

Legislative Council,

Tuesday, 24th October, 1939.

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

QUESTION—BETTING, PROSECUTIONS.

Hon. W. J. MANN asked the Chief Secretary: 1, What was the total number of betting prosecutions instituted by the Police Department in this State during—(a), year ended 30th June, 1938; (b), year ended 30th June, 1939; (c), three months ended 30th September last? 2, At what police courts outside the city of Perth were such betting prosecutions heard, and what was the number of cases at each centre?

The CHIEF SECRETARY replied: 1, The total number of betting convictions is as follows—(a) For the year ended 30th June, 1938, 652; (b) For the year ended 30th June, 1939, 988; (c) For three months ended 30th September, 1939, 263. 2, For year ended 30th June, 1938:—Convictions—Fremantle 40, Pinjarra 2, Kalgoorlie and Boulder 73, Coolgardie 2, Esperance 1, Gwalia 1, Leonora 2, Norseman 6, Albany 3, Bunbury 6, Busselton 5, Katanning 7, Kojonup 2, Lake Grace 1, Narrogin 4, Pingelly 1, Wagin 2, Geraldton 8, Meekatharra 2, Mt. Magnet 2, Mullewa 2, Reedy 2, Wiluna 19. For year ended 30th June, 1939:—Convictions—Fremantle 161, Albany 4, Beverley 2, Beria 1, Big Bell 3, Boulder 29, Bridgetown 1, Bruce Rock 2, Bunbury 16, Busselton 2, Bullfinch 3, Carrabin 1, Coolgardie 5, Corrigin 2, Cue 5, Cunderdin 2, Dowerin 3, Esperance 1, Fimiston 6, Geraldton 10, Goomalling 2, Gwalia 4, Kalgoorlie 65, Katanning 3, Kellerberrin 2, Kojonup 3, Laverton 1, Leonora

4, Mt. Magnet 4, Mt. Palmer 1, Manjimup 2, Marvel Loch 1, Meekatharra 3, Menzies 2, Mullewa 2, Narrogin 5, Norseman 8, Northam 4, Ora Banda 1, Pemberton 1, Quairading 1, Reedy 4, Southern Cross 9, Tammin 1, Three Springs 1, Westonia 1, Wiluna 31, Wyalkatchem 1, York 2, Youanmi 3. For three months ended 30th September, 1939:—Convictions—Boulder 9, Bunbury 1, Carrabin 1, Donnybrook 2, Fremantle 24, Harvey 3, Kalgoorlie 22, Mt. Palmer 1, Manjimup 1, Marvel Loch 1, Midland Junction 2, Narrogin 2, Northam 2, Pinjarra 2, Westonia 1, Wiluna 6, Marble Bar 1.

QUESTION—TRAFFIC ACT.

Licenses and Fees.

Hon. A. THOMSON asked the Chief Secretary: 1, What is the total number of licenses issued in respect of (a), motor cars; (b), motor trucks; (c), motor cycles; (d), omnibuses? 2, What was the total amount collected in fees in each case? 3, What was the total amount collected by the Police Department for drivers' licenses and the number issued?

The CHIEF SECRETARY replied: 1, Motor cars, 20,003; trucks, 6,253; motor cycles, 3,779; omnibuses, 215. 2, Cars, £119,841 7s. 10d.; trucks, £57,438 4s. 8d.; motor cycles, £3,932 18s. 9d.; omnibuses, £7,478 8s. 5d. 3, Drivers' licenses—Number issued, 85,005; amount collected, £21,251 5s.

MOTION—RAILWAYS, GOODS RATES BOOK.

To Disallow By-law.

Debate resumed from the 18th October on the following motion by Hon. A. Thomson:—

That Railway by-law No. 55—Goods Rates Book—dated the 1st March, 1935, made under the heading of the Western Australian Government Railways, as published in the "Government Gazette" on the 29th September, 1939, and laid on the Table of the House on the 3rd October, 1939, be and is hereby disallowed.

HON. W. J. MANN (South-West) [4.49]: If no other good purpose is achieved by the motion, it will at least have afforded members an opportunity to

examine the position in which we find ourselves with regard to the railway system. The present position, as I see it is rather remarkable. A comparative handful of people, are loaded with a huge concern which is, I have to admit, indispensable, but which, at the same time, is regularly unprofitable, and the outlook for which does not appear to be very bright. It is time Parliament reviewed the position to see whether it is possible for those in charge of the railways to make them pay their way. Many years ago the railways showed a profit, but that profit was taken into revenue. We have reached the stage when, if my reading of the Commissioner's annual report is correct, a sum approximating 30 per cent. of the gross earnings of the undertaking is being eaten up in interest. That interest is a factor of increasing importance. If things go on as they are, it will not be long before nothing is left for any services, because all the earnings will be eaten up in interest. That is a serious position. Whilst supporting the motion, I am not speaking in any manner derogatory to the Commissioner of Railways or his staff. I am satisfied that the administrative staff has, so far as it is possible, made a genuine attempt to balance the revenue and expenditure.

Hon. J. J. Holmes: The Arbitration Court has not made things any better.

Hon. W. J. MANN: I have referred to the huge capitalisation of the railways. There has also been a serious contraction in the value of the assets, and it also appears that the working costs are ever increasing. Mr. Seddon, in a very excellent speech, referred last week to the progressive rise in the cost of railway working. The position is accentuated by the fact that the railways are being subjected more and more to a form of competition that is exceedingly difficult to fight. Parliament in its wisdom passed the State Transport Co-ordination Act. We were given to understand at the time that the legislation would go a long way towards putting the railways on a sound financial basis. My experience is that the Act has done very little in that direction. It has brought about many heartburnings, and has penalised somewhat unduly numbers of people. So far as I can see there has been very little co-ordination but a great deal of regimentation. The board has given some very harsh decisions,

and has made the position more difficult in some instances for people to enjoy the facilities to which they are entitled. I admit that impossible propositions are occasionally put before the board, but I know of others that were extremely reasonable and would have been very convenient for the public. In those cases the board has insisted upon persons taking a course that has not been a convenient one for the public. The Act has not assisted the railways to the extent we were led to believe it would, and they are up against a form of competition that is extremely difficult to fight. The passenger tendency nowadays is to go away from the railways. People will not use them if they can avoid it, because they can secure better facilities from the motor vehicle. Let me quote a couple of illustrations afforded by the position in the South-West Province. No doubt hundreds of similar instances could be quoted. A person travelling from Bridgetown to Perth by rail finds that the journey occupies 10½ hours, whereas the same journey by motor car takes about five hours. To travel from Busselton to Perth takes nine hours by train, and four to five hours more comfortably by motor car. There is no incentive for people to use the railways.

Hon. J. J. Holmes: One can travel by air for about 2d. a mile.

Hon. W. J. MANN: We have not yet reached that stage in Busselton.

Hon. J. J. Holmes: We have reached it in the North.

Hon. W. J. MANN: Busselton is being provided with a landing ground, and we may yet be able to leave the town after lunch, reaching the House in time for the afternoon sitting. In an effort to catch up some of the leeway, the department put half a dozen Diesel electric coaches on the rails. Despite some disparaging remarks concerning them, I think they have done good work. There is a paragraph in the Commissioner's report showing what has been achieved by these coaches. Apart from a few breakdowns, they have done well. In most instances they have brought increased traffic, but have proved to be not large enough for the volume of traffic. At the Midland Junction Workshops half a dozen trailers are now being built for attachment to the coaches. I am led to believe that these trailers will prove much more comfortable and convenient for the public than were the old-

fashioned trailer coaches that were brought into use in an attempt to cope with the traffic. The breakdowns that have occurred with the Diesel coaches have illustrated the fact that our steam services are not quite so satisfactory as we were led to believe. On two occasions I have been travelling when a Diesel coach has broken down and I noticed that the department put on a light railway engine with two coaches and was able thereby to keep up practically the same schedule as the Diesel coach. I am convinced that more use could be made of our light locomotives in view of the performances put up on the occasions I mention. By that means we would utilise our native fuel supplies and would be less dependent upon the imported article that has to be used by the Diesel engines. These are some of the directions in which the Commissioner of Railways and the department have endeavoured to institute improved services. They have gone further by providing better conditions for excursionists. Quite a number of tours have been conducted for hikers and Reso trips have also been arranged. All this is quite praiseworthy as indicative of the endeavour of the department to "pull its weight," so to speak. Mr. Holmes interjected just now to the effect that no matter how they worked, or endeavoured to improve the position, there seemed always to be another factor that prevented progress.

The difference between the earnings and working costs for the year 1937-38 was comparatively small, but for 1938-39 the deficit was over £300,000. That unsatisfactory result was occasioned by circumstances over which the Commissioner of Railways had no control whatever. The great bulk of the added burden to be borne by the railways has been due to increases in the basic wage and in charges under the Arbitration Court awards. When we view the situation in that light and appreciate that, irrespective of what efforts may be made by the department, the position continues to become relatively worse, then considerable point is lent to the contention that our railways are drifting to such an extent that before long Parliament will be forced to take a very serious view of the matter and take action to assist in effecting a betterment.

Hon. J. J. Holmes: Parliament will have to take some of the blame, too, for having approved of the construction of so many agricultural railways.

Hon. W. J. MANN: I referred to contracted assets and I could have spoken of what may be classed as mythical assets, assets that have long since dissolved into thin air. The fact remains that interest has still to be paid on the expenditure involved.

Hon. A. Thomson: That is the unfair part of it all.

Hon. W. J. MANN: That is part of the burden that the Commissioner of Railways and his officers have to carry. As Mr. Thomson interjected, it is unfair that they should be asked to do so. When dealing with the efforts made by the Commissioner of Railways to increase passenger earnings, I omitted to mention that there is still another avenue offering some prospect of success, and that is by making more use of the provision for summer all-day excursion return fares to country seaside resorts. In the part of the State where I live the experience has been that the department has waited almost until the end of the summer before commencing the day excursions. To my mind, they should be run right through the summer months. I feel confident that, bearing in mind the patronage accorded the few trains that have been run to coastal resorts, such a service would prove highly profitable. Undoubtedly people who live inland do appreciate the opportunity to spend a day at the sea coast in mid-summer.

Touching on the increase in freight rates, to which extended references have been made by Mr. Thomson, I consider those imposts are not fair to the people to whom they largely apply. If we analyse the position, we find, in the first place, that a great many of those who will be called upon to pay the additional charges have not enjoyed any direct advantage either from the increase in the basic wage, or from the improved rates under Arbitration Court awards. Take the fruitgrowers for instance. According to the Commissioner's report that section of the community represents very good customers for the department.

Hon. T. Moore: But at a very low rate.

Hon. W. J. MANN: The fruitgrowers represent exceptionally good clients for the railways, even at the rates charged.

Hon. T. Moore: But the rates are low.

Hon. W. J. MANN: They have been fixed so as to allow the people to enjoy the benefit of cheap fruit.

Hon. T. Moore: Quite right, but they can be given credit for that.

Hon. J. J. Holmes: Then there are the wheatgrowers.

Hon. W. J. MANN: Most primary products freights are in the same boat except, perhaps, those associated with the timber trade. The fruitgrowers contributed something like £26,000 extra in freights last year compared with the returns for the previous 12 months.

Hon. T. Moore: And fruit takes a power of handling.

Hon. W. J. MANN: That may be so, but I shall refer to the handling question in a minute. The fruitgrowers will pay a fair proportion of the increased freight charges. The dairy farmers, who are experiencing slightly better times now, have not received any increase in the basic wage, yet they will have to pay these increased freights.

Hon. T. Moore: I think they and the butcher men have put their wages up themselves.

Hon. W. J. MANN: Those who are operating in the fat lamb trade will have to pay considerably increased freights and that applies also to the woolgrowers. All these producers are good clients of the railways and have been contributing substantially towards the gross earnings of the department. They will all have to bear the expense of the additional charges. In my estimation, it is not logical to penalise good customers. I think the better course would be to look for some other method to effect an improvement in the earnings of the railways. Most of the articles to which these increases apply are widely used, and there is no question that the proposal will mean an added impost that the people concerned will be compelled to bear. Reference was made a little while ago to certain commodities that take a good deal of handling. That reminds me that in the Railways annual report there is a reference to curtailment of train services. It is set out that 91 steam trains aggregating a weekly running of 2478 miles have been cut out, as well as 16 Diesel trains that covered 645 miles per week. There again is another penalisation of the people of the country, because while I understand from the report that a proportion of these trains that have been cut out were trains that were run on Sunday, I know that a number have been cut out in the country districts. Not long ago I had the experience of starting off for the extreme South-West and being over optimistic did not look at

the timetable. On arrival at Picton Junction I proceeded to join the Diesel to continue my journey, only to find that it had been cut out.

