

board because the employers used to agree, but for some time past they have refused. This provision will ensure that if either party requires a medical board, one shall be appointed.

Clause put and passed.

Clause 16—First Schedule, Clause 15, amended:

Mr. COURT: To my mind this clause will slow down, to the disadvantage of the worker, the settlements that have been taking place. The agreements made between the worker and the insurer are all registered and are subject to the supervision of the Workers' Compensation Board. They cannot make a clandestine arrangement; it has to be registered. The insurers have been prepared to sign an agreement which does not let them out of their responsibilities for three years. That was approved at the time by Trades Hall but for some reason it has withdrawn its approval. The after-effects of any accident would become apparent within three years. Further than that, there is statutory provision for an award to be made by the Workers' Compensation Board.

All the clause will do will be to force the worker and the insurer to go to the board for awards. They will not take the risk of agreements. There will be an immediate slowing down in the time of settlement and in making the money available to the workers. There has been a growing tendency to enter into arrangements after proper negotiation and with protection for both parties, particularly the workers, and I think it should be encouraged.

The MINISTER FOR LABOUR: The substance of this clause has been under discussion between the A.L.P. and the insurers for a long time. Three years was the limit but where the worker signs an agreement and it is registered he signs his rights away. Perhaps years later his condition deteriorates gravely but he has no further claim.

Mr. MOIR: I do not know where the member for Nedlands got his three years from.

Mr. COURT: From the memorandum signed and registered by agreement between the insurers and the A.L.P.

Mr. MOIR: I have seen too many workers deprived of compensation in that way after they thought they had recovered. Under the Act the period in which objection can be lodged is limited to six months. Often a man partially incapacitated through silicosis has taken the sum of money offered and later when his condition has deteriorated he has been unable to get further compensation. Too often the insurance companies have tried to force redemptions on workers and they have had to come before the Workers'

Compensation Board with an application to have the weekly payments resumed. I think this provision is entirely necessary.

Mr. COURT: I invite the hon. member's attention to the agreement approved by the A.L.P., which provides that the matter is open for review for a period of three years. It was approved by the Workers' Compensation Board and must be registered with them. The hon. member can have this form if he wishes. To my mind it is a desirable form.

Clause put and passed.

Clause 17, Title—agreed to.

Bill reported without amendment and the report adopted.

BILL—PROFITEERING AND UNFAIR TRADING PREVENTION.

Returned from the Council with amendments.

House adjourned at 12.10 a.m. (Wednesday)

Legislative Council

Wednesday, 14th November, 1956.

CONTENTS.

	Page
Questions : Housing, (a) Wandana flats	2201
(b) homes built and staff employed by commission	2201
Stamp duty, exemptions	2201
Education, Canning Vale school	2201
Bills : Brands Act Amendment (No. 2), 2r.	2201
Metropolitan Water Supply, Sewerage and Drainage Act Amendment, 2r.	2202
Belmont Branch Railway Discontinuance and Land Revestment, 2r.	2203
Supply (No. 2), £18,500,000, 2r., Com., report	2204
Inspection of Machinery Act Amendment, Assembly's amendment	2221
Workers' Compensation Act Amendment, 1r.	2221
Fruit Growing Industry (Trust Fund) Act Amendment, 2r.	2222
Licensing Act Amendment (No. 3), Com., report	2222
Betting Control Act Amendment, 2r., Com.	2224
Adjournment, special	2233

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

QUESTIONS.**HOUSING.***(a) Wandana Flats.*

Hon. A. R. JONES asked the Chief Secretary:

(1) Are the Wandana flats at Subiaco completed except for lawns and gardens?

(2) What was the total cost of these flats?

(3) What are the respective family unit flats, and what is the rental for—

(a) two-unit;

(b) three-unit;

(c) other units, if any?

(4) What number of these flats are let at the present time?

The CHIEF SECRETARY replied:

(1) Yes.

(2) Approximately £531,000.

(3) 72—2-bedroom flats; 170 1-bedroom flats; 2-bedroom flats, £3 12s. per week; 1-bedroom flats (3-storey block), £3 4s. per week; (9-storey block), 1-3rd floors, £3 10s. 6d. per week; 4-6th floors, £3 13s. per week; 7-9th floors, £3 15s. 6d. per week.

(4) 242.

(b) Homes Built and Staff Employed by Commission.

Hon. A. R. JONES asked the Chief Secretary:

(1) What was the number of houses (including State rental homes, war service homes, and any others coming within the jurisdiction of the State Housing Commission) built in the financial years—

(a) 1954-1955;

(b) 1955-1956?

(2) What is the estimated number to be built in the financial year 1956-1957?

(3) What was the average monthly number of employees on the staff of the State Housing Commission (excluding those employed as tradesmen actually engaged in building or renovating) during the financial years—

(a) 1954-1955;

(b) 1955-1956?

(4) What was the number employed at the end of October of this year in the same category as set out in No. (3)?

The CHIEF SECRETARY replied:

(1) (a) 4,064.

(b) 3,696.

(2) 2,500. Plus purchase of 400 already erected homes under the War Service Homes Act.

(3) (a) 361.

(b) 371.

(4) 358.

STAMP DUTY.*Exemptions.*

Hon. C. H. SIMPSON (for Hon. A. F. Griffith) asked the Chief Secretary:

Will the Treasurer give consideration to exempting from stamp duty, agreements executed under the Road Districts Act and under the Roads Agreements between State Housing Commission and Local Authorities Act, 1950?

The CHIEF SECRETARY replied:

Exemption from duty can be given only by Parliament and consideration to this could be given when amendments to the Stamp Act are under consideration.

EDUCATION.*Canning Vale School.*

Hon. N. E. BAXTER asked the Chief Secretary:

(1) What is the present number of children attending the Canning Vale school?

(2) What is the anticipated attendance for 1957?

(3) What is the squareage of each of the two existing classrooms?

(4) Does he agree that the present accommodation is inadequate and unhealthy?

(5) Does the accommodation conform to health standards?

(6) Does the Education Department intend to remedy the position in the near future by the provision of adequate classrooms, or has it any alternative plan in regard to this school?

The CHIEF SECRETARY replied:

(1) 73.

(2) 80.

(3) (a) 404.

(b) 300.

(4) It could be considered inadequate but not unhealthy.

(5) Answered by No. (4).

(6) This matter has already received the consideration of the department and it is proposed to erect a school on the present site, subject to the availability of funds.

BILL—BRANDS ACT AMENDMENT

(No. 2).

Second Reading.

THE MINISTER FOR RAILWAYS (Hon. H. C. Strickland—North) [4.35] in moving the second reading said: In 1952 a Bill submitted to Parliament by the then Government provided for an alteration in the method of branding cattle. The proposal was that all cattle in the agricultural areas must be branded before they attained the age of 12 months, and in the pastoral areas before the age of 18

months. These proposals were sponsored by the Farmers' Union and the Pastoralists' Association.

When the 1952 Bill came before this House, you, Mr. President, were successful in obtaining an amendment to Section 27, which was agreed to by another place, that an owner should have the option of branding or earmarking his cattle. This amendment was opposed by the then Minister for Agriculture on the grounds that it was difficult fraudulently to alter firebrands but that earmarks could be altered or obliterated with a knife. The House, however, took the viewpoint that an owner should be allowed the alternative of branding or earmarking and that he was the best judge of how to protect his own property.

It appears, however, that many persons in the meat trade do not favour earmarking. The Meat and Allied Trades Federation has requested that firebranding be made compulsory for all cattle in the South-West Division and the Controller of Abattoirs has received similar requests from numerous farmers and operators. Objectors to earmarking consider the mark can be torn or mutilated, particularly in scrub country as well as being readily altered or obliterated deliberately.

This Bill, therefore, seeks to remove from the parent Act the provision enabling owners either to firebrand or earmark their cattle. It is also considered that this alternative conflicts with the intention of the Act. For instance, Section 6(1) states that every brand shall consist of two letters and a numeral but that owners may if they wish also register and use an earmark.

The other amendment is to make branding of cattle by the age of six months in place of the present age of 12 months compulsory in the South-West Division. The reason for this is the large number of animals now being marketed as baby beef. It is not considered that it would impose any hardship in compelling the use of the brand at this earlier age. The amendments were discussed with the secretary of the Farmers' Union who stated he could see no objection to them. I move—

That the Bill be now read a second time.

On motion by Hon. A. R. Jones, debate adjourned.

BILL—METROPOLITAN WATER SUPPLY, SEWERAGE AND DRAINAGE ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. G. Fraser—West) [4.39] in moving the second reading said: As members are aware, it has been customary for successive Ministers for Metropolitan Water Supply, Sewerage and Drainage to notify through

the Press under by-law 283 (a) the conditions under which consumers might use water at times when it becomes necessary to restrict supply.

Usually restrictions are brought into force for the sole purpose of conserving available supplies because of the inadequacy of the mains from the hills reservoirs to maintain the levels in the service reservoirs supplying the metropolitan area. On the rare occasions when there has been a partial breakdown in the supply system, restrictions have been introduced as an emergency measure.

Recently the Crown Law Department raised the question of legality with respect to this matter. While there is no doubt as to the necessity for the Minister being empowered to restrict supplies in the common interest; nor would there be any doubt in the mind of a magistrate as to whether a consumer were culpable if he acted contrary to the common good, it is most desirable that any question of doubt with respect to the Minister's powers in this regard should be removed.

The Crown Law Department has stated that as the Act stands at present there is no clear power for a regulation to be made authorising the Minister to make laws by publication of orders in the daily newspapers. Section 11 of the Criminal Code states:—

if the law in force when the act or omission occurred differs from that in force at the time of the conviction, the offender cannot be punished to any greater extent than was authorised by the former law or to any greater extent than was authorised by the latter law.

Were this to operate with respect to prosecutions for contravention of restriction orders, it is quite likely the person concerned could evade punishment if at the time of the conviction the water restrictions had been lifted by the Minister.

While it may be considered very unlikely that an offender would endeavour to evade conviction by recourse to legal technicalities, it is considered most desirable that the Act should be amended to override Section 11 of the Criminal Code. Furthermore, action is considered desirable to place beyond any manner of doubt the legality of procedures already taken under by-law 283 (a). The Bill, therefore, provides for the validating of the by-law and at the same time provides means by which the Minister may, by order published at least once in a daily newspaper, prohibit, regulate, or impose restrictions on the usage or consumption of water, or exempt wholly or partially any person or place from the operation of the order.

It is considered essential by the Crown Law Department that the Minister be so empowered. Also, it is most desirable for ease of operation and in the interests

of consumers that they can be properly advised of the imposition of restrictions. I move—

That the Bill be now read a second time.

On motion by Hon. C. H. Simpson, debate adjourned.

BILL—BELMONT BRANCH RAILWAY DISCONTINUANCE AND LAND REVESTMENT.

Second Reading.

THE MINISTER FOR RAILWAYS (Hon. H. C. Strickland—North) [4.44] in moving the second reading said: This Bill provides for the closure of the section of railway from Bayswater to Belmont; the recovery of materials for use elsewhere on the railway system; and the revesting in the Crown of the land on which the line is situated.

This railway was constructed in 1885; but for several years it has carried little traffic, with the exception of passengers, to the racecourse. When repairs were required to be made to the bridge in 1953 it was then decided that the line could be adequately worked as a single line; and that was the procedure adopted until October, 1955, when the bridge caught alight and was extensively damaged by fire. Since then the services have not been able to operate.

It is considered that the expenditure on a new bridge, to enable services to be re-continued, would cost in the vicinity of £83,000; and in view of the very small patronage of the line, it was considered that that amount of expenditure would not be justified. Apart from passenger traffic on this line there was a small amount of goods traffic from the tile and pipe factory of Brisbane & Wunderlich in that area. It was, however, a passenger line, and got most of its patronage during approximately half of the year, when the W.A.T.C. held its race meetings at headquarters.

Since the line has been inoperable the racecourse has not apparently suffered any decrease in attendances; indeed, the W.A.T.C. is anxious, and keen, to have this line closed during the present session of Parliament, so that next winter it may be able to extend some of its starting barriers, or chutes, as they are termed. Unless the line is closed and the land revested in the Crown, and then leased or sold—whichever the case may be—to the turf club, nothing can be done to help that body in its desire to extend its racecourse.

The Belmont Park Road Board is also interested in the closure of this line to enable it to have the area cleaned up and put to better use rather than have it stand there as a disused railway. In fact, the Belmont Park Road Board made an inquiry quite recently as to what information the Government could make available

concerning its proposed action on this matter during the current session of Parliament. The road board was advised that this measure would be introduced into Parliament this session and the Government would do everything possible to secure the closure of the line.

There is little else that can be said about this line. There is nothing at all to justify its existence as a railway and there are possibly plans in store to enable the bridge and that section of the railway line to be used to provide another artery for road traffic across the river at that point. At present there is no crossing at the river between Guildford and the Garratt-rd. bridges near headquarters; and this will provide a suitable outlet for the number of vehicles that attend the racecourses these days, particularly during the annual Christmas meetings when the congestion of vehicles is most acute.

Since the line has not been carrying any railway traffic for over 12 months, and in view of the fact that the race clubs are anxious to use portion of the line, and the Belmont Park Road Board is also keen to see that the line is closed and the area cleaned up and put to better use, I feel the House will probably agree to the passing of this measure; or at least members will give the Bill a little more consideration than was given to a motion that was before the House recently.

I do not want it to be said during the debate on this Bill that the measure should have been introduced in another place, as was said about the motion for the discontinuance of certain lines which was discussed here recently, because in recent years there have been three closures of railways and all the Bills relating to them were introduced here.

Hon. Sir Charles Latham: You stopped discussion on the motion.

THE MINISTER FOR RAILWAYS: I did not stop any discussion. The hon. member was free to speak.

Hon. Sir Charles Latham: He wasn't!

THE MINISTER FOR RAILWAYS: In reply to that insinuation or inference, I would point out that I rose immediately after Mr. Simpson; but Mr. Jones also got on his feet and when he indicated that he was going to speak I sat down. When I rose the next time no other member attempted to get up, so I think the hon. member is rather unfair when he says that I stopped the debate. I did not do so. Under the Standing Orders, my speech had the effect of closing the debate.

Hon. Sir Charles Latham: Did it?

THE MINISTER FOR RAILWAYS: Yes, well and truly—like an oyster.

Hon. Sir Charles Latham: We will not discuss it now

The MINISTER FOR RAILWAYS: I hope that there will be no amendments to refer this Bill elsewhere, but that it will receive consideration by this Chamber and will be passed. I move—

That the Bill be now read a second time.

On motion by Hon. C. H. Simpson, debate adjourned.

BILL—SUPPLY (No. 2), £18,500,000.

Second Reading.

Debate resumed from the previous day.

HON. H. K. WATSON (Metropolitan) [4.52]: Last night we listened to a very interesting address on this Bill by Mr. Wise. He reminded us, as I have reminded the House on more than one occasion, that the position of Treasurer in Western Australia is a pretty unenviable one by reason of the relationship between the Commonwealth and the States.

It seems to me that in one or two of his remarks Mr. Wise was off the beam. For example, in referring to the road grant which the State receives from the Commonwealth, and which is based on a formula of three-fifths population and two-fifths area, he mentioned that that had been instituted by a great Western Australian. It is news to me that Sir Earle Page is a great Western Australian. I was always under the impression that Grafton was his home town; and, so long as I can remember, he has been called a great New South Welshman.

Hon. F. J. S. Wise: I said that it was instituted by a great Western Australian, and I repeat that.

Hon. H. K. WATSON: The principle was introduced in 1926 by Sir Earle Page.

Hon. F. J. S. Wise: No; at a conference at which Sir Earle Page was chairman.

Hon. H. K. WATSON: It was introduced by Sir Earle Page in the Federal Parliament. Mr. Wise also stated, or implied, that during the regime of the McLarty-Watts Government probate duties had been increased. Doubtless that statement was made with a view to influencing this House in regard to the proposed increase in probate duties which is contained in legislation that will shortly come before us. However, the fact is that during the tenure of office of the McLarty-Watts Government probate duties were not increased. It may be that the total revenue from probate during the latter years of that Government's term of office was higher than when it took office.

The Chief Secretary: That is what he said.

Hon. H. K. WATSON: He did not say that. He said probate duties were increased, and I challenge that statement.

It is an entirely different matter, because the increased amount actually received during the last year as compared with the first year of office was simply due to the fact that—

Hon. Sir Charles Latham: Values increased.

