come a time when one must consider the position as a whole and ascertain whether certain steps should be taken to effect economies.

I appreciate that a railway system is different from an ordinary business, in that it is a public utility; and in certain circumstances it is the duty of the Government to provide transport to particular areas so that development may take place, even though the service may have to be run at a loss to the Government. I consider that if the Government is going to make an honest attempt to put the Railway Department's house in order we should give it an opportunity to take this first step in its programme. The mere fact that these lines have been quoted as coming within the category of the possible closures does not to me indicate that they will be closed automatically.

For instance, let us take the Malcolm-Laverton line of 64 miles in length as an example. I understand, on good authority, that it will be essential to continue running that rail service even though it may involve only one train weekly, because no suitable alternative mode of transport can be provided. The country through which this railway line runs is such that in the winter time considerable difficulty is experienced in maintaining the road between those two points; and even if a colossal sum of money was spent on a road, that difficulty would still present itself, whereas the railway is not subject to such heavy damage during the winter season.

So only if an adequate alternative can be provided, can those unpayable lines be dispensed with. We must take a broad view of this matter; and if the Government is sincere—and I have no doubt it

is—in its efforts to start an all-out drive to effect economies in the railways, then we should assist it in those efforts. I intend to support the motion in the hope that it will only be a forerunner of other moves which will be made in the near future to effect economies from the top to the bottom of the railway system as has been stated.

Hon. Sir Charles Latham: They are not going to dismiss any men; they are going to be absorbed.

Hon. R. C. MATTISKE: That is another point which I hope the Government will consider in rehabilitating the system as a whole. It is up to the Government to prove how it can effect economies and increase efficiency as indicated in the motion.

HON. L. C. DIVER (Central) [12.51 a.m.]: We were told by Mr. Mattiske and Mr. Murray that they were of the opinion that this motion did not necessarily mean the closing of the railways. I would, however, like to draw the attention of those two gentlemen to paragraph (?) of Appendix "A" which reads as follows:—

The recovery of materials for use on other railways.

If that is not a sentence of death on a railway, I do not know what is. I wonder what succeeding Governments will do if this motion is carried. And it would appear, if the voting follows its usual course—and the Government has certain declared support for the motion—that it will be carried. I wonder what future Governments will use as an employment stabiliser when they lose the avenue that the railway system in this country has provided over many years for that purpose.

I think I said three or four years ago, when migrants were being brought into this country, that it was obvious that our railway system was being used as an employment stabiliser; and, judging from the remarks made by other members tonight, it would appear that they knew a similar state of affairs existed many years ago, and prior to the time I made my statement. Consequently, we have now got to the stage where there is a railway system overloaded with employees, and in order that those employees shall be kept employed and be a further charge against our railway system, it is now proposed initially to close 842 miles of railways.

It is proposed that the shadow should move on, and Mr. Murray has suggested he would be disappointed if it did not. It would seem that subsequently a further considerable mileage of our lines will be sentenced to death. But what of the people whom these railways serve? I have not heard too many members speak in favour of those people. What will be their position? They will lose their railways. What about the menfolk who do the



physical work—and I am now speaking particularly of those areas in the north-eastern wheat belt, and of those menfolk who over the years have built up a system—which the younger ones are continuing to build, of delivering their wheat, an integral part of their business, to the siding?

It has been suggested that temporarily, at any rate, the bulkhandling bins will be left for their use. But we have heard nothing about the incoming freight, or how road transport will shift it. We do not know whether they are to pick up at the nearest rail terminal and deliver on the farms, or whether the old sidings will be used as dumping points. We have not been enlightened on these aspects at all; nor have we been told whether those farmers, because of the location of their farms, will have to cart their wheat away from the temporarily relieved section of the Wyalatchem-Mukinbudin line. Are they to cart their wheat in a northerly direction to the old bins or are they to cart their wheat direct to the nearest terminal? Those things have not been explained.

I should have thought that the Minister would dispose of those points before such a motion was tabled. And what of the womenfolk in those areas? What are their conditions to be? It is all very well for metropolitan members to tell us what they should do in the outback; but how many of their womenfolk would go out and put up with the conditions that those women have to put up with, some of them in a pioneering state where water carting has added to their drudgery, and where the only comfort they have has been the railway system of which they are now to be deprived? As I have already said, these settlers will have a distance of 40 to 45 miles to cart their produce.

With the closing of the next section which is proposed in the north-eastern wheat belt, under Schedule 2, many of these people will have to haul their produce 60 to 70 miles. Has the Government considered what effect this will have on production in those areas? Does the Government think those men will continue to produce wheat in the same volume as previously? Does not the Government realise that the State's harvests—not one harvest but subsequent harvests—year by year could be down to the tune of millions of bushels?

If the Government only takes the trouble to look at the figures for those areas, it will find that the area served by the Burakin-Bonnie Rock line last year alone produced over 1,000,000 bushels. Looking at it in the most favourable light, the champions of road transport tell us that goods can be handled by road.

Hon. Sir Charles Latham: What did it cost when the railways could not transport the products?

Hon. L. C. DIVER: I base my figures on the quotes that the Transport Board received for shifting wheat on the eastern end of the railway line from the bins situated thereon. The quote was 5d. per ton mile. If I bought a diesel truck and paid a man to operate it, the cost would be 7d. per ton mile. I do not know if there is a motive behind the cheap quote given this year, and whether the road hauliers intend to get the thin end of the wedge in. As a businessman, I have my doubts.

At 5d. per ton mile, the cost will be over £1 per ton for shifting wheat to either Burakin or the nearest existing terminal. The distance between Burakin and Wialki where the major part of the wheat is grown, is 60 miles. The rail freight is 12s. 6d. per ton, but the road transport cost is £1. It is suggested that, as a temporary measure, farmers will be subsidised; but I do not know whether the subsidy will have a telescopic effect, or whether it will end abruptly in seven years' time.

Settlers in areas classified as marginal, have, with the aid of modern plant and tractors, proved the country to be worth while for farming. It was not a case of the country being a marginal area, but of marginal farmers and marginal equipment. With experience, that country has proved itself to be capable of producing profitable crops. That area has laboured under disabilities for many years. The early settlement of the country was carried out during the days of the horse. It is generally acknowledged in agricultural circles in the Commonwealth that if mechanisation has proved its worth, it was in areas where the rainy season was restricted, and consequently the farmer had a limited time to carry out his operations.

Passing from the days of the horse to the depression period—which had a demoralising effect on the pioneers, because a great many left the land—that country was declared to be a marginal area. When superphosphate was rationed, the farmers there could not get a quota, nor could they get a quota to grow wheat when the acreage was controlled. How then can the railway system traversing that country be expected to pay its way under those conditions?

Some three years ago, when it was suggested that the service on that line should be discontinued, I travelled over it with the then Minister for Railways. The records will show that I indicated the position clearly to the settlers when the Minister told them that they were not supporting the line 100 per cent. It was agreed that from then onwards, they would give 100 per cent. support. I understand they have stuck to that agreement loyally. It was then said that if the settlers supported the railway and the area was given a chance to prove itself, there was every possibility of the service continuing. If ever a community discharged its obligation, those settlers have done so. The figures which the Minister is examining must prove that point.

Members may ask: What is the alternative to the closing of these lines? I say that the railway system of the State was greatly depreciated through a national emergency—the war. The remnant of a railway system which had been run down, was knocked to pieces during the war, and rehabilitation of the railways is partly the responsibility of the Commonwealth.

Hon. E. M. Davies: I agree with you; but the Commonwealth will not accept the responsibility.

Hon. L. C. DIVER: That may be so. Why should the outback settler pay the penalty? We are attacking this problem from the wrong end. It is a pity that of all the noble ideas of the Government for improvement of the railways, the management was not attended to first. Give that a trial and see how successful it would be. See if it could not save this paltry £200,000 expected to be saved by the closing of 840 miles of our railway system.

There is a very important aspect that has to be forcibly brought to the mind of every employee of the Government railways—that is, the insecurity of his job; for there is no reason whatsoever, if we are going to close 2,000 miles and develop road transport to the magnitude necessary to handle the traffic to bring the whole of the production—even a reduced production—why the individuals who work in the railways will not, one by one, lose their jobs. They will have no security of tenure and will be in exactly the same position as many farmers were in the depression days.

Mention has been made of wastage in connection with the department. I have heard it said that it is in the vicinity of 500 or 700, so it is going to be a long time before we save the £5,000,000 envisaged by the Government, if it is going to be saved at that rate. It is not as simple as that. For, wherever these men are employed, I am afraid that, for some time, they will be a charge upon the community; and while at the present time the railways carry that liability, even if the men are transferred to some other occupation, they will still be a charge on the community. The railways may show better figures although the Treasurer may not necessarily show a like improvement.

I would have thought that the Collie miners would be incensed over the proposed closure of these lines. I realise that during the summer months it is necessary to use Newcastle coal in the coal-burning trains, but for quite a good part of the year they use Collie coal.

Hon. G. C. MacKinnon: They are mostly diesels.

Hon. L. C. DIVER: There are quite a few steam engines on the run. The coal industry is another that is dying on its feet, and we are putting another stranglehold on it. I do not want the miners of

Collie to adopt a reckless point of view, but I wish they would take a considered view of the situation, as it is bringing the use of coalmines one day nearer to an end.

I am a little upset to think that if these lines are closed, the people affected will not have reasonable freedom to cart their goods right through the metropolitan area if they so desire. They still have to be subject to the Transport Board. That means to say they will, in many instances, have to cart on the worst part of the road at the other end closest to their farms or the nearest railhead and pay the increased freight rate because of the telescoping effect of the rail freights. The cheapest part of the freight has been taken from them, and what remains is the dearest part, so they will be on the worst side of the ledger.

I trust that if this motion is carried and we find that, with the passage of time, road transport does operate in the country areas, we will not have the spectacle of the unions taking control of the drivers of road transport and bringing us down to a 40-hour week, for that could well be. As time marches on, I can see that happening, and it would absolutely put Western Australia right out of the market as regards primary produce for export.

We are all aware that shipping freights are about to rise again, and I am afraid that eventually we will find the primary industries, while on a higher monetary plane, receiving greater amounts for goods, yet on balance at the end of the year being no better off than prior to our orderly marketing scheme. I do not suppose I need say it, but if there is anyone under any misapprehension, I am going to vote against the motion.

HON. J. M. A. CUNNINGHAM (South-East) [1.19 a.m.]: I am somewhat reluctant to oppose this resolution, but I feel I must do so for a very simple reason. Interesting figures have been quoted in this House. I do not want to offend by tedious repetition, but one-quarter of the estimated loss for the next 12 months' operation of the railways will be contributed to by the metropolitan transport system, which constitutes something of a distance of about 50 miles of track, yet 800 miles of country railway contributes a loss of approximately one-third of that of the metropolitan area. So the saving does not justify the closing or discontinuing of these lines as distinct from pulling them up. Some members have said that they are prepared to accede to a discontinuance or closing of lines. It seems to me to be too dangerous an experiment. I believe that the discontinuance of a line foreshadows the pulling up of that line.