Hon. T. Moore: For want of traffic, I suppose.

Hon. W. J. MANN: Cut out to save money. I would like to know how far these curtailments are responsible for saving. I should like the Chief Secretary when he speaks again at some future time, to let us have that information as to what saving the cutting out of these trains really means. It would be interesting to know what actual saving the cutting out of the 91 steam trains per week and the 16 Diesels really means. All the overhead costs must be just the same. The only saving I can see would be a small quantity of fuel and some running costs. I suppose we shall be told it costs so much per train mile to run the railways, and the less mileage run the lower will be the costs on that ratio. That may be all right, but I should like to find out what cash that saving actually means. The Deputy Commissioner—the latest annual report is the work of the Deputy Commissioner, and I am not doing anything that is other than right when I say that the officer has furnished us with an excellent report—has given us a statement that is full of information. It is all very clear, and I appreciated reading it. Discussing the State Transport Co-ordination Act, the Deputy-Commissioner refers to the action of some people in misusing the advantages or concessions given to them by that Act. There has been quite a lot of discussion as to what a farmer should be able to carry and what he should not carry on his motor vehicle. I do not think any of us is inclined to say that a farmer and his wife who come to town on a holiday whenever they feel so disposed, should not fill up the back seat on their return with purchases they may make in the city—I do not think anyone would object to that. But there are apparently some people who do take undue advantage of the opportunity to use their motor vehicles in a manner that is prohibited. I consider that the proper thing for the Transport Board to do is to get busy and make an example of some of them. I do not stand for any person misusing the advantages that are accorded under an Act of Parliament. The

question of a man bringing down a bag of chaff in order that he may take back a load of crude oil or kerosene should easily enough be investigated. If he offends in this manner he should be dealt with. There is, however, another direction in which I think traffic could and should be diverted to the railways. On page 11 of the Railways report, the Deputy Commissioner comments on the fact that the majority of owner drivers are unfettered by ordinary industrial awards, and the cut rates they are charging have diverted from the railways a very big proportion of the heavy loading of stone, gravel, brick and firewood and log timber traffic, which now is carried to Perth along the Bunbury, Toodyay and York roads from places up to 30 miles distant. I know quite a lot about the firewood traffic along the Bunbury road. It is such that it must run into tens of thousands of tons per year. It is carried every day of the week including Sundays, and between Perth and the other side of Byford one will see every few miles huge vehicles loaded—dangerously too—with firewood. The people who drive those vehicles are not the type that should be on the road. By reason of the size and weight of the loads everyone else is compelled to give them a wide berth, and they take undue advantage of that. Occasionally I have seen loads that have not been properly stacked. The timber has protruded over the sides to the extent of a couple of feet. That is positively dangerous, and I consider that the Transport Board should insist on that traffic going by rail. In the Eastern States all the firewood traffic is conveyed by rail, but here we find the Bunbury road being utilised by the brickworks, the quarries and the firewood cutters. Goodness knows the congestion on the Causeway is bad enough now, but when we get the folk with their broad loads taking up half the roadway, we realise that they are a menace. I notice that they drive their vehicles through the city. That is not the kind of traffic we want to see in the streets of the city. I believe the railways have a potential source of income there, and it should be exploited. I would support any action in that direction. Surely it was never intended that that type of traffic should have freedom to use the roads as they are being used to-day.

There are two other ways in which the railways could have obviated imposing the increases that are the subject of the motion. The Commissioner of Railways and his executive apparently feel that when it comes to facing a deficit they must make an effort to overtake the leeway. It appears to me that they have just taken the rate book and said, "We will impose these charges." Before having done that they should have exploited other avenues and particularly that which I have just quoted, namely, firewood and also stone and commodities of that description which are responsible for a considerable amount of road traffic. I intend to support the motion.

HON. V. HAMERSLEY (East) [5.13]: I intend to support the motion because I believe it is a most inopportune and inconvenient time to increase the railway freights, or any section of them. Many of the people that are likely to be affected, mostly producers, hardly know where they stand at the present time. They are waiting for the fulfilment of promises that have been made regarding what they are to receive for the commodities they have produced. Therefore to add burdens on their shoulders at this particular period is unfair. The onslaught has been made by the Railways apparently in anticipation of the good season, and the prospect of conveying very much more traffic than the railways have carried during the past several years. Last year when the farming community as well as the pastoralists were going through very serious times owing to the drought, and very low prices were being obtained, the Premier, when asked how the railway finances would be affected, replied they would not be affected to a very great extent because the railways would still carry the bulk of the goods at the same rates as before and the revenue would benefit to the same extent as hitherto. On the figures before us, the Railway Department seems to have been spending money quite freely and to be employing more hands than previously, presumably in anticipation of getting increased traffic, but like many people who engage in business, the department has found that its estimates were not realised. The position, however, is very harassing for producers, who are told that the goods they require must bear an additional impost of 10 or 20 per cent. Their

troubles have been accumulating for years from the fact that they have been receiving very low prices for their commodities, and the Government should have sought to reduce their costs rather than increase them. The producers have tried to reduce their expenses in every direction, and it comes as a shock to them when the Government, which they trusted to do a fair thing, places this additional burden upon them.

Members must realize how difficult it is to encourage the farmers to hang on and continue producing. They have persisted from year to year in the hope that conditions would improve, and just when the burden of the war is upon them and their problems of finance are most difficult, they are asked to submit to added costs for requirements hauled over the railways. Many of the producers have been wondering whether to throw up the sponge, and this is no time for making such an onslaught on them and destroying the hope they have been cherishing that, in this improved season, they might secure better results than they have had for several years. The Government, by this action, is adding another straw to the almost intolerable load being carried by the producers. Certainly the additional charges are excessive.

Complaints have been made that too many railways have been built in the rural areas, and that the railways constructed have cost too much. Perhaps many of them could have been built at less cost, but the high costs complained of have been due largely to the high tariff duties placed upon importations of steel rails, locomotives, etc. Western Australia has no control over the tariff imposts, and so construction costs have been increased. Yet the Commissioner has been expected to make the railways pay. He is operating a system that has cost infinitely more than it should have cost. The section of railway from Southern Cross to the goldfields cost the Government very little, if anything, to construct; it was paid for by the traffic over the line, and the contractors who laid that section were glad to get the work. The Government of the day was amazed when it received an offer to construct the line on such terms. Probably there are not many lines that could not be made to pay. Some of them were laid in arid areas and because of bad seasons there has been little freight

for them to transport. Some of the lines also should not have been constructed. Indeed they should be pulled up. I do not hold with those people who contend that settlers should be removed from the marginal areas because of the bad seasons that have been experienced, because those same areas in good seasons give magnificent yields. Some of those districts will produce as many bags of wheat as more favoured areas can produce bushels. The improved conditions must have a beneficial effect on the railways, and on that account the department can expect better results during the current year.

I counsel settlers to investigate carefully the freights they are being asked to bear, because many of them might find it would pay them to get packages of small goods transmitted by post. An orchardist informed me that he had adopted the idea of getting his plough shares by post, although a railway ran close to his holding. He said the railway freight was much higher than the postal rate, and so he had arranged to have replacements posted to him. Possibly many settlers could obviate the payment of these increased freights in that way.

Hon. G. Fraser: I do not think that statement will bear investigation.

Hon. V. HAMERSLEY: It would apply to many of the machinery parts that settlers require. The extraordinary fact is that goods transmitted by post are conveyed by the railways.

Hon. G. Fraser: At a much higher rate.

Hon. A. Thomson: No. That is the amazing feature of it.

Hon. G. Fraser: It is amazing to me.

Hon. A. Thomson: It is a fact.

The PRESIDENT: Order!

Hon. V. HAMERSLEY: I shall support the motion.

HON. J. A. DIMMITT (Metropolitan-Suburban [5.24]: This motion for the disallowance of increased railway freights is one that calls for calm consideration rather than the extravagant rhetoric indulged in by Mr. E. H. H. Hall. As a city representative I am rather loth to speak on the motion, but I feel that the increase of railway freights is a matter of straight-out economics and should be viewed only in that light. At the outset let me say that some of

the members who have spoken in favour of the motion have in the past been most critical of the Commissioner's deficit.

Hon. G. Fraser: And have spoken of political interference.

Hon. J. A. DIMMITT: To judge the issue fairly, I have tried to put myself in the other man's position. I can imagine the Commissioner of Railways, faced with a deficit of £133,000 and criticised by members of Parliament, by the Press and by the man in the street, and probably in no uncertain manner by his Minister, being told to do something to improve the position. Just as any business executive would do, he has sat down and calmly reviewed the situation. Now there would be two methods open to him—one to reduce his overhead expenses and the other to increase his revenue. On looking down his profit and loss account, he seeks the item offering the greatest scope for saving, and the largest item of expenditure in that account is wages. His natural impulse would be to attack that large item of expenditure, but here he is prevented from making any substantial saving owing to the fact that wages are governed by arbitration awards. Then he considers another alternative, a reduction of the number of employees. But can members imagine the position of any Commissioner viewing the possibility of sacking a large number of employees? He could not go to his Minister with such a proposition; he could not face the Government or members of this House with such a proposition; nor could he face the criticism that would be made by the Press and the public.

Hon. A. Thomson: What would you yourself do in similar circumstances?

Hon. J. A. DIMMITT: Precisely what the Commissioner of Railways did.

Hon. A. Thomson: You would!

Hon. J. A. DIMMITT: The only other course open to the Commissioner is to consider the reverse side of the picture and endeavour to increase his revenue. There are only two avenues through which he can do that, namely passenger fares and goods freights. The Commissioner trades in transport only; there is no other commodity or service that he sells. Doubtless he has considered the advisableness of increasing passenger fares, but he has not so far suggested an increase under that head-

ing. His last resort is to increase freights, and he has faced the position boldly. How has he done it? He has spread the increase over as many commodities as possible—this was indicated by Mr. Mann, who enumerated many of the items—and has spread it as lightly as possible. Actually, the Commissioner of Railways has my deep sympathy in having to confront a very unfortunate position, but he has got out of it by imposing the least possible burden on the smallest body of people. I consider that the Commissioner has adopted the only possible expedient, and if members would appreciate the position with which he was faced, I think they would alter their views. The Commissioner is not due for much of the criticism that has been levelled against him in this Chamber. I shall vote against the motion.

HON. C. F. BAXTER (East) [5.29]: I had not the slightest intention of speaking on this motion until Mr. Dimmitt addressed the House. I was absolutely astounded to hear such views expressed by a commercial man about the management of a commercial concern. What Mr. Dimmitt says in effect is that the Commissioner of Railways should lean to the easy side, the popular side, and not run a commercial concern on a commercial basis. This was the essence of his speech: Look to one thing only, an increase of freights, and impose the increase on the one section of the community least able to bear it! But for the traffic created by the goldfields, the loss on the railways would be even greater. But the point is this: can the railways re-establish themselves and overtake their losses under extravagant management? I speak of extravagant management without fear of contradiction. Are the railways to re-establish themselves by sacrificing producers who for a number of years have not been able to pay twenty shillings in the pound? Is an extra burden to be imposed on the producers at a time when their position is most doubtful and when it is not known at what date they will be able to resume exporting? For the past year the loss on the railways amounted to £313,226. Of that total, £160,000 is attributable to increased wages and amendment of industrial awards. That cannot be helped. It was bound to come along. But the commercial aspect of the railways appears to have been lost

sight of altogether. I do not believe that ever in the history of Western Australia was the running plant of the railways—and the power plant especially—in such a shocking condition as at present. I go by the people who know. Engine-drivers tell me that they run their engines week in and week out without ever allowing them to cool down to make the necessary repairs, and that thus there is loss of power in every direction. Again, a great deal of the fuel is small coal, which is all right in the East Perth Power House but not in locomotives. There is no good sound work in the Railway Department to-day. There is an excess of men for the work to be done. Compare the number of men employed to-day with baulage and transport generally, and observe the excess! If the railway authorities told the truth—

Hon. J. Cornell: One part of the loss arises from running trains to time.

Hon. C. F. BAXTER: The department cannot run trains to time. Our railways are not conducted on a sound business basis. There is not enough consideration in the handling of the railways—and not enough backbone either. The system has far too many employees. It is overloaded with labour. But let me leave that point, which has already been well thrashed out.

Let us see what other parts of the world are doing now in regard to their railways. This Government frequently repeats what it is doing for the producers of Western Australia. It is realised elsewhere that producers from land are people who hold and improve it, but freehold land is a misnomer in this State. Here the man on the land is only a piece of machinery working the land. I propose now to speak of what South Africa has done for its producers during the last 12 months, and what it will do for them in future. Here is a South African White Paper relating to the agricultural position there and the South African Government's proposals in regard thereto. That White Paper is published annually. The present issue states—

In view of the heavy burden that railrage costs constitute for the farmer in a country of great distances like ours—

Distances in Western Australia are equally great.