Hon. H. K. WATSON: Yes; as Sir Charles Latham has said, there were increased values. If a man had built a house for £800 and he died in 1946 that house would have been valued for probate at £800 and £20 to £30 would have been paid in tax. In 1953, due to the fall in the purchasing power of the £, that house would have been valued at £3,000 and the deceased's widow would have had to pay anything up to £300 in probate.

Very rightly, I think, Mr. Wise also mentioned that Western Australia's great disability from the financial viewpoint was the introduction of uniform income tax in 1942 when the States were deprived of their taxing rights. I am convinced that until such time as the States have restored to them their taxing rights, we will not have sane and responsible Government within the States.

To me, it was a matter of regret that Mr. Wise did not pursue his argument to its logical conclusion. He complained about uniform taxation, as the Premier has complained about it within the last few days, pointing out the grave disabilities of Western Australia under this uniform system. Yet, if I understood him correctly, Mr. Wise will not favour the restoration of taxing powers to the State.

The reasons which he advanced were not at all clear to me; and just what his objection is to having these powers returned to the States is rather obscure. It seems to me that until they are returned the State will be in difficulty, and we will have the State Treasurer displaying not statesmanship but political expediency, due to the fact that moneys which he requires are not extracted from the people of the State directly, so that there can be sheeted home against the Treasurer responsibility for mismanagement of the State's finances; but rather he is placed in the happy position of being able to lay all the blame on the Commonwealth Government.

The position of income taxation is really extraordinary. Mr. Wise mentioned it last night and I venture to repeat that before uniform income taxation was introduced the total income taxes throughout Australia, as levied by the Commonwealth and the States could be subdivided into the following proportions:—75 per cent. of the total income tax collected represented State income tax and 25 per cent. represented Commonwealth income tax.

I see no reason at all why income tax today should not be collected from the people of Australia and applied in much the same proportions. Of course we know

that it is not applied in those proportions now, or anything like them. Instead of the States receiving 75 per cent. of the total income tax collected, as they did in the days prior to uniform taxation, the amount which they receive today is a very small fraction of the total income tax collected from the people.

Let us examine the position of Western Australia. The income tax collected in this State at present is in the vicinity of £30,000,000 per year and 75 per cent. of that is something over £20,000,000. How much of that do we get by way of reimbursement from the Commonwealth? We get £13,000,000 returned to us out of the £30,000,000 collected from us. Then we get a further £9,000,000 through the recommendations of the Grants Commission, and even that only brings the sum to £22,000,000; so that from both those sources we receive nothing more than what, in my submission, we are entitled to by way of right, and which we would be receiving as a right if we had control of our own taxing legislation.

Mr. Wise extolled the virtues and abilities of the Grants Commission and I think one can whole-heartedly agree with all he said about the character, capacity and ability of all members of the Grants Commission since its inception. They have done a really good job and one can fully subscribe to Mr. Wise's praise of the members of the Grants Commission without necessarily agreeing with the conclusions that he would draw from its existence and the recommendations which it makes and the methods and principles—or lack of principles—on which the grant to Western Australia is made from year to year.

Although Mr. Wise chided Mr. Logan for complaining that the Grants Commission was telling the Government of Western Australia how it should or should not tax the people, the fact remains that that is so; and my point is that if £30,000,000 is collected from the people of this State, we should see the best part of that sum coming into the coffers of Western Australia without direction from anybody as to whether we should or should not further tax the people on probate, motorcar licences, liquor licences or anything else. That is my strong objection to the present set-up.

As Mr. Wise mentioned last night, we even have £1,000,000 per year taken from the State Government into the Commonwealth Treasury by way of payroll tax, and surely that is a reflection not only on our commonsense but also on our sanity! If we have that £1,000,000 taken in payroll tax into the Commonwealth Treasury, why are we, in getting it back, told by the Grants Commission, "You shall increase your probate," or something else, before we get the money back? It is particularly objectionable to me, because the grants Commission does not give us that direction except by following its formula through

and comparing the budgetary position of Western Australia with the budgetary positions of what are known as the standard States: New South Wales, Victoria and Queensland.

I take strong exception to that and to the fact that when in pursuance of a policy of socialism, or soaking the rich, Mr. Cahill in New South Wales decides to raise his probate sky high or to put on a crippling land tax or raise some other impost, we in this State should be told, willy-nilly, that unless we put on the same measure of taxation and crush our people into the earth, the return to us of our own income tax is not going to be as extensive as it ought to be.

I join issue with Mr. Wise when he criticises Mr. Logan for objecting to this extraordinary position; and I think, too, we must realise that the Grants Commission, if one reads its various reports and the method by which it has arrived at the grant to Western Australia from time to time, uses methods something like the operations of the one-armed bandit. One pulls the handle and then waits to see whether three kangaroos or three lemons come up. With all due respect to the Grants Commission I say there is no substitute for this State taking its own taxing right; and until such time as we do levy our own income tax, the financial position of this State will not be all that it should be.

My heart warmed when Mr. Wise declared himself as a States-righter; but I could not help feeling that it was with the mental reservation of "Well, I am a States-righter until the Federal A.L.P. tells me to act otherwise;" and I notice that during the past week the Federal A.L.P. has instructed Mr. Cahill, and presumably all the other State Premiers, that uniform income tax is not to be opposed and is to be continued. So long as it is continued, it will be a pretty poor look-out for all the States of Australia.

In my opinion, Mr. Wise rightly complained about the unfair operation of uniform taxation. But what is he going to do about it? What solution is there? He offers no solution today except a variation on the formula. He is not today prepared to support the return to the States of their taxing powers. Listening to his speech last night I was reminded of my first speech in this House, because it so happened that I discussed the same subject along much the same lines as did Mr. Wise last night.

On that occasion I traversed the history of Federal and State financial relations from the commencement of Federation. I will not, this afternoon, burden the House with all I said on that occasion, but will quote from page 287 of Hansard of the 10th August, 1948, as follows:—

In January, 1946, our then Premier, Hon. F. J. S. Wise, launched a constitutional reform movement, but it, too,

was marked with a vivacity of conception, apathy of progress and prematurity of decay, and that reform movement began on the day when Mr. Wise left for that particular Premiers' Conference and ended on the day when the Premiers' Conference opened and the Prime Minister rudely dismissed the proposals as being "bloody nonsense." A great national question resolved by a public man in the language of the public gutter. Mr. Wise's letter to Mr. Chifley was published in "The West Australian" on the 17th of January, 1946. That letter must be regarded as a notable contribution on the question of the relationship between the Commonwealth and the States. It is a matter for regret that the whole of the letter was not printed and published as a parliamentary paper, but from it I would like to read a few extracts. In the letter to the Prime Minister, Mr. Wise said this—

At the outset I wish to state that my Government is opposed to the continuance of the present uniform tax system . . . It is axiomatic that the power to control finance is fundamental to the power to govern, and if the State Governments surrender to the Commonwealth the power to impose income tax they lose their power to determine the economic and political policies of their States.

The letter by Mr. Wise then went on as follows:—

Summarised, the view of this Government is that the right to impose income tax, which is fundamental to the State's existence under Federation, should be returned to the States.

What I cannot understand is why a fundamental requirement in 1946 has not remained a fundamental requirement in 1956. I cannot understand why a fundamental requirement, when made by a Premier of a State, ceases to be a fundamental requirement when a man ceases to be a Premier of a State, or when, through a turn of the political wheel, it is politically expedient to think otherwise.

I make an earnest appeal to Mr. Wise to have a second thought about the statement he made last night, and to realise the fundamental truth of the one which he made in 1946, and which I have just quoted. He should stand by that statement. By doing so he would not only profess to be, but also would prove himself to be, the State's true representative; and by acting without party political advantage he would be doing something worth while for Western Australia.

The whole unsatisfactory position of the finances of Western Australia is by no means entirely due to the rapacity of the

Commonwealth Treasurer, because I think it can be fairly said—when one reviews the condition of our finances today; when one reviews the manner in which they have been conducted during the past three years—that the way our finances have been handled borders on the irresponsible.

It has never occurred to the Treasurer that greater stability of our finances might conceivably be obtained by cutting out waste and extravagance and by reducing expenditure such as, for example, by cutting out the State trading concerns, and so on. It is interesting to note that in 1953—only three years ago—the total expenditure of the Western Australian Budget was £39,000,000 as against £55,000,000 estimated expenditure for the current year. Even the expenditure for the current year is £3,000,000 more than it was last year.

We also find that, in addition to the estimated expenditure for the current year being £55,000,000—as against £39,000,000 expenditure three years ago—an estimated deficit of £1,400,000 is still expected. We find further that for the coming year, the railways are expected to make an operating loss of £2,300,000 or a loss of £5,000,000 after charging interest. Of course, interest must be charged so the estimated loss on the railways for the year is £5,000,000.

It is unfortunate that the Treasurer of this State is not a businessman because any businessman—whether he be the village grocer or Frank Boan—that did not square the budget, would know that there was only one solution; and that was, that he had to cut expenditure.

Hon. N. E. Baxter: Or get out!

Hon. H. K. WATSON: Yes, or get out. Although that is the only solution and the natural remedy—and it is equally wise for the housekeeper to adopt such a practice because she lives within her means—that is the last thing our State Treasurer seems to consider.

Hon. G. Bennetts: I suppose all Treasurers are the same.

Hon. H. K. WATSON: So it transpires that we are getting only £13,000,000 of income tax and a grants payment of £9,000,000, making a total of £22,000,000, out of the £30,000,000 which is collected from us and because the Treasurer is disinclined to reduce expenditure, we find that the people are to be further burdened with a host of additional taxes.

Probate is to be increased to produce an extra £118,000. Land tax legislation is to be amended to produce a further £470,000. Legislation dealing with liquor licences is to be amended to produce another £120,000, and all motor-vehicle owners are to be asked to pay a further £700,000 for something or other. In addition, there are the few pounds that the s.p. bookmakers are to contribute to revenue.

It seems to me that there are many other ways of balancing the Budget than by increasing these taxes, particularly when we review the Government expenditure incurred in the Hardy case when the High Court gave a judgment against the constable concerned after granting him a fair trial. Unlike the profits legislation, Hardy did get a fair trial. The court gave its judgment on that case and ordered payment of costs against Hardy. Despite that, the Government stepped in and bore the costs of a private citizen.

There are many more illustrations I could give, but I will not proceed with them now. A Government cannot tax its people into prosperity nor into stability. I have read that if the Legislative Council throws out any of the proposed taxes the Government will be compelled to increase railway freights.

Hon. L. A. Logan: It will do that in any case.

Hon. H. K. WATSON: I am prepared to lay a long shade of odds that an increase in rail freights will be announced before Christmas anyhow; and for my part therefore, that threat leaves me entirely unimpressed. I take this opportunity of recording a fairly emphatic protest against what I consider improper management of the State's finances and unnecessary and burdensome imposition of further taxes on the people.

After all is said and done, the duty of Parliament is to protect the people from the Government. That is one of its functions. I intend to record my protest against these proposed increased taxes and the general conduct of the Government since it has been returned to office following the last general election, because it is interesting to note also that none of these proposed taxes were mentioned on the hustings last April.

With a dogmatism that makes me suspicious, Mr. Wise has assured us that he knows what he is talking about when he says that this Bill will pass. However, I would like to see a sufficient number of members voting against this Bill to throw it out and to advise the Government to have a second think about these proposals; or, alternatively, to give the people an opportunity to express an opinion on them. I oppose the second reading.

HON. L. C. DIVER (Central) [5.28]: I take this opportunity to say a few words in regard to the general conduct of Government departments. There is ample room for considerable savings to be effected in many of them. I would have thought that the Government would set to work to pare any expenditure which came under its immediate jurisdiction, as sharply as possible. For example, I would have thought that many of our State trading concerns would be allowed to go by the board. The Wundowie project, for

instance, was initially established as a pilot plant, but now it is proposed to turn it into an industry in an attempt to ascertain whether it can make a profit.

If there were any likelihood of the Wundowie project being able to make ends meet in a few years' time, we would not have much room for complaint. But I have yet to see a Government-controlled establishment that is able to make ends meet. It is almost impossible for a Government instrumentality to do that, because the conditions of employment therein are akin to those found in a worker's Utopia. As a consequence, no Government instrumentality can be expected to pay its way.

Anyone who has had any connection with private industry knows that a considerable amount of time and effort is put in by someone, whether it be the management or the lesser light, for the good of that industry; but that is not found in Government enterprise. Wherever possible, I wish to see the field of enterprise being left to private industry.

Last night I listened with a great deal of interest to the address of Mr. Wise on the financial relationship between the Commonwealth and the States. Every member of this Chamber must have been impressed. The address showed that the Commonwealth Government was devouring the States financially. Irrespective of the Government in the Federal sphere, the day will come when we must face up to unification, for the States because of the lack of funds, will not be able to discharge the many functions they are called upon to undertake.

It must be obvious to everyone at present that there is one field of service that should be taken over in its entirety by the Commonwealth Government, and that is in regard to health. The Commonwealth has all the power that is necessary from the States to take over all health matters, yet the States are called upon to meet the expenditure in this regard. The building of hospitals places a tremendous strain on the resources of the States, but the Commonwealth Government continues to avoid that responsibility. This aspect deserves the united effort of every member of Parliament in every State to place that responsibility upon the Commonwealth.

Speaking of the financial relationship with the Commonwealth Government, I wonder what we should do about this matter? Are we only to stand up and make speeches, informing the people that we are not satisfied? Are we to let it rest at that; or will some concerted effort be made to ensure that the States receive proper treatment? Exception has been taken to the financial position in which the State Governments are placed. I have already dealt with the aspect regarding Government undertakings in industry and departments which are not conducted as efficiently as they should be.

Without making any excuses for the Government, against that we have to face up to the position that over the last five year this State has absorbed many thousands of newcomers, who in turn place a tremendous strain on the financial position of the State. There is no gainsaying that. This was not like the time when Western Australia accepted a mere trickle of migrants in 1913. They were mainly of British origin, and they came to this country prepared to go into the backblocks and live under canvas. To meet their water requirements they were allowed 100 gallons of water placed outside the tents. They were expected to put up with primitive conditions.

Present-day standards call for the building of homes in urban and suburban areas for the migrants; the provision of water supplies; in many instances the provision of sewerage, roads, electricity and hospitals. All these things have to be supplied to the migrants on top of an overloaded demand which existed before they came to our shores. Regardless of the party responsible, politically speaking this question must cause a great deal of thought and worry.

The fact that the present Government appealed to the Commonwealth Government for assistance—everybody knows how difficult it is to get financial aid from the Commonwealth—and received aid because the case put up was sound, was obviously an admission by the Commonwealth Government that Western Australia had a very difficult road ahead. While I do not say that this Government has done all it should have done in all respects, I do at least realise the difficult period through which we are passing. I support the Bill.

HON. A. R. JONES (Midland) [5.40]: I wish to say something on this Bill. May I commence by stating how interested I was last night to hear the address given by Mr. Wise. While I do not agree in all respects with what he said, nor could I couple up in all respects what he said when comparing the tax paid by Western Australia with that paid by the other States, he did give us something to think about. What he has said will serve a useful purpose for future reference in regard to taxation measures brought before this House, and how they are effected, particularly in Western Australia.

The hon. member did point out that Western Australia enjoyed a position in regard to taxation not enjoyed by the people in the other States. He said that per capita we were only paying a little over £8 a head in taxation; whereas, in some States, the people paid over £10 a head, while the average for the Commonwealth was £2 per head greater than the figure for this State. That may be so; but the figures which he did not give, and which I am interested in, show that the higher taxation in the Eastern States is brought

about by the greater amount of wealth to be found, and—in the instance of land tax—by greater land values. Without going into the figures in detail I venture to suggest that the per capita figure for this State would be greater if it were based on a percentage rate when compared with the Eastern States figures.

Hon. C. H. Simpson: Those States are in a more advanced stage of development.

Hon. A. R. JONES: Taking the overall death duties paid in the Eastern States, we would find that Western Australia pays at a higher rate, although more revenue is collected in the Eastern States, because of the larger or more wealthy estates. With regard to land tax, the same thing applies because land values over there are so much higher than values here. We should therefore reserve the right to look closely into the suggested taxation measures before passing them. We do not want to impose something upon the people of this State which will prove to be a further burden and more than they can reasonably bear.