The report shows that the materials salvaged from such lines will be used elsewhere. A railway system cannot benefit by this so-called cannibalising of itself because only the line that is in position is

an asset—say worth £200,000 for a given length of line. Suppose that is what a railway line that is in good order is worth; but the day it is salvaged or pulled up, it loses that value. We first of all have the cost of the work involved in the salvage. We recover probably a considerable quantity of second-hand rails—perhaps light rails that are well worn. But we leave behind probably seven-eighths of the original value of the line in surveys, embankments, culverts and even sleepers. They cannot be salvaged; they are a dead loss.

A line—like a bitumen road—deteriorates far more rapidly if it is not used than if it is, because it is not subject to the compacting effect of traffic. Under those conditions, I believe that deterioration, even with light weather variations, is accelerated to an amazing degree. Having been a resident of inland towns and districts all my life, I know what it is like to live at the end of a railway line, and I know how the people in such districts look on the line. A person who has not lived in such conditions cannot appreciate the psychological effect that the knowledge of the existence of a railway line has on the people concerned.

Members may recall travelling through unknown country of the semi-dry and barren type, of which we have so much; and they may remember that there was a perfectly good bitumen road there, or a regular air service. But road and air transport are merely a means of getting from one place to another at the fastest possible speed. When, however, we come across a railway line in the same area, our whole appreciation of the district changes. We realise it is established and has some solidarity. We feel differently about it altogether.

The effect of a railway line in a district cannot be calculated in pounds, shillings and pence to the country dweller. Any person who has lived at the end of a railway line of any considerable length, will appreciate what I mean. It is a thread that cannot be replaced by any other form of transport. So I am not prepared to agree to experiment by closing these lines when we know that far greater losses are made by other departments and in areas other than those districts which need these lines so badly.

Not very long ago the section of line which is probably the most important and the most used in the State—the Kalgoorlie stretch—was so badly in need of attention, in part, that the safe-working speed would probably have had to be dropped to a point where it would have meant many hours more travel between the two points. But because of certain adjustments in finances, the department abandoned certain building projects and so on in different parts of the State, and made the money available for the re-laying of this track.

There are, however, many other parts where the same thing is badly needed, but the money is not available. This, however, still does not justify the abandoning or the pulling up of sections of the line, particularly when there is no indication that we are going to be offered a service at all comparable with what exists at present.

Much has been said about the losses on certain sections. Take the line that we Goldfields members are particularly concerned about—the section serving Laverton. Railway losses are always quoted in cash; but when these figures are applied to tonnages, they do not, by a long way, equal the figures for the products of the district, as can be supplied by the station-owners and pastoral leaseholders in the district.

I had some interesting figures supplied from the Wiluna area. They came to light when the departmental figures showed that an apparent tonnage was going through, based on the cash earned at Wiluna, but the cash figure represented only about one-quarter of what it was known that the exports amounted to. These figures applied to bales of wool. The cash figures amounted to about a quarter of what the total should have been. Then we learned that the figures were based on the actual freight earned; and it was proved that in Wiluna, three-quarters of the freight handled was on the basis of freight forward. It was paid in the metropolitan area or elsewhere both going and coming, and credited to that area. The result was that hundreds and thousands of tons of freight were handled ex Wiluna but were not shown through receipts or cash as earned at that end of the line.

The Minister for Railways: Hundreds of thousands of tons?

Hon. J. M. A. CUNNINGHAM: Well, pounds. The freight going down to the metropolitan area is paid at Perth and not at the Wiluna end. I understand that exactly the same thing applies in the Laverton, Leonora and Malcolm districts.

Hon. Sir Charles Latham: All wool freights are paid at this end.

Hon. J. M. A. CUNNINGHAM: Yes. I have some figures from that area that are current and illuminating. To September, 2,300 bales of wool were handled from between Laverton and Malcolm, in addition to 6,000 head of sheep and 400 bullocks.

The Minister for Railways: Handled by the railways?

Hon. J. M. A. CUNNINGHAM: Yes.

The Minister for Railways: When?

Hon. J. M. A. CUNNINGHAM: To September of this year.

The Minister for Railways: Since when?

Hon. J. M. A. CUNNINGHAM: In the last 12 months. This, admittedly, is a maximum—the best they have done. The indications, however, are that the development on the properties from which this material has come will gradually be on a rising scale from now on. When we see business such as this being developed by the station-owners, we must give consideration to what their future is. The property concerned consists of four leases held by Green & Son, and the amount of business done by this firm is amazing—and it depends on the railways. This firm represents about 30 per cent. of the pastoral activities in the district immediately around Laverton, and yet the department has figures such as that which will tend to prove to members that there is very little activity in the district. The plant on the properties includes about 130 fully equipped wells, 80 sets of sheep pens, and the total value of the properties is about £160,000.

When a company spends money to that extent, it is entitled to consideration in regard to the closing of the line, which is a very serious threat to its future. In the last seven years this company has paid £47,500, including provisional taxation, which indicates the magnitude of its activities, and it is only one small group of the pastoralists in that district.

The property costs about £20,000 per annum to maintain and they handle about 200 drums of fuel per year on which freight and taxation amounts to a considerable sum. In addition, they require about 120 or 150 tons of other freight and stores. Those figures suggest that this district—which has had a happy past in regard to mineral and mining activities, and which is now a slowly but definitely growing pastoral district—should receive consideration. It must not be thought that the area is finished as a mineral producer. It is the centre of an extensive auriferous district, and I feel that the outlook with regard to mining is still bright. In view of those facts, the pulling up of the line would be a tragedy, as this is one of the few remaining centres of population between here and Meekatharra and Wiluna. No matter what alternative form of transport was made available, in view of the wool freight alone—

The Minister for Railways: What would be the distance of the haul?

Hon. J. M. A. CUNNINGHAM: About 62 miles between Malcolm and Laverton—

The Minister for Railways: How far would the haul be if the line were closed?

Hon. J. M. A. CUNNINGHAM: It is about 10 or 20 miles from Laverton, depending on the property plus 60 or 80 miles to the next railhead.

The Minister for Railways: Would not the average haul be about 30 miles?

Hon. J. M. A. CUNNINGHAM: It would be far in excess of that. Many of these properties are not alongside the lines.

The Minister for Railways: Weren't you quoting one property?

Hon. J. M. A. CUNNINGHAM: I was quoting four properties held by one company.

The Minister for Railways: Yes, along the line.

Hon. J. M. A. CUNNINGHAM: No, it could mean another 20 miles past Laverton. Two or three trains per year would probably handle the wool clip from that property. Would a train haul 150 tons?

The Minister for Railways: More like 400 or 500 tons.

Hon. J. M. A. CUNNINGHAM: Then it would be one trainload. How many motor trucks would it take to haul that wool?

The Minister for Railways: The semi-trailers cart up to 150 bales in the Gascoyne area.

Hon. J. M. A. CUNNINGHAM: The same question was posed by the people of Wiluna who said that anyone there or beyond would have to go about 100 miles to the railhead at Meekatharra. Whereas the train could clean up the whole of the clip in a couple of trips, it would take a fleet of trucks 10 or 20 trips; and they would not be subsidised, whereas rail haulage would be. Road haulage in the closer settled areas in the South-West may not involve hardship, because where there are greater numbers of people in a given area, generally they each have their own transport. Where one group of people holds a huge area, as in this case, they would have to supply about the same equipment to handle a similar tonnage. Therefore, the hardship involved would not be the same.

It is inconceivable that any road that the Government would be likely to consider building would be any good in this area, because the climatic conditions are such that whole sections of the road would probably be completely sunk in a morass of clay and mud in that area.

The Minister for Railways: Is there no motor transport there now?

Hon. J. M. A. CUNNINGHAM: Yes; and the Minister knows that country in the wet season. There is often a sheet of water 20 miles wide, across which a road could not be built without a causeway, which would be impracticable; and so I think I am justified in opposing the motion until some far more attractive alternative proposition is put forward.

HON. E. M. HEENAN (North-East) [1.38 a.m.]: I think the Government did the correct thing in bringing this motion before Parliament in order to make all members accept their share of the responsibility which the State must shoulder. Year after year we have heard the same story about the railways. The employees have been criticised; and the whole railway system,

which has done such a great deal to develop and maintain the State, has been blackguarded. I travel on trains as often as any other member here does, and have never received anything but courtesy and respect. Whenever I have seen gangs of men working at Kalgoorlie, Menzies or elsewhere they have always been doing their jobs conscientiously.

Hon. L. A. Logan: That won't get you anywhere!

Hon. E. M. HEENAN: I do not expect it to. I do not say things in order to get me anywhere; but on occasions it is only fair that one should stick up for the employees—whether the commissioners or anyone else—who are constantly traduced behind their backs with no opportunity of speaking for themselves.

The plain fact is that we have a population of under 700,000 people in this immense State, and we have the largest railway system of any of the States of the Commonwealth; a system which it is obvious we cannot afford to operate because of the constantly rising costs. Members here are constantly telling everyone about that state of affairs; how the railways are losing money; how they are bankrupting the country year after year. Those are not my words.

Hon. L. A. Logan: And why are they losing money?

Hon. E. M. HEENAN: The hon. member who is interjecting regularly tells us how the railways are losing money, and how they are ruining the country.

Hon. L. A. Logan: And why they are losing money?

Hon. E. M. HEENAN: He seems to have all the answers.

Hon. F. R. H. Lavery: He has never put forward one constructive criticism.

Hon. E. M. HEENAN: We are faced with the stark naked fact, as the Minister said, that in the last five years £26,500,000 of loan moneys have gone into the railways.

Hon. L. A. Logan: He did not tell us why.

Hon. F. R. H. Lavery: Can you tell us why?

Hon. E. M. HEENAN: The hon. member has made his speech and he spoke at great length.

Hon. R. F. Hutchison: And said nothing.

Hon. E. M. HEENAN: I wish the hon. member would have the courtesy, at this late hour, of letting me make my speech. I did not interrupt him because I knew he was doing his best from the point of view he espoused, and I ask him to give me the same opportunity.

Hon. L. A. Logan: The Minister—

The PRESIDENT: Order!

Hon. E. M. HEENAN: The Minister told us the stark naked fact that in the last five years the Government has put £26,500,000 into the railway service from loan funds. This year the Government has to pay out another £4,000,000 and goodness knows how much will be required next year. It is obvious to everyone that the situation is worsening and, in the Minister's own words, something has to be done about it. Apparently we are faced with an obvious alternative—an increase in rail freights. I know that the goldmining industry, which produces over £1,000,000 worth of gold every month of the year, cannot afford any further increases in railway freights.

Hon. Sir Charles Latham: I am glad to hear you say that.

Hon. E. M. HEENAN: In 1954 the Chamber of Mines had this to say—

One matter which is causing us considerable concern is that of railway freights. We suffered, last October, a considerable increase in freights and this had quite an adverse effect on our costs. While we appreciate the difficulties of the State Railway Department we feel that it would be a fine gesture to the goldmining industry, which has meant so much to the State and to its development, if the Government could see its way clear to granting some relief if only as regards the freights being charged on such commodities as firewood, fuel oil, coal, explosives and mining timber. We understand that the Government is anxious to do all it can to help the industry, and we trust that before long it will find itself in a position to give us some relief in this direction.