—both in despatching produce to his markets and in getting production goods and

packing material to the farm, the Government has now decided to offer special additional help to agriculture—

I ask hon. members to note the words "additional help", having regard to the help already given in South Africa.

—in this particular sphere, by way of lessening the costs of transportation to the farmer or exporter.

For the financial year 1939-40 the Government proposes to provide an amount of £1,200,000 to defray further rebates, on behalf of fruitgrowers, and livestock and other farmers, the costs of which are to be shared by the Department of Finance and the South African Railways and Harbours Administration.

Harbours are controlled in South Africa by the Railway Department.

Included in this—for the special benefit of the farming community—the Department of Finance will bear the expense of granting considerable rebates of the transportation charges of the Road Motor Service.

The principle of rebating a portion of the railway charges for agricultural produce has previously been applied to certain products. Farmers at present enjoy a rebate of 20 per cent., for instance, on the railrage of wool and wattle bark, and of 10 per cent. on citrus and deciduous fruits. In addition the port charges for pre-cooling, handling and shipping (payable to the South African Railway and Harbours) have been reduced in favour of the exporter of citrus fruits by 5s. 6d. (from 9s. 6d.), and in the case of deciduous fruits by 6s. (from 10s. 6d.).

More than half the charges has been taken off.

Our railways, in terms of the South African Act, have to be run on business principles and these rebates to farmers have therefore been borne by the Central Government and refunded to the Railway Administration. That the tariff of the South African Railway and Harbours has been applied with the greatest consideration for the interests of agriculture is shown, for instance, by the low flat rate for export mealies.

Hon. J. Cornell: That is because of the goldmining industry.

Hon. C. F. BAXTER: Yes; but generous consideration is shown to agriculture in South Africa.

But now budgets for the coming financial year are providing for a considerable extension of these rebate concessions enjoyed by farmers (for which £360,000 was included in the 1938-39 budget), and propose to authorise additional rebates amounting to a further sum of £1,200,000.

It is proposed, for instance, to charge wool growers only 10 per cent. of the existing rate on wool.

That is not a 10 per cent. reduction, but a reduction to 10 per cent.

Fruit exporters will only have to pay 10 per cent. of the present port charges in connection with pre-cooling, handling and shipping.

Again a reduction by 90 per cent.

It is intended to rebate to mealie producers 50 per cent. of the railage costs for export mealies and mealie products—a concession that is bound to be of great assistance in a year with the prospect of considerable exports, particularly as this reduction of the costs of export will have the effect of raising the price of all mealies marketed by the amount of the rebate per bag.

Mealies practically take the place of wheat in South Africa. The wheat crop there is very small.

While, however, these proposed rebates in favour of various exporting branches of agriculture, through reducing the costs of export, will offer substantial direct gain to producers, the Government expects to achieve far more by extending this principle of transport rebates in the interests of the farmers.

The South African Government is looking ahead. What I have quoted shows the feeling of South Africa towards primary production. The next paragraph I shall quote shows that by the rebates mentioned South Africa will gain much more than it will expend, by reason of the prosperity of the industries concerned.

Reduction of the railage costs paid by the farmer when obtaining various kinds of commodities that he needs for the improving of his farm enterprise, or for suitable marketing, is expected, however, to lead to even more far-reaching beneficial results. It is proposed to rebate 90 per cent. of the railage on all fertilisers (including agricultural lime), and to rebate 50 per cent. of the charges for bone-meal and licks for livestock.

The Chief Secretary: The South African concession is nothing like the concession here on superphosphate.

Hon. C. F. BAXTER: A rebate of 90 per cent., leaving only a charge of 10 per cent.! The Minister should not talk like that.

In the case of pest control remedies for orchards, the rebate is proposed to be 25 per cent. for those articles which now fall under the low tariff, and 50 per cent. for those falling under the high tariff.

Hon. H. S. W. Parker: What is the reason for these enormous reductions in South Africa?

Hon. C. F. BAXTER: That the producers there were in the same position as our pro-

ducers—below the breadline, to state the position plainly. South Africa did not wait for the collapse of the farmers, but began assistance some years ago. I am quoting from the White Paper for last year.

Hon. T. Moore: The Arbitration Court does not operate in South Africa, which has black labour.

Hon. C. F. BAXTER: The hon. member does not employ labour at Arbitration Court rates. He would be acting strangely if he did. Undoubtedly South Africa's revenue from the gold industry is immensely greater than that of Western Australia.

Hon. T. Moore: What are mining employees and labourers paid in South Africa?

Hon. J. Cornell: Higher rates than are paid here.

Hon. T. Moore: I would like to know what they are.

Hon. C. F. BAXTER: I shall get the information for the hon. member.

The PRESIDENT: Order! The hon. member will address the Chair.

Hon. C. F. BAXTER: I shall give my friend Mr. Moore all that information privately. I have not the year book containing it here, but I have it at home.

All this assistance will contribute greatly towards better means of conserving the fertility of farmers' fields and orchards, and of maintaining animals in healthy condition.

Inland farmers often have to pay heavy transportation charges on various packing materials they must get before they can market their products. Thus a rebate of 50 per cent. of the railage on wool packs and grain bags, and of 30 per cent. box wood needed by producers of citrus and deciduous fruits, is proposed.

The whole consideration in South Africa is that agriculture represents a highly important side of industry, being a side that is there to stay. Every year the value of land licensed for gold production decreases, but the value of the agricultural land will always be there. The problem does not receive the same consideration here. The railways are making a loss, but what is the position of farmers who are great users of the railways? If freights are to be increased, why not put the increase on sheltered industries, on Perth businesses? When the Commissioner is permitted to increase freights, Perth business people simply pass the increases on to the country people.

Hon. H. S. W. Parker: Where do the people of Perth get their money from?

Hon. C. F. BAXTER: From the producers.

Hon. H. S. W. Parker: Of course.

Hon. C. F. BAXTER: Perth business people will not get much more from the producers unless conditions are altered. When the cost of living increases, up go the wages. I do not cavil at that. If farmers paid the basic wage, they themselves would not get bread and butter. The first thing to do is to put the Railway Department in order, put it on a commercial basis. There is the drift spoken of by Mr. Dimmitt, a drift which pleases the few. Mr. Dimmitt has stated the railway position in the light of the conditions in which the Commissioner finds himself. The Commissioner is in the wrong position for a man handling a commercial concern. He should be fearless, and not seek to please anybody. I am sorry to say that my experience convinces me that the railways are not being managed on a business basis. The main portion of the increases in freights will fall upon people who are not making ends meet and who, so far as I can see, have but little chance of making ends meet. Instead of doing what is now being done in South Africa, where every possible assistance is being given to establish primary producers and to afford them all the relief possible, the Commissioner is placing a further load on our primary producers. There are many excellent officers in our Railway Department, but a section of them seems to think that the department should have an easy time. That section says, "Let us use the same bad quality of coal and let the primary producers pay. How they can pay we shall not trouble about."

Member: Would you suggest using nothing but Newcastle coal?

Hon. C. F. BAXTER: No. We have a good quality coal here. If what the engine-drivers tell me is correct, the Railway Department is using slacks instead of coal.

Several members interjected.

Hon. C. F. BAXTER: After a certain period Collie coal does become slack, but the period is a long one and the Railway Department does not keep the coal as long as that. The department should see that good quality coal is delivered to it in the first place; there are ample supplies of good coal at Collie. I do not advocate the use of

Newcastle coal; I wish it were not necessary to use a ton of it in Western Australia. My feeling is that this Government utility should pay its way as a commercial concern, but it cannot do so under the conditions now prevailing. No attempt is being made to run the railways on a sound basis. I shall not stand by and allow the department to increase charges to a section of the community that cannot bear the burden. I support the motion.

HON. L. B. BOLTON (Metropolitan) [5.48]: Although I represent a city Province, I am afraid that in this instance my sympathy for the primary producer outweighs my consideration for the Railway Department. Like Mr. Dimmitt, I have the utmost sympathy for the Commissioner of Railways in the position in which he finds himself; but I disagree entirely with Mr. Dimmitt's suggestion that the Commissioner is criticised from time to time by members of this House when, as in my case, the criticism is aimed at the policy of the Government and not at the Commissioner.

Hon. H. S. W. Parker: That is so.

Hon. L. B. BOLTON: I consider the State is fortunate in having a man like Mr. Ellis at the head of the Railway Department. Any criticism I may offer will be against the policy of the Government. I regard this regulation simply as an effort to make the primary producer bear some of the burden of the losses made by the Railway Department in the city. Perhaps, like some other members of this Chamber, I am also a primary producer and I realise what the increased freights suggested mean to the man on the land.

Hon. T. Moore: The freights on your line will not be increased or decreased.

Hon. L. B. BOLTON: I am not so sure that the hon. member is right in making that statement; because in most instances when there is an alteration in freights charged by the Government railways, a similar alteration, either way, is made in the freights on the Midland line.

Hon. T. Moore: They go up well, but do not come down well.

Hon. L. B. BOLTON: I think we can safely assume that if these proposed increases pass, there will be an increase also on the Midland line.

The Chief Secretary: What will the hon. member do if freights go up on the Midland line?

Hon. L. B. BOLTON: Pay them, Sir. That is all we can do.

Hon. T. Moore: They are already high enough.

Hon. L. B. BOLTON: Yes. I am speaking for the primary producer and desire to point out, as has already been mentioned in this House, that without the primary producer this State could not long carry on. I am suggesting that the department is not saving money where it might. I notice that tremendous losses are being made in the city; and in my opinion the Government is asking the farmer to pay some of those losses. One hon. member who addressed the House on this motion said, when we were considering the Profiteering Prevention Bill, that the increases in freights savoured of profiteering on the part of the Commissioner of Railways. If members agree with my definition of profiteering, the Commissioner of Railways is certainly not a profiteer; because profiteering is making excess or unfair profits. If we look at the loss sustained by the Railway Department during the last 12 months, that is the end of profiteering as far as the department is concerned. The colossal loss of £313,226 should convince us that something must be done for the department in order to make its position better in the interests of the State. Whether it is right to start at the end where the Commissioner proposes is, of course, a question to be decided. In connection with the loss of £313,000, I draw particular attention to the loss on the tramways. For the past 12 months the tramways (including the trolley buses) have sustained a loss of £21,816. In 1935 the tramways made a profit of £5,700; in 1938 the profit fell to the sum of £574. We are now given to understand that the Government proposes in the near future practically to control all transport in the metropolitan area. The Government has recently increased the number of trolley buses running, yet the tramways have shown the loss that I mentioned a few moments ago. I was much struck by a remark of the Auditor General in his report on the Government Railways, Tramways and Ferries. At page 8 he said—

Suburban traffic shows a further substantial decline to which motor omnibuses and private cars no doubt contributed. Full

cognisance must be taken of the part played by the trolley bus extension, the new services now probably absorbing a fair percentage of the passengers previously carried by rail.

Although that traffic has been lost to the railways, the tramways are showing greater losses. Notwithstanding, the whole service—as was pointed out by Mr. Holmes—shows an increased number of employees for a lesser total haulage for the 12 months. How can we reconcile that? I disagree entirely with the methods that would be adopted by Mr. Dimmitt. With all due respect to him as a city business man, I contend that we should endeavour not only to increase prices, but to do what commercial men would do, look at the matter from the labour angle, to ascertain if it is not possible to get the same amount of work done as was previously done by a smaller number of men. Additional hands should not be employed when the business does not warrant their employment. The policy pursued by the Railway Department in my opinion is quite wrong.

Another point that struck me was the answer to a question put by Mr. Thomson, that the Government had up to date received in license fees for 215 omnibuses a total of £7,478. By the elimination of those omnibuses in favour of trolley buses or extensions of the tramway service, the Government will lose that revenue altogether, because trolley buses pay neither license fees nor taxes.

Hon. A. Thomson: Nor drivers' licenses.

Hon. L. B. BOLTON: That is so. Neither do trolley buses come under the control of the Traffic Department. As I pointed out during my speech on the Address-in-reply, and as I think hon. members will recall, trolley buses are immune from traffic laws and regulations. This gives them a tremendous advantage over private enterprise.

Hon. H. Tuckey: What about insurance?