I, too have levelled criticism at the Government and against what I considered to be wastage in the departments. Unfortunately that is something which it seems will exist for as long as there are Government departments. But surely we should take steps at some time to correct what we know to be departmental wastage.

I can well understand the difficulty in which the government is placed when, as an employer, it is required to retrench staff and has to look for some avenue in which to place the staff so retrenched. As a State, we have to look beyond trying to please people and to keep Government employees in employment in localities where they reside. If we are to have progress in the State, we must take steps to encourage people to go into the country and to bring about production from the land.

Eventually, a scheme on a long-sighted policy of development of land will have to be evolved, so that people will be given an incentive to go on to the land. To my mind it does not matter if the cost is fairly considerable, provided we can get the land into production. It is purposeless to keep jobs open in the city, the suburbs and the bigger country towns just for the sake of paying the holders of those jobs who are not doing any worth-while or necessary work.

I think the Ministers will agree that in the departments they control—in some, anyway—the staffs could be reduced. The heads of departments seem to want to build up their staffs so that the departments can become more important because of size. All governments seem prone to create further departments and have further employees in them. The Minister for Railways is always coming in for a fair

amount of criticism—or his department is. He would know better than I whether the railways are overstaffed.

I venture to say they are. The Minister said that the number of employees in the railways was just under 14,000, but I notice that in the paper this morning the figure of 14,300 is given. I do not know which is correct, but roughly the figures are 14,000 employees. I do not know what number have been put on to the staff in recent years, but I can recall when the figure was 11,000 employees—and that does not seem too long ago. I realise that quite a number would have to be put on to try to rehabilitate the track.

When one looks at the way the work is being done one finds it easy to understand why so much staff is wanted because one can stand and watch, and one finds that only two or three men in a gang are working. This will apply for up to five minutes at a time. If men are not going to work, the cost of the job they are on will go up.

As long as the system remains as it is, the Government has very little opportunity to make the men give an honest day's work for the money they receive, because it seems that no one will accept the responsibility of telling the men that something a little better than they are doing is required. The foreman is not game to tell them. He has to have very good reasons for sacking a man, and the same thing applies right throughout the Government service. Each man has a right of appeal—that is only just—but the case has to be a pretty severe one before a man can be sacked from a Government position.

I would say that while this state of affairs prevails, the railways have no chance of paying. We saw the article in "The West Australian" this morning dealing with the ridiculous claims being made by the railway workers. If these claims are met there will, according to this article, be a further £3,000,000 that the Railway Department will have to find for the wages and the improved conditions of its employees. When we have men who are prepared to go to a court and ask for such conditions as were outlined, I think we, as a State, have no chance of getting anywhere, and the Government departments have no chance of paying; certainly not the railways.

The railways, perhaps, could be expected to get to within £1,000,000 or £2,000,000 a year of being a paying proposition; and provided they gave service to the settlers, and extended their activities so that land could be opened up, the State should bear some responsibility for the loss. All the people of the State should bear that responsibility; it should not be left to one section.

Another direction in which I feel there could be a waste of money is that which prompted me to ask the questions that

were answered today. On two or three occasions recently I have been to the Housing Commission. From my observations, I felt that a number of people were standing around not doing necessary work there; or if they were doing necessary work, they were not doing it quickly enough, or putting in enough time on it, with the result that they could have been working only five hours instead of eight hours a day. It may have been less—perhaps six hours out of the eight. There always seem to be people standing around doing nothing, or chatting—one typist talking to another and that sort of thing.

This afternoon I asked some questions to get some light on the position. It appears that there is scope to reduce considerably the number of employees in the Housing Commission. The first question I asked was as follows:—

(1) What was the number of houses (including State rental homes, war service homes, and any others coming within the jurisdiction of the State Housing Commission) built in the financial years—

(a) 1954-1955;

(b) 1955-1956?

The following is the reply I received—

(a) 4,064.

(b) 3,696.

I then asked—

(2) What is the estimated number to be built in the financial year 1956-1957?

The reply to that was—

2,500. Plus purchase of 400 already erected homes under the War Service Homes Act.

The following is the next question I asked:—

(3) What was the average monthly number of employees on the staff of the State Housing Commission (excluding those employed as tradesmen actually engaged in building or renovating) during the financial years—

(a) 1954-1955;

(b) 1955-1956?

This is the reply—

(a) 361.

(b) 371.

Finally, I asked—

(4) What was the number employed at the end of October of this year in the same category as set out in question No. (3)?

The reply was—

358.

I asked that question so as to exclude all those people employed as tradesmen in building or renovating so that I would get the figures as near as possible to the administrative staff.

We find that when 4,064 houses were being built, there was a staff of 361; and when 3,696 homes were built—somewhere near 500 less—the staff was 371, or an increase of 10. This year the proposal is that 2,500 homes shall be built; and at the end of October, when one would have thought the number of the staff could be decreased commensurate with the programme of the commission, we find that only 11 members of the staff had been eliminated.

I am not offering a direct criticism, but am suggesting that there is room to see where retrenchments can be made in these Government departments. The figures suggest to me that a reduction to the extent of, perhaps, 50 persons could be made and a great saving achieved to the State. Then we get to the position that every Government must consider: What will we do with the 50 who are retrenched; and if we are retrenching another 200 or 2,000 from the railways, what will we do with them? I admit this is a terrific problem. But we must take cognisance of it and formulate a long-term plan by which our people will be put to productive work instead of doing non-productive work which is a drain on the State.

In my opinion there is plenty of scope in the Esperance district, and in other places even closer to the metropolitan area, where development and production are vitally necessary. We want people of the right spirit to carry on this work, and we will have to provide them with the monetary means to enable them to assist in the development of the State. Whatever the political colour of the Government in the next few years, I think it will have to get down to a policy whereby it will make available £4,000,000 or £5,000,000 so that the people who are employed today doing non-productive work, or who are not working to capacity or anything like it, may be put to productive work. This is a problem we have to tackle; and the sooner we tackle it, the sooner we can make ends meet.

Another matter that I am dissatisfied with and which may be considered parochial because it affects country people, concerns the way that country hospitals are being financed at present. So far as I am aware, the policy of the Government is such that all hospitals shall be financed by the Government whether they be in the country or in the city or suburbs. That might have been all right for some time; but I recall that some three years ago, two hospitals in a portion of the province that I represent were called upon to make rather substantial sums available so that a project they asked for could be carried out. Only once, to my memory, has such a thing applied in Perth, and here I cite the commendable effort made by the people of South Perth when they found something like £6,000 towards the cost of a project running into over £100,000. That

is a small percentage; but whatever it was, the people were prepared to help, and they get full commendation from me.

In many country areas, the position is that if the Government is approached to recondition the hospitals or to erect nurses' quarters or further rooms for beds, or perhaps an operating theatre, the cry from the Government is "We have not got the money." We know that the Health Department, particularly, is up against it for money at present and has been for years because the calls upon it are so great; but if it is not going to cost the people of the city so much before they get so much done, why should it cost the people of the country so much before they get so much done?

At Moora something like £25,000-worth of improvements had to be carried out at the hospital, and the residents and the local authorities had to find something like one-third of that amount before the Government would start work on the project and give them what was needed. The same thing applied in Dalwallinu, and I know that it has occurred in other parts of the State, too. It is wrong that the people in the districts I have mentioned should have to put in something like £8,000 to have a £25,000 project fully completed. There is a saving to the Government, on its own valuation, of £8,000.

Hon. L. C. Diver: It would not be so bad if when the city people wanted £300,000 they found £100,000.

Hon. A. R. JONES: Yes; I suppose we should expect that. But the country people are told, "You find one-third and we will find the other two-thirds through money available to us and through the Lotteries Commission."

Hon. L. A. Logan: On the same basis South Perth should have found something like £33,000 or £34,000.

Hon. A. R. JONES: Yes. The Minister could take notice of what I have mentioned and go into the question of giving the country people the deal they are supposed to receive under the arrangement for the additions to and the building of hospitals and the erection of nurses' quarters, because at present we are not getting the deal we should.

The Government also made promises before the elections—not since—that it would build a regional hospital in Bunbury, another at Albany, and also one at Geraldton. So far as we are concerned, that is still only a pipe dream. Mr. Thomson said last night that there is argument now as to whether a regional hospital will be built or something else constructed which will pacify the people for the time being.

A good deal of propaganda was put out before the elections about the Commonwealth Government being a lot of "Tax-us Raiders," and several cartoons were published depicting the Commonwealth authorities in that role. We were told that

those authorities were overtaxing everybody in Australia. I wonder what this Government would say now, and what propaganda would be put out, if a State election were pending?

As Mr. Wise said last night, some of the taxing measures introduced by this Government are necessary, because the State is in need of money for developmental purposes. But there is a limit to what we can ask the people to pay; and that limit, if not already reached, is not far distant, and we must give due consideration to all measures placed before us to ensure that we do not stifle the incentive of the people.

I believe, and I think most people believe, that we should not stifle incentive; although no doubt there are some who would like us to adopt a standard which would bring about a socialistic state, such as operates in some other countries of the world. However—and fortunately so, too—there are not many who think along those lines. But we must make sure that we give our people an incentive to work and to use their own initiative so that this State can progress and become what everybody hopes it will be, an important part of this Commonwealth.

I am supporting the Bill because I believe that there is little else we can do. We can protest about the money spent by the Government in certain directions, particularly on certain departments, and we can ask the Ministers in charge of those departments to have investigations made. If staff cannot be retrenched, at least we could be given more value for the money spent, because the people of this State cannot bear any further burden than that which is placed upon them at present. In fact, figures prove that this year the burden is too great and our deficit is increasing all the time. I support the Bill.

HON. E. M. HEENAN (North-East) [6.41: I desire to make a few remarks in support of the second reading of the Bill; and in doing so, I shall take a line different from that pursued by Mr. Watson and Mr. Jones because I shall give some credit to the Government for what it has achieved and for the big contribution it is making to the vast development which is going on in the State at present, and which has been going on for some years.

In my opinion, Western Australia has the ball at its feet, and it is passing through an era of great development which, in years to come, will be looked upon as one of the greatest turning points in its history. I say unhesitatingly that the present Government has done a great deal to bring about that state of affairs and deserves due credit for it. Mr. Watson regretted that our Premier was not a businessman. He went on to develop the theme that running a State was like running a business, and compared the little businessman in the village and the big

businessman running a concern like Boans. He said that if the Budget could not be balanced, curtailments had to be made.

I differ from him in regard to that theory. I think that in a business, if the budget is not being balanced, very often there are remedies which can be found other than just pruning down expenses. There are more intelligent and far-sighted ways of dealing with the situation than just willy-nilly cutting down expenditure.

Hon. F. R. H. Lavery: Or closing up things.

Hon. E. M. HEENAN: I do not know what business training our Premier has had; but, in my opinion, he is certainly running a vast business at present and running it very successfully. I take my mind back to some illustrious men who have been Premiers of the State of Western Australia. I do not know what experience they had in business. I instance Sir John Forrest. I have never heard that he was profoundly interested in or experienced in business in the way Mr. Watson referred to it. Possibly if he had adopted the theories that Mr. Watson applauds, he would never have engaged in the vast schemes of development that he did embark upon and which following generations of Western Australians have profoundly thanked him for.

Another name which comes to mind is that of the late Mr. Philip Collier. I do not think it was ever claimed on his behalf that he had been schooled in the business world, and yet his contributions to this State speak for themselves and have earned the undying gratitude of the people of this State. I do not recall that Sir James Mitchell, who left his mark on this State, was ever classed as a businessman.

Hon. C. H. Simpson: He was a banker.

Hon. E. M. HEENAN: I seem to remember that he was a bank manager during some period of his career, but—

Hon. Sir Charles Latham: He left the bank to go into politics.

Hon. E. M. HEENAN:—judging by Mr. Watson's standards, I do not think a bank manager would fit in with the term of "businessman".

Hon. Sir Charles Latham: He was an adviser to businessmen.

The Minister for Railways: Was it a successful bank?

Hon. E. M. HEENAN: My point is that running a Government is fundamentally different from running an ordinary business. I think the theme that Mr. Watson propounded was a fallacy, because the present Government, in relation to the mining industry, has adopted a wise and sound policy in my estimation. I do not suggest that any ordinary businessman would have advanced hundreds of thousands of pounds to the Sons of Gwalia mine in order to give it a new lease of life.

Hon. F. R. H. Lavery: Not a private bank.

Hon. J. M. A. Cunningham: This is the National Bank.

Hon. E. M. HEENAN: That was done to enable the mine to continue functioning, to develop its ore reserves, and to maintain employment for some hundreds of men, who are responsible for many families, and in order to keep that portion of the State open. The Government also opened a new battery at Menzies. That cost a considerable sum of money but the opening of that battery has been a big contribution to the goldmining industry, which has had so many difficulties to overcome in recent years.

Hon. G. Bennetts: It will do a lot to increase the wealth of the State.

Hon. E. M. HEENAN: Had it not been for that expenditure at Menzies, that district, in which are situated a number of prospectors and small mine-owners, would be practically non-existent today. The Government has continued to run the railway to Laverton. There is a mine there called the Lancefield, which is a huge low-grade proposition, but it needs an enormous sum of money to equip it with modern plant and to develop it. Hopes have been high from year to year that interested groups would accomplish that; and the Government, in its wise outlook, has maintained that railway in the hope that something would develop along those lines; and even at this eleventh hour there is a possibility that something will happen and the Lancefield mine will be further developed.

I could go on and tell members about how the present Government has felt that it has an obligation to the people of Wiluna, and how lots of money has been invested in station properties in that district. There are business people hanging on there because they have faith in the district and there are prospectors who hold out hope that the era of goldmining in the Wiluna district has not come to an end. The Government, feeling that it has an obligation to these people, has continued to run the railway to that town whereas possibly a hard-headed businessman, or a private concern, would not feel that it was justified.

We on the Goldfields realise what that line is worth to this community; and we realise that but for the foresight of the late Mr. Collier and his Government, in maintaining a losing railway line to Norseman, and the building of a water supply to that town, there would most likely be no flourishing community such as there is at Norseman today. Possibly the developments that are just over the hill at Esperance would also be non-existent. I say it is a fallacy to compare the conduct of a Government with the conduct of an ordinary business concern.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. E. M. HEENAN: I would also like to express my appreciation to the Government for what it has accomplished on the Murchison. I think I said previously that the railway line to Big Bell must have been carried on at considerable loss since that large mine closed down. But there are still prospectors and miners at Big Bell who have faith in the potentialities of that district, and I think the Government is to be commended for sticking to them the way it has.

Hon. C. H. Simpson: I think you must admit that the previous Government arranged for £100,000 to help them. I did that.

Hon. E. M. HEENAN: Oh, yes; I am not unmindful of the fact that the previous Government also showed faith in the potentialities of Big Bell and, I think, rightly so. At Mt. Magnet the Hill 50 Mine shows a promise of continuing to be one of our major gold producers. Housing has had to be provided and the Government has now decided to spend a considerable amount of money in providing a satisfactory water supply for the town; and this has been a real bugbear for some years, and has caused the Government a great deal of concern.

A modern hospital was provided at Meekatharra at considerable cost; a new school was provided; drilling is still going on at Day Dawn in the hope that developments will warrant the opening up of that famous mine; subsidies have been given to prospectors; and, in all these things, I suggest the Government is to be commended because its policy is one that has been propounded in the hope of keeping this far distant part of the State functioning with the idea of assisting people who carry on under great difficulties in those parts.

All this money has, of course, to be found. I do not think anyone will be willing to say that money should not be expended in these avenues. If increased taxation is necessary to carry out those projects, I contend it cannot be avoided. The least that the other sections of the community can do is to assist in the vast development of this part of Western Australia. Ravens-thorpe shows prospects of developing into a large mining town again, and the Government is assisting the company there by providing roads and water supplies. Who is going to say that that is not wise expenditure of money? And, of course, the community of this State has to bear its share of the burden in providing these facilities.

I was sorry to hear Mr. Jones continue to criticise the railways. The Railway Department is, of course, no different from any other Government instrumentality, and I suppose it is not above criticism. However, I always feel sorry for the railways, because the man in the street seems to take up the cry that the Railway Department must be criticised on every occasion.

It must be a soul-destroying business for all the people who take up a career in that department. I must say that my experience of the Railway Department from the top executives and the staff in the offices, to the crews on the trains and the fettlers on the railway lines has satisfied me that they are all doing their best and working as hard as any other section of the community.