What earthly hope has the Government of coming to the assistance of the goldmining industry while the position as outlined by the Minister continues to exist? The matter of freights is viewed so seriously by the goldmining industry—because it could easily strangle it—that in 1956, still on the question of railway freights, Mr. Agnew in his annual report said—

I make no apology for again referring to the onerous burden which the industry has to bear in the form of high railway freights. Particularly on the lines serving the Eastern Goldfields, both from the metropolitan area and the southern seaboard at Esperance, the mines are the main support. It might not be quite correct, but it would be approximately so to say that these lines are to no small extent paying for the rest of the railway system in the State. At a time when the mines are spending large sums of money in order to reduce costs of operating and suffer a fixed price for their product, it seems only reasonable to expect some relief from the high freight rates which are imposed by the Railway Department.

What hope can we hold out to the Chamber of Mines or the goldmining industry unless this problem with the railways is tackled? The position is that over the years in Western Australia, the railways have done an immense amount of good, particularly in the outback portions of the Goldfields. They represent the lifelines of these towns, and always have done so; but in other parts of the State, in recent years, better roads have been built. Now we have a bitumen road all the way to Norseman. A journey that in my time in the Esperance-Norseman district used to take all day, can be carried out in a few hours. In days gone by the roads were practically impassable; and, even by motorcar, it was a day's journey between Kalgoorlie and Norseman. We used to spend the night at Norseman and next day journey on to Esperance. But now there is a bitumen road and modern motorcars are going down there in their hundreds and taking barely two hours to do the journey.

That is what has happened to our railways all over the State. Better roads, more modern motorcars, much larger trucks and more efficient motor transport are being provided, and the railways have gradually receded into the background as a means of passenger and freight transport. I listened with interest to Mr. Cunningham's remarks about Ravensthorpe. There is a new mining town growing up there. It has great prospects and we all hope that it will be a great copper-producing area.

It is confidently expected that the copper produced at Ravensthorpe will be transported to Esperance and shipped from that point, and that it will be another big industry in that part of the State. Has it ever been suggested in this Parliament that a railway be constructed from Ravensthorpe to Esperance? What will happen is that a good all-weather road will be built; it will be there for all time and it will carry all the traffic and goods produced at Ravensthorpe.

I now come to my own district. One centre in particular that I am going to mention tonight is that of Laverton. It would not be unfair to myself to mention that only about four years ago in this House, there were rumours and suggestions that the Malcolm-Laverton line was to be closed, and also the Meekatharra-Wiluna line, and I was the one who moved a motion calling upon the Government of that day not to proceed with its proposal; and I received loyal support from Messrs. Teahan and Hall and other members in the House at that time.

It grieves me a great deal to know that both Wiluna and Leonora are affected by this proposal to discontinue certain lines. Over the weeks that the Government's intention has been made known, I have given the matter much thought and consideration and hoped that there might be

some way out; because in those areas the people are not as fortunate as those in the other parts of the State, particularly at the Laverton end where there is no all-weather road such as that I have mentioned running from Kalgoorlie to Norseman.

One of my greatest ambitions is that I will live to see the day when a bitumen road will be constructed from Kalgoorlie to Laverton, because that is a district that has accomplished a great deal for this State. Mr. Cunningham has also quoted some figures in regard to what the pastoral industry is doing there. In a deputation that was introduced to the Minister today, the Prospectors' Association quoted figures regarding the amount of gold that had been produced. They pointed out that 8,000,000 oz. had been won from gold produced in that area. It is a district in which pioneers have struggled for years and years.

I am consoled with the thought that though this motion proposes a discontinuance of this railway from Malcolm to Laverton, there is a proviso that any discontinuance is subject to the Government—whether this one or any other Government—that implements this proposal—ensuring that an adequate transport system, both freight and passenger, shall be provided as outlined in Appendix "B." We have had innumerable private conversations with the Minister in recent weeks and he has assured us that the line which serves this district will be given every consideration.

In that area there is the Lancefield goldmine which potentially is one of the largest gold producers in Western Australia. It has been proved conclusively that there is a vast ore body in that mine which can be worked on a large and payable scale. Unfortunately, in these days, it is difficult to encourage the investment of capital in the goldmining industry. Our hopes that the price of gold would be increased were recently dashed to the ground following the meeting of the International Monetary Fund, and at present it is hard to obtain local or overseas capital to invest even in a sound proposition such as the Lancefield mine because such development would involve the expenditure of probably £1,000,000.

However, there is untold gold in that mine awaiting recovery. There is the prospect of its employing 400 or 500 men when it is opened up; and if that day ever arrives, it will ensure that Laverton will again experience the prosperity it enjoyed in years gone by. We have hopes that before long something may be done in that direction, and the Minister for Railways has given us an assurance that if anything like that happens, the railway line serving Laverton will remain. He has also assured us that the cessation of the services on this line will not occur in a

matter of a few weeks or months, and that even if this does eventuate, an adequate replacement transport system to carry both passengers and freight will be provided.

I entirely disagree with Mr. Cunningham. I know that others have said the same as he has, but I know the country and its problems. For three days I was stranded at Linden on one occasion by a flood which covered the whole countryside. We were marooned for three long days, as if we were on an island. That will give members an idea of the eventualities that occur there from time to time. Nevertheless, I have every confidence in our engineers to appreciate that eventually they will be able to build a road from Kalgoorlie to Laverton, which will equal the bitumen roads in other parts of the State.

When that road is completed I think it will be of great benefit to the people of the district. I have read many articles on the subject and the trend all over the world is to construct better roads to carry larger road vehicles. It seems that some railways at least are now obsolete and that road transport can do the job more efficiently. I counsel the people in the Wiluna and the Laverton districts—I do not know about the people in the farming districts—that they should have faith in the Government.

As a member representing one of the districts that are affected, I take upon myself to ensure, as far as I can, that before the people in my province are deprived of their railway line, an adequate alternative system will be provided. We have the Minister's word that such a system will be provided and I think that everything will work out for the best.

**HON. A. R. JONES** (Midland) [2 a.m.]: Before I drop off to sleep, I would like to contribute something to this debate. A similar motion was introduced in this Chamber some weeks ago, and at that time we did as we thought best. We now have another motion which really does not tell us any more than the original motion did. We felt that before anything was done with regard to the cessation of a service, or the closure of any railway line, we wanted to be in a position to judge just what the Government was going to do for the people concerned in the areas where the services were to be suspended.

Unfortunately we have been told no more this time than we were when the previous motion was introduced by the Minister. Mr. Heenan made great play of the fact that the goldmining industry was going to be in dire straits if it were faced with any further increases in rail freights. He pointed out at some length what it meant to the goldmining industry to have rail freights remain as they were, and that even though they were a burden

at the moment, they could carry on; whereas if further increases were made, the mining industry would be very badly hit indeed.

I can recall, as was pointed out by Mr. Logan in an interjection, that some four years ago, and again last year, the hon. member made great mention of the fact that the people in the areas with which he is concerned, hoped that the railway line would not have to be pulled up. Tonight, however, he is prepared to give the Government the right to cease running the railway, and he appears to have every confidence that the Government will keep its word in every respect. I take the view, in common with a number of other members who have spoken, that once the services provided by railway lines have ceased for any length of time—and one cannot expect any results or determination to be made under a period of at least two years—that at the end of that time, the railway would virtually not be fit for use. As I pointed out, it would take at least two years to see whether it was right to close a line or not. In view of that, I am surprised to hear Mr. Heenan say what he has tonight. In 1954 the hon. member said, among other things—

Members may recall that only last year, or the year before, strong rumours were current that the railway line from Leonora to Laverton was to be pulled up, and that the same was to be done with the railway line from Meekatharra to Wiluna. I think I am right in saying that those were the recommendations of the Royal Commission. What has happened at Laverton and is about to happen at Menzies, helps to illustrate the argument that goldfields members used at the time. We have to be very careful about pulling up railway lines. One year mining towns may seem to go completely out of existence, and the following year they revive, with a consequent revival in the district.

So at that time Mr. Heenan was very disturbed about the closure of that railway. The following year he said—

Another decision which was made by the Government and which is deserving of commendation was to refrain from pulling up the railway lines to Wiluna and Laverton. Both of those districts are still on the map, and although their populations have dwindled a good deal, there is every possibility that they will survive. Without railway communication, however, there would have been no hope for them. I am grateful to members of this House who some time ago assisted me in carrying a motion urging the Government to allow those two lines to remain. We can look back on our action at that time and feel that we have been fully vindicated.

Accordingly I feel the hon. member is rather turning turtle by condoning the action of the Government in its proposed closure of this line. I do not want to dwell at any length on that particular closure; I know the country well, however, and have travelled over it. There is a stretch of about 20 miles which would be of no use whatever, so far as the road was concerned, if a flood really came down. Although the engineers may have the technical skill necessary to build an all-weather road, I venture to suggest that not enough money could be made available for the purpose. While there was flooding, with consequent damage to the road, it would be most difficult to run vehicles over it for any length of time. It would not be practicable to build an all-weather road for this purpose. On the other hand, a railway suffers little damage; and even though some washaways occur, rail services can be restored quickly.

Hon. G. Bennetts: Do you say our road engineers would be incompetent?

Hon. A. R. JONES: I do not. And if that is what the hon. member thought I said, he had better go to sleep again. The overall picture, as I see it, is one that all of us must view very seriously, because we have the spectacle of the railways costing us so much money, and cognisance must be taken of that aspect. The Government must also view the matter with great concern. I venture to say, however, that the Government is not adopting the right methods in tackling the problem, because when Western Australia began its career as part of this great Commonwealth of Australia, the object was to encourage mining and agricultural activities.

The only way to do this was to provide railway services for the people of the areas concerned, to encourage them to settle in the outback. One of those districts is Laverton, which is 600 miles from here; it has enjoyed this railway service for a great number of years, as have other places in the wheatbelt area. To me it seems wrong to cut the arm between the hand and shoulder and leave those places without rail communication, as this would mean the people concerned would consider themselves a forgotten race; and it would not encourage further development in those areas.

Many of the spur lines referred to in Appendix "B" have the capacity to produce twice as much as they are doing now, and in some instances even more than twice. Some of the lines are carrying a tremendous amount of freight; so why should the discontinuance of service be contemplated? That would be tantamount to the pulling up of the lines; because once a line is left for two or three years, it becomes useless. It is suggested that the material will be used on other lines, so virtually it becomes a matter of suspending the services completely. If the material is not used on

other lines, it will become useless in a short time. Therefore, the centres affected will not be connected by railway services again.

Every possible step should be taken to see that the promise made to the people in those areas where the railway service is to be discontinued or the line pulled up, that they would be served by a railway line, is kept. When the Government was not able to fulfil the promise to build a line between the Eastern Goldfields line and the Goomalling-Wyalkatchem-Bencubbin line, it shouldered the cost of erecting wheat silos in four or five places and it has subsidised the carting of wheat from that area ever since. Any retraction of that pledge will defeat the object to develop and improve the State.