Hon. L. B. BOLTON: I suppose the Government pays insurance premiums to the State Insurance Office, because I could not imagine the buses being uninsured. My contention is that the Government is not trying to save money in this direction. The Government leaves to private enterprise the work of opening up suburban areas, and then steps in. One would not mind so much if the Government made a profit out of the business, but it does not. It is showing definite losses; yet it is taking the business away from private enterprise that, as I said be-

fore, pays license fees and taxation which will be lost if the Government caters for the traffic. The State Transport Board was appointed to co-ordinate all transport, both road and railway, and I desire to pay a tribute to the board. In my opinion it has done excellent work. It was appointed by the Government to carry out a policy which I believe it is carrying out to the best of its ability. But in doing so, it has eliminated all, or nearly all, road transport competition with the railways; and now this has been done, we find the Government intends to increase freights and inflict undue hardship on the unfortunate primary producer. For those reasons I oppose the by-law and support the motion.

HON. H. TUCKEY (South-West) [6.1]: Mr. Thomson's motion raises important points but so much ground has been covered in the lengthy debate that not much remains to be said. Railway finance presents one of the greatest problems to be faced by this or any Government of the future. At present the department is controlled by a staff of highly trained and efficient officers but unfortunately they are working under a set of conditions that makes their task extremely difficult. They know quite well the reasons for the continued losses but the question arises whether they are to be given the necessary authority to make a satisfactory improvement. The problem is State-wide, and a section of the people residing outside the metropolitan area should not be saddled with the whole of the responsibility. The statement has been made that the people who use the railways should pay for them, but my opinion is that the costs must be borne by those who are benefiting from the railways either directly or indirectly. I supported the Transport Act because I knew that the people I represented were prepared to support the Government in any reasonable way. That Act, however, has proved one-sided. It is most unfair to expect people in the country to bear all the additional charges, and at the same time endure unlimited trouble and inconvenience by being compelled to use the railway service.

One hon. member said that the new rates would not affect the farmer, and that most of the extra revenue would come from the Kalgoorlie line. I understand that the

freights between South Australia and Kalgoorlie are very low. It would be bad business for this Government to increase charges still further on the Kalgoorlie line, because the sale of our products in that market would be hampered. I understand that goods that we could easily supply in Western Australia are being bought from South Australia and transported to the goldfields. So instead of increasing rates we should endeavour as far as possible to consider the people in the outlying districts. We need to assist the development of the country areas that are the mainstay of the State. I agree with Mr. Bolton that the Transport Board has done a good job. The members of the board have been as fair as they could to people in the outer districts, and at the same time have carried out the wishes of Parliament by protecting the railways. The strange fact is that although the railways are protected from road competition, railway rates have to be increased; but to expect people outside the radius of the metropolitan area to bear additional charges is entirely wrong. I know the question is difficult, but it should be tackled because, after all, the proposition is a business one and if the Commissioner is to be given some relief, the Government must face the problem sooner or later. We find that instead of something being done to induce people in the metropolitan area to use the railways, and thus increase the revenue of the department, facilities are being provided for them to use road transport. Coming through Cottesloe to-day I noticed that a new overhead bridge is being built between Cottesloe and Cottesloe Beach to serve pedestrians on the west side of the railway. That bridge will give access to the buses on the main Stirling Highway. There is a station just north of the bridge, but it looks to me as if the provision of the bridge is a temptation to the people to use the buses instead of the railways. That sort of thing is occurring all the time. Some time ago thousands of tons of bricks were railed from Cardup and Byford. There is some special arrangement whereby, as those bricks are produced at Government works, they may now be carted over the roads. That must lead to a considerable loss of freight to the department.

To expect people who are developing the State to submit to the payment of extra costs is unfair and unbusinesslike. This is

not likely to be the last increase in costs. There may be another rise in the basic wage, or other extra payments may have to be met by the Railway Department. If so, are we to be told the same story in the future? Will a further charge be levied on people outside the metropolitan area, or how will those extra costs be met? The matter is serious. Although the sum of £30,000 that will be received as a result of the increased rates is not very large, the principle involved is vital, and I think the debate will do much good. I do not like opposing the desire of the Commissioner of Railways to recoup the department for losses sustained, but I am bound to support the motion by way of protest against the present policy. I hope the motion will be carried.

HON. A. THOMSON (South-East—in reply) [6.7]: I am delighted with the support given to the motion. The Chief Secretary said that the imposition of the additional railway freights was due to the deficit of £313,216 in the Railway Department's finances caused by the rise in the basic wage. To recoup the department it is proposed to obtain by an increase of 10 per cent. on the freight on miscellaneous goods, £25,000; on "C" class goods, representing foodstuffs, clothing and machinery, £12,000; and by an increase of 20 per cent. on the freight on "smalls minimums," £12,000, making a total of £49,000. The Commissioner on page 6 of his report indicated that the increase in the basic wage added £160,000 to the cost of running the railways. The increased cost of fuel was £18,000. My opinion is that the Government is not altogether blameless for the imposition of portion of that increase upon the Commissioner of Railways. In those two items—purely industrial—a total of £178,000 is involved. At first glance it seems a reasonable, almost modest proposal, to ask for an increase in railway freights of £49,000: that is until we examine the figures supplied by the Commissioner. Mr. Cornell said that the increases would have to be faced, and that a great proportion of the amount would be paid by the people on the goldfields. That is quite true; those people will pay a considerable proportion of the increased amount, but the workers in the electorate of the hon. member are in a much happier position than are those in my electorate. According to the Commis-

sioner's report those workers are receiving an additional 14s. 2d. per week over and above what is received by the wage earners in my district. Furthermore, when the price of gold increases the wages of miners automatically increase. If the workers in my electorate were in as happy a position as are those in the goldmining areas, I assure members that there would be no opposition from my electors to the increases proposed to be placed on the consumers in country districts. This matter has been considered by many business men in country areas. I indicated when moving the motion that I had received a letter of protest from the Katanning Chamber of Commerce. I have now received a letter from the Municipality of Narrogin, which reads as follows:—

I have the honour by direction of the council to register the strongest possible protest against the imposition of an increase in railway freights recently made on a large number of commodities.

This council is of opinion that such an increase is most detrimental to the policy of decentralisation when already prohibitive freight charges prevent country residents from enjoying privileges which are abundantly available to city dwellers.

Whilst it is realised that the Railway Department must meet a heavy deficit, it must be pointed out that it is obviously unfair that the country people should be called upon to carry the whole of the burden.

The Chief Secretary: They are not being called upon to do so.

HON. A. THOMSON: I ask the Chief Secretary if he will be good enough to indicate to me whether any portion of the increase is being placed on the city dweller.

HON. G. FRASER: Will you tell us how we can put the railways on a firm footing?

HON. A. THOMSON: I will tell the hon. member before I finish. The letter concludes—

I am directed, therefore, to seek your co-operation and support in an endeavour to have this unjust imposition removed.

That letter is signed by the Town Clerk of the Municipality of Narrogin. I have also a letter from one of the leading business men on the Great Southern. It reads as follows—

The increase of 10 per cent. in railway freights applies to "M" and "C" classes, and a big increase is also made in the smalls minimum charges. Goods carried under "C" class are jams, sugar, rice, fruits, eggs, tinned meats, sago, tapioca, macaroni, wrap paper,

paper bags, bindertwine, breakfast goods, whitening, etc.

The increase is supposed to reimburse the Treasurer for losses through certain exemptions in the emergency tax. How unfair for the country dwellers to be penalised on the food they eat to relieve the city workers, as the city workers get it both ways. They do not have to pay any additional freight because the Transport Act allows their goods to be carried by motor lorries from ship side to warehouse, thus preventing the railways from getting any revenue. The worker gets an exemption from emergency taxation, and yet we are wondering why half our population is in the metropolitan area. It is a wonder that all our population is not in that area.

If an increase in railway and trading revenue is necessary, it could be raised easily by an increase in tram, bus and railway fares in the metropolitan area.

The smalls minimum rate is an imposition. For goods carried at the ton rate of £5, 1 cwt. costs 6s.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. A. THOMSON: The letter I was reading before the tea adjournment continues as follows:—

Goods are carried at the ton rate of £5; three cwt. cost 17s., so that to get the ton rate it is necessary to have a minimum of 3½ cwt. If this increase in freight is as it is said to be—a taxation move—it should be framed to collect from the city and country resident alike.

I have quoted the considered opinion of a leading business man in the Great Southern district. Mr. Seddon must be congratulated on the excellent speech he made last week in support of the Commissioner of Railways. He gave us one of his usual meticulously exact speeches, pointing to the excellent work performed by the Railway Department. No one who is supporting these increased charges can justify them. Economically it is wrong that only one section of the community should pay for increased charges due to a rise in the basic wage. Mr. Seddon said that the railways should be regarded as a means of developing the State. For many years here I have urged that they should be viewed from that aspect. My contention is that the railways belong to the whole of the people of the State, and not merely to the people who have opened up and developed the country districts served by them. If charges are incurred by reason of interest, basic wage increases or anything else, the taxpayers as a whole should

share the burden. Four times I tried here to secure the appointment of a select committee to inquire into the working of the railways, but without success. I pointed out that they were over-capitalised, that new lines in the interests of development had been forced upon the department, that the Commissioner was never consulted, or asked whether he approved or otherwise, that miles of railway were constructed not in the financial interests of the department but merely from the developmental point of view.

Hon. G. Fraser: And pushed forward by members representing the districts.

Hon. A. THOMSON: That may seem a smart interjection. Great assets were created for the whole State as a result of the country areas being opened up and developed. That expansion led to work being found for many men in the province represented by the hon. member, and for thousands of others, and provided a means whereby numerous people have been enabled to live in comfort in the metropolitan area. If people who have gone out into the country areas, many miles away from means of transport, went there because of the promise of a railway they were entitled to get it. However, the railways belong not to them but to the people as a whole. For development purposes, many lines were built that would not otherwise have been constructed. How could the Commissioner be expected to make the railways pay under the conditions imposed upon him? The task is impossible. On the one hand he has to observe the Government's policy, and on the other is called upon to pay increased wages that are forced upon him by industrial awards. Imagine any member of this House carrying on his business as the Railway Department is expected to conduct its affairs, providing working expenses and interest on every penny that has ever been spent since the undertaking first took shape.

Mr. Dimmitt made an interesting speech, and felt it was his duty to support the increased freights. How would he expect to carry on his business if he had to pay interest on every penny that had been spent from the day when it first came into being? He would have written down the capital expenditure in this or that direction, and would have depreciated his assets in conformity with economic law. That system has

not been open to the Railway Department. I hope Mr. Bolton will forgive me for using his firm as an illustration. The hon. member's father established at Fremantle a coach building business over 50 years ago. Could we expect the hon. member today to meet the competition of Government and of private establishments, and bear the burden of every penny put into the business during the last 50 years without any writing-down or any depreciation, and at the same time compete with others who had just begun business without any such imposts? We are expecting the railways to do that, however. The Commissioner is asked to provide interest on working capital, and on everything that has been expended upon the railways since the day they first started. No depreciation or writing-down has ever been resorted to. The cost of the first dogspikes, the first sleeper put into the ground, and the first rail laid, is still a charge upon the railways. If that is sound economics I have a lot to learn. For many years I have advocated giving the Commissioner a reasonable chance to pay his way. The Chief Secretary pointed out that the railways carried primary products at an exceedingly low rate. On more than one occasion, when we have asked for certain privileges, we have been threatened that if we were not careful the department would increase freights on primary products—wheat, fertiliser, and so on. Mr. Baxter gave an illustration of how South Africa met the position. We must realise that the railways belong not to persons resident in the country districts but to all the people of the State. If the farming industry is to continue to be successful, the policy of the Government should be to see that railway freights are reduced and not increased.

Hon. V. Hamersley: Hear, hear!

Hon. A. THOMSON: Farmers have been receiving from 1s. to 1s. 10½d. per bushel for their wheat. During that period, one of the most disastrous in the history of Western Australian farming, the Government has shown no desire to reduce freights charged to farmers. It has made no attempt to meet them. It could have said, "In view of the low prices ruling, we will make a reduction in railway freights." That course was not even considered. If members will turn to the Commissioner's last report, they will appreciate one of the

reasons why the railways have not done as much business as was previously the case. On page 8 we find the following statement dealing with passenger traffic—

As could only be expected, a certain amount of ground was lost in respect of country passenger traffic. With the low price of agricultural products and the general uncertainty regarding the future, it was fairly evident that travel on the part of country residents would show signs of curtailment, and until market prices show indications of returning to normal an improvement in the figures can hardly be looked for.

The Commissioner speaks in a similar strain in other parts of that report. Railway costs have increased to the extent of £160,000 in respect of the basic wage, and £18,000 as a result of the increased cost of Collic coal. The Government makes that an excuse for seeking to impose upon farmers and country workers an additional £49,000 in their cost of living. It is no use saying that the amount is so small that it will never be noticed. The business man in the country must of necessity pass on these increases to those who have to purchase commodities. Here we have an example of the vicious circle in which we are living to-day. Charges are forced up and wages rise, and automatically the cost of living goes up. As soon as the cost of living goes up, unions apply to the Arbitration Court and wages increase. The ordinary business is able to pass these charges on to the public, but not so the farmers.