Whenever I have had requests to make I have received the utmost consideration from whichever officer of the railways I have found it necessary to approach. Whenever I have travelled on the Kalgoorlie express or on the train up to Laverton or elsewhere, I have received the greatest courtesy from the conductors and the staff. If one requires a cup of tea or refreshment at the refreshment rooms it is always cleanly served at a moderate price.

I think the public should be fair enough to give the department credit for all these things. I have seen gangs of men at work on the Kalgoorlie railway station and on the lines out and around Leonora and Laverton and they have all been working hard; none of them has been loafing. I have always found them doing an honest and a conscientious job. So I feel sorry when I see these men being constantly subjected to hostile criticism. It does not do anybody any good and it must deter a lot of people from taking a pride in their work; it must deter a lot of young men who would otherwise seek a career in the railways from doing so.

The department has done a wonderful job for the State. Its employees battle along under the greatest difficulties; yet, if perchance the water bag is not filled, or the trains happen to run a bit late, there is always a chorus of criticism. No one gives the department credit for the great work it has done and is doing under difficulties.

I would now like to refer to our other State departments. In the course of my work, I come into contact with the Mines Department, the Education Department, the Public Health Department and the Water Supply Department; I have had dealings with the State Housing Commission although possibly not to the same extent that other members have. But I have always received the greatest consideration and courtesy from all these departments, and I have always found that the men working in them work hard and do a conscientious job. That has been my experience of all the Government departments with which I have had dealings. There again I am drawing on my own experience, and I think the trenchant criticism that has been directed against them is unjustified.

I have much pleasure in supporting this Bill and I hope the Government will continue along the lines it has in the past.

If it does, I am confident that in the years to come the people of Western Australia will look back with satisfaction and gratitude for what the Government has accomplished.

HON. L. A. LOGAN (Midland) [7.41]: I do not intend to say very much on this measure. As members know, it is to grant supply to the Government to enable it to carry on the functions of the State. That being the case, there is not very much we can do about it. But I would like to refer to one or two aspects of government about which I am not at all happy.

I was taken to task by Mr. Wise for criticising the Grants Commission, when I said that that body was dictating the financial policy of the Government. Having chided me, the hon. member went to great lengths to prove I was right, as members will see if they read his speech. I made the statement I did after due consideration, since it is obvious that the Grants Commission penalised this State because our licensing fees were not as high as those in other States; it penalised us to the extent of some hundreds of thousands of pounds. It also penalised us because our vehicle licence fees were not as high as those of other States. We were told in 1948, during the term of the McLarty-Watts Government, that we would be penalised if we did not increase our rail freights by 40 per cent.

So it will be seen that the Grants Commission has been dictating the financial policy of this State Government; and I contend it is not the function of the Grants Commission to do this. Its function is to inquire into the disabilities of Western Australia, and not to dictate its financial policy. Surely when we consider the population of Victoria and New South Wales and the wealth they have behind them in the closer settled areas, it will be seen that there are special considerations for the per capita basis of £2 10s. for taxation in which Western Australia as against the Commonwealth average of £3 2s. to which Mr. Wise referred, and in regard to which he implied that Western Australia was well off. In reply to an interjection by Mr. Diver he said there were other factors to be considered and that he would deal with them but he conveniently forgot to do so.

I repeat that the Grants Commission is interfering too much in the financial policy of the State Government. When we talk about taxing we refer to taxes imposed by the State Government. When I spoke on the taxing measure I said it was essential for Governments to tax, but we got to the stage where people were being over-taxed to their detriment.

For the the benefit of Mr. Wise, I would point out that in the last three years the Government has increased wharfage dues,

hospital charges, water rates, railway freights, bus fares, tram fares, land tax, ferry fares, entertainment tax, drainage and irrigation rates, and third party insurance rates. There is now before the House a Bill to increase licences to hotelkeepers and the bookmakers' betting tax and also to provide for increased licences for vehicles. It is proposed to increase probate rates and on top of that there is a tax on agricultural land to be introduced, and a further imposition on motorists by the introduction of parking meters.

That is a pretty formidable list, and it is the reason that I contend we are taxing people out of business. If members read tonight's paper, they will see that two drivers who are operating diesel trucks have stated that if an increased tax is placed on vehicles they will have to go out of business. They are only just managing to scrape along as it is.

If we get down to the basis of Mr. Wise's speech, we will find that he considers that most of the money should be in the hands of the Government and not of private enterprise.

Hon. F. R. H. Lavery: I don't think he suggested that in any part of his speech.

Hon. L. A. LOGAN: I did not say that he did. I said that that was the basis of the speech; that is the inference.

Hon. F. J. S. Wise: You have a very queer mind if you draw that inference.

Hon. L. A. LOGAN: Not at all. When it comes to the question of who is best suited to spend money—Governments or private enterprise—I think that members will agree that experience has shown that private enterprise will do far more good than Governments.

It was also stated that taxation was necessary in order that money could be spent in the sparsely-populated areas. Mr. Heenan gave a very good account of the money spent in the mining districts. I believe the Government has done a particularly good job in that regard, but I would say that the situation is not so good in the rest of the State. If the position were examined, it would be found that a greater percentage of money was being spent in the metropolitan area than in the sparsely-populated parts to which Mr. Wise referred.

Another avenue of expenditure which I do not favour at the moment is the granting of a sum of £10,000 for the establishment of a swimming pool in a town before other towns have been supplied with water. I believe that country people should have swimming pools, but not before towns have been given water supplies. The amount of £10,000 which has been spent in Merredin, and the sum which has been promised to provide a swimming pool for Northam would be almost sufficient to ensure a good water supply for one of the towns in my

electorate. Surely there should be a basis of priority in regard to the spending of this money!

The same can be said concerning the hospitals which Mr. Jones mentioned. Surely the department has a priority list to provide hospitals where they are most needed! But we find that a local authority is approached and told that if it can find one-third of the money required, the Government will give assistance in the establishment of a hospital. Surely, under those conditions, the priority system is broken down. I am not denying the right of people to secure something for which they have taxed themselves; but under this system, others are denied a priority which is their right. The capital charge of hospitals should be a charge on the Government. Everybody is taxed according to his means, and everybody should receive a return on an equal basis.

In his speech, Mr. Heenan took Mr. Jones to task for continually harping on the railways. I think Mr. Jones has the idea that if he harps long enough somebody will take notice of him. Why should we close our eyes to what we know is going on? I happened to be going along the road the other morning at 8.20 and I saw seven fettlers on the railway line. They did not have shovels or picks in their hands, and one man was bending down and blowing up the fire. It was obvious that they had not been working.

Hon. R. F. Hutchison: You have a phobia about that.

Hon. L. A. LOGAN: It was obvious that they did not intend to do anything for a little while, because they did not have the tools.

The Chief Secretary: The morning-tea break is about 9.30.

Hon. L. A. LOGAN: What I am describing occurred at 8.20. At 10 minutes to nine I passed another gang of seven men, and they were doing exactly the same. They were standing there talking, and they had no picks or shovels.

Hon. G. E. Jeffery: They might have been politicians.

Hon. L. A. LOGAN: Again one man was boiling the billy. I have seen plenty of fettlers working, but I do not close my eyes to the fact that plenty do not work. If Mr. Jones keeps harping on this long enough, I do not think it will be long before someone takes notice. I can give another instance. Seven men who were supposed to be out on the line were in the goods shed because the other fellow who was paid to take them out on the job was on a harvester taking off his crop. Those are facts. Yet it is said that we should not air them.

I am not laying all the blame on the men. I have said before that we have inspectors inspecting inspectors. If one

gets to those who care and who have an ambition to see the work done properly, and one talks quietly to them, they admit that one is right. Why should we close our eyes to the faults and the defects of this system, when the people as a whole have to pay for those weaknesses? We are entitled to squeal.

Hon. R. F. Hutchison: It is not always the man with the pick and shovel who is to blame.

Hon. L. A. LOGAN: I have said so. I have said it occurs just as much at the top.

Hon. R. F. Hutchison: Yes, right here!

Hon. L. A. LOGAN: In the administration as much as anywhere else. Some railway men were talking about the £1,000,000 paid in overtime. It happened to be a train crew. They said, "That is all very well, but we do not get any of it at the moment. They are starving us, pinching us out of it." One of them said, "We had a fellow up here and we asked him, 'Who are you?' He said, 'I am the boss.' We said, 'We had the boss up last week;' and the fellow said, 'We take it in turns now.'" Is that not a proof of over-administration? Yet we are told not to say these things. That sort of thing goes on all the time, and it is our duty to draw attention to it, because ultimately the people have to pay.

As I said earlier, this Bill is to enable the Government to carry on. I do not believe it is our function to refuse supply, but it is our duty to criticise when we have occasion to.

HON. SIR CHARLES LATHAM (Central) [7.55]: I do not propose to let this Bill go through without making some comments, because I think that everybody who considers the financial position of the State must be worried. This is the second Supply Bill we have had presented to us. We have completed four months of the year, from July to October, and are half-way through the fifth; and already we have been asked to pass one Supply Bill for £18,000,000 and now this one for £18,500,000, making a total of over £37,000,000 which is a very big sum of money. When one considers our population and the liabilities it is expected to carry, one cannot help wondering whether we are getting the service we are entitled to expect for that expenditure. I know that all Governments have been more or less forced into business in competition with other people; but to my way of thinking, if private enterprise ran its business as the Government does there would be a number of bankruptcies.

In passing, I want to mention our railways. The Midland Railway Co. is a London company. It has a line running from Midland Junction to Walkaway, and a bus service between Geraldton and Perth.

We do not hear anything about its dreadful conditions. It must at least be making a balance. I cannot imagine for one moment the shareholders continually being asked to pay in money to either the railway or the bus service in the manner in which we are asked to pay money to the Railway Department, not just to maintain a balance but to prevent the railways from being closed down.

Deficits are occurring year after year. We cannot even run a bus service in competition with private enterprise; yet private enterprise has to pay taxes and the Government service does not. In view of these facts, every member of this House should in his spare moments give a little thought to the cause of all this. It is all very well for the House to pass Supply Bills. I know that it must give the Treasurer a headache sometimes when he wonders where he will be able to get a little more money and what additional taxes he can impose.

From all accounts, we will have quite a sheaf of taxing measures this year designed to make up these deficits that have occurred. If I am here next year, I will probably find that there have been further deficits with a consequent need for further increased taxation. Members must be convinced by these facts that the terrific cost of running a business in this State will prevent a lot of people from coming here.

The Minister for Railways: That happens everywhere.

Hon. Sir CHARLES LATHAM: It does not. I have pointed to the Midland Railway Co.

The Minister for Railways: That has no branch lines on which it shows losses.

Hon. Sir CHARLES LATHAM: Where does it get its money from? I cannot picture any London financier advancing £200,000 to the Midland Railway Co. in respect of a railway already in existence or a bus service running from Geraldton to Perth. But the Government can, through Parliament, tax the people to provide money to make up deficits. I am convinced that the sooner Governments get back to the work they were intended to do—namely, to govern the country and provide services that people cannot supply themselves—the sooner we will return to a state of solvency.

I do not blame the present Government, but all Governments for what has taken place. In the last year of the McLarty-Watts Government, 1952-53, the revenue was £38,884,236, and the expenditure £39,392,119, showing a deficit of £507,883. What could a private business do with a deficit such as that?

Hon. F. R. H. Lavery: It would call up more capital.

Hon. Sir CHARLES LATHAM: The hon. member knows better than that. In 1953-54, when the Labour Government came into office revenue increased to £43,145,840, and expenditure was £43,248,519, showing a deficit of £102,679. For 1954-55 revenue was £45,719,846, and expenditure £46,263,889, showing that the deficit rose a little.

In the first year the Labour Government said, "We can show you how to run the State," and reduced the deficit, but in the following year the deficit increased again because everybody wanted something done and it all cost money. In 1955-56 expenditure was £51,443,237, and revenue £49,612,406, giving a record deficit of £1,830,831. I want to know how we can meet such huge expenditure. Of course the Government could go on taxing the people for a while but that cannot continue forever and when members consider the present trend it must give them a headache.

I would not mind so much if our population was growing proportionately but our natural increase, plus migration, is only about 10,000 a year and is nowhere in proportion to the increase in our liability. In 1952 our debt per head of population was £222 9s. 2d.; in 1953 it was £244 10s. 10d.; and in 1954 it was £257 11s. 9d. Members can see that our per capita debt is steadily growing; and if we asked our people to meet that expenditure, they would have to do a great deal of scratching to find the money.

We cannot take these matters lightly and I am satisfied that the Government should keep out of business in all avenues that are recognised as the sphere of private enterprise. Even the State Saw Mills made a loss this year, and the State hotels made a very small profit, although those instrumentalities do not pay taxation, rates and so on. No private enterprise could continue in operation under the same conditions. We have seven State hotels, which barely pay their way; but I remember a man who had seven hotels in this State and who died worth £250,000, after paying his way.

Hon. G. E. Jeffery: He must have had a good accountant.

Hon. Sir CHARLES LATHAM: It is about time the Government had a good accountant. Apart from the State Saw Mills and the State hotels, I know of no other Government concern which has run at a profit or has even balanced its budget. If we have not such a person available here, we should get a man from elsewhere prepared to use horse sense and go through our services and show us where expenditure can be cut. The Government, of course, can find more taxation but private enterprise cannot do that. If a farm or business does not pay the owner looks around to see how he can reduce expenditure. How can the Government reduce expenditure?

The Chief Secretary: Right here, in this Chamber.

Hon. Sir CHARLES LATHAM: I do not blame Ministers or the present Government for the situation, but all Governments. I will do whatever I can to help the Government put the State on a sound footing.

The Chief Secretary: You asked where we could save and I pointed to this Chamber.

Hon. Sir CHARLES LATHAM: I was sorry to hear that interjection. Since I have been here, the payment to members of Parliament has increased three times, and I have always felt it would be cowardly to say I did not think an increase was justified, because some members have almost convinced me that they could not carry on with what they were being paid. I have often thought that a greater salary might attract to Parliament people with a better knowledge of finance; and if that were so, probably half the present number of members in this House could arrive at better methods of controlling our income and expenditure.

I would not have mentioned this House had not the Chief Secretary done so, but I know that the affairs of the State were equally as well controlled when I first came here as they are now and members were paid only £300 per year. We have paid our way since the early days by watering our currency and 5s. in the old days was worth £1 today. We cannot continue to water our currency indefinitely and although members may now think they are better off, the salary is only worth what it will buy. I am concerned for the people who have fixed incomes, because the more we water the currency the less value they get from their incomes.

I know there has been a suggestion that we should have a public accounts committee and a public works committee, and I think that even at this late hour it would be worth our while to try that system out.

I do not wish to criticise the man who does the hard toil, but we have three commissioners of railways and, in spite of that, year after year our railway system gets deeper into difficulty. The McLarty-Watts Government spent a huge sum on rehabilitating our railways and still left a big liability for the incoming Labour Government. That Government has in turn spent huge sums of money on the railways; yet in the last few days we have had from the commissioners a report that they do not know what to do to halt the deterioration in the condition of our railways. That state of affairs cannot continue much longer.

Some years ago we appointed the manager of the Midland Railway Co.—which must be run as a business concern—a commissioner to inquire into our State

railways. He made a number of useful suggestions which lessened the cost of our railway system.

Hon. G. Bennetts: Victoria got an American in to put their system in order.

Hon. Sir CHARLES LATHAM: South Australia got a man from overseas also and nearly crucified him because he spent so much money on putting the railways in order and building the central station in Adelaide, but at least he put that system in order. The present Government will not take advice because its public servants will not allow it to do so. I have yet to see a Minister who can stand up to some of our public servants.

The Minister for Railways: Did you have that experience?

Hon. Sir CHARLES LATHAM: I had certain difficulties. The Minister can ask a certain senior man in the Department of Agriculture what he thinks of me. They were glad when I left and said that at least they would be consulted from then on. The Government found the money and I wanted something done for that money. I hope if my words are carried to another place the Government will agree to take three members from this House and three from another place and form them into a public works committee and allow them, during the recess, to inquire and put forward suggestions. I am confident that such a committee could point out the causes of the decline in our railway system.

In 1909 when we really started to develop agriculture here we built temporary lines for £1,500 per mile and we are paying for that today, but we should have been able to rehabilitate them gradually. However, there has been no attempt to do that and our costs have risen very high. I think it is dreadful that we are passing on to the younger generation such a terrific liability. I do not know whether it is possible to wipe out the debt and start over again.