It has been suggested that 800-odd miles be included in the first move for discontinuance of service, and then another 1,300-odd miles in the second move. If that does take place, we will find that wheat, one of the major commodities transported by the railway system, will have to be carted over a longer distance than at present. In one line included in the next group for discontinuance, the result would be that wheat from the Clackline-Miling extension would have to be carted to the Midland railway line or to the Wongan Hills line, 20 to 25 miles distant, and then carted on the average 20 to 30 miles further by rail. That would be the position in many instances. I cannot see where any economy would be effected. I have figures to prove that, with the exception of one line, the cost would be greater.

I have some figures here taken out by Co-operative Bulk Handling Ltd. which no doubt is very worried about what is contemplated in the motion. It has not even been consulted, although it is compelled by law to attend to the receipt and delivery of all wheat in this State. Referring to the country around the Burakin railhead, the freight from Bonnie Rock is 16.861d. and the mileage to the railhead if the service is discontinued will be 76. The cost by road to railhead will be 12.294d., and from railhead to port 13.99d., or a total of road and rail costs of 26d. So in regard to Bonnie Rock there will be an increase of from 16.5d. to 26.5d.

Looking at the figures of delivery of wheat to Bonnie Rock in the year 1955-56, it was 76,000 bushels; the year before, 32,000 bushels; and the year before, 49,000 bushels. At the next siding of Wiakli, the figure of last year's production was 224,000 bushels; and the year before that, 114,000 bushels. At Dalgouring the figure last year was 84,000 bushels, the year before that 41,000 bushels, and the year before 28,000 bushels. In the case of Beacon, the figure last year was 227,000 bushels. I have all the figures here and they represent in the aggregate a substantial amount of wheat carted by the railways. The seven sidings which will be



affected by the closure of this branch line had a total of 4,158,172 bushels of wheat last year for the whole area.

The Minister for Railways: One million-odd bushels.

Hon. A. R. JONES: The figure should be 1,061,117 bushels. Bonnie Rock averaged over the last two years 40,000 bushels; and Wiakli, over the last five years, 133,000 bushels. The average total haulage was 633,000 bushels, and last year, which was the peak year, the total was 1,061,017 bushels. Dividing the number of bushels by 37 would give the tonnage of wheat for that line, and it is a substantial tonnage. When fuel, super-phosphate and other requisites for the farms, which make up the rail freight, are added to that tonnage, one can imagine the substantial amount of freight carried on that line.

I cannot understand why any Government would seek to discontinue the service on that line. As I said previously, if the Government were to do such a thing, it would sound a death knell for the settlers not only in that district, but in those adjacent to the other lines included in the motion. Many will consider that they are being neglected and that the pledge made to encourage them to settle in those areas is not to be honoured by this or succeeding Governments.

For my part, I have been one who has criticised the railways—their management and everything else. I have done so in the hope that the Minister for Railways would look into matters and try to have something done to overcome the position as we find it today—a position which has been growing alarmingly over the past few years. The railways have made £1,000,000 greater loss every year. I have suggested that some business firm such as Scott of Sydney, or a firm from America, should be asked to investigate the railways and point out just where the shortcomings are and what methods will be required to overcome the terrific losses and maladministration which we know occur.

I feel that before any service is done away with or any line is pulled up, a committee should be set up which would visit the affected areas. In the instance of Laverton or Bonnie Rock or anywhere else, I believe that committee should go to those areas armed with all the tonnages of freights and all information possible in order to have a discussion with the people, in conjunction with the Main Roads Department, because that department will be responsible for roads. After consultation with all parties and all being willing for something to be done and a trial undertaken, then only should a rail service be disbanded or discontinued. However, at the present time, none of these people affected have had an opportunity of expressing an opinion. Surely before we take

away a State instrumentality to which the people have contributed by way of taxes and freights, they should be entitled to state what form of transport they require.

In some instances it may be possible to give a road transport service where rail transport exists; but surely it is the duty of the Government to take the people into its confidence and explain why it intends to close a line and hear the people's objections. If it is possible to give the answers and all parties are agreed, something could be tried, but to do it without their permission would be absolutely wrong.

I do not wish to say anything further as other members have covered the situation. I think Mr. Logan gave a very good coverage indeed and delivered a good address to this Chamber. Other members have also pointed out different pros and cons. I am sorry Mr. Heenan was not here when I read his speeches from Hansard of 1954 and 1955, because I feel he was unfair in his remarks and has really changed his opinion inside 12 months.

The PRESIDENT: Order! I do not think the hon. member need go over that because the hon. member was out of the Chamber. It is needless repetition at this stage of the debate.

Hon. A. R. JONES: Do you rule, Sir, that I am out of order?

The PRESIDENT: No, the hon. member is not out of order.

Hon. A. R. JONES: Then I claim my right to say what I wish to say. I do not want the hon. member to take up Hansard and find I had offered a criticism.

The PRESIDENT: I rule this is needless repetition, Mr. Jones.

Hon. A. R. JONES: Mr. President, I bow to your ruling and hope that the hon. member will read Hansard and understand the reason I wanted him to peruse it.

I am definitely going to oppose, at this juncture, the closing of any services, and will always oppose the pulling up of any railway because I believe if we are going to advance further with this great country of ours, we have to build more railways. Mr. Heenan said that the building of a railway from Ravensthorpe to Esperance has never been suggested. I have suggested before that a railway be built from Albany to Ravensthorpe and to Esperance to serve that area; because without it, the district will never be developed to its fullest extent.

Personally, I am not suggesting the Government should build it or run it because it has ample on its plate at the moment. However, surely some people with sufficient capital—the same as the Midland Railway Co. many years ago—could be interested by offering tracts of land. I do not necessarily mean all the land but

tracts of land where they would be prepared to establish a service and the traffic would be thick and heavy from one end to another.

Not only would it take care of copper ores from Ravensthorpe but it would also cater for the super works which might be built at Esperance. It would also take care of the pyrites from the two super works, one at Albany and one to be set up at Esperance. Rather than talk about closing lines, I would suggest opening up more lines—of course, in places where they would definitely pay by way of development. If they were run on economic lines I believe our railways, while they might not pay all the running costs and interest on sinking fund, could be brought to the position where they would give a service which they do not give at the present time and would at least be able to pay running expenses.

If that position came about, we would all be happy in the belief generally that we have to put up with some loss on the railways until some areas of this State are fully developed and the railways pay their way. However, in the developmental stages we cannot expect it. I oppose the motion.

**HON. N. E. BAXTER** (Central) [2.28 a.m.]: In considering this motion we must look at it as it has been returned to this Chamber from another place. We find that part of the motion is still as it was originally proposed in this Chamber—

**Hon. E. M. Davies:** Get on with the business.

**Hon. N. E. BAXTER:**—but attached to it—and despite the interjection by the hon. member—are a few almost irresponsible amendments. That is not quite the word I should use, but they are amendments which mean nothing. When we compare them with the motion as it went from this House to another place, we find there is quite a large discrepancy. The motion which went from here provided that the Government should give some assurance of alternative transport, but when the motion reached another place apparently that amendment was scrubbed from the notice paper and the original motion submitted. Finally, it came back to this Chamber in its present form.

I sympathise with the present Minister for Railways. He has only taken over the department in the last few months, yet he has had foisted on to him the proposal to discontinue or cease to operate 842 miles of our railways, with the possible discontinuance of some 2,000-odd miles of line. When we look at the railway lines that it is proposed to discontinue we find that the Meekatharra-Wiluna line is mentioned. This line was put down in 1926, 1927 or 1928 for the benefit of the Wiluna Goldmines. It was not a particularly costly line to construct at the time.

The Cue to Big Bell line is another mining line, and the Malcolm to Laverton line is on much the same basis.

The Geraldton to Ajana line was definitely established for the furtherance of primary production and so was the Wokarina to Yuna line. The Burakin-Bonnie Rock line was constructed in connection with the 3,000-farm scheme. The finance for it, I understand, came largely from the British Government. It served an area where the settlers went in with a tent and an axe, about 1927. They carved a living out of that country and some of them are there today. They have made a huge success of the holdings they took up. The understanding in that area was that they should have a railway, yet today it is proposed that the line shall be discontinued.

The Mukinbudin to Lake Brown line is certainly out in what was called a marginal area. This line then continues from Lake Brown to Bullfinch and from Bullfinch to Southern Cross. These areas were all considered in the past to be marginal areas, but they are primary producing areas and they are producing the wealth of the State in spite of what anyone may think.

We find reference also to the lower parts of the State—to the Boddington-Narrogin line; the Busselton-Margaret River line; the Margaret River-Flinders Bay line; and the Elleker-Nornalup line. These are the lines, in addition to the Katanning-Pingrup and Gnowangerup-Ongerup lines, which the Government proposes to close. After all, these lines have served the purpose of opening up the State. That is why they were originally put down. Not only have they served that purpose but, by opening up that country, they have enabled the Government to recover from the settlers the money for the land which it sold to them, as well as the return from the produce that has come off it. But these aspects are entirely discounted; they do not receive any consideration when these projects are being dealt with.

I have with me the interim report of a committee appointed to examine the proposed closure of railways in 1954. This committee considered the lines and made certain recommendations. But apparently the Government was not satisfied with those recommendations, so it appointed another interdepartmental committee in 1955 to investigate the problem. The first committee was rather a small one consisting of only three members, but the second committee comprised quite a number of our leading civil servants.

**The Minister for Railways:** You have them round about; that is No. 1.

**Hon. N. E. BAXTER:** It consisted of Mr. Young, Director of Works, as chairman; Mr. Barry, State Housing Commissioner; Mr. Gregson, General Manager, State

Saw Mills; Mr. Hall, Commissioner of Railways; Mr. Harris, Conservator of Forests; Mr. Howard, Chairman, W. A. State Transport Board; Mr. Leach, Commissioner of Main Roads; Mr. McKenna, Treasury Department; Mr. Wild, Department of Agriculture; and Mr. Wilson, Department of Supply and Shipping. I would say that this was a pretty comprehensive committee. There are some revealing factors in its report.

The Chief Secretary: We have all read it.

Hon. N. E. BAXTER: There are, perhaps, a few factors that have escaped the memory not only of the Chief Secretary but of other members of the Chamber. The first recommendations made in this report were for the closure of the Meekatharra-Wiluna, Cue-Big Bell and Malcolm-Laverton lines, and that consideration should be given by the Transport Board to the other non-paying lines with a view to closure.

Apart from the recommendation for the closure of certain lines, the report contains some revealing facts, and some of them concern the administration and the costs of our railways. We have heard quite a lot about the costs of the railways, and in this connection I turn back to the interim report of 1956, which states—

Of recent years there has been a steady increase in the costs of operation of the railways which has thrown a severe strain on the finances of the State, and has been a source of serious concern to Government, Treasury, the Railways Commission and the public. Recently the Commissioner of Railways submitted a report to the hon. Minister in which the reasons for rising costs of operation since 1949 were very fully discussed.