When we consider the position of the farming community—this matter goes right back to the men on the land—we find that they are not in a position to say that, owing to the increase in freights and advanced wages, they must obtain more for their commodities. They have to accept the world market price for their wheat. Take the position regarding the fixation of the price of wool. Did the authorities ask the growers what they would take for their wool? Certainly not! That price was fixed by some people in Melbourne, who told the growers they would have to accept 13.7/16d. for their wool. That is definitely under the price that a Royal Commission considered was the cost of producing the commodity. Even at this stage, a decision has not been reached as to what farmers are to be paid for the wheat they are producing this year. However, they are

expected to sit down and take what is given them.

There is a great feeling of discontent throughout the country areas regarding the manner in which the price of wool has been fixed, and the further decree that all wool must be despatched to Fremantle for appraisal despite the fact that excellent storage accommodation is available at Albany, which, if that port was selected as an appraisal centre, would save the producers of the Great Southern district upwards of £10,000 a year. That is not permitted, and so all the wool has to be railed to Fremantle. I assure the Minister that the great discontent manifest throughout the country districts is well justified. Notwithstanding these disabilities, the Commissioner of Railways, with the consent of the Government, has decided to increase freight charges that have to be paid by country people. I may be pardoned if I say that comparisons are odious. I assure members representing metropolitan seats that I do not desire to set the country against the city, nor the city against the country. The fact remains that the country people are asked to pay increased charges, whereas the city people are left free. Mr. E. H. H. Hall dealt fully with the position the other evening, and spoke with sincerity and a knowledge of the feelings animating the people in the rural areas. I shall quote from the report of the Commissioner of Railways to indicate how odious are comparisons. Mr. Bolton referred to the passage I shall quote, and dealt with it from one angle; I shall deal with it from another point of view. Under the heading of "Passenger Traffic" the Commissioner states—

Suburban traffic showed a further substantial decline, to which motor omnibuses and private cars no doubt contributed. Full cognisance, however, must be taken of the part played by the trolley bus extensions, the new service in all probability absorbing a fair percentage of the passengers previously carried by rail.

In dealing with competition to the disadvantage of the railways in the country districts, we find the Commissioner adopts a totally different attitude. He accepts the position that the trolley buses have taken traffic away from the railways in the city areas, but his attitude is quite different regarding the country districts. Here is an indication of the typical, one-track mind

that animates the railway authorities. Dealing with the State Transport Co-ordination Act, the Commissioner says—

Contrary to the real intention of the provision (i.e., to permit a producer, after bringing his produce to market, to take back with him such sundry purchases as he might make whilst in the metropolis) many producers are making special trips to Perth for the express purpose of carrying their own petrol and oil requirements, and not infrequently the requirements of others also. Their loading on the forward journey is often a bag or two of wheat, a box of eggs, or a crate of poultry, but it is sufficient, of course, to entitle them technically to take advantage of the provision and deprive the railways of business which the Act was designed to preserve to them, and which, freighted on a basis that ensures some small margin of profit, is essential to the continuance of the low rates—

Here is the threat!

—which are charged for railage of primary products and the requisites for producing them.

Therefore, he points out that it is necessary for more inspectors to be appointed. He continues—

In this, as in the other directions mentioned, the troublous times that lie ahead and the need for the strictest economy in the interests of national security seem to be sufficient justification for urging the early introduction of amending legislation that will prevent the abuses to which attention has been drawn.

Thus in the interests of national economy it is wise that the farmers shall not be permitted to conduct their business economically! The Commissioner of Railways does not intend to permit them to do so. He is more concerned with preventing them from trying to save a few pounds or earn a few shillings! A wool-producer in Katanning told me yesterday that his having to send his wool to Fremantle for appraisal meant to him additional railway freight amounting to £22 10s. Just fancy that! That is what that grower has to pay for sending his wool to Fremantle instead of Albany for appraisal.

Hon. T. Moore: But the State Government had nothing to do with that.

Hon. A. THOMSON: I am using that fact as an illustration of the general attitude adopted by Governments and boards towards the farmers. The latter should be allowed to carry on their business just as Mr. Dimmitt, for instance, is allowed to

conduct his business in the metropolitan area.

Hon. T. Moore: You should request Country Party members in the Federal Parliament to approach the Federal Government on the matter.

Hon. A. THOMSON: I am drawing attention to the attitude of the Railway Department.

Hon. T. Moore: The matter you are dealing with concerns the Federal Government. You should be fair.

Hon. A. THOMSON: I am pointing out the attitude of the Commissioner of Railways as between metropolitan traffic and country traffic.

The PRESIDENT: I must ask the hon. member to confine himself as closely as possible to the subject matter of the motion, which concerns railway freights.

Hon. A. THOMSON: Unfortunately what I am dealing with concerns railway matters.

Hon. T. Moore: And the action of the Federal Government.

Hon. G. Fraser: This is more like an Address-in-reply speech!

Hon. A. THOMSON: Mr. Moore suggests that I shall attribute this to the Federal Government.

Hon. T. Moore: Yes. It was responsible.

Hon. A. THOMSON: The tramways affect only portion of the metropolitan area, and yet they showed a loss of approximately £22,000 last year. The increase in the basic wage meant an added cost to the tramways of about £16,000. Nevertheless, I have not heard of any suggestion for increasing the fares charged to those who use the trams in the city. When the railways show a loss on country traffic, the people in the rural areas must pay increased freights! To make good losses on the metropolitan tramways, the people generally are expected to contribute their share.

Hon. G. Fraser: Don't give the Commissioner of Railways ideas!

Hon. A. THOMSON: Mr. Fraser intends to make the country people pay, but he does not want me to suggest that the Commissioner of Railways should be allowed to increase fares.

Hon. C. F. Baxter: Anyhow, Mr. Fraser would not be allowed to vote for your motion.

Hon. A. THOMSON: I think he would be permitted to do so, because the motion

is of a non-party character. In my opinion, decidedly preferential treatment has been meted out to the metropolitan area as against the rural districts under the headings to which I have referred. Contrast the position of the Fremantle trams that are run by municipalities. Those trams have worked at a profit and have earned sufficient to pay back the whole of the capital invested. On the other hand, the tramway system in the metropolitan area, with the advantage of cheap electricity and the larger population upon which to draw for revenue, has been conducted at a loss by the Government.

Let us examine the administration of the Railway Department to ascertain if it is possible to reduce the deficit. Mr. Seddon provided us with a well thought-out speech, and pointed to what the Commissioner of Railways had done. I assure members that in dealing with this subject I have no intention of attacking the Commissioner of Railways or any of his officers. I have said definitely that they have been placed in an impossible position. I defy any member of this House to make a better fist of the task under the conditions with which the Commissioner of Railways is confronted. In his departmental report, the Commissioner points out that the decline of 202,780 tons in goods carried represented a decrease in earnings of £75,917. He emphasises that world conditions affected outside markets for Western Australian hardwoods, resulting in a decrease in railway earnings of £60,680, while the slow movement of wheat from the country during the closing months of the year, due to the low price offering for that commodity, was responsible for a further leeway of £16,415 in revenue. He further points out that, owing to low market prices, there had been an accumulation of 200,000 tons of wheat in the country at the end of the year. We have a bountiful harvest in sight; indeed, I believe that this year we are going to have one of the best harvests the State has ever experienced.

Hon. J. Nicholson: With a smaller area sown.

Hon. A. THOMSON: Yes; wherever I have been I have seen marvellous crops and I am satisfied that the result will be a bumper harvest from which the railways must benefit in the coming year. In my opinion the increase in the freights could very well have been postponed. Instead of exploring fresh avenues of economy wherever possible,

the department has sought the other method, that of imposing burdens on a section of its clients. Economy has not been exercised by the department as freely as has been pointed out, and I think I can prove that the figures quoted by Mr. Seddon were not quite correct. On page 4 of the Commissioner's report we find that despite the fact that trade last year decreased by 202,780 tons, at the same time the Commissioner employed no fewer than 631 more men. I ask Mr. Dimmitt whether he thinks that is carrying out economies—202,000 less tonnage carried, and 631 more employees engaged.

The Chief Secretary interjected.

Hon. A. THOMSON: The Minister must agree that I am fairly quoting the figures. If members will turn to page 58 of the report they will find that the increase in the salaried staff was seven and the increase in the wages staff was 448, a total of 455.

Hon. J. J. Holmes: There were 210 employed on construction.

Hon. A. THOMSON: The paragraph in the report dealing with the staff points out that the figures in respect of the staff employed on working expenses represents the number engaged in the maintenance and operation of the railways, as distinct from those (shown separately) employed on capital and other accounts and on railway construction works. The report goes on to say that the staff figures in paragraph 7, Tables 6 and 7 and Appendix "N" have been similarly grouped, with the comparative figures for previous years on a uniform basis. Then the report goes on to show, eliminating those working on construction, that the increase was 455 employees. If we turn to page 29—I am quoting the Commissioner's own figures—it is shown that the average rate paid on the 30th June, 1939, to the salaried staff was £353 10s. 8d. and to the wages staff £260 2s. If members will take a pencil and paper and work it out for themselves, they will find that the increased cost comes to £2,474 14s. 8d. for the salaried staff and £116,524 16s. for the wages staff, a total of approximately £119,000. That was the amount paid in wages to the 455 additional employees.

The Chief Secretary: The hon. member has not stated on what work the men have been actually employed; he is misleading the House.

Hon. A. THOMSON: I am not misleading the House and I object to the Chief Sec-

retary saying that I am. I have quoted the figures appearing in the Commissioner's report.

The PRESIDENT: I am sure the Chief Secretary did not mean that the hon. member was intentionally misleading the House.

Hon. A. THOMSON: I can come to no other conclusion.

The Chief Secretary: While I say that the hon. member is not deliberately misleading the House, I must say that the whole of the information has not been given regarding the avenues in which the additional men are being employed.

Hon. A. THOMSON: I ask the Chief Secretary to turn to page 58 and read what appears there. Incidentally I should like to congratulate the Deputy Commissioner on the excellent report that he has prepared. I consider it to be one of the most concise and clearest reports ever submitted to this House. Reverting to the Chief Secretary's statement that I was misleading the House, I have been too long in public life to dare to attempt to mislead members of Parliament or indeed anyone else. I deny that I have ever attempted to mislead the House.

Hon. T. Moore: Can you give us an idea of where these additional men are employed?

Hon. A. THOMSON: I suggest that the hon. member read the report and he will probably get more information than I can give him. If he wants still further information, I suggest that if he gives due notice he will probably get more than I am ever likely to be given.

The Chief Secretary: Does the hon. member suggest that there are 400 odd men not now engaged in the working of the railways?

Hon. J. J. Holmes: I suppose they are all in the metropolitan area.

Hon. A. THOMSON: If it is the policy of the Government to compel the Railway Department to employ an additional number of men more than was actually required in 1938 to remove a tonnage that was 202,000 tons less than that of the year before, that is no reason why additional charges should be imposed to make up any loaway. The proposal is neither fair nor reasonable. The railways are under National ownership and any burden that is imposed by the Government as a result of industrial awards or anything else should be borne by all sections and not alone one

section. All that I am asking is that the Government should treat the people in the country in the same way as the people in the metropolitan area are treated.

The Chief Secretary: Raising the question of town versus country again.

Hon. A. THOMSON: I thought the Chief Secretary would say that. Anyway, all should be treated alike. If it is fair and reasonable to impose increased charges, the same should be done in the metropolitan area. I ask for equality of treatment for all. If we turn to pages 15 and 16 of the Commissioner's report we find that provision has been made for 29 new machines to be installed in the Midland Workshops.

Hon. T. Moore: Some of the men, I suppose, will be working on those.

Hon. A. THOMSON: The sum of £67,400 has been spent on additions and extensions to the Workshops, and I commend the Commissioner's broad outlook in obtaining efficiency and using up-to-date methods at the workshops. I wish to deal with the general effect the action of the Railways is likely to have. The Minister for Industrial Development is doing his utmost, and I support him in his efforts, to establish secondary industries in the State, and to encourage the expenditure of capital in that direction. What do we find? By the extension of the workshops and the installation of a hydraulic press, especially obtained for the purpose of pressing the sides of trailers now being constructed for the Diesel coaches, are we giving encouragement to those who have endeavoured to build up the industry of coach-building in this State? I can remember years ago there were large works at North Fremantle, and many coaches at present running on the railways were manufactured there by private enterprise. Tenders were called for the construction of the coaches in those days, and private enterprise secured the contracts. Now we find on the one hand that the Government is seeking fresh avenues for the purpose of raising freights to make up leeway, while on the other hand it is able to find a considerable sum of money for additions to the plant at the Midland Workshops. The Government is able to put in 29 machines there. I admit, however, that the Commissioner is acting in accordance with present-day business methods by keeping people at work. From

that point of view he is acting properly. He informs us in his report that he has found it necessary to extend the workshops and to spend between £60,000 and £70,000 in bringing the plant up-to-date. When it comes to dealing with competition with the railways, however, it is a totally different matter. The Transport Act was passed to assist the railways, not to assist the people, and restrictions are imposed in every direction by the Government. The Railways appear to have a one-track mind regarding competition, and their motto seems to be "No progress." Their desire is to curtail the opportunities of country people.