The Minister for Railways: The figures you read out in regard to the public debt do not show that it has risen much.

Hon. Sir CHARLES LATHAM: Per head of population the debt has risen from £222 in 1952 to £257 in 1954.

The Minister for Railways: What was it 20 years ago?

Hon. Sir CHARLES LATHAM: The debt was £194 5s. 11d. That was for the year 1948. In 1921 it was £124 18s. 11d. I admit that that £124 had good value in those days, but the amount has now risen to £257 11s. 9d. I do not know what the borrowing will be this year, but it will be considerable, and with the additional increase in borrowing that takes place and the interest that is chargeable, together with the redemption charges, it amounts

to a large item. I do not know of any service in the State which is not making a loss. There is none that I know of that is adding to the revenue of the State.

HON. G. BENNETTS (South-East) [8.16]: I did not intend to speak in support of the Bill; but in view of the fact that the Chief Secretary has not had much support, I want to tidy up one or two matters referred to by other speakers. When this Government took office, it was saddled with a fair degree of responsibility for expenditure on the Kwinana project, because many public utilities had to be provided in that area which involved much expenditure. It also had to spend a great deal of money on railways, especially in meeting commitments for the new diesel locomotives, etc.

It must be understood that the reason for such a great loss being incurred by the railways is, to a great extent, the re-laying and re-ballasting that is being done. I do not wish to criticise the Railway Commissioners because, as individuals, they are men of ability; but when I speak on the motion for the discontinuance of several lines, I will suggest ways by which money can be saved. During the last few years the line to Bunbury was practically rebuilt with the re-laying of a new and heavier rail; and on the Goldfields line all the banks had to be built up. Bulldozers have been engaged for some time building up those banks because nothing has been done to them for some years and the continual rain on them had washed them out.

That meant that new foundations had to be laid, and gangs are now engaged on laying a heavier rail with a heavy metal ballast. That type of ballast makes it a first-class road. It also acts as a filter because the water percolates through it and does not lie on the surface as it would if the rail were on a clay foundation and thus rot the sleepers as occurred previously. It is in that direction where great expenditure is being incurred. In addition, railway stations have been renovated and repainted and practically all the rollingstock has been renewed.

In my district the Government has done a great deal of work of which the people in the South-West Province are very proud. We now have a bituminised road from Coolgardie to Norseman, over a distance of 108 miles. During the regime of the previous Government the road was bituminised for a distance of only eight miles out from Coolgardie.

The Government has also paid great attention to the establishment of homes for the aged. It has turned its attention to the problem of water storage and has spent many thousands of pounds on the re-laying of water conduits. It has also spent a great deal of money on providing new ships to cater for the North-West coastal trade. Further, it has contributed many thousands of pounds to the establishment of the proposed new medical school.

At Bullfinch it has assisted the mining company at that centre to build homes for its employees in the same way as it did at Norseman. Great assistance has also been rendered to the pyrites industry at Norseman. This has proved to be of great help in providing sulphur, which is a main constituent of superphosphate, which product is so vital to the agricultural industry of this State.

The Government has also assisted many local authorities to establish swimming pools in their districts, which amenity should prove to be a great boon to the people in remote areas. I agree with the remarks of one member, however, who said that water supplies in a district should be looked to before the installation of a swimming pool is contemplated. The Government has also done a wonderful job in establishing native missions in the outback areas. It has spent many thousands of pounds putting these institutions on a proper footing for the benefit and welfare of the native population.

There is no question that Ravensthorpe is going to prove to be of great assistance to the State. A large quantity of copper is to be produced and exported from that centre to other countries of the world. I understand that Japan will take any quantity of copper that is offering from Ravensthorpe, and it is already arranging to purchase 2,000 tons a month. The company that is mining the ore has received liberal assistance from the Government in the production of copper.

We are the second largest producer of copper in the world, and it has been said that there are supplies at Ravensthorpe sufficient to last for 50 years. It has also been reported that within the next five years 5,000 tons a month will be shipped out of Ravensthorpe. What I have told the House will indicate the assistance the Government has granted to some of the industries in these centres, and there is no doubt that the money has not been wasted.

Some members have referred to the work performed by railway employees. In reply, I would point out that if some of them were to watch the re-laying of these lines, it would open their eyes. I have had a great deal of experience in plate-laying, and I would not like to say that I have witnessed a better gang than the one that is re-laying the main line to Kalgoorlie. The greater part of the track laid at the western end of the line was being put down at the rate of a mile a day. There are about 40 men engaged on the big rail and they are doing a wonderful job.

One cannot expect a man to have his back bent during the whole day on work such as rebalasting and the re-laying of rails. We in this House often complain about the hours we work, but our labours are nothing when compared with the work performed by these men. It is all very

well to criticise them but I would like some of the members of this House to perform some of their work and to see how they would fare. I support the Bill.

HON. E. M. DAVIES (West) [8.25]: I intend to support the Bill. I realise that its passing is necessary. The Government must obtain finance; and, of course, that must be authorised by Parliament. Sometimes when I listen to the debates in this House I feel that members make statements which they do not believe themselves.

Hon. L. A. Logan: They are all perfectly true! Every one of them!

Hon. H. K. Watson: That is a reflection on the members of this House.

Hon. E. M. DAVIES: I do not intend it to be; but when I hear statements made on certain things that should be done or should not be done, I am amazed. When I look back over the years, I become aware that many of the members who have voiced their objection to this Bill have had the opportunity, by their presence in Parliament for many years, and also by the fact that many of them have occupied ministerial posts, to do some of the things they suggest should be done now.

Hon. N. E. Baxter: Where is the large number of members who have occupied ministerial positions? There are only two.

Hon. E. M. DAVIES: I suggest to the hon. member that he study the "Parliamentary Handbook" and he will find that there are members of this House who have occupied ministerial positions.

Hon. Sir Charles Latham: There are only four in this House.

Hon. E. M. DAVIES: I cannot mention any particular member, and I am not saying anything personal against anyone. All the things that are happening today were happening years ago, but nothing was done to rectify any of the problems.

Hon. A. R. Jones: It is time something was done to rectify them.

Hon. E. M. DAVIES: First of all, it is our desire to have secondary industries established in this State. I, for one, have said repeatedly in this House, that primary production has carried us along for many years. It has been responsible for the State's economic stability. It has helped to increase our finances and stabilise our economy from time to time. However, like other countries that have built up their economy from primary production, we have had to establish secondary industries in order to maintain a more balanced economy.

The point I want to make is that the Anglo-Iranian Oil Refinery Company—I was pleased that it did establish its refinery in this State—involved the Government in huge expenditure. It was necessary for

power, water, roads and housing to be provided in the Kwinana area. Indeed, there was an agreement made between the Government and the company providing that 1,000 houses were to be built within three years at Medina and Calista. At the time it was considered necessary to speed up this work because land had to be resumed and the houses built on it, and that proved to be a fairly costly project.

The company asked the Government to provide those houses for its employees, and the work was commenced; and yet, within 12 months, it said to the Government, "We do not want these houses now. You can take them back." What I want to emphasise is that those houses could have been built somewhere else where they were badly needed. I am not suggesting that all of them will prove to be useless, because Medina will no doubt expand in the near future, but many of the houses which were asked for by the company at that particular stage, and which were later refused, were left vacant for many months. That is only some of the expenditure that has been incurred.

Hon. N. E. Baxter: Did you object to that clause when the Bill was before the House in 1952?

Hon. E. M. DAVIES: I am not concerned with any objection being raised. I say that the Government reached an agreement with the approval of Parliament. The Government desired to establish secondary industries, and that was the agreement reached. The agreement did not stipulate that when the houses were not required by the company they would be handed back to the Government.

Turning to another point referred to by Sir Charles Latham—that the Government was doing too many things which private enterprise should carry out—I would ask: What developed the State in the first place? It was the building of the railways and the establishment of the Goldfields water supply. Those undertakings were carried out by the Government; private enterprise would not handle them. Thousands of pounds were spent to develop this State, and the railway lines were put into the back-blocks to achieve that end. Because the development has not gone on as expected, some of the lines are not paying.

Hon. Sir Charles Latham: Who built the railway lines from Albany to Beverley, and from Midland to Geraldton?

Hon. E. M. DAVIES: The Great Southern Land Co. built the railway line from Albany to Beverley; that was a private company. It was not a Labour Government which took it over. Who established the first water supply in Perth? It was a private company; but it was the Government which took it over. And bear in mind that that was not a Labour Government.

Hon. Sir Charles Latham: It also took the trams over.

Hon. E. M. DAVIES: I am not talking about trams; they are coming and going all the time. Other speakers have said that the Government should not interfere with the field of private enterprise. I would point out that the taking over of enterprises by the Government has occurred for years without interference. Many of those undertakings were not acquired by Labour Governments, either.

Turning to an undertaking which was acquired in more recent days, the S.E.C. a few years ago undertook one of the greatest socialistic steps in this State. I refer to the taking over of the electrical installations and plant throughout the State, particularly the acquisition of the Fremantle Electric Light and Tramways installations. The latter belonged to the ratepayers of Fremantle and East Fremantle. The profit from the sale of electricity of the Fremantle Electric Light and Tramways Board made it possible for that instrumentality to run the transport.

When the Government took over the undertaking the board was told, "We will give you so much for your transport, but you can have it back. We do not want it." The result was that the revenue received from the sale of electricity, which made it possible to run the transport as well, disappeared; and transport in Fremantle is now run at a loss. The board has to use the interest derived from the £550,000 which the Government paid for acquiring the installations to offset the loss on transport operations.

While the railways do not pay when there is a one-way loading, the same applies to transport in Fremantle. We hear people say that the railways do not pay, and that it is the responsibility of this or that person. I wish to point out that they were built to develop this State. It should be a charge on the community, because the railways are helping to develop the State. I know that some of the railways have been pushed far into the agricultural districts.

That was done to open up the country and to enable those who had the courage to go into the outbacks to acquire a sense of security. When a person farms many miles from a railhead he is compelled to cart the produce from and to his farm to that railhead, and that was difficult, particularly in the days when the horse-and-cart was used. With the railways near at hand, they had a greater sense of security.

Notwithstanding what has been said by Sir Charles Latham—that those lines were built at £1,500 per mile—I would point out that the lines were laid on the surface. They were not ballasted or properly graded, and there were no proper bridges. Eventually war broke out and the railways were used extensively for defence purposes. Everybody praised the railways for the excellent work they were doing. In my opinion the railways deteriorated greatly in the war period, and what should have

been done was to charge the cost of rehabilitation against war expenditure.

It was said by Sir Charles Latham that the Midland Railway Co., in addition to running a railway line, also runs road transport parallel to it. It has no competitive transport. Both forms of transport, road and rail, belong to that company. What it loses on the merry-go-round it picks up on the swings. Not very many sessions ago Mr. Simpson urged the Minister in this House to take over the Midland Railway Co.—a socialistic step. The reason was that that company was feeling the pinch. While its undertakings are thriving and making a profit, the people do not want the Government to run them; but when it faces difficulties, the Government is asked to take over.

Hon. C. H. Simpson: I thought I had made it clear at the time that my reason was this: The Government can operate at a loss, but the taxpayers supply the money. A private company cannot, and still cannot.

Hon. E. M. DAVIES: I am afraid that reply does not do the hon. member any justice. We have been arguing along that line. Members opposite have said that private enterprise can make undertakings pay their way, and the Government cannot. Mr. Simpson now says that because that railway does not pay, he wants to hand it over to the Government and wants the taxpayer to bear the loss. Let us be realistic about these matters. We should remember that the railways were put down to develop this State. It was realised that they would not pay for the axle grease. The lines were handed over to the Railway Department to operate in the full knowledge that they would not pay; they were to assist the development of the State.

Turning to the argument that money is being wasted by the Government, I would point out that in my younger days, when Sir James Mitchell was Premier, he tried to open up land at Kendenup and Peel Estate. Did they pay? Thousands of pounds were written off. Eventually those moves paid dividends.

Hon. Sir Charles Latham: He did not have anything to do with Kendenup. Somebody else developed that.

Hon. E. M. DAVIES: They were all the same; money was written off in both cases. Although that happened at the time, those districts eventually paid dividends to this State. The railways of which we hear so much these days will, if given a fair deal and if the State develops as we hope it will, prove to be of very great benefit to the State. Eventually they will become payable. They will help to assist the economy of the State by opening up the back country and inducing people to go on the land. It is all right to talk about decentralisation, but if people are not given proper transport and facilities they cannot be expected to go to the

outback country and develop it. I ask members to take a realistic view of these matters and to see what can be done in the future.

THE CHIEF SECRETARY (Hon. G. Fraser—West—in reply) [8.40]: This is the second occasion during this session of Parliament that members have had an opportunity to speak on various topics, as during the Address-in-reply. This time some 19 members have spoken to the Bill. I feel sure that they do not expect me at this stage to reply to all the points that have been raised. I shall do what I have done in the past; and that is, forward the speeches to the various departments concerned, so that the very valuable information will not be lost sight of. The departments concerned will be given the benefit of the experience of members of this House. I am quite sure that if the departments can use the information to their good they will do so.

I thank Sir Charles Latham for putting me on the right track when he made one remark. In future when I am attacked for not taking any action, I shall be able to say, "The department will not allow me to do that." It is a rather good suggestion of the hon. member that the Government departments are too strong for the Ministers.

Hon. Sir Charles Latham: You only administer spending departments. None of the departments under your control earns anything.

THE CHIEF SECRETARY: I administer one of the departments that the hon. member has praised—one of the few showing a profit—and that, is the State Hotels.

Hon. G. Bennetts: What profit did they show last year?

THE CHIEF SECRETARY: I administer another department which does not pay dividends, but which is rather costly to the State. I would gladly give that away. I refer to the Prisons Department. Whilst the State hotels do show a profit, admittedly it is not as large as the profit made by the gentleman mentioned who ran seven hotels and finished with £250,000. If the State Hotels Department built hotels in the areas served by the hotels conducted by that gentleman, no doubt that department would show a very big profit.

The hon. member knows that the State hotels were put into areas which were not considered profitable. As it built railways which private enterprise would not build, so did the Government build hotels at unprofitable centres to give a service to the public. Would private enterprise have built the hotel at Bolgart or the one at Kwolyin, or even the one at Wongan Hills? They were not built to make a profit. They were built to serve the public. If the hon. member would accept them, I would give him two of the hotels.

Hon. Sir Charles Latham: Would you transfer the Kwolyin Hotel to me? Is that to get rid of me?

The CHIEF SECRETARY: That is the sort of thing which the Government does. Hotels are put in many places to give a service to the public. The idea of profit is not paramount.

Hon. Sir Charles Latham: The roads were built away from the hotel.

The CHIEF SECRETARY: Yes; and the town was also built away from it. That is what happens with quite a lot of Government activities. It is the responsibility of Government to give service and the question of profit does not come into it at all. Some departments—like the State Electricity Commission—pay their way as well as giving service.

I suggest to Sir Charles Latham that in future when he is speaking he does not hold up the Midland Railway Co. as a shining example of successful private enterprise, and compare the Government railways with it, because, as the hon. member knows, most of the profits made by that company do not come from the railway, but from the sale of land. I also suggest to him—I cannot make it public here—that he have a talk with some of the directors of the Midland Railway Co. to find out the position they are in.

Hon. Sir Charles Latham: Does not the same thing apply with respect to Government lands and the Government railways?

The CHIEF SECRETARY: No; they do not balance the revenue from the sale of land against railway losses. They are two departments, but that is not so with the Midland Railway Co. I have mentioned this point principally so that the hon. member may not make the same mistake in the future.

Hon. L. A. Logan: The Midland Co. is going to dieselise the line.

The CHIEF SECRETARY: Yes; and who assisted the company to do that? Mr. Jones spoke about the State Housing Commission and made comparisons between the number of employees and the number of houses built by the commission. When comparisons are made allowances are not always made for everything that occurs. The hon. member said that although 4,000 homes were built last year and 2,000 this year—he also mentioned the figure of 3,000—there were only 11 employees less employed this year than last year.

The hon. member must not lose sight of the fact that the 4,000 and 3,000 homes built, together with all the others erected in the years gone by, require staff for maintenance purposes—that whereas we might require less staff to handle the 2,000 homes built this year, other staff will be needed in the maintenance section in order to keep the homes fully maintained. So, where staff is lost on one section it is built up in another. It is only natural, with the

building of 9,000 houses in three years that the maintenance section must be increased to cope with the extra numbers. To make a comparison in the number of employees, without taking these factors into consideration, is not very fair.