We turn over further and we find that the report contains particular reference to the costs involved in one section—the Midland workshops. This portion refers to the increased number of employees in the Midland workshops and the necessity for the repair of railway wagons. It appears from the report that years ago more work was done by less staff than has been the case since 1949, and the same applies to drivers and firemen. The report states that a driver required 20 to 25 years' experience, but that does not apply now. If a driver needed 25 years' experience as a fireman before qualifying as a driver, he would be a pretty poor specimen and no Australian, as the average Australian has sufficient initiative to pick up such a job within a few years. Apparently, owing to seniority, a man had to fire an engine for 20 years in those days before becoming a driver. I hope the system has altered since then.

I do not think it would take many years nowadays for a man to qualify as a driver, either steam or diesel. I understand that

when the Crossley diesels were imported, it took the drivers quite a while to learn how to handle them although an engineer was sent out from England to instruct them. Apparently a few were slow to pick up the work and I understand that that applies still, to some extent. This State has depended for its development on our railway system and it is only in the last 20 years that road transport has been able effectively to handle heavy freight. I do not think that, even today, road transport could efficiently and economically carry the freight of the State.

When we examine a plan of our railway system—which I have in front of me—we see the vast area it covers and realise how hard it would be to expect road transport to handle all the freight of this State. The Government at present proposes to discontinue certain lines and provide road transport in their stead, both as regards goods and transport. Much has been said this evening about the provision of all-weather roads in place of railways. I believe the interpretation of an all-weather road by the Main Roads Department is not necessarily a sealed or bitumen road. In certain areas it means a road cleared and formed from the natural soil; in other areas a road formed and gravelled; and, yet again, it may be a sealed bitumen road.

On examining the plan we find that the Government proposes that the Geraldton-Ajana section will have a bitumen road, as will also the Wokarina to Yuna section, portion of which is a sealed road. In the southern part of the State the section from Busselton to Augusta was, the last time I saw it, a sealed road, as was a good portion of the road from Elleker to Nornalup. In the Great Southern we have the Gnowangerup-Ongerup section, the Brookton-Corrigin-rd. and the Mukinbudin-Bullfinch-rd. There the Government proposes that the roads shall be, as they are now, cleared and gravelled. The Burakin-Bonnie Rock section is to be formed only and the Meekatharra-Wiluna and Cue-Big Bell sections are also to be natural formation.

No one can convince me that roads of natural formation will carry heavy traffic for more than two or three months. We saw an example of that a couple of years ago during the railway strike, when even the bitumen roads were chopped to pieces. The Hume Highway in the Eastern States is an apt illustration of what happens to an excellent bitumen road under the impact of sustained heavy traffic. It is ridiculous to think that the roads proposed by the Government will stand up to what is going to be asked of them.

If the Government were to agree to seal the roads the cost would be about £12,000 per mile or only £3,000 less than the estimated cost of rehabilitating the railways. In addition, the maintenance

of the bitumen roads would involve a considerable sum, bringing the figure to the equivalent of what would need to be spent on the existing railway tracks.

I do not think we would gain anything at all. At the same time we are saying to the people who have gone into those areas, "We are taking away from you the railways which were put there when you purchased this land and instead we are supplying you with a road transport system at a very doubtful cost." Quite favourable tenders may be obtained today; but what will happen in a year or two? Once the road transport people get a grip and get their contracts, they will have the matter in their own hands, and I am not prepared to throw my people to the individual who will say, "I will cart your goods for 5d. per ton mile today but tomorrow it will cost you 1s. 6d." That is what can develop.

The Minister for Railways: It has not worked out like that in the North-West.

Hon. N. E. BAXTER: That may be so, but the Minister knows it could work out like that in the future.

The Minister for Railways: No.

Hon. N. E. BAXTER: I said earlier that I would deal with one particular section of the line which it is proposed to close; and this line is in my province. I refer to the section from Burakin to Bonnie Rock. The land along this line was developed in about 1928; it was developed by settlers who went there with only axes and a few £'s to go on with. The line was financed by the Imperial Government of Great Britain under the 3,000 farms scheme. Because of the depression, things did not turn out too well; but since the last war, practically every bit of the country has been taken up again. The settlers who stayed there are today in a happy position, and I do not suppose there are any farmers in this State who are better off. They do not owe any money on their properties, they have all the amenities they require and, in addition, they have money in the bank; and I know nearly all of them along that line.

Since the war a number of new settlers have gone out to this area and have taken up abandoned properties, until today I do not think it is possible to obtain a property. People have gone there knowing that they could depend on the railway line which was already there. It would cart their produce and their super. They are not the people who the Minister said cart their stock by road, because it is too expensive. Those in the inner areas, as far out as Wyalkatchem, Bruce Rock and Brookton cart their stock by road to Midland Junction and Robbs Jetty. But beyond that perimeter, the majority of people—I would say with few exceptions—cart their stock by rail. It is too expensive for them to cart by road transport, even if they had their own trucks.

After all, most of the stock they send down are culls and so there is no necessity for them, even if it were less expensive, to cart by road.

Most of the farmers in the inner areas, who are growing fat lambs and fat stock, cart by road to Midland Junction or Robbs Jetty. So it would be an imposition on the people to whom I have referred to close these lines. I would say that in most cases the people in the areas concerned use these lines which it is proposed to close much more than they do in the inner areas. We must remember, too, that once we take the traffic from these lines, it is lost to the railway system and that would have an effect on lines closer to the metropolitan area. Naturally, the freight which accumulates from what one might call the outer radius would make a big difference to the payable sections of the system. I think the Minister realises that.

Let us go further into the system and discuss a line that neither the interim committee nor the committee set up to inquire into the railways of Western Australia proposes to close; and I refer to the Coolgardie-Esperance line. I do not think that by any stretch of the imagination one could say that line pays its way.

The PRESIDENT: Order! Is the hon. member bringing this matter in as a comparison?

Hon. N. E. BAXTER: Yes.

The PRESIDENT: I hope the hon. member will keep on the track because the resolution before us mentions nothing about that line.

Hon. N. E. BAXTER: I am bringing it in for the sake of comparison.

The PRESIDENT: I will keep the hon. member on the track.

Hon. N. E. BAXTER: By no stretch of the imagination could one say that the Coolgardie-Esperance line pays.

Hon. G. Bennetts: That would be a payable line—equal to any other line.

Hon. N. E. BAXTER: I disagree with the hon. member, particularly when one realises the distance and the undeveloped country in that area as compared with a section such as Burakin to Bonnie Rock. That is my comparison. It shows how ridiculous it would be to close the Bonnie Rock-Burakin section. This serves well-developed country and the rest of that area is in process of development and will contribute quite a bit to the export trade of this State.

It is rather strange that when the motion went from this Chamber to another place, almost similar ideas occurred to the people in the area to which I have referred. Without any prompting, or in reply to any

correspondence, I received a letter from the Beacon branch of the Farmers' Union which reads—

On behalf of all the residents along the Burakin-Bonnie Rock railway line, I herewith protest to the Government against its move to close this section of the railway line. Before any move by the Government to close this line, consideration should be given to the following:—

- (1) Before services be suspended, the public be notified by open statement the alternatives and the cost incurred.
- (2) In the event of any road transport alternative to railway services, we as rate-payers demand that the Government meet full capital and maintenance costs of all-weather roads where necessary.
- (3) Discontinue overtime by railway gangs along the line.

A rider to this letter states—

It was recommended by the District Inspector and the District Engineer that the speed of the train be increased. This was refused as they reckoned it would be too expensive to increase the speed of the train.

On that section of the line, during the last few years, one-third of the sleepers have been renewed and at present they are still renewing sleepers and also carting a lot of sleepers to the district to recondition the line. Yet, in spite of that expenditure it is proposed to close that line. If the Government intends to do that, why should it continue to spend money on the renewal of sleepers and the cartage of them to that spot? From this letter it is obvious that the district inspector recommended that the speed of the train be increased, which possibly would mean the payment of less overtime and a reduction of running cost on that line.

The ultimate result, however, is that there is no increase in the speed of the engine running on that line and the overhead costs are increased because overtime continues to be paid to the engine crew. If this is the type of thing that is going to continue all over the State, can anyone wonder why economies cannot be effected within the railway system? I do not think the Minister can justify the closure of these lines until such time as he can prove to us that economies are being practised.

**HON. J. D. TEAHAN** (North-East) [3.2 a.m.]: The Government needed plenty of courage to introduce a motion such as this, because it is not a popular move. However, a Government that is seeking only popularity is one that has no place in this State. I think the proposal of the Government, as

set out in this motion, will place our economy on an even keel. It is better that it should do this than to seek to do those things that would bring popularity upon itself.

A proposal to close railway lines is not entirely new. In other areas previous Governments have closed the Meekatharra-Peak Hill railway of 100 miles; the Ravens-thorpe railway of about 30 to 40 miles; the Marble Bar-Port Hedland line of about 100 miles; and, earlier than that, the railway serving Kanowna. A more recent closure was the line running from Mt. Magnet to Sandstone of about 100 miles in length, the Minister for Railways at that time being Mr. Seward, who was a member of a Government which did not support the Labour Party.

Unfortunately, Mr. Jones is not now present in the Chamber, but I would like to point out that rather than castigate Mr. Heenan for his action, he should have congratulated him. At that time it was also proposed to close the Meekatharra-Wiluna and the Malcolm-Laverton line. For their retention no one put up a stronger case than the Labour members who represented that area, and Mr. Heenan in particular put up a very vigorous defence. There is no doubt that all those members did a very good job.

Within the last fortnight I have been on no fewer than four deputations to the Minister for Railways to deal with the proposed closure of two lines in our area. On each occasion the Minister told us that no railway line will cease to operate so long as there is any hope of an improvement in the traffic offering and such has been promised at least from one mining centre, which is Laverton. One mining man has given an undertaking that a goldmine that was closed two or three years ago will shortly reopen, and it will employ a fairly large number of men.

It was said by the Minister that if this does eventuate the railway serving that centre will not be closed. The Minister, I think, has also learned quite a few other details about that district which will influence him to keep the line open, because I am sure he will have learnt that the cost of building a road in that district will be out of all proportion to what will be gained by the closure of the railway. I feel certain therefore that that which we have been disturbed about recently will not come to pass.

There has been an impression voiced abroad also that if this motion is carried, then, on the Monday following, there will be persons directed to pull up the line. I am sure, however, that such a thing will not occur. A decision to discontinue the services of a particular line is an entirely different thing from a decision to pull up the rails.

It is the aim of the Government to ensure that alternative transport services will operate before any railway line is

discontinued. There are 10 or 12 branch lines mentioned in Appendix "B," and I venture to say that some of those lines were put down in the days when the best transport available was provided by the horse. Had our present fast, modern road transport been in existence, I feel sure that those lines would never have been constructed to serve those centres.

It is very noticeable that some members who are putting up a case in favour of the continuance of these rail services have been those who have not altogether been loyal to the railways. It has been suggested that their own freights have been transported by road, whereas they would have been better served by rail. I consider that one of the main reasons why the railways are not paying today is the issue of an excessive number of road permits.