We should be fair to the people living in the country. Members will probably want to know what I consider is the remedy that should be applied to the Railway Department. The Commissioner should not be expected to provide the whole of the interest on the capital of £25,000,000 invested in the railways. He is required to find a sum of £1,000,000 each year for interest, and the policy of the Government and the Commissioner is that the people resident in the country shall pay the whole of that interest, as well as the working expenses. A good example is set in this year's report by writing off capital to the extent of £14,500 consisting of £3,000 for the Kundip dam and £11,500 for the Walter's Brook water supply which has been transferred to the Electricity Department. That is the policy to adopt for the Railway Department. The Commissioner should not be asked to provide the interest commitments on railways that have been constructed without his ever having been consulted. Various railways were built to develop the country, and the charges against those railways should be borne by the whole of the taxpayers. If it is fair and reasonable that the losses on the tramways, and ferries and suburban railways should be a charge on the taxpayers as a whole, the argument holds good in application to country railways.

If we are going to develop the country, encourage rural industries and have contented people living outside the metropolitan area, there should be no increase in charges. Rather should there be a sustained effort to reduce freights and place country dwellers on a footing comparable with that of people living in the metropolitan area. In view of the bountiful harvest

in prospect, the Government could forego the increased freights and could effect economies. If it is the policy of the Government to employ more men in the Railway Department than is economically sound, the whole of the taxpayers should bear the cost. I have no desire to set country against town or vice versa, but when the Government imposes increased freights as provided in the by-law, we are not making conditions inviting for people to go into the country and develop industries there.

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

Ayes	10
Noes	8
Majority for	2

AYES.	
Hon. E. H. Angelo	Hon. W. J. Mann
Hon. C. F. Baxter	Hon. J. Nicholson
Hon. L. B. Bolton	Hon. A. Thomson
Hon. V. Hamersley	Hon. H. Tuckey
Hon. J. J. Holmes	Hon. C. B. Williams
	(Teller.)

NOES.	
Hon. J. M. Drew	Hon. W. H. Kitson
Hon. E. H. Gray	Hon. H. S. W. Parker
Hon. W. R. Hall	Hon. H. Seddon
Hon. E. M. Heenan	Hon. G. Fraser
	(Teller.)

AYES.	NOES.
Hon. H. V. Plesse	Hon. T. Moore
Hon. J. T. Franklin	Hon. J. M. Macfarlane
Hon. G. B. Wood	Hon. J. A. Dimmitt
Hon. E. H. H. Hall	Hon. J. Cornell
Hon. C. H. Wittenoom	Hon. G. W. Miles

Question thus passed.

BILLS (4)—FIRST READING.

1. Financial Emergency Tax.
2. Financial Emergency Tax Assessment Act Amendment.
3. Noxious Weeds Act Amendment.
4. State Forest Access.

Received from the Assembly.

BILL—LIFE ASSURANCE COMPANIES ACT AMENDMENT.

Reports of Committee adopted.

BILL—LAND TAX AND INCOME TAX.

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [8.28] in moving the second reading said: This Bill is the usual measure brought down each session for the purpose of fixing the rates of land tax and income

tax for the current year. The rates prescribed, which are set out in Parts I. and II. of the Schedule, are the same as those levied last year. While we do not propose to alter the actual rates of tax, we are providing that there shall be a reduction in the rebate of income tax from 20 per cent. to 10 per cent. Members may recall that in 1928 a rebate of 33 1-3 per cent. was agreed to, and that in 1932 a reduction was made to 20 per cent. This year, as I have stated, we propose to reduce the rebate to 10 per cent. The Government is making every effort to balance its Budget, just as other State Governments are doing, and we feel there is no justification for continuing the rebate of 20 per cent. We suggest that a reduction to 10 per cent. is necessary. In the opinion of the Government, the most equitable way of raising additional revenue through taxation is under the authority of the Income Tax Assessment Act. That legislation has regard to the domestic and other responsibilities of the taxpayer, and the tax levied under it is based on the principle of capacity to pay.

The Treasurer anticipates that the halving of the rebate will result in an extra yield of £35,000. When this increase is partially offset by the prospective decrease in collections due to the decline in income levels as a result of the repercussive influences of low prices and drought conditions in the pastoral areas, there should be a net increase of about £9,000 on last year's receipts.

Estimated returns for the current year are as follows:—

	£
Land Tax	112,500
Income Tax	750,000

Last year's Land Tax yielded £115,229, and Income Tax £741,178. Compared with last year, Land Tax is expected to decline £2,729, mainly because receipts for 1938-39 included certain non-recurring outstandings. I move—

That the Bill be now read a second time.

On motion by Hon. H. Seddon, debate adjourned.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Second Reading.

THE HONORARY MINISTER (Hon. E. H. Gray—West) [8.33] in moving the second

reading said: This Bill has been brought forward for the purpose of policing the compulsory provisions of Section 10 of the Workers' Compensation Act. The section provides—

It shall be obligatory for every employer to obtain from an incorporated insurance office approved by the Minister, a policy of insurance for the full amount of the liability to pay compensation under this Act to all workers employed by him.

Any employer who fails to comply with this section shall be liable to a penalty not exceeding five pounds in respect of each uninsured worker employed by him; and, after the date of any conviction for a contravention of this section, he shall from time to time be liable to further penalties not exceeding twenty pounds for every week during which he fails to comply with this section.

While Parliament has laid down the principle that all employers must insure their workers against accident, there is no machinery in the Act to enable the policing of its compulsory provisions. Until the State Insurance Office was legalised last session, nothing could be done to enforce these provisions because there were no approved companies for the purposes of Section 10. To-day however, not only is the State Office authorised to transact workers' compensation business but, in addition, some 30 private companies have been granted approval by the Minister. Machinery can now be effectively established, therefore, to ensure the observance of the compulsory provisions of the Act.

The Bill contains two important proposals. We propose to insert a new section in the Act empowering the Minister to grant written authorities for the purpose of enabling such inquiries to be made as may be necessary to ascertain whether employers have obtained a policy of insurance as required under Section 10. Any person authorised by the Minister to carry out such an investigation will be empowered to enter the premises of employers at reasonable times for the purposes of investigation, and call for the production of pay-sheets, wage books, and any documents relating to the insurance of employees. Persons hindering an inspector in the exercise of his duties will be guilty of an offence against the Act.

We are also providing that an annual statement shall be furnished to the Minister by every approved insurance office, setting forth details of the workers' compensation business they have transacted

during the year. These provisions should insure the adequate policing of the Act, and will at the same time inflict no hardship on either employers or insurance companies. Parliament has decided that all workers shall be entitled to the benefits of the Workers' Compensation Act in case of injury. This Bill will enable Parliament's intention to be carried out. I move—

That the Bill be now read a second time.

On motion by Hon. E. H. Angelo, debate adjourned.

BILL—LOTTERIES (CONTROL) ACT AMENDMENT.

Second Reading.

Debate resumed from the 18th October.

HON. J. CORNELL (South) [8.37]: I intend to support the second reading of this measure once again, but I am opposed to a longer extension than one year. Since the passing of the original Act I have consistently counselled the Chamber to re-enact such a piece of legislation from year to year only. Those of us who were privileged to take part in the original debate on the legislation must agree that its operation has taken a course which was never anticipated. First of all the purpose of the measure was to do away with street collections and other efforts of that kind. Next, the legislation was to aid the poor and needy. Since then it has been stretched beyond our most sanguine beliefs. I have watched the returns from year to year, and for the life of me I cannot convince myself that a great deal of the money has been voted to help the cause of charity. Far from it. However, this State has one organisation which in my opinion has got nearer to the true objects of the charitable world than any other organisation. I refer to the Salvation Army. Steadfastly, ever since the passing of the original Act, the Salvation Army has refused to have anything to do with, or to accept, any money derived from lotteries. The Army has declared that it is entirely inconsistent with the aims and objects of its work to receive for the relief of poverty money obtained from gambling. The Army has never had one shilling from the Lotteries Commission. Comparisons are said to be odious; but

when one observes the attitude of the Salvation Army and compares its work, especially in the direction of rescue, with that of other denominational bodies that have received large sums from the Lotteries Commission, one must take off one's hat to the Salvation Army. In one sphere relative to our youth—lads who have proved incorrigible, apparently—recourse can be had only to the Salvation Army.

I have always adopted this line of reasoning, that if my vote is to be given to permanency of the parent Act, it can be given on only one consideration—that the people who raise the money shall not be the people who spend the money, and that the people who raise the money shall be subject to periodical appointment by the Government of the day. At present those people not only raise the money but also spend it. While the lotteries organisation is thus constituted, the best thing for the House to do is to keep a grip on it. On the Metropolitan Milk Bill I said that the device of making a piece of legislation temporary for five years is absolutely to burlesque the whole position. A measure that is to be temporary for five years should be permanent. If the Lotteries Commission is to be made temporary for three years, it too should be made permanent. My advice to the House is to continue the lotteries legislation, but let it be continued only until next year, as it was continued last year. I support the second reading of the Bill.

HON. L. B. BOLTON (Metropolitan) [S.42]: I shall support the second reading of the Bill, but I do believe that the Chamber should grant a continuance of only one year, as has been done in the past. I cast no reflection whatever upon the control of the lotteries. I am perfectly satisfied with the manner in which the work has been done during the past year, but I still contend that too many licenses are granted for outside raffles and the like. To a certain extent I agree with Mr. Cornell's statement that when the original measure was before the House, it was intended—at least such was my impression—for the assistance of charities in this State, and principally the hospitals. I have no objection to funds being granted to those institutions, but there are other bodies as to which I enter my protest

against their receiving help from this particular channel.

The Chief Secretary: Will you say who those other bodies are?

HON. L. B. BOLTON: I have previously stated who they are. There is ample scope for assisting hospitals and other charitable activities. The proceeds of the lotteries have now grown to huge proportions, and marvellous work is being done by their aid. Indeed, I wonder how any Government whatever would get on without the lotteries. I support the second reading, and in Committee shall support an amendment making the extension for one year only.

HON. E. H. ANGELO (North) [S.45]: I have never supported any Bill which in any way legalises betting, because during my lifetime I have seen so much distress and misery resulting from betting. Very often the betting has started in a simple and innocent way, but it has gradually developed into a vice, bringing misery not only to the gambler himself but to his wife and family. I must, however, acknowledge, after having carefully watched the operations of the Lotteries Commission, that this is probably the least harmful method of gambling. I fully expect the Bill to be carried without my vote. There are certain objectionable features about even this well-administered commission. In my opinion, the chief objection is the way in which the commission advertises. It displays the most alluring advertisements at various points where they are seen by children and others who, in my opinion, should not be shown an easy way of making a fortune by investing half-a-crown in a lottery. The commission continually advertises at the pictures, in the newspapers, and elsewhere. On Saturday I was at the inter-school sports. A very attractive programme had been prepared, but I was sorry to see in a conspicuous place on the programme an advertisement of the Lotteries Commission. That programme was handed to each child, and I suppose each boy from 12 years upwards took it home.

HON. J. CORNELL: Were there any advertisements of turf commission agents?

HON. E. H. ANGELO: I did not notice any. I think it a pity that such an advertisement should have appeared on the programme. I do not know who was responsible; but if it were the directors of the

sports, then I think they should have been more sensible than to permit such an advertisement to appear in their official programme. As I say, one of the chief objections I have to the Lotteries Commission is the way in which it brings the lotteries before the notice of the public, thus inducing people who perhaps would never bet to start in this innocent way. When the legislation was first brought before Parliament, it was excused because it was said that betting was inherent in the Australian people, and that it would be better to permit people to gamble in this small way and so keep them away from more venturesome gambling. But why make the lotteries so attractive? Why ask people who perhaps would otherwise never buy a ticket to come forward and try their luck? Why give them an idea that a fortune of £6,000 can be had by the expenditure of the small sum of 2s. 6d.? However, the Bill will be passed, but I hope the term of the commission will be fixed for one year only. After all, the commission is a semi-Governmental institution: we cannot treat it as otherwise. Each Governmental activity has to come before Parliament every year so that members can express their opinions upon its operations. I see no reason why the Lotteries Commission should not come under review each year, and thus give members the opportunity to decide whether it is deserving of another term of office. We are told about the excellent work the commission is doing. The Minister mentioned it; but we must not forget that the commission did such excellent work because it was appointed for one year. Let us make the next term one year. I cannot support the Bill; and I hope the term of the commission will be limited to one year.