Hon. N. E. Baxter: Is the maintenance on them carried out every three years, five years or six years?

The CHIEF SECRETARY: They are supposed to be done every so often.

Hon. N. E. Baxter: How often?

The CHIEF SECRETARY: Every three years.

Hon. N. E. Baxter: Are they?

The PRESIDENT: Order!

The CHIEF SECRETARY: Now that the department has quite a large number—I should say over 20,000 houses—it takes—

Hon. F. R. H. Lavery: 22,500.

The CHIEF SECRETARY: —a fair staff to keep them maintained. I shall see that the other points raised by members are referred to the departments concerned, and where answers are required I shall forward them to members.

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

Ayes	18
Noes	7

Majority for	11
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Ayes.

Hon. N. E. Baxter	Hon. G. E. Jeffery
Hon. G. Bennetts	Hon. A. R. Jones
Hon. E. M. Davies	Hon. Sir Chas. Latham
Hon. L. C. Diver	Hon. F. R. H. Lavery
Hon. G. Fraser	Hon. L. A. Logan
Hon. J. J. Garrigan	Hon. H. L. Roche
Hon. W. R. Hall	Hon. H. C. Strickland
Hon. E. M. Heenan	Hon. J. M. Thomson
Hon. R. F. Hutchison	Hon. J. D. Teahan

(Teller.)

Noes.

Hon. J. Cunningham	Hon. C. H. Simpson
Hon. G. MacKinnon	Hon. H. K. Watson
Hon. R. C. Mattiske	Hon. F. D. Willmott
Hon. J. Murray	

(Teller.)

Pairs.

Ayes.	Noes.
Hon. W. F. Willesee	Hon. J. G. Hislop
Hon. F. J. S. Wise	Hon. A. F. Griffith

Question thus passed.

Bill read a second time.

In Committee.

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

BILL—INSPECTION OF MACHINERY ACT AMENDMENT.

Returned from the Assembly with an amendment.

BILL—WORKERS COMPENSATION ACT AMENDMENT.

Received from the Assembly and read a first time.

BILL—FRUIT GROWING INDUSTRY (TRUST FUND) ACT AMENDMENT.

Second Reading.

THE MINISTER FOR RAILWAYS (Hon. H. C. Strickland—North) [8.56] in moving the second reading said: As its title indicates, the purpose of the parent Act, which was introduced in 1941 by Hon. F. J. S. Wise in his capacity as Minister for Agriculture, was to establish a trust fund, the proceeds of which were to be applied in the interests of the fruit growing industry. Prior to 1932 the industry was assisted by means of private donations but in 1932 the Fruitgrowers' Association instituted a deed of trust which enabled the spending of a voluntary levy on fruit exported from the State.

When war broke out in 1939 the Commonwealth Government acquired the apple and pear crop and deductions of the voluntary levy had to cease. The Commonwealth, however, did not object to a levy by the State Government and, as a result, the parent Act came into operation. Originally the Act provided for a maximum levy of 4d. a bushel, but this was increased to 1d. a bushel in 1951. The levy can be suspended at any time should the Minister consider there is sufficient money in the trust fund. With the approval of the Minister, the moneys in the fund are applied towards the prevention and eradication of diseases and pests, compensation to growers for losses suffered as a result of such prevention or eradication measures, the promotion and encouragement of scientific research, financial assistance to the Fruitgrowers' Association and its branches.

As members are aware, an outbreak of codlin moth has occurred in the Bridgetown district, and the Department of Agriculture and the fruit growers themselves are of the opinion that considerable expense will be incurred in eradicating the pest. In view of this, the Western Australian Fruitgrowers' Association has requested that the maximum levy be raised from 1d. to 4d. a bushel. It is apparent that the maximum of 1d. is totally inadequate to deal with emergencies, and that in view of this and the depreciated value of the £ a contribution of from 3d. to 4d. would not be unreasonable.

Little call has been made on the fund since its inception and the balance at the 31st October, 1956, in the apple and pear section of the fund was £18,665. The estimated costs for the 1956-57 season amount to £35,000, of which the Government will contribute £25,000 and the trust fund £10,000. There are approximately 1,400 acres of orchards in the quarantine area—the area around Bridgetown—and considerable expense will be brought about by the extra costs of packing in central sheds and spraying of trees, etc., an expense which, at this stage, cannot be compensated.

An average crop of apples will be in the vicinity of 1,400,000 bushels and each 1d. increase in the levy will amount to approximately £6,000. The total average collection, should 4d. per bushel be levied, would be in the region of £24,000. Normal expenditure from the fund, based on last year (apple and pear section), would be in the region of £4,800, leaving a balance of approximately £19,200.

The acceptance of this amendment does not necessarily mean that the rate of levy will be 4d. However, there is no doubt that the present rate of 1d. per bushel will be increased, according to the recommendation of the Fruit Growing Industry Trust Fund Committee.

I think all members are aware of the very dangerous situation that exists in the Bridgetown apple-growing area. This situation has existed now for some months. A lot of money has been spent, and a lot more will be required in the future, in an endeavour to eradicate the codlin moth. Not all of the orchards in the Bridgetown area are affected but it is necessary to cover a wide area around those orchards which are affected so that this pest can be dealt with and full control measures taken.

The Minister for Agriculture has visited Bridgetown on more than one occasion to discuss the position with the Fruitgrowers' Association; and, as a result of his visits and his report to the Government, the Government has given a good deal of financial assistance and the fruitgrowers are prepared to accept this legislation to increase the levy knowing that the very existence of the industry is at stake unless sufficient money is made available to control this pest and to eradicate it, if possible, within the next few years. I move—

That the Bill be now read a second time.

On motion by Hon. F. D. Willmott, debate adjourned.

BILL—LICENSING ACT AMENDMENT (No. 3).

In Committee.

Resumed from the 8th November. Hon. L. A. Logan in the Chair: the Chief Secretary in charge of the Bill.

Clause 2—Section 73 amended (partly considered):

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

That the words "eight and one-third" in line 22, page 2, be struck out and the word "seven" inserted in lieu.

I ask the Committee to request the Assembly to make this amendment because I feel that the tax proposed in the Bill is

excessive. I do not want to deprive the Government of the finance it requires; but when we look at other taxes which the Government imposes, we see the inequality of it. I hope, Mr. Chairman, you will permit me to refer to these other taxes because in my opinion all taxing measures are tied up together.

When compared to the proposed increased tax on the racing industry, the tax proposed in this measure is harsh. During the debate on the Supply Bill, the Chief Secretary said that nobody but the Government would build hotels in places where some of the State hotels exist. There are many hotels in this State which are in a far worse locality than many of the State hotels. Yet the Licensing Court expects the licensees of those premises to maintain them in a good condition.

Hon. Sir Charles Latham: And they pay rates and taxes, too.

Hon. N. E. BAXTER: The State hotels showed a net loss last year of £2,458 and yet the Government expects private hotel-keepers, in districts far worse than some in which the State hotels are situated, to maintain their houses and pay this excessive tax of eight and one-third percent.

Hon. Sir Charles Latham: Will the Government have to pay the excise tax?

Hon. N. E. BAXTER: It is not shown in the profit and loss account. There are State hotels at Wongan Hills and Bruce Rock. Those districts are quite good when compared with some districts in which private hotels are situated. Apparently the Government thinks that private hotelkeepers are sitting on goldmines, whereas I am sure that if they have to pay this tax many of them will find those so-called goldmines blowing up around their ears. Under my amendment the tax will be heavy enough and it will still return to the Government between £50,000 and £60,000 instead of £120,000. The Government could quite easily get the other £70,000 from the off-course bookmakers.

The Government has gone to a lot of trouble to prove that the s.p. bookmakers cannot pay more than 2 per cent. tax; but it has gone to very little trouble to investigate the financial position of the licensed houses in this State to see whether they can afford to pay this high taxation. This is a 38 per cent. increase for hotels and a 66 per cent. increase for clubs, etc.

The CHIEF SECRETARY: I hope the Committee will not agree to this amendment. The idea of the tax is to bring this State into line with other parts of Australia.

Hon. Sir Charles Latham: Is that the main purpose?

The CHIEF SECRETARY: No; it is not the main purpose. But where we find a section that has been getting away with

a very low taxation, in comparison with the same type of businesses in other parts of Australia, and if the money is required to run the State, naturally we look to those sections which have been getting away with low taxation for some considerable time. As I told the hon. member during the second reading debate, the average tax in Australia is 12s. 4d., but in Western Australia it is only 8s. 10d.

The hon. member made a comparison with the taxation on other sections of the community. Every case must be dealt with on its merits and there is an old saying that comparisons are always odious. When we are dealing with another measure I will reply to any criticisms he makes in that regard. I have no illusions about a requested amendment.

Hon. N. E. Baxter: We cannot make amendments in this Chamber.

The CHIEF SECRETARY: What is the difference? If this Chamber insists upon its requested amendment it is just the same as if an amendment were moved. This Chamber was always intended to be a House of review, and members here should not dictate to any Government how it should raise the finance necessary to run this State.

Hon. N. E. Baxter: You are not suggesting that this is not trying to review the legislation?

The CHIEF SECRETARY: I agree; but I want to point out to new members that a great distinction is made in our Standing Orders between taxing measures and ordinary Bills. It was never intended that this Chamber should be able to dictate the Government's financial policy.

Hon. Sir Charles Latham: How much revenue will we get from it?

The CHIEF SECRETARY: It will be £120,000.

Hon. G. C. MacKinnon: Additional?

The CHIEF SECRETARY: Yes. There is every justification for this tax and the hon. member should attempt to prove to the Chamber why this type of business has, over the years in this State, enjoyed a low taxation when compared with the same type of business in other States. Why should they get further protection now? If the money is not raised in this way some other section of the community will have to bear an extra burden. I hope the Committee will not agree to the amendment.

Hon. C. H. SIMPSON: There is some merit in the suggestion. Despite what the Chief Secretary says, there is provision in the Constitution Act for us to allow a reduction of taxation where necessary. This is not a direct tax on beer but on liquor sales on licensed premises. I have had to make out returns, and they were

the same 22 years ago as they are now. It was 6 per cent. and it has been raised to 8½ per cent. While the Government must have money to carry on, it should not single out this particular industry for the impost of heavy duties time and again. At one time at Day Dawn a bottle of whisky could be bought for 10s. But the price has gone up because of excise duty and so on.

The Chief Secretary: Not because of this.

Hon. C. H. SIMPSON: There was a tremendous outcry when the Federal Government made an impost of 3d. Graphs were drawn showing how much was got out of a pot of beer and it was amazing to see how much the Government did get. I think 7 per cent. is reasonable. There should be some protest, as there was a very vocal protest last April. It is amazing to see this section of the community singled out when the bookmaking fraternity is considered a privileged section.

Hon. Sir CHARLES LATHAM: I can still hear the Labour man speaking at Merredin when the Federal Government imposed an additional tax on beer and cigarettes. He was most convincing. The Labour Government does not agree with what the Federal Government did but they feel that that action is good enough for the State. The Chief Secretary cannot expect anyone to support the action that this Government proposes to take.

Hon. N. E. BAXTER: The Chief Secretary points out that this particular section of the community has got away with a very light tax all these years but what he seems to forget is that those people who were taxed lightly are no longer in those hotel businesses. The people who now run the hotels cannot possibly meet the tax imposed. There is absolutely no comparison between the liquor trade done in Victoria and New South Wales and that done in this State. Instead of the liquor trading being 80 per cent. as it was when the tax was light it is now down to 48 per cent.; and the small places are going to suffer as a result of this tax. Up till price fixing went out the publican could not pass his tax on because the commissioner would not let him. Action was taken in Geraldton and threatened in other places.

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

Ayes	7
Noes	16

Majority against 9

Ayes.

Hon. N. E. Baxter	Hon. C. H. Simpson
Hon. L. C. Diver	Hon. H. K. Watson
Hon. Sir Chas. Latham	Hon. J. Cunningham
Hon. R. C. Mattlake	(Teller.)

Noes.

Hon. G. Bennetts	Hon. F. R. H. Lavery
Hon. G. Fraser	Hon. G. MacKinnon
Hon. J. J. Garrigan	Hon. J. Murray
Hon. W. R. Hall	Hon. H. L. Roche
Hon. E. M. Heenan	Hon. H. C. Strickland
Hon. R. F. Hutchison	Hon. J. D. Teahan
Hon. G. E. Jeffery	Hon. F. D. Willmott
Hon. A. R. Jones	Hon. E. M. Davies

(Teller.)

Pairs.

Ayes.	Noes.
Hon. J. G. Hislop	Hon. W. F. Willesee
Hon. A. F. Griffith	Hon. F. J. S. Wise

Amendment thus negatived.

Clause put and passed.

Clause 3—Section 201 amended:

Hon. N. E. BAXTER: This clause deals with a tax on the wine and spirit merchants. As the previous amendment was defeated, I cannot do much about this provision and must let it go. I trust that the Committee will vote against the Clause.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

BILL—BETTING CONTROL ACT AMENDMENT.

Second Reading.

Debate resumed from the 8th November.

HON. N. E. BAXTER (Central) [9.33]: I would like to make a few remarks on the contents of the Bill. In the early part of the measure there is a definition of off-course turnover and on-course turnover, and there is a reference to when a bookmaker is betting as a bookmaker and when he is betting as a backer. I have read these two amending provisions a number of times and to me they are as clear as mud. How we can differentiate between when a bookmaker is acting as a bookmaker and when he is acting as a backer, I do not know. One would have to be clairvoyant.

The only course that could be taken would be to take the straight-out fact that when a bookmaker is registered, at no time can he be a backer, because a sensible bookmaker does not back racehorses but applies himself to the business of bookmaking and laying off or perhaps working on commission, which is the same thing as laying off in this instance, and is meant to be.

Why the Government made this suggestion that a bookmaker can sometimes be a backer, I do not know; but I would like the Chief Secretary or the Minister for Railways, whoever makes the reply to the debate, to tell me who is going to decide when a man is acting as a bookmaker and when he is acting as a backer. I certainly cannot imagine anybody being able to sort out one from the other. If a bookmaker laid a bet with another bookmaker and said he was a backer, who would be able to refute his statement? The provision is ridiculous.

Another feature that intrigues me is that the Government has gone out of its way in one clause to provide that the payment of tax on turnover at the increased rates will be on the proclaimed day of this amending Act, but not including the proclaimed day. It is most amazing to think that a Government could go to all that trouble to introduce legislation making sure that the bookmaker does not pay one penny retrospectively—because he is not to pay one penny extra before the proclaimed day—yet under other legislation which we have just been discussing, and which one cannot help bringing into comparison, retrospective taxation has to be paid over as long a period as 13½ months. That bears out my contention that on these issues the Government has been one-eyed. It has been most considerate in one instance and most inconsiderate in the other.

If "The West Australian" has any sense of fairness, it will reveal to the public how the Government is behaving in respect of these taxes. Unfortunately, on this issue "The West Australian" has not, to my knowledge, said one word. I object strongly to unfair taxation levied in this manner. I wonder why the Government has the audacity to introduce these two taxing measures so widely at variance in this respect.

Hon. L. C. Diver: "The West Australian" has dealt with the matter.

Hon. N. E. BAXTER: Far from fully. This Bill proposes to vary the tax from 1½ per cent. on on-course turnover up to £50,000 to 1½ per cent., and to 2 per cent. on off-course turnover, irrespective of whether the turnover figure is £40,000 for one bookmaker and £400,000 for another. It rather surprised me to see some of the figures submitted in relation to s.p. bookmakers' returns in the circular issued by C. P. Bird & Associates, of which I think every member received a copy.

The first column of figures relates to the costs and the profits for the last financial year. One finds that with regard to "other expenses" those of bookmakers operating on a turnover of £50,000 to £75,000 amount to £1,060, while for those with a turnover of over £200,000 the figure is £5,053. I know that these are average figures. The circular shows what will happen under the new scale of taxation to these poor unfortunate people for whom my heart breaks.

When I look at these figures, I could almost weep to think of how these poor people are going to be hit by this vicious tax of 2 per cent. which the Government is imposing. The poor unfortunate bookmakers handling over £200,000 a year will earn less net return than the bookmaker handling between £75,000 and £100,000. It makes me feel very sad to think that these poor people are going to be hit for such an amount.