How often do we see large road transport vehicles operating on a route running parallel to the railway line? In fact, we now witness happenings which are even worse than that. I have often seen road trucks being carried by train from Port Pirie to Kalgoorlie. On arrival at that centre they are taken off the rail trucks and make their way by road to Perth under their own power. These trucks can carry anything from 12 to 20 tons. On the return journey they are loaded on to the rail trucks at Kalgoorlie again and transported back to Port Pirie.

That is not fair to the railways, and I am sure it is something which is practised without the Minister's knowledge. In the metropolitan area, also, we have seen buses pulling up outside a railway station on the road which is running parallel to the railway line. This occurs at the Karrakatta and Rivervale stations. We cannot have rail and road services running side by side in that way. The competition that has been put against the railways has been unfair and excessive.

The tramways suffer similar unfair competition. Often I wait at various corners of Hay-st. for a tram to take me to Subiaco. On many occasions a crowd has gathered; but before the tram arrives, a taxi approaches and very often picks up the people who are waiting at the corner. As a result, the tramways lose that revenue. Therefore, although the Government has been forced to do things which are not popular, it has reached that stage in regard to its railways where something must be done if the Government is to do the right thing.

I think Mr. Mattiske said that from the knowledge he had it was unlikely that the Laverton line would be closed. From the knowledge I have, I feel certain he is right. It has also been said that the men on the railways are perhaps not giving the service they should. Each week I travel to and from Kalgoorlie, and I come into close contact with the men;

and I must say that the service we all get cannot be improved upon. It may be pointed out that they know who I am; but I have eyes to see and ears to hear; and I must say that I have been more than pleased to see the service given by these men, particularly to the aged and others who might need it.

To illustrate the service I saw given on one occasion by an engine driver, I would point out that while we were pulling into a siding between Southern Cross and Kalgoorlie, the engine driver noticed that some little children were waiting to board a train, along with their mother. Normally he would have pulled the train up at the siding, which would have meant the woman having to walk some distance to board it. On this occasion, however, he stopped the train right opposite her, and all that it was necessary for the woman to do was to step into the carriage. I think that shows that the men are interested in their job and that they are prepared to give a service.

On several occasions I have watched the gangs working along the Leonora line—they have not known who I was—and I must say they seemed to attend to the section of the line for which they are responsible in a manner which suggested that they owned the railway, and that they were anxious to see the job done well. It is wrong to say that they are not interested in their work.

In the matter of overtime I would like to point out that most of our trips from Kalgoorlie down to Perth are completed on time; and this I think will indicate that the crew does not look for overtime payments. More often than not the same occurs on the way back to Kalgoorlie from Perth. That does not suggest that there is a don't-care attitude adopted by the men; I would say rather that the reverse is the case. The Government should be commended for endeavouring to do something which is courageous, even though it is unpopular.

**HON. G. BENNETTS** (South-East) [3.14 a.m.]: I am going to occupy a fair amount of time so I hope members will not go to sleep. I am very perturbed about the proposed discontinuance of the railways. I saw the Goldfields line opened at Kalgoorlie in June, 1897. Later on it continued up to the north line. I can also recall the occasion when the Lancefield Mine closed down. It was a great gold producer and heavy traffic used that line. It is bad luck that recently valuable machinery should have been sold from that mine and taken away to other parts of Australia. Had that machinery been left there, a large mining area would have remained and a great number of men would be employed in that district.

That country has never been prospected as it should have been. As a prospector of Kalgoorlie, I have often discussed these

things with other prospectors, and the point is made that not enough money is spent in encouraging prospectors to go to those remote areas. None of us likes to see lines pulled up, particularly if there is a possibility of developing the outback districts by their retention.

I support the discontinuance of the railways, however, for three different reasons. Even though traffic will be discontinued on these lines, they are still to be left in those areas. On the particular line in which I am interested, I understand there is to be a reduced service—perhaps a diesel could be run with one coach and other loading attached. I support the remarks of the Minister and would point out that an inquiry is being made to find ways and means of reducing and improving the administration and staff which may help to reduce the cost of running the railways. The Minister assured the House that there would be no reduction in staff.

The PRESIDENT: Order; Will the hon. member please resume his seat. There is not a quorum present and the bells must be rung.

Bells rung and a quorum formed.

Hon. G. BENNETTS: I am not frightened to criticise the administration of the railways; but in doing so, I do not mean to cast any reflection on the character or ability of the departmental heads. I criticise that aspect of the railways because I think it is over-administered. Prior to 1948 we had a single commissioner, Mr. Ellis, who not only ran the railways but also the ferries, tramways and electricity departments. He administered these departments during the worst period in the history of the railways, which was during and after the war; nor was he provided with any money to help him in his task. When the three commissioners were appointed they had everything they required. They had plenty of cash, and they spent a good bit to bring the railways up to a certain standard.

In addition to having three commissioners, however, each section of the railways seems to have three of everything else, from the secretaries right down in the various departments that sprang up. Previously the accounts branch and everything else was under one head; but now they have grown, and are separate entities. In my own district we previously had one loco foreman, but now there are five.

As I said in my Address-in-reply speech, there should be an investigation into ways and means of reducing the administrative staff in an endeavour to place the railways on a proper business footing. The railwaymen we have in this State are as efficient as any that can be found in Australia. If an Australian is appointed to inquire into the railway system, he will not go against his fellow railwaymen in this country. Therefore I suggest that we

should follow the lead of the Eastern States by appointing an officer from America. The cost would not be greater than £5,000. It would pay the department to dispense with two of the commissioners by paying them off.

Reference was made by Mr. Teahan to the engine drivers' union and the same information was given to me verbally. I got in touch with the Minister for Railways on the matter, which concerns the Commonwealth railways issuing a special concession rate for interstate transport. The high freight goods were loaded fully on flat tops to Kalgoorlie, and from there were brought down by road. The reason for that was the failure of the Commonwealth railways to get any satisfaction from the railways in this State in regard to the bulk-loading system. The committee sent by the Commonwealth railways to this State to inquire into that matter did not even get a hearing.

About a couple of months after that, the commissioner of the Commonwealth railways came over personally. I met him and he told me that he had approached the Railway Department, but he could not come to any terms with it, and the officers were even rude to him. I saw the Minister for Railways and told him that Mr. Hannaberry, the commissioner, was over here and suggested that contact be made with him. Mr. Hannaberry might have been justified in being a little hot under the collar because, in proposing a system which could be worked in this State and so improve the railway system, he could not get a hearing.

That happened about 12 months ago. A few weeks ago I received a letter from my son, who is a station master in Canberra. He said he had been requested by the Commonwealth railways to go to Sydney to look into the system of bulk loading.

The PRESIDENT: I must ask the hon. member to discuss the motion and not the railways in Canberra.

Hon. G. BENNETTS: I am trying to introduce something into this State which would reduce the cost of administering the Railway Department and put it on a better business basis.

The PRESIDENT: The hon. member should make his reports short.

Hon. G. BENNETTS: The cost of operating the railways here is terrific. I do not suppose any member in this House is able to work out the freight from the schedule of charges. Every State has a different rate. If the bulk system were adopted the rate could be fixed at a certain figure per ton. In that way all the classifications and restrictions as to minimum loads could be dispensed with. My son said he did not think that such a

system could be worked at so little cost—one-fifth of the present cost. Officers are specially trained to work out the freight rates, and there is a tremendous amount of work involved.

One of the commissioners was a member of the committee appointed to inquire into the railway system and to make recommendations. In my view an employee of the railways should also have been included. A great saving could be effected in the railway refreshment depot at Welshpool. When Mr. Gorman was running it, he had the assistance of only two others in the administration, but today there are many more. No wonder the dining-cars and the refreshment rooms are not paying their way!

Today one person is in charge of the State Saw Mills and the State Brick Works, but there are three commissioners looking after the railways. I consider that a change in the set-up should be made in this regard. Since the three commissioners have been appointed, a welfare officer has been engaged by the department. Her complaint is that the department has not the money to carry out any proposals she submits. She travels along the lines and receives large expenses. Her job is to go among the womenfolk in the outback to see what is required.

I have heard it said that the railway department is like a huge tree with some dead branches which ought to be cut away. They represent the lines included in this motion. I say those branches have died because too many pigeons were hanging on them; if we were to cut off the dead branches the pigeons would lob on to the other branches and also kill them. In the end, none of the branches would be left.

The loss in respect of metropolitan traffic was £1,544,000. The loss on the lines proposed to be discontinued was £543,435. Another reason for my support of this motion is that the State will have to find £10,000,000 to put the track in order.

Hon. L. C. Diver: Over what period?

Hon. G. BENNETTS: The cost of a sleeper is 13s. 6d. and the cost of laying it is 16s. 6d.; so for every sleeper that is replaced, the cost is 30s. There are about 2,125 sleepers to a mile of road, so the huge cost for resleepering can be worked out. Then there is the cost for ballasting and the building of banks, foundations and culverts. Half of the 45lb. rails have been there a number of years and have deteriorated. They will not be able to carry the loads which it is anticipated will be required to bring in a decent profit to the railways.

One member made reference to what was an engine load. It all depends on the class of engine, the grades on the road, and the class of road. It would be hard to say unless one knew the condition of

the road and the grade. I have mentioned in this House previously the condition of the diesels. It would be better to give them back to the contractor and tell him they are no good. Then we would be doing a good job. I have just been throughout my district and contacted many men driving these engines. Coming down the other day, a diesel became defective and a phone call was put through to the loco foreman in Kalgoorlie.

It appears to me that each of the loco foremen wants to get the diesels into another section and out of his own. The engine driver was informed he had to go on, despite the condition of his engine, and after a few miles it was a total failure. I think it is at Mercedin now. We did make a mistake in purchasing these engines, which are giving the railways a lot of trouble today. It would have been better had we put in half a dozen and given them a trial instead of rushing in and getting the lot.

I have spoken before about the machines in the accounts branch. I have said they were not doing the job required of them. I have weekly notice No. 46 here, and on the back of it there are over 100 names of people with unclaimed wages. It says that the people whose names appear on the back of the weekly notice are to make application for the amount of wages waiting to be claimed.

Hon. J. G. Hislop: How long ago? You have referred to that previously.

Hon. G. BENNETTS: It is dated the 24th November. Application has to be made on the appropriate form to claim for the wages and the applicant must state the amount. I suppose hardly any of these people would know the amount, which is hard to work out because of penalty rates and overtime. There are about 150 names of people who have wages to be claimed.

On the same weekly notice one of the commissioners came out with a scheme that instead of putting a pay office in Kalgoorlie and paying the men there, it should come from Perth. He asks that men make up their time sheets, and in the first week they include overtime. In the second week they put in the rostered time and anticipated time they will get according to the roster. These men are drivers, guards and firemen. It does not affect a fettler because he is on an ordinary weekly pay.

The others have to work out the return with the anticipated amount to be earned. If they run into overtime they do not get it. It goes into the accounts department and is held until the men retire from the service or die and their people get the money. The men are hostile. They held a meeting in Kalgoorlie on Sunday morning to protest about this matter, and there is likely to be a spot of bother if it is carried out. These things, and the red tape which goes on, are causing trouble



among the staff and do not give the workers incentive to take an interest in their jobs.