HON. H. TUCKEY (South-West) [8.50]: I support the second reading of the Bill. I consider this legislation has passed the experimental stage. The commission has proved to be of great benefit to all country hospitals. I have been a member of a hospital board since the inception of the commission; and, speaking from experience, I can say the commission has been of very great benefit to that hospital. When it was established, we maintained about one bed per week. Recently we have had as many as 20 patients in the hospital at the same time. That increased patronage has been

brought about because the hospital is now up to date. It would not be so had it not been for the generous support of the Lotteries Commission. Something was said recently about contracts; and exception was taken to the fact that the commission provides money without entering into an agreement. From my experience, an application is made to the commission by letter setting out the details of the proposal. The matter is then gone into by the commission, which either grants the request, meets the applicant half-way, or turns down the application altogether. It is considered unnecessary to support with agreements arrangements made in that way by correspondence. Such arrangements, so far as I know, have always been quite satisfactory.

With regard to the arrangement made for the supply of funds to the Perth Hospital, the only difference is that the amount is larger than that granted to smaller hospitals. It must be remembered that the Lotteries Commission is more or less under the control of the Government; and it would not do for either the commission or the recipients of its benefits to act other than in a straightforward manner. There is no need for an agreement in the case of the Perth Hospital, any more than between the commission and a much smaller hospital. Arrangements made between the commission and hospital boards have always worked smoothly. The Lotteries Commission receives requests from various parts of the State which cannot be fulfilled. While at the moment there is a contract or arrangement entered into with the Perth Hospital to supply a large sum of money—

Hon. J. J. Holmes: There is no agreement.

Hon. H. TUCKEY: There is an arrangement to find money for the Perth Hospital and therefore it is necessary to fix the term of the commission for a period greater than one year. It would be well for the House to agree to the term being fixed for three years, as it would facilitate matters so far as the commission is concerned and would most likely make the position much better for the hospital. The commission could not find all the money required in one year; but if its term were fixed for three years it would be enabled to meet various calls from time to time. For that reason I support the term of three years. If we fix that term, I cannot agree with Mr. Angelo

that it would encourage the commission to advertise more extensively. The commission is not likely to advertise to a greater extent during the three-year term than if the term were one year. The commission would, however, know exactly where it stood if it had three years to map out its work and arrange for payments to the various hospitals and other organisations.

Hon. A. Thomson: Why cannot the commission do that each year?

Hon. H. TUCKEY: There is nothing certain in this world and it is just as well if things can be properly arranged. To my mind, there is no risk at all in fixing a term of three years. As I said, the experimental stage has been passed. It is agreed all round that the commission has done justice to all sections of the community; and therefore I hope the House will agree to the proposed term of three years.

HON. T. MOORE (Central) [8.56]: I desire to say merely a few words in support of the Bill, if indeed support is necessary. When travelling in the back country in past years, I found hospitals there were struggling very hard to keep open at all; but since the inception of the Lotteries Commission there has been an absolutely wonderful improvement, so much so that I am surprised that Mr. Angelo should raise the question of gambling when only 2s. 6d. is involved.

Hon. E. H. Angelo: It is a start.

Hon. T. MOORE: All things must have a start. As a matter of fact, I have knocked about the world long enough to realise that there are much greater temptations than the temptation to buy a lottery ticket for 2s. 6d.

Member: Did Mr. Angelo survive the temptations?

Hon. T. MOORE: I am pleased to know that he did survive.

Member: He thrived on them.

Hon. T. MOORE: He has apparently done well. As a plain matter of fact, we know there are many much more serious temptations than the temptation to invest in a lottery. The advertising campaign of the commission annoys me to a certain extent, but in order to run a business successfully one must advertise. It should be borne in mind also that the other States are advertising their lotteries. In view of the fact that the money disbursed by the Lotteries Commission is used for such good purposes

my conscience is clear. I have no worries about having voted in favour of bringing the Lotteries Commission into existence.

Hon. C. F. Baxter: Are you sure you voted for it?

Hon. T. MOORE: I did.

Hon. C. F. Baxter: Do you remember that it was a Mitchell-Labour Government that introduced the Bill? Yet you are praising it.

Hon. T. MOORE: I know we had a very good Labour member in our old friend, Mr. Clydesdale. He was the father of the Lotteries Bill. I have no desire to give kudos to any Government.

Member: Or to Jack Scaddan?

Hon. T. MOORE: No.

Member: He was put out of Parliament over it.

Hon. T. MOORE: Let us give the praise to whoever deserves it, because undoubtedly a tremendous benefit has been derived by country hospitals from grants made by the Lotteries Commission. Those hospitals now have some of the conveniences enjoyed by city hospitals, certainly not all of them, but as much as can be expected. We would wish, of course, that the country hospitals could be as well equipped as are the city hospitals. In my travels throughout the country I hear nothing but praise of the commission; no one finds fault with it. Every country hospital has something in it that has been donated by the commission, and the people outback are very thankful.

Member: Then there is no necessity to fix a term of three years, since the commission is doing so well.

Hon. T. MOORE: I have not the slightest doubt that the commission will live for another three years. Every member knows that.

Hon. G. Fraser: Thirty-three years.

Hon. T. MOORE: No Government would survive long if it did away with the commission, so strong has it become in the minds of the people. The temperament of hon. members, I know, will not allow them to vote against the measure. So why quibble with the subject? We know the Act will last for three years at least; so why bring it up for review every year?

Hon. E. H. Angelo interjected.

Hon. T. MOORE: I hope that all things arising from small beginnings will be as helpful to the community as this Act has been. I trust that the commonsense view

will be taken and that hon. members will be magnanimous enough to vote for an extension for three years. Some of them had grave doubts about the measure initially; but as it has been in operation for such a long period, and in view of the good it has achieved, they would be justified in voting for its continuance for another three years.

HON. E. M. HEENAN (North-East) [9.1]: I do not want to occupy time in this debate, but feelings of gratitude constrain me as a representative of the North-East Province to say a word or two. In the district I represent there are hospitals at Laverton, Leonora, Menzies and Kalgoorlie; and I am sure the people of my electorate would like me to say something in praise and thanksgiving for what the Lotteries Commission has done for them in each of those centres. The hospitals are well equipped and are a real boon to the communities concerned. We all have our views on gambling; but, taking a broad view of the matter, I can honestly say that the good the commission has done far outweighs the evil of gambling. Like Mr. Moore I think every member of the House appreciates that the commission will remain in existence for many years to come. If that viewpoint is held, it seems foolish to disagree with the proposal that the life of the commission should be extended for three years.

HON. H. SEDDON (North-East) [9.3]: I support the remarks of Mr. Heenan regarding the benefits received from the Lotteries Commission by the hospitals in the districts mentioned. As things have worked out, this is a kind of second hospital tax.

Hon. T. Moore: A voluntary one.

Hon. H. SEDDON: Yes. The Laverton hospital especially has benefited from the assistance received from the commission, and the Kalgoorlie hospital has been helped in many ways.

Hon. J. Cornell: The Laverton people helped themselves; the Kalgoorlie people did not.

Hon. H. SEDDON: As to the children's ward, the Kalgoorlie people have done good work, which has been recognised by the Commission. I have often had the question put to me why, in view of all the money that is raised by the hospitals tax and the Lotteries Commission, instead of the demands for hospital facilities diminishing they have in-

creased. We know, of course, there has been a large increase in the expenditure incurred in conducting hospitals. Long overdue improvements in the conditions under which nurses work has resulted in added cost, and also in a shortage of nurses occasioned by the necessity for complying with requirements as to hours of work.

Hon. T. Moore: That is one of the troubles to-day.

Hon. H. SEDDON: Even at present there is a serious shortage of nurses. How we shall fare later on, with the drain that we will experience as a result of the war, I do not quite perceive; but we shall certainly need to employ many more nurses and provide more facilities for their training than exist at present. One improvement that has resulted from the additional revenue provided for hospitals, especially in the country, has been that people, instead of being nursed at home, have been taken to institutions. I know of one instance in which a good lady was endeavouring to doctor her husband. Eventually the physician said it would be as well if he were sent to the hospital; so he was taken there. One of the nurses said it required three weeks to overcome the effects of the burning he had received through the application of mustard plasters. That indicates what ill-advised nursing can do. The Lotteries Commission has achieved good work for hospitals. At the same time I consider there is justification for extending the operation of the Act for only one year. If the work is carried on as efficiently as at present, the Act will be renewed from year to year for a long time to come. I support the second reading with a view to extending the operation of the Act for one year.

HON. J. M. MACFARLANE (Metropolitan-Suburban) [9.8]: I have listened to what has been said about the good work the commission has done for the community, and I congratulate country members whose constituents previously found themselves in great difficulties regarding hospital management and are now deriving some value from this measure. I voted for the original Act with a view to regulating gambling as it was then being carried on in this State. The manner in which gambling held sway was a scandal. I shall support the second reading, but reserve to myself the right to vote against an extension for three years. Good results have

been achieved by the commission under the present system of extending the operation of the Act from year to year, and no harm will result if we continue that method. There is still opposition to the measure in some quarters. Correspondents have asked me to vote against its re-enactment. I am not prepared to do that, because if the measure were defeated, there would be a return to the old conditions to which we found ourselves exposed in early days when all sorts of gambling stunts were undertaken on the streets of the city. There is another reason why I object to an extension beyond one year. We are aware that the chairman of the commission was recently in the Eastern States, with a view to establishing an agency for the sale of tickets there. I have no time for that at all.

Hon. T. Moore: What is wrong with a bit of foreign capital?

Hon. J. M. MACFARLANE: I supported this measure in the first instance with a view to its operations being confined to the State. I do not want it to become a colossus equivalent to some of the lotteries conducted by the other States. I do not want to see agencies established outside the State.

Hon. A. Thomson: They have been established.

Hon. J. M. MACFARLANE: I am opposed to that. If the Act is extended for a period of three years we shall find some other propositions submitted that will be obnoxious to many people in the State and such strong opposition may be created that the measure will be destroyed altogether. I support the second reading, but shall oppose an extension to three years.

HON. A. THOMSON (South-East) [9.10]: I hesitated to speak on this Bill, but I do so because there is an impression, owing to a recent discussion here, that I may be opposed to the Lotteries Commission. I have never been opposed to it. I endorse all that has been said by previous speakers as to the benefit derived in country districts from the work of the commission. That we should have hospitals in the country is essential; otherwise we cannot retain medical officers. The commission has assisted hospitals in many ways. I have voted for the Act consistently from the beginning, believing it was better to utilise—if I may use Mr. Angelo's words—the gambling instincts of quite a large section

of the community to benefit our own State rather than to continue to permit large sums of money to be sent to the Eastern States to be invested in Tattersalls and the Golden Casket and other lotteries. I considered that it was more advantageous to retain that £60,000 or £80,000 a year in this State.

However, I see no reason for extending the Act for three years. The Chief Secretary, when discussing the matter last year, said it was necessary for the period to be extended so that the operations of the commission might be enlarged; but apparently, without an extension of three years having been granted, the commission has extended its operations to the Eastern States, where tickets are being sold and commissions paid. Prizes have gone, not only to the Eastern States, but as far as India. That is evidence that the ramifications of the commission have spread beyond the confines of the State without the period of one year being extended to three. I took exception—and this may be regarded as my King Charles's head—to the action of the Lotteries Commission in agreeing to erect the Perth Hospital free of cost. That is the agreement entered into by the commission, which is providing interest and sinking fund. If as a body it provides interest and sinking fund for one particular hospital, it is, in effect, erecting that hospital free of cost. That does not apply elsewhere. I do not wish to say anything derogatory about the help received in the country from the commission. There is no question that help has been a boon, and thanks are due to Mr. Clydesdale and the late Mr. Seaddan who were both keenly interested in this enterprise. Personally, I felt it was up to us to follow the Queensland example and conduct State lotteries. I am not opposed to the commission assisting hospitals. I support the second reading, but in view of the fact that the commission has managed so successfully under the method of a year to year extension of the Act, we can very well continue that system.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West—in reply) [9.15]: I have seldom heard some members who are opposing the Bill as it stands to less advantage than on this occasion. Not one suggested that the commission was not doing a good job, or

suggested voting against its continuance. Members have, however, said they would not vote for an extension of tenure beyond one year. They are prepared to agree to the principle underlying the establishment of this organisation, but are not prepared to give it the opportunity to do all it could do on behalf of the charities of the State.