I went and had a talk with Mr. Bird about these figures, and he assured me that he got them from reputable accountants in the city. I have gone to a fair amount of trouble to obtain information and summarise the figures. I got as much as I could from Mr. Bird. I do not doubt his reliability, and the fact that he put up these figures at the request of the big bookmakers of Western Australia—Healy & Co. probably—because they are certainly in favour of the big bookmaker; there is no getting away from that fact.

The big bookmaker is trying to make a case by suggesting that his taxation should not be higher than 1½ per cent.; whereas that of the little fellow with the smaller turnover should be 3 per cent. What a nice lot of creatures these chaps must be! They are saying, "I am handling a greater amount of money than the little fellow, but I cannot make a profit like him. So I suggest that I pay only 1½ per cent. while you cut the other fellow's throat by charging him 3 per cent."

I do not think there have been such cut-throat tactics adopted amongst any group of business people as are being adopted by these big bookmakers, as is evident from this circular. My suggestion is that they should go out into the scrub and hide themselves or throw themselves into the Swan River. If they are the type of people who are to be given consideration under taxation measures, then the Lord help Western Australia!

Next I propose to give some of the figures I have received on this issue. One bookmaker handles an unspecified sum over £200,000. From what I have seen, I imagine he would be handling somewhere about £400,000. He gives his printing and stationery expenses as £4,032. The next man is on £240,000; and, surprisingly, his printing and stationery account is almost one-fifth of that of the other fellow. It is only £859. The next man is on £202,000 turnover and his expenses in this connection are £1,167. Then we come to the small chap with a turnover of between £75,000 and £100,000, and his expenses on stationery and printing amount to £1,056, and that includes ticket tax—the stamp duty on the betting tickets.

If we average those three, we find that they average £1,000 on half the turnover of the big fellow; yet his printing and stationery is, amazingly, four times as much—£4,000.

That is not the hottest part of it. We come to his telephone account. What a wonderful business he must have and what a great help he must be to the Post & Telegraph Department, for this account is shown as £818!

Hon. G. E. Jeffery: He must have a talkative wife!

Hon. N. E. BAXTER: On that figure he must have a talkative harem. The man with a turnover of £240,000 had a telephone bill of £174 and the man on £202,000 has a bill of £229. I could not get the telephone accounts of the smaller operators as it is all grouped in the one figure. There is shown here for the man of £202,000 an electricity cost of £49 and the man on from £75,000 to £100,000 has a bill of £32.

If C.P. Bird & Associates or any other accountant thinks I will swallow an assertion that any betting shop in this city pays £234 for electricity, he will have to think again. I know what the cost for electricity was in the 20-bedroom hotel with which I was connected in the country. It was about double that but we ran electric lights in every room in the hotel and had every possible electrical appliance as well as large refrigerators and a 3-horse-power motor for cutting wood. We paid 1s. 2d. for light and 9d. for power whereas this man pays 6½d. for light and 3½d. for power which is less than half.

Other costs are given such as subscriptions £131 and payroll tax £191 and they are reasonable. The man on £240,000 shows his racing service and subscriptions at £353 and the man of £202,000 shows £352, while the man on the bottom of the scale shows £339, which is a reasonable figure. I do not quibble at the racing service, subscriptions or payroll tax figures. But I do not know how the big bookmakers expected us to believe the trash which apparently the Government has accepted. I hope this will show the Chief Secretary and his colleagues in Cabinet what a confidence trick the bookmakers have put over the Government.

I come now to the report of the Betting Control Board. The board gives a few preliminary details in regard to the commencement of the Act, changes in personnel, regulations, hours of business and so on, as well as details of registered premises, prosecutions, and so on, but gives hardly any of the information that we would expect to have placed before Parliament. We are told that licences for 228 bookmakers' premises were granted and 228 refused, with one suspended, and 18 cancelled, leaving 210 in operation as at the 31st July. We are given the number of bookmakers' employees, and so on and then told a few other details but there is nothing at all on the turnover figures or the amount of taxation received in each instance. There are no details of the disbursements of money or matters of that nature.

In the report submitted on the possibility of establishing off-course totalisators in this State the board went to great lengths to make sure that such totalisators were not established here, but this report with which I am dealing has been made as brief as possible. An analysis of the figures in regard to registered premises

shows that there are 89 in town and suburban areas, including Perth, Fremantle and Midland Junction, nine in urban areas, 84 in country areas in the South-West Land Division, and 28 in the mining and pastoral areas.

When the legislation was introduced the Chief Secretary and his colleagues went to great trouble to tell us why totalisators could not be established in this State because of lack of communications, and so on, but we find that in the whole of this State there are 28 registered bookmakers in mining and pastoral areas and 84 in the South-West Land Division. None of the small towns has been provided for and I wonder whether the people there telephone their bets to the larger towns or bet with unregistered bookmakers. As the board has not seen fit to make provision for betting in those places I would not blame these people if they patronised unregistered bookmakers as we were told betting would be catered for everywhere.

It seems that the Act has not been as successful as was expected, and I do not think it is being policed properly. In the last financial year the Government received some £274,839 from the turnover tax and of that the trotting and racing clubs received approximately 12 per cent. or £32,703. The clubs make the percentage approximately 8.2 but I am giving the Government the benefit of the doubt. In addition the Government received £75,588 from the totalisators and £75,300 from the stamp tax. It received £325,727 and in addition the fees received by the board were £72,000 odd. I wonder whether the board's administration costs were £72,000 odd. There is no indication in the report what those costs were and that shows how little it is worth.

According to the Chief Secretary's figures, under the proposed tax the Government will receive about £361,000 odd in the next financial year and the clubs will receive £63,215, which the Chief Secretary said was almost double what they received last year, but it would still be only about 15 per cent. of the total turnover tax. Even if the Government thinks it is being generous, it has not doubled the percentage. Obviously the Government intends to give the clubs as little as possible with which to carry on because its sympathies are not with them.

The Minister for Railways: They have something which they did not have before.

Hon. N. E. BAXTER: There are the s.p. bookmakers who provide nothing but a fat purse for themselves and they are receiving every assistance. As I said, the Government will receive £361,000 odd out of the proposed new tax and about £75,000 from the totalisator and £75,000 from the stamp tax, giving a total of about £512,000 so it is doing pretty well out of this.

Hon. R. F. Hutchison: Why shouldn't the Government do well out of it?

Hon. N. E. BAXTER: The Government would get more out of it if it put the taxation on a proper basis and taxed the right people and then it could make lighter some of the vicious taxation that it is imposing on the community.

Hon. R. F. Hutchison: I think you are speaking with your tongue in your cheek.

Hon. N. E. BAXTER: The day I rise to speak with my tongue in my cheek, as the hon. member does, will never come. I rise in this Chamber to fight for the rights of the people of the State and not to pander to my electors. I have taken action always in this Chamber in the interests of every section of the community, whether workers, business people or anyone else. I will always say what I think is right in the interests of the community as a whole.

When we examine the proposals under this legislation we must wonder why the Government does not hang its head in shame at what it has been coerced into accepting and putting up to Parliament. If I did not realise that the Government needs the money I would vote against the second reading. Unfortunately, however, I am in a position whereby if I vote against the second reading, it will be helping those people who should be contributing more towards the finances of this State. Therefore, it is with regret that I support the second reading of this Bill.

THE CHIEF SECRETARY (Hon. G. Fraser—West—in reply) [10.11]: There has not been much debate on the Bill at this stage and I suppose I must expect more discussion in Committee. I assure members that as far as this tax is concerned, the legislation as a whole has received serious consideration from the Government in the same way as every other Bill that is brought before this Chamber. After conducting an exhaustive examination and studying the question from all angles, the Government considered that this was the maximum percentage that could be fixed in imposing this tax.

Hon. N. E. Baxter: The Government should not let up on them!

The CHIEF SECRETARY: If the hon. member would let up for a minute it would be a great help, too. The Government knows some people who are conversant with all the ramifications of betting, racing and trotting. In fact, I know a little about the subject myself because I am one of those who has contributed to the upkeep of the sport of kings throughout my life. I can assure the hon. member that it would be difficult to put anything over the members of Cabinet as far as racing and trotting are concerned.

Hon. L. A. Logan: You own a few bricks of the bookmakers' homes, do you?

The CHIEF SECRETARY: Some of us have to keep them going. Therefore, I can assure the House that there are very few points in regard to the racing game that the members of Cabinet do not know.

Hon. N. E. Baxter: They have a lot to learn then.

The CHIEF SECRETARY: The hon. member is entitled to his opinion, but every angle of the racing game was examined by Cabinet in close collaboration with Treasury officials who had been handling the matter long before the introduction of this Bill. The Government finally worked out the basis for this tax. The hon. member referred to the fact that the Government should have doubled the amount which the racing and trotting clubs are receiving. However, I think the Government has been very generous towards those clubs.

Hon. N. E. Baxter: You have a far different conception of generosity from what I have.

The CHIEF SECRETARY: As a result of the funds received from the Government under the provisions of this measure, the racing and trotting clubs are getting much more than they would have got if this measure had not been on the statute book.

Hon. L. A. Logan: Will some of the country clubs receive part of this money?

The CHIEF SECRETARY: They will get more under this legislation than they would have got otherwise. Every ill that racing and trotting is suffering from today has been blamed on the introduction of this legislation. I have never heard such tommyrot in all my life in regard to the remarks that have been made about the detrimental effect that this legislation has had on race-course attendances.

Hon. C. H. Simpson: Surely the clubs should know!

The CHIEF SECRETARY: From the information that the clubs have submitted to us, apparently they do not know. Do they think that the operation of this legislation has robbed them of attendances and that this trend has occurred only in this State? I can produce figures to show that at the last meeting of the Randwick races the attendance figures dropped by 13,000 compared with what they were last year and there are no registered s.p. betting shops in New South Wales.

Last Saturday, at Caulfield, remarks were made in regard to the low attendances compared with what they had been previously. So no matter where races are held in Australia, the attendances on the race-courses have been decreasing. Yet people in this State blithely come forward and suggest that this legislation has been the cause of decreased attendances at race-course meetings.

Hon. L. C. Diver: Has that been said in this Chamber?

The CHIEF SECRETARY: I would not kiss the Bible on it, but it has been said so often that I would be surprised if it had not been said in this Chamber. During the last 12 months this legislation has proved to be in the nature of a saviour to the racing and trotting clubs.

Hon. N. E. Baxter: Do you know that the racing and trotting clubs in South Australia receive £230,000 odd to keep the sport going?

The CHIEF SECRETARY: I have seen the figures and percentages in regard to South Australia. I would not be so foolish as to deny that the legislation has affected attendances at race-courses and trotting courses but its effect has not been so great as some people would have us believe. As against decreased attendances at the race-courses, the clubs have benefited more than double by this legislation being on the statute book for the past 12 months. To them, it has meant the receipt of more finance than they would have lost by decreased attendances. Further, as the result of the increased tax, as proposed by this Bill, they will be on clover in the next 12 months.

If there had not been so many reverses experienced by the racing and trotting clubs during the past few years, the attendances at their courses might have improved, but I would point out that not only has there been a slackening off of attendances at these places but also there has been a slackening off of attendances at other sports meetings and gatherings.

Hon. N. E. Baxter: But the people concerned there are not taxed.

The CHIEF SECRETARY: Of course, the hon. member wants school and other amenities in his district. He is aware that costs of services and goods have increased in recent years which, in turn, has meant an increase in the cost of those works undertaken by the Government. Do members think for one moment that the Government is not trying to obtain as much money as it can for the financing of this State and that it would let these people off with a 2 per cent. tax if it thought it could obtain 2½ per cent. or 2¾ per cent. from them? Insinuations have been made that the Government is protecting the bookmakers. That makes me laugh.

Hon. N. E. Baxter: Did you make the same extensive inquiries in regard to the licensing of liquor taxation to ensure that the people concerned in that industry could afford to pay the tax?

The CHIEF SECRETARY: This Bill has received exceptional consideration and the Government is certain that this is the

maximum percentage that can be extracted from the bookmakers who are engaged in this industry.

Hon. N. E. Baxter: You cannot expect us to swallow that!

The CHIEF SECRETARY: I cannot help that. I can only tell the hon. member what has been done. If, for one moment, the Government thought that it could have obtained 2½ per cent. tax it would have got it.

Hon. N. E. Baxter: Why did not the Government impose that percentage to see how it worked out?

The CHIEF SECRETARY: Because it believes that 2 per cent. is the limit that can be imposed. I believe even "The West Australian" stated that the Government is protecting the bookmakers. What possible liaison could there be between those people and the Government? It is plain stupidity to make such remarks.

Hon. C. H. Simpson: How do you explain the difference between the percentage extracted by the totalisator and that paid by the s.p. bookmakers?

The CHIEF SECRETARY: I would not attempt to make an explanation. All I know is that of the money that goes into the totalisator, 13 per cent. is retained in tax. However, on many occasions more money is paid out by the bookmaker than he receives. Last year I said that there are some s.p. bookmakers who lose, but Dr. Hislop did not believe me. I said that very often the bookmakers would not get their money back.

My statement was queried and I went on to state that on one occasion, whilst I was at Helena Vale on one Saturday afternoon I said to a bookmaker that I wanted a copy of all the bets made by him on that day. He gave me a carbon copy which I produced in this Chamber, and it proved both of the points I have made. Notwithstanding that, it was laughed at by some members. First of all, it proved that the bookmaker lost £10 on one race.

Hon. N. E. Baxter: A whole tenner!

The CHIEF SECRETARY: The totalisator, however, does not lose on any race. That is just the difference! That is why I cannot make a comparison between the tax extracted by the totalisator and that charged on the s.p. bookmaker. The totalisator cannot lose on the race, but an s.p. bookmaker can and does. The example I gave proved that, firstly, the s.p. bookmaker lost £10 on a race; and, secondly, that if a tote had applied the dividend on the second horse which started favourite would have been 2s. 6d. The difference between the two methods is that the tote cannot lose and it must get 13½ per cent. of the turnover.

Hon. F. D. Willmott: It must also pay the true odds, but the bookmaker does not.

The CHIEF SECRETARY: That is not the point. The tote pays according to the amount invested, less 13½ per cent. and it cannot lose. A bookmaker can and does lose.

Hon. J. Murray: Not on the day.

The CHIEF SECRETARY: I did not say on the day, but on a race. That is the difference between the two. That is why we cannot explain that 13½ per cent. is taken out in one case and 2 per cent. in the other. Apart from running costs and staff, the totalisator has no other expense. On the other hand the bookmaker has to meet stamp duty, telephone expenses, staff payment and other expenditure.

Hon. F. D. Willmott: Does not the totalisator have to pay similar expenses?

The CHIEF SECRETARY: The bookmaker has to pay rent and he must keep the shop open for several days a week. The tote only opens on the day of racing.

Hon. R. C. Mattiske: The totalisator office is open all the week.

The CHIEF SECRETARY: To make comparisons in this case is odious.

Hon. L. C. Diver: Why not try out the tote?

The CHIEF SECRETARY: That is not practicable. I dealt with that point last year. If I were to talk till doomsday I would not convince the hon. member. The Government has given full consideration to this matter. This is the fairest way to impose the tax. We believe that the assistance to be given to the racing and trotting clubs will enable them to frame better programmes and improve racing.

Question put and passed.

Bill read a second time.

In Committee.

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

Clause 1—agreed to.

Clause 2—Section 14 repealed and re-enacted as amended:

Hon. J. MURRAY: Before moving the amendment standing in my name I want to draw attention to the reasons therefor. In the second reading debate, Mr. Diver read out a transcript of a tape recording regarding certain transactions. The information was also referred to in my second reading speech. Because it is a transcript of a tape recording the document is authentic. It showed that certain bookmakers indulged in undesirable practices. It was also suggested by one of the bookmakers when speaking to a public servant and the Commissioner of Stamps that it was the intention of the Government to introduce an amendment to the Act so as to prevent such an instance arising again. That was the reason for introducing the Bill.

Whilst the clause will tend to tighten up the position, I would point out that the final sentence leaves the door wide open. In the discussion of this measure in another place it was freely stated that if the Government imposed too severe a tax some s.p. bookmakers would revert to illegal betting over the telephone, which the Government would be unable to police. That being the position there is the possibility of reaching the stage where it will be difficult to police the Act. In leaving the gate wide open it is doubly difficult to obtain a conviction against a bookmaker for indulging in undesirable practices, which was admitted in the tape recording.