One member tonight mentioned that the commissioners were imported into the State. At the time I kicked up a fuss because there has to be promotion for men to take an interest and give good service. When men are brought in from other countries they have to be taught, and the men here have to teach them. Who has done the greatest work for the railways? I would say it is Bill Brodie, the Chief Traffic Manager, who is probably the most efficient man in the State. Wheat has never been handled better than this year.

Hon. R. F. Hutchison: What has this to do with the closing of the lines?

Hon. G. BENNETTS: It has to do with the efficiency of the railways. With the way the diesels are breaking down, we will find it is necessary to introduce steam in regard to goods. The railways have a good engine in the "W" class; but with a load of 360 tons, the life of these engines will be considerably reduced. We had wonderful engines in the "P" and "PR" classes; and if the railways had kept to them, there would be very little trouble in the system.

We have a research and investigation department which could be scrapped. I heard one member speak about the railwaymen. I came down yesterday and the railway gangs were very efficient. It is heavy work, especially fettling, particularly in the summer, as hot rails have to be handled. It is heavy work; and unless a member here had to do it, he would not know what was happening.

What has the Railways Commission done with regard to the bunk-houses? These buildings have cost £1,200 each, and they are made of rough timber and are unlined. They are three-roomed places with only a shower and no bath. There are no flywire doors or windows.

Hon. R. F. Hutchison: What has this to do with the discontinuance of certain lines?

Hon. G. BENNETTS: This deals with costs; and because of waste of money, we have to lose these lines. The Bullfinch line in my district is to be discontinued. I understand that it will be taken over by someone else and will not go to waste. The mining company at Bullfinch has spent a million pounds there and I would hate to see it left without a railway. Bullfinch is only 22 miles from Southern Cross and is connected by a good bitumen road. I take it the Minister will agree to a good bus service for that town.

A lot of the railway losses occur because of concessions, such as those granted in respect to wheat and super, and those that apply to school children and others. Members of Parliament travel free, too. The railways were put down to develop the State. They are a public utility. The

only time this railway ever paid was when it was being constructed from Southern Cross to Coolgardie. I do not think the Minister can tell me of one railway in this State, or throughout Australia or in any part of the world, that has ever paid.

Hon. J. G. Hislop: Why are you supporting the proposal?

Hon. G. BENNETTS: If the money is not spent to build up these lines so that they are safe, how can we carry on with them? We have to spend £10,000,000 on them. Staff will not be put off. Therefore I can see that we will have to discontinue the traffic on them for a while to find out what we can do. If we cannot find the money to put them in order, they will have to be discontinued.

I have a lot of information about accounts; but as the hour is late, I shall not submit it. However, if members would like to know, I can tell them what it would cost to put goods traffic into the bulk-handling system and so save the State railways thousands of pounds. I support the motion.

HON. W. R. HALL (North-East) [3.44 a.m.]: Some members have frequently mentioned the pulling up of the railways. There is nothing in the motion before us about pulling them up.

Hon. J. McI. Thomson: It is a discontinuance of service.

Hon. W. R. HALL: That is true. It is a discontinuance motion. On two occasions, by way of deputation, the Minister has given us an assurance that there will be an adequate replacement system of passenger and freight transport, and one must take cognisance of what he says. One must regard his remarks as being factual and give him some support. For this reason I am content to put my confidence in him.

A few years ago the discontinuance of the Meekatharra-Wiluna line was being considered and Mr. Heenan moved a motion; and the Government, whatever may have been its intentions, saw its way clear to leave the line where it was. After having heard the Minister, I have no doubt that the same thing will apply in connection with the lines mentioned in the motion. No doubt the same thing will apply to the Malcolm-Laverton line as applied to the Meekatharra-Wiluna line. The Malcolm-Laverton line seems to be the main bone of contention, although a number of lines in other constituencies are also affected.

The Malcolm-Laverton, the Wiluna-Meekatharra and the Cue-Big Bell lines are in my constituency. I am taking the opportunity of bringing forward these points so that the Minister will be able to take into consideration all the facts before deciding, if necessary, to discontinue the present service on these lines. The people

of the hinterland are entitled to the best railway service we can give them. They suffer hardships; they cannot always get proper supplies of perishables, etc. It behoves us to see, if it is possible, that these people are not done a disservice in regard to transport, whether rail transport or any other sort.

We have been told that approximately 42 tons of freight is carried on the Malcolm-Laverton line per week. This being so, one has to realise that perhaps the time has come when some alteration will have to be made. But I do not see for a moment that there is going to be a discontinuance of the present railway service. The Minister said that it will be a considerable time, in any case, before anything happens.

I have suggested to the Minister that before action is taken, consideration should be given to the running of a light diesel service to that area, which could be the equivalent of what the people have today. Wool and other heavy freight must be transported from the Laverton district at certain times of the year, and I think the Government might consider running a steam train to that area on a restricted service to bring freight of that kind to Kalgoorlie. Most of the argument in favour of closing this line is based on the cost of maintenance, but that cost would be much less if there were instituted a light diesel service such as I have suggested, with one or two trains per year to carry the heavy freight.

A great deal of resleepering has already been done on certain portions of that line, and those sections must be in good order. I do not think the deterioration overall is sufficient to mean that a steam train pulling heavy traffic at long intervals would do any harm. The motion does not deal with the pulling up of lines, which to my mind would be a retrograde step in a young State such as this. We know that mining towns can disappear almost overnight; and while that applies to some in this area, I believe that others in that part of the State will experience a revival; and for that reason, also, I think that the railway lines should be allowed to remain there, even if they are not used to any great extent for some time to come.

At a deputation which I attended recently, the Minister assured a mining man who owns the Lancefield mine at Laverton that it was not the intention to pull up the line and whilst there was a possibility of the mine reopening and employing considerable labour, there would be no thought of discontinuing the present service. In view of what the Minister said, I hope the right thing will be done as there is no need for panic at this stage—

Hon. L. A. Logan: And so say all of us!

Hon. W. R. HALL: It must be realised that even the Perth-Fremantle train service has been responsible for a considerable loss to the Railway Department, and we all know that metropolitan trains are running in competition with buses operated by private enterprise. A further factor mitigating against the successful running of our railway system is the number of people who receive licences to carry freight by road parallel to our railway lines, sometimes well into the hinterland. All those factors contribute to the loss of revenue and the huge annual deficit. Many of those who offer criticism when they hear of our large railway deficits are only too willing, if they own vehicles, to transport freight by road when they could just as easily have it sent by rail—

Hon. L. C. Diver: The Minister's reply should be interesting.

Hon. W. R. HALL: The Minister has put forward a good case; and I hope the motion will be agreed to, as I know he will do the right thing. The Wiluna-Meekatharra line is just as important as the Malcolm-Laverton section; and it has been disconcerting to find that while a great effort was put forward by Mr. Heenan and others in that respect, some people who do not use the railways but prefer other forms of transport, hold different views. If we do not support our railways we cannot blame any Government from bringing down a motion of this kind. I hope all those who are vitally interested in this motion will do what they can to ensure that our railway system receives its fair share of the traffic offering.

I do not believe that an all-weather road can take the place of a railway line. The road between Malcolm and Laverton is not good. I have never seen it in really good order, and this evening one member talked about the flats which stretch for some miles. I can assure members that it is possible to get bogged for a week along that road if one strikes any rain. The Railway Department has found it necessary to take the line down to the natural level of the earth because the torrential rain in that area washes the embankments away and time and again delays have been caused. An all-weather road between Malcolm and Laverton would cost thousands of pounds; in fact, on that section it would be out of the question.

Some mention was made of a sum of £5,000 or £6,000 a mile. This road could not be constructed for that. The metal would have to be carted for miles, and the road would have to be built up much higher than the level of the earth to stop the rain from washing it away. I am certain, after all that has been said about the discontinuance of certain lines, that consideration will be given to the remarks which have been passed; and I only hope

that the lines I have mentioned will receive full consideration. As the Minister said, these closures may never occur.

Hon. J. McI. Thomson: In that case we will have accomplished something.

Hon. W. R. HALL: After all, I am only going on what the Minister said. If a mining town started to prosper and to employ hundreds more men, it would only be reasonable to expect the railway line to continue serving that area. I have no doubt that in such a case the line would be continued; and I am sure that what the Minister has said in that regard is quite true. I support him.

HON. SIR CHARLES LATHAM (Central) [4.4 a.m.]: I have only a few words to say. I deplore the fact that this resolution has been submitted to this House, because I think it will have a damaging effect upon Western Australia. It will be advertised not only in Western Australia but overseas also. People will be saying that Australia is thinking of pulling up its railways, and folk in the Old Country will have the idea that we have come to the end of our tether and that there is no use any further population coming to this State because we have nothing to cart over our railways.

I was most interested in Mr. Bennetts' remarks, and I support everything he said. I believe we could overcome our difficulties if we got somebody here who would show us how to economise. I do not want to see a lot of people thrown out of employment, but we should get better value for our money.

Hon. G. Bennetts: Put them in their right jobs!

Hon. Sir CHARLES LATHAM: I am not blaming this Government, because it has not been responsible for the position. When we had one commissioner, we had pretty good results; and when one looks at the earnings in the railways in those days, and the number of employees, in comparison with the figures today, one can be proud of those past achievements. I would remind the Minister that every wheat grower who went into the agricultural areas entered into a written contract with the Government that a railway would be provided within 12½ miles of his holding. The Minister will know that that is so, because lines were built roughly 25 miles apart, provided the grades were suitable.

Those contracts were entered into in good faith, and people went on to the land. Yet by this resolution we are saying, "We cannot afford to have those railways any longer." The development of those areas has increased enormously, and now we are saying that we cannot maintain our railways. It is a serious attitude to adopt. When the railways are removed less wheat will be produced in the areas concerned

because—and in this respect I am grateful to the Government—the Government has installed water supply schemes and the people will turn from food production to sheep production.

We cannot imagine people trying to cart wheat over poor roads, because there is no doubt that the roads will not be maintained in a decent condition if the railways are pulled up, and they will be just as costly to maintain as the railways. What we will be doing by a discontinuance of our railway services is taking the responsibility for maintaining the transport services from the Government and throwing it on to the local authorities or the local people.

I want the Minister to think back to the 1930 period, and he will see how important wheat can be to the stability of our economy. Mr. Scullin was Prime Minister at the time, and he found that he had no overseas credits. He did not rush around looking for sovereigns, but he asked everyone to grow more wheat because it can be produced quickly and is useful on account of its quick earning capacity. He made this appeal, and the farmers of Australia responded to it, particularly those in Western Australia, because the biggest harvest produced in Western Australia was produced at his request.

The Minister for Railways: What did it bring?

Hon. Sir CHARLES LATHAM: It did not bring much, but that was not the fault of the farmer.

Hon. H. K. Watson: The more they grew the more they lost.

Hon. Sir CHARLES LATHAM: I will admit that we did not receive a payable price for it. Nevertheless it showed what could be done if production was required, and it helped to feed the people. I want to ask the Minister this: Are we in Australia perfectly safe from attacks from overseas? Are not our railways any good for defence? From where will we get our fuel supplies?