The chairman of the Betting Control Board in a Press statement attempted to show that I did not know the Act when I spoke on this measure. I knew what I was talking about all right. This clause seeks to amend Section 14 of the Act and I would refer to the wording of it. I was perfectly well aware when I spoke that this clause contained the expression "in the capacity of bookmaker". When the Bill was before the House last year I felt that because of the restrictions that were to be placed on s.p. bookmakers when premises were licensed, they would require some protection in their private transactions which had nothing to do with betting.

If a man has registered premises that are open, I visualise that it would be competent for a land agent to discuss there a business transaction outside his capacity as a bookmaker. But because of the power of these men, the legal expenses would be a fleabite in order to get out of keeping a true record of betting transactions. They admitted making investments which they decided were not in the course of business as a bookmaker, but more on the lines of what happened before the Act came into operation when they were doing telephone betting.

They took what they considered to be commissions, but made it one stage worse because the person went on to the premises and laid money on a horse. The transaction, however, was not recorded because the bookmaker decided he was not going to handle it but would put it on to another bookmaker. I fail to see how any reasonable person or law court could say that the money was received in any capacity other than in his capacity as a bookmaker.

That is the position the Commissioner of Stamps was faced with. Mr. Andersen also said that the board did not prosecute. There are many types of offence under the Act. Some of them must be prosecuted by the police. That was known to me before I made my statement. Other offences could only be prosecuted by the Commissioner of Stamps, but there are many offences the evidence in respect of which could only be obtained by the Betting Control Board. Whilst the board does not actually prosecute it must, by virtue of having the

evidence, request the Minister for Justice, through his department, to prosecute the individual bookmaker. So Mr. Andersen is just talking tommy-rot when he tries to suggest that I do not know where I stand on this question.

If Mr. Andersen's statement is correct that the board does not prosecute, what does it do in between times? It has licensed all betting shops in Western Australia and it has licensed sufficient bookmakers. What is the heavy expenditure for, that is used in keeping the board going, if it is not going to make sure that the provisions of the Act are carried out? I move an amendment—

That after the word "person" in line 14, page 2, the following words be struck out:—

"but does not include any money promised or paid by the bookmaker as the consideration for a bet made by him on his own behalf in the capacity of a backer but not in the capacity of bookmaker."

The reason for the amendment is perfectly clear. This can only be properly policed by ensuring that every transaction that has anything to do with betting is registered and a record kept. The Commissioner of Stamps should insist that the transactions be written on a betting ticket. According to the evidence brought forward at an inquiry it would appear that certain people go into these establishments, and instead of a betting ticket being made out the bookmaker records it on a sheet, but there is no duplicate as there is with a betting ticket.

The manner in which the Commissioner of Stamps taxes those bets is pretty loose. He evidently accepts a return from the bookmaker as a gross return. The addition of these words will open the door completely in regard to ensuring that the bookmaker pays his full dues. He has only to say to the Commissioner of Stamps and to the Betting Control Board, "That is not a bet. I am using this money as a backer to back a horse." I hope the committee agrees to the amendment.

The CHIEF SECRETARY: I am not accepting the amendment, because the point mentioned by the hon. member is already covered. There is a difference between a bookmaker accepting a commission and laying it off, and a bookmaker having a bet.

Hon. H. K. Watson: There is not in actual practice.

The CHIEF SECRETARY: Of course there is! How often has a bookie been betting and he will hear a price quoted and he will say, "I will take 100 to 10"? He is entitled to have a bet.

Hon. H. K. Watson: He is different from a punter.

The CHIEF SECRETARY: There is a difference between laying off and a commission. If he has over-bet on his book, why should he not be able to do this? If he then has £50 on a horse with someone else it is not a bet that he should be taxed on.

Hon. J. Murray: Is it turnover?

The CHIEF SECRETARY: No.

Hon. J. Murray: Bunkum.

The CHIEF SECRETARY: The bookmaker who receives the bet will pay the turnover tax. That is an entirely different situation from that which arises when a man is laying off a commission.

Hon. L. C. Diver: Can you define which is which?

The CHIEF SECRETARY: Yes, quite easily.

Hon. L. C. Diver: How?

The CHIEF SECRETARY: He took a bet of £150 from a person, and laid it off. Where he makes a bet himself, he is entitled to exemption for it. I am not prepared to accept the amendment; but will not cry if it is passed.

Hon. N. E. BAXTER: This is the exact point I brought up when I spoke on the second reading of the Bill. I said that anyone who could differentiate between when a bookmaker was acting as a bookmaker and when he was acting as a backer, would be clairvoyant; and that is what the Chief Secretary sets himself up to be when he decides it. He said that when he is executing a commission he is acting as a bookmaker, yet when he lays off a bet he is acting as a backer.

The Chief Secretary: I did not say "lay-off."

Hon. N. E. BAXTER: The Chief Secretary intimated that when he spoke of a bookmaker taking 100 to 10. Is that betting as a backer or laying off a bet?

The Chief Secretary: He is a backer.

Hon. N. E. BAXTER: The Chief Secretary said he knew all about racing. I have not seen him at any race meetings in Perth.

The Chief Secretary: I have not been in the last two or three years, but for 25 years I went to the races and to the trots, both day and night.

Hon. N. E. BAXTER: If the Chief Secretary goes to the races he will often see a bookmaker turn around and lay off with another bookmaker. The Chief Secretary said that is not laying off, but acting as a backer.

The Chief Secretary: It is not; he is acting as a backer.

Hon. N. E. BAXTER: Does the Chief Secretary mean to tell me that when the bookmaker turns round on his stand and

asks for the odds of 100 to 20 from another bookmaker, he is laying out money from his own pocket?

The Chief Secretary: I did not say that at all.

Hon. N. E. BAXTER: He is laying off money received as a bet. He is not acting as a backer as we would be led to believe by this provision. He could receive money from a racehorse-owner or punter on an arrangement to lay it off with other bookmakers in the ring. Is he acting then as a bookmaker or a backer? I take it the Chief Secretary says he is acting as a bookmaker because he is laying off a commission.

On the other hand, when he takes bets and finds his book a little over-balanced, and someone puts the odds up half a point on the other side of the ring, and he lays that money off, it is the same as if he were acting on a commission basis. If the Government wants us to agree to this it will have to convince us that the bookmaker acts as a backer when he is taking the money out of his own personal purse. We would then understand what was wanted. As it is now, one would need to be clairvoyant to decide the difference between the two. I feel that the Committee would be failing in its duty if it did not agree to the amendment.

Hon. L. C. DIVER: All I wish to say is that these off-course bookmakers have been given a very great privilege, and the least they can do is to surrender their right to be punters. I do not want to deny them the right to lay off their bets to balance their books; but for the price of being off-course bookmakers, let them pay tax on it so that there can be no escape whatever.

Hon. J. MURRAY: I want to add a few words because I did not think that the Chief Secretary was so young and innocent at the game of backing horses. I do not want to deprive a licensed bookmaker of any rights he may have as a citizen. I voted for the original legislation because I believed that the people were entitled to what the Government called the amenity of being able to invest small amounts on racehorses without having to go to the expense of railway or taxi fares and entrance fees at the courses.

No member here attempted to persuade any man to go into this "profession" or "industry" of s.p. bookmaking; but there was no dearth of applicants for licences. Having become a privileged and protected person, the least a licensed s.p. bookmaker can do is to co-operate with the Government, keep within the law and make it easy for the Government to prove that they are within the law. If a bookmaker wants to bet, let him bet on other premises. Why should he have the privilege of being able to take bets from a person, decide

whether he will handle them or not and, if he desires to use that money to bet himself, have a bet with someone else?

The Chief Secretary: Would he bet with himself?

Hon. J. MURRAY: No; he rings up another bookmaker. He does not pay any tax on it when he does that.

The Chief Secretary: This catches him.

Hon. J. MURRAY: No; it does not.

The MINISTER FOR RAILWAYS: I was interested in Mr. Diver's remarks. If a bookmaker is operating in the country and a man rings him up and wants to have a bet of £100 he will, in all probability, ring up one of the bigger bookmakers to distribute it.

Hon. N. E. Baxter: The other bookmaker would have to pay on that.

The MINISTER FOR RAILWAYS: If this amendment were agreed to there would be three taxes.

Hon. L. C. Diver: I said that he could lay it off and he should pay tax.

The MINISTER FOR RAILWAYS: This will cover the position where he acts as an agent. If I were a bookmaker and an owner came to me and said, "I think my horse will win" and asked me to take a large bet for him and I placed that money with another bookmaker because I had a fair idea that the horse would win, should I have to pay tax on that money?

Hon. L. C. Diver: Yes, because it would be your business.

The MINISTER FOR RAILWAYS: Even though I do not hold it?

Hon. N. E. Baxter: Yes.

The MINISTER FOR RAILWAYS: That would not be equitable. I frequently go to the racecourse and I see a number of trotting bookmakers there, betting in the ordinary way.

Hon. J. Murray: But they are not on registered premises. In such cases they are acting as private citizens.

The MINISTER FOR RAILWAYS: The hon. member is not debarring them in such cases? But that would be the position if this amendment were agreed to. He could act in his capacity as a bookmaker but not in his capacity as a backer. I have seen bookmakers on the course bet with the fellows alongside them or behind them. That is the only way they can pool. I cannot see anything wrong with the Bill.

Hon. H. K. WATSON: I am going to air my ignorance on the question. As I understand it, what is contemplated is this: I have a bet with a bookmaker and the bookmaker, having received that bet, has to pay turnover tax on it. If he holds the money that is the end of the turnover tax; but if, later on, he finds he has laid out too much on one horse he will lay off with somebody else. He has a bet with

another bookmaker and that other bookmaker pays tax on that bet as part of his turnover.

The Chief Secretary: That is so.

Hon. H. K. WATSON: And this is intended to cover that.

Hon. N. E. BAXTER: If he is acting as a bookmaker or a backer.

Hon. H. K. WATSON: Regardless in this case. If that is what is intended I must confess that I cannot see the reason for the last four lines. To my mind it seems to exempt the bet in the hands of the other bookmaker.

The Chief Secretary: No. By this amendment they want to tax him before he makes his bet.

Hon. F. D. Willmott: No.

Hon. H. K. WATSON: We all seem to be at cross purposes, and I would like someone to sort it all out. It seems to me that the aims of the Chief Secretary and the aims of Mr. Murray are met by stopping at line 15. What the last four lines mean is not clear. The bookmaker cannot bet with himself; so he must have made a bet with someone else, and this purports to exempt that bet.

The CHIEF SECRETARY: Suppose a bookmaker is given £150 and he lays it off with someone else. The idea is that he will not pay the tax on the £150 when it is first given to him. In order that he will pay the tax we have to put in the words it is proposed to strike out, whether the bets are made by or on behalf of the bookmaker as a party to the bets. It is believed that this man will escape taxation but he will not.

Hon. L. A. LOGAN: To understand this we must go to the beginning of the clause and see the definition of off-course turnover. Money that is promised as a consideration for a bet becomes the subject of tax for turnover tax purposes. A person or his agent can make a bet with a bookmaker or his agent and the latter will become subject to turnover tax. If the bookmaker lays off his bets with another bookmaker, in my opinion it is still betting and subject to turnover tax. What we have to decide is, when is a bookmaker not a backer? If a bookmaker accepts a bet then he is responsible to the man who has made the bet. The only time he ceases to be a bookmaker and becomes a backer is when his shop is not operating.

Hon. J. MURRAY: I would like to explain the position to Mr. Watson by tracing the history of a bet made. We will mention no names. The original bet was made with a bookmaker not over the counter in the betting shop but in the back room. At a subsequent date an examination of the bookmaker's records showed that the transaction was rubbed out and other figures were inserted in lieu. Whether that money was in his back room or anywhere else, the

bookmaker was legally liable to record the amount of money received and pay turnover tax on it.

The Chief Secretary: This provision says he will.

Hon. J. MURRAY: This bookmaker went to other premises and laid this money off with another bookmaker. Because that bookmaker decided not to treat the amount as a bet, as he was a go-between, he did not record the transaction and therefore he did not pay turnover tax on the second transaction. Neither did he pay stamp duty. After that transaction as a go-between he laid the money off in small amounts throughout the State. Turnover tax and stamp duty were paid by the country bookmakers. In that case there were in effect two lots of turnover tax when there should have been three. As long as the last four lines of the first portion of the clause are retained, a bookmaker can decide not to make a record of a transaction and to treat it as a bet which is laid off.

Hon. G. C. MacKINNON: Will each of the first two bookmakers show a profit if the horse won?

Hon. J. MURRAY: In the final analysis, the last bookmakers were the ones who made a profit because the horse lost. If the horse had won the original bookmaker would have paid the money to the backer. In view of the difficulty in tracing such bets, if bookmakers on registered premises are permitted to please themselves whether certain amounts are to be treated as a backer, evasion will take place.

The Chief Secretary: Such a position is covered.

Hon. N. E. BAXTER: If I approach a bookmaker and ask him to lay a bet for me he is acting as an agent. Under the first part of this clause he must record that as a bet and he will still pay tax on the bet. In another case if he holds £150 from various clients for a race and decides to lay off £100 with another bookmaker, is he not just as much an agent as in the first case? He will be doing the same thing in both cases. If the words proposed to be struck out are left in the clause no differentiation can be made between the two cases. The bookmaker has accepted bets in two cases and in each case he has laid off a certain amount.

Hon. L. A. LOGAN: The difficulty can be overcome by wording the clause as follows:—

The amount of money paid for bets by a bookmaker but does not include money paid by a bookmaker in the capacity of a backer.

No bookmaker can therefore say that he is acting as a commissioner. Under the wording in the clause a bookmaker can decide to take £2,000 with him and make

bets with other bookmakers in the capacity of a backer but he will not have to pay any tax on the transactions.

Hon. H. K. Watson: But the bookmakers he is doing business with will be taxed.

Hon. L. A. LOGAN: Not according to the wording of this clause.

Amendment put and passed.

Hon. J. MURRAY: I move an amendment—

That after the word "person," in line 28, page 2, the following words be struck out:—

but does not include any money promised or paid by the bookmaker as the consideration for a bet made by him on his own behalf in the capacity of a backer but not in the capacity of a bookmaker.

What I said on the previous amendment covers this. When a bookmaker on the course finds his book is out of balance he has already recorded the bets and made a record of them so that the Commissioner of Stamps gets his just dues. In these circumstances the bookmaker in his capacity as a licensed bookmaker on the course gets off his stand if he wants to lay off a bet, but I admit that is not done. A bookmaker will sing out to a fellow bookmaker, but he does not dodge any tax in doing so. He has the bet recorded and the other bookmaker who accepts the bet from him records it and pays just the same as the original bookmaker.

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

Clause 3—agreed to.

Clause 4—Section 16 amended:

Hon. J. MURRAY: I move an amendment—

That the word "ten" in line 35, page 4, be struck out and the word "twenty" inserted in lieu.

This is the clause which authorises the Government to distribute the money received under the Act to the turf clubs and to the Trotting Association on a certain basis.

Point of Order.

The Chief Secretary: This is taking away 10 per cent. from the amount that would be received by the Government. I do not know whether the hon. member is entitled to move the amendment. Will you, Sir, rule on that point?

The Chairman: I consider that under Section 46, Subsection (3) of the Constitution Acts Amendment Act the amendment would not be in order as the Legislative Council may not amend any Bill so as to increase any proposed charge or burden on the people.

Hon. C. H. Simpson: It does not do that.

Hon. J. Murray: Will you, Sir, accept this as a request to amend?

The Chairman: No; I would say the same thing applied. If it increases the charges I cannot allow it under either head.

Hon. C. H. Simpson: Do you rule that the burden on the people is increased by taking from the people and giving to the clubs? As it stands 10 per cent. goes to the clubs and 90 per cent. to Consolidated Revenue. If the figure is increased to 20 per cent. the Crown will be denied a further 10 per cent. and you rule, Mr. Chairman, that in that sense it would be a burden on the people?

The Chairman: Yes. Under Subsection (3), I propose to rule the amendment out of order.

Hon. J. Murray: I bow to your ruling, Mr. Chairman, but trust the Chief Secretary will recommit the Bill.

Committee Resumed.

Clause put and passed.

Title—agreed to.

Bill reported with amendments.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. G. Fraser—West): I move—

That the House at its rising adjourn till 2.30 p.m. tomorrow.

Question put and passed.

House adjourned at 11.35 p.m.