The Minister for Railways: We are not pulling up all railways.

Hon. Sir CHARLES LATHAM: I agree; but the ultimate result is that a total of 2,000 miles of railway line will be pulled up.

The Minister for Railways: That is not what the Government proposes to do.

Hon. Sir CHARLES LATHAM: The Government's proposition is to take up 800 miles of line with the ultimate aim of pulling up a total of 2,000 miles. Our country is the envy of millions of Asiatics; and immediately we try to interfere with the defence of our country, we will be made to realise how important a part our railways play. Even during the last war

we had motor-vehicles travelling around the country using gas producers to provide fuel, and our railways were intact at that time. It is not as easy as the Minister thinks when he says, "We have decided on that, and have settled our debts by pulling up a certain mileage of railway," because the public has to meet the expense. We have already debited against the Railway Department the cost of construction of these railways in the early days.

I know that a 45lb. rail will wear out in no time and it would have to be replaced with a 60lb. rail. However, there are still 1,700 miles of 45lb. railway lines in existence in this State, and I presume that they are the railways it is proposed to remove. The Minister might have more information in his possession than I have; but it does not give me much heart to think that the railways are to be pulled up, more particularly when I hear members say that they are going to support this motion. If the motion is not to be implemented, as Mr. Hall seems to think, why bring it forward in the first place? In my opinion it has been introduced merely to scare the people. The railways have performed good service in the past and they have been the means of covering great distances in this State.

The Minister for Railways: And now the people will not use them.

Hon. Sir CHARLES LATHAM: The Minister's own figures prove that they are still being used by the people. During the last three years, as will be seen from Appendix 14, the figures show that the revenue has increased from nearly £8,000,000 to over £13,000,000.

The Minister for Railways: Have a look at the tonnage of goods they carry.

Hon. Sir CHARLES LATHAM: It does not matter. Those are the earnings. We must connect the two. Unfortunately, the operating expenses have increased a little more than that. I believe we could get a great deal more satisfaction from the operation of our railways if we could obtain the services of someone from some other country within the British Commonwealth of Nations, as suggested by Mr. Bennetts, to make an investigation into our railway system. The Minister should have no objection to that; and if that move were taken, it would be in the best interests of the State.

Without its having any adverse effect on anybody, there are a number of State trading concerns which the Government could discontinue, because at present they are making a loss and have done so for many years past. They have no chance of competing with private enterprise. If we are anxious to reduce costs and improve the economy of our State, let us dispose of those trading concerns first, because they are not serving a useful purpose.

The Minister for Railways: We could not sell the railways if we tried.

Hon. Sir CHARLES LATHAM: But could the Minister sell the State Brick Works, the State Saw Mills, the State Hotels or Caves House, all of which have been making losses for many years past? I want the Minister to give a little thought to this problem. I know that people in the outback look to the railways to help them in their land development. The traffic that is offering may not always be as small as it is today. I am sure that prosperous times will return to those districts that will be affected by the discontinuance of these railways.

Surely we are not so selfish as to think only of today! Let us think of the generations which are to follow us. Not so very long ago Mr. Heenan supported what I am saying tonight. Now, however, in view of the fact that the Government has introduced this motion, he has changed his attitude.

It will be a bad advertisement in England for Western Australia if this motion is implemented. I guarantee that if I picked up "The Times," following the implementation of this motion it would carry the headlines, "Western Australia Pulls Up Its Railway Lines." I deplore the fact that it has been a Labour Government which has found it necessary to do this, especially when we take into consideration that our railways are so important for the development of this State. I hope that Mr. Lavery will support me in my remarks. I have a certain amount of independence, and I had hoped that the Government would exhibit a similar trait. I oppose the motion.

**THE MINISTER FOR RAILWAYS**  
(Hon. H. C. Strickland—North—in reply)  
[4.19 a.m.]: Many hours have been spent in debating this motion and many and varied viewpoints have been submitted to this Chamber. At the outset I would like to pass a few remarks on what Sir Charles Latham has said; namely, that the discontinuance of broken-down railway lines which now receive no patronage would have an adverse effect upon this State in Great Britain. I cannot for the life of me agree with that argument, because the evidence shows that no one could possibly agree that any of these railway lines could be used for defence purposes. In fact, the Australian defence authorities now express the view that they are not interested in a uniform railway gauge between the various States, because railways are out of date for defence purposes.

Hon. Sir Charles Latham: Isn't the question of feeding the people an important factor in the defence of the country?

The MINISTER FOR RAILWAYS: We could raise all sorts of reasons why. In these two respects, however, I think the hon. member's reasons are about 30 years out of date.

Hon. Sir Charles Latham: Surely the feeding of people is a matter of defence!

**THE MINISTER FOR RAILWAYS:** These days the feeding of people is a simple matter, although today time means more than money does. Sir Charles will remember that at one time when he travelled through the North-West, three months' supply of food and other commodities used to be kept in store; in the Kimberleys it was necessary to carry these commodities for six months before the wet. Now, however, if the plane is a week late and cannot land because of wet weather, the cry goes up that they are short of food.

Hon. Sir Charles Latham: And petrol.

**THE MINISTER FOR RAILWAYS:** Time today means more than money. At one time the farmer and his family used to wait and come down by train and enjoy looking at the countryside while doing so. Today, however, he must have the latest model motorcar; he cannot get here quickly enough. As those old conditions have gone out of date, so the patronage of the railways has fallen away.

One of the worries expressed by members appears to be alternative transport, and it was said that insufficient information had been given in connection with this matter. Until Parliament agrees to this motion, no move will be made towards alternative transport. That obviously cannot happen; we cannot arrange for alternative transport until that has been done. When the motion was originally introduced, however, it was pointed out that arrangements for alternative transport would be made by the Transport Board; and that if that board felt it was unable to arrange alternative transport, the line under consideration would not be discontinued.

The question was raised as to whether the roads could carry the extra tonnage that would be placed on them. Some members appear to throw their minds back to the wartime period, and the period of the strike, and they imagine that all the wheat and goods are to be carted through to Fremantle, Geraldton and so on. They lose sight of the fact that it was explained that the Transport Board, in making alternative arrangements, would arrange for that transport to carry to the nearest railway point. There must be co-operation with Co-operative Bulk Handling in the wheat areas before it is decided where the transport point is to be.

So there is nothing to worry about in respect to alternative transport, and whether it can carry the tonnage; nor need we fear that it might knock the roads about. Personally I do not think it will damage the roads very much because, in any case, the particular goods will not be carried much further. Take the Burakin-Bonnie Rock line, for instance. Surely everything must not still go

down that line. Wheat which is between Bonnie Rock and Mukinbudin will go to the nearest freight haulage point.

Although the report recommended that a further 2,000 miles of line should be discontinued, the Government did not agree to that. All that the Government has agreed to has been brought down in this motion. The Government would not attempt to discontinue any service unless Parliament had an opportunity of considering the matter. It has been said that the subject should not have been brought here. We could imagine the cry that would have gone up had the Government said that after a certain date there would be no further services on certain lines.

The committee appointed investigated the economic problems of rail and road transport. It spent two years considering the matter; and during that time a Treasury officer was appointed to check all the figures that have been laid before us in connection with these railway matters. The research that that man put into the whole investigation was tremendous. In fact the committee wrote to me as Minister for Railways. The chairman of the W.A. Transport Board, who was also chairman of the sub-committee, wrote to me as follows:—

I am requested by the committee appointed to submit proposals for railway closures to place on record an appreciation of the valuable assistance rendered by Mr. K. J. McKenna of the Treasury Department. Mr. McKenna was particularly helpful in securing and arranging statistical data and in drafting the two reports submitted . . .

I have seen Mr. McKenna's two files. He went to tremendous trouble to check the figures in relation to the economics of the districts affected. He went so far as to make an analysis of the percentage of land that is under cultivation, and the percentage which remains to be placed under production. He made a comprehensive examination of the whole scheme. Those reports were placed before Parliament and the Government did not accept the 2,000 mile proposition at all. All it accepted was the 842 miles that is before Parliament now.

I want to refer to the fear that should a railway service be discontinued, only the road haulier will be left to cater for the transport of goods, and he will be able to fix his own price. I would point out that it is the responsibility of the Transport Board to arrange alternative means of transport. In the experience of the half of the State with no railway service, I would say that the fear of the price being inflated is groundless, because it has been proved that with the introduction of motor transport the cartage cost has been reduced by at least 50 per cent. Where it used to be 1s. per ton mile by camel wagon

or donkey wagon, wool clips were shifted at less than 6d. per ton mile by motor transport.

Hon. Sir Charles Latham: You cannot compare rail transport with camel transport.

The MINISTER FOR RAILWAYS: One is as fast as the other. There is no substance in that fear. Hauliers operate in the various districts in the north and at one time the price was reduced to as low as 4d. per ton mile. When the price tended to rise the haulier was bought out. The business was subsequently sold to Wesfarmers which still runs that service. That fear has been proved groundless.

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

Ayes	17
Noes	9
Majority for	8

#### Ayes.

Hon. G. Bennetts	Hon. G. MacKinnon
Hon. E. M. Davies	Hon. R. C. Mattiske
Hon. G. Fraser	Hon. H. C. Strickland
Hon. W. R. Hall	Hon. J. D. Teahan
Hon. E. M. Heenan	Hon. H. K. Watson
Hon. J. G. Hislop	Hon. F. D. Willmott
Hon. R. F. Hutchison	Hon. F. J. S. Wise
Hon. G. E. Jeffery	Hon. W. F. Willesee
Hon. F. R. H. Lavery	(Teller.)

#### Noes.

Hon. N. E. Baxter	Hon. H. L. Roche
Hon. L. C. Diver	Hon. C. H. Simpson
Hon. A. R. Jones	Hon. J. M. Thomson
Hon. Sir Chas. Latham	Hon. J. Cunningham
Hon. L. A. Logan	(Teller.)

#### Pair.

Aye.	No.
Hon. J. J. Garrigan	Hon. A. F. Griffith

Question thus passed, and a message accordingly returned to the Assembly.

### BILL—RESERVES.

Received from the Assembly and read a first time.

### BILL—SEX DISQUALIFICATION (REMOVAL).

Order Discharged.

On motion by Hon. Sir Charles Latham, Order discharged from the notice paper.

### ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. G. Fraser—West): I move—

That the House at its rising adjourn till 2.15 p.m. today.

Question put and passed.

House adjourned at 4.37 a.m. (Wednesday).

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# Legislative Assembly

Tuesday, 18th December, 1956.

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

### ASSENT TO BILLS.

Messages from the Governor received and read notifying assent to the following Bills:—

- 1, Land Act Amendment (No. 1).
- 2, Bookmakers Betting Tax Act Amendment.
- 3, Betting Control Act Amendment.
- 4, Farmers' Debts Adjustment Act Amendment (Continuance).
- 5, Mental Treatment Act Amendment.
- 6, Architects Act Amendment.
- 7, Brands Act Amendment (No. 1).