Hon. J. Cornell: It is only what we have been doing for several years.

The CHIEF SECRETARY: Let me take members back to last session, when I told the House that certain amendments to the Act were recommended because the commission considered that if they were agreed to it would be in a position to provide more money for charities than had been possible in the past. The result of the activities of the commission during the last 12 months justifies that statement. I come before the House on this occasion and say that because of its limited life the commission is not able to act as successfully as it would be if it had an extended tenure, that if the House would agree to a three-year term the commission is of opinion that it would be able to provide more money than it has yet been able to do for charities.

Hon. J. Cornell: That would only mean selling more tickets than are sold to-day.

The CHIEF SECRETARY: It is not only a question of selling tickets; there are other ways of doing it. Some members delight in inferring all kinds of things. They even suggest that the commission has been successful only because it has a life of but one year at a time. Mr. Holmes has made that statement for the last three or four years. He has inferred that if the commission had a life of two or three years—any period longer than one year—it would not be as particular as it has been in discharging its obligations. He said it had done so well because it had only a life of one year. That is a ridiculous and childish statement. In the same breath he praised the commission for what it had been able to do for local hospitals. Mr. Bolton took exception to some organisations having received contributions from the commission. He considered they were not of a charitable nature and should not receive any consideration of that kind. I assume he did not include orphanages.

Hon. L. B. Bolton: No!

The CHIEF SECRETARY: And that he not include hospitals, or social services

that have been established in connection with certain hospitals.

Hon. L. B. Bolton: I referred to the metropolitan unemployed relief fund.

The CHIEF SECRETARY: That is better. Now we have an admission from the hon. member as to what he meant.

Hon. L. B. Bolton: You have always had that.

The CHIEF SECRETARY: When he was asked to say what organisations he meant, he put us off by stating that he had referred to the subject on previous occasions.

Hon. L. B. Bolton: Every time the Bill has been before us!

The CHIEF SECRETARY: We now know to what he was referring. Does he suggest it is not real charity to provide blankets and bedding for unemployed, on some occasions fairly large numbers of unemployed, who were not possessed of anything in that way? Apparently he has changed from what he was a few years ago, when he used to be active in matters of this kind and was prepared to take money from anywhere for such a purpose. Now he says the money should not have been provided.

Hon. J. Cornell: There are parts of the State where the unemployed receive nothing.

The CHIEF SECRETARY: Some people may have received nothing, but the commission is satisfied that in cases where such things are provided they are properly dealt with. The North-Eastern Wheatbelt Committee received a considerable sum for the purpose. Does the hon. member say those people were not entitled to blankets and sheets?

Hon. L. B. Bolton: I would give people in the wheatbelt anything to help them.

The CHIEF SECRETARY: Of course, and yet he would say that the unemployed in the metropolitan area were not entitled to anything.

Hon. L. B. Bolton: It was not intended that they should get it under this legislation.

The CHIEF SECRETARY: It is time members realised the amount of money that is expended in the direction concerning which Mr. Bolton has raised objection. The amount in question is so small that one can hardly see it in the list of donations made during the year. Altogether £60,000 has been distributed this year. I have a long list of donations that have been given to institutions and organisations other than hospitals and orphanages. From the first of the year to

the 7th of September the total of these donations is £15,953. I do not think there is one item, with the exception of the metropolitan council of the unemployed relief committees, to which any member could take exception, apart from Mr. Bolton.

Hon. J. Cornell: Many organisations preach against the Lotteries Commission but accept the proceeds.

The CHIEF SECRETARY: That has nothing to do with the argument.

Hon. L. B. Bolton: I have consistently opposed that.

The CHIEF SECRETARY: The Commission believes that if it enjoyed a longer tenure of office it would be able to do more than it can do in the present circumstances. That being so, the House should agree to give it the opportunity. I am sure that in any circumstances members would not desire to see a discontinuance of the Act. Undoubtedly hospitals and charities are receiving more money to-day and are better able to carry out their work than was ever the case before.

Mention has been made of a so-called agreement between the Government and the commission with respect to the Perth Hospital. How many more times am I to state the facts before members will accept them? Notwithstanding that I have given the facts to the House on at least three occasions, members repeat that there is an agreement whereby the Lotteries Commission will provide the interest and sinking fund for the erection of a new Perth Hospital.

Hon. A. Thomson: The Premier made that statement.

The CHIEF SECRETARY: He did not make it.

Hon. A. Thomson: He did.

The CHIEF SECRETARY: The hon. member was in the House when I explained what occurred. All that happened was, the commission told the Government that in the event of the amendments of last year being agreed to, it would be able to do more for the Perth Hospital than would otherwise be the case. It has proved the correctness of the statement. There is no agreement that the Lotteries Commission should provide all the interest and sinking fund for the building. The hon. member cannot point to any statement made at any time that would give him the right to say such a thing.

Hon. A. Thomson: I only stated what appeared in the Press.

The CHIEF SECRETARY: He said more than that. It is a very good thing the commission can provide that kind of assistance. The help that has been rendered to the Perth Hospital will be of great value not only to people in the metropolitan area but to others throughout the length and breadth of the State. I believe that when the hospital is completed it will be so modern and up-to-date that the number of people who are coming from the country already for special treatment at the hospital will greatly increase.

Hon. J. Cornell: And more will get in who can pay but who will not pay.

The CHIEF SECRETARY: I do not agree with that statement.

Hon. J. Cornell: They have been doing it for years.

The CHIEF SECRETARY: That is not true. There is a big difference to-day compared with five or six years ago in that respect. Probably nothing I can say at this stage will change the opinions of members, but I still hope that they will agree to extending the term of the commission to three years. Whatever may be the result of discussion in Committee. I do not think the House would countenance a discontinuance of the Act.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 21: Continuance of Act:

Hon. J. J. HOLMES: I move an amendment—

That in line 4 the word "two" be struck out.

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

Ayes	..	..	..	..	13
Noes	..	..	..	..	9

Majority for 4

AVES.

Hon. E. H. Angelo	Hon. G. W. Miles
Hon. C. F. Baxter	Hon. J. Nicholson
Hon. L. B. Bolton	Hon. H. S. W. Parker
Hon. J. A. Dimmitt	Hon. H. Seddon
Hon. V. Hamersley	Hon. A. Thomson
Hon. J. J. Holmes	Hon. H. V. Plesse
Hon. J. M. Macfarlane	

(Teller.)

NOES.

Hon. J. M. Drew
Hon. G. Fraser
Hon. E. H. Gray
Hon. E. M. Heenan
Hon. W. H. Kitson

Hon. T. Moore
Hon. H. Tuckey
Hon. C. B. Williams
Hon. W. R. Hall
(Teller.)

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

Clause 3, Title—agreed to.

Bill reported with an amendment.

BILL—RIGHTS IN WATER AND IRRIGATION ACT AMENDMENT.

Recommendation.

On motion by Hon. C. F. Baxter, Bill recommitted for the further consideration of Clause 2.

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 2—Repeal of Section 27 and new section:

Hon. C. F. BAXTER: I move an amendment—

That Subsection 5 of proposed new Section 27 be struck out and the following inserted in lieu:—

“(5) (i) After the commencement of this section the Governor, without constituting any irrigation district under Part IV. of this Act, may, on the recommendation of the Minister and acting on the advice of the Commissioners, by Order in Council notify in the ‘Gazette’ a proposal that this Part shall apply to and have effect within the area described in the proposal to any river, stream, watercourse, lagoon, lake, swamp, or marsh specified in the Order in Council, and such Order in Council shall embody a plan and description of the lands proposed to be included in the area, and the Minister shall forthwith cause to be published twice at intervals of one week in a newspaper circulating in the proposed area a concise reference to the notification in the ‘Gazette.’

(ii) In the area described in any proposal notified under the preceding paragraph of this subsection there shall be included only those portions of the land adjacent to the river, stream, watercourse, lagoon, lake, swamp, or marsh specified in the Order in Council the interests of the owners or occupiers of which portions of land will in the opinion of the Governor be affected, benefited, or prejudiced in relation thereto by the proposal if it were carried out.

(iii) If within three months of the notification in the ‘Gazette’ a petition is presented to the Governor objecting to the proposal and signed by persons who—

(a) constitute at least two-thirds in number of the occupiers of the land

within the area described in the proposal; and

(b) who occupy more than two-thirds in extent of the area described in the proposal—

the proposal shall not be proceeded with.

(iv) If within the said period no such petition is presented, the Governor by proclamation may declare that this Part shall apply to and have effect in relation to any river, stream, watercourse, lagoon, lake, swamp, or marsh specified in the proposal.

(v) The Governor may after the commencement of this section at any time and from time to time by proclamation:

(a) declare that the Part shall no longer apply to or have effect in relation to any river, stream, watercourse, lagoon, lake, swamp, or marsh specified in the proclamation to which immediately prior to the issue of the proclamation this Part by virtue of subsection (2) of this section does apply; and

(b) cancel and revoke any proclamation previously issued under the authority of this subsection.”

The clause in the Bill contains the essence of the measure, and really means confiscation.

Hon. V. Hamersley: Hear, hear!

Hon. C. F. BAXTER: In the early days people selected properties because they were near water, whether streams, lakes or otherwise. Later, others paid heavily for those properties. Then, again, many of the settlers spent a lot of money in making provision for the full use of the water available.

Hon. V. Hamersley: And they created water supplies by means of improvements.

Hon. C. F. BAXTER: If the Bill be agreed to in its present form, the position regarding water supplies will be taken out of the hands of the people who will not know where they stand. This is what follows upon socialisation. Members of this Chamber do not approve of that system, under which power is vested in the hands of commissioners or boards appointed by the Government. Surely the people themselves should say whether or not their area should be formed into an irrigation district or whether a water board should be formed. If the Bill becomes law, the Irrigation Commissioners could, by a stroke of the pen, declare the whole of the South-West to be a water board district. Would that be right?

Hon. H. Tuckey: That is not intended.

Hon. C. F. BAXTER: But the power is provided in the measure and could be used! The decision should be left in the hands of the people with proper safeguards. The Governor-in-Council will have power, on the recommendation of those concerned, to declare an area to be an irrigation district. Before the district is so constituted, it should be necessary to advertise twice at intervals of two weeks in newspapers circulating in the district concerned, and the persons affected should be those having land adjacent to water supplies. After that, three months' notice should be given in the "Government Gazette," during which it would be competent for a petition to be presented in opposition to the proposed declaration of the area. The position could be safeguarded further by providing that the signatures of two-thirds of the occupiers of land adjacent to the water supply were necessary and, as a further safeguard, that those people must occupy more than two-thirds of the area covered by the proposal. Surely that is conservative enough.

The Chief Secretary: There is no question about that.

Hon. C. F. BAXTER: If objection is raised to the proposal, then it will lapse. I hope the Committee will appreciate the reasonableness of my amendment. The matter should be left in the hands of those whose livelihood is at stake.

The CHIEF SECRETARY: I agree with Mr. Baxter in his reference to the safeguards embodied in his amendment, which appears to comprise such safeguards as will prevent, so far as possible, the operation of the principle underlying the measure. The crux of the amendment is that before anything can be done, at least two-thirds of the occupiers of the area in question, who must own at least two-thirds of that area, must be agreeable to the proposal.

Hon. J. J. Holmes: I do not think you need fog the matter.

The CHIEF SECRETARY: I do not intend to do so. Even then, nothing can happen for many months. The whole proposal is really ridiculous. If the principle underlying the Bill means anything, the measure should be agreed to in its entirety, now that it has been amended to deal with the artesian well phase. I shall accept the advice tendered by Mr. Holmes, for the more I study the amendment the more I

appreciate the fact that it seeks to make the Bill inoperative.

Hon. J. Nicholson: Will not the irrigation board be elective?

The CHIEF SECRETARY: Yes. Rates have to be paid in irrigation districts but, in this instance, no rates are provided for.

Hon. C. F. BAXTER: It is just as well that the Minister did not flog his opposition to the amendment. What he did say was quite wrong and indicated that he has not read the amendment correctly. At least two-thirds of the people concerned must sign the petition objecting to the proposal, not approve of it as the Minister suggested. With the two-thirds opposed to it, it cannot be proceeded with.

Hon. H. TUCKEY: Mr. Baxter fears that if the amendment is not carried it will mean that the Government will bring the whole of the South-West under the Act. We have, however, been assured that that will not be so.

Hon. C. F. Baxter: I said it could be done.

Hon. H. TUCKEY: The amendment will not be satisfactory to the South-West, because if we are going to do something to displease one-third of the people, then we shall cause trouble.

Hon. V. HAMERSLEY: The amendment should be agreed to because the Bill proposes to repudiate contracts that have been in existence for many years.

The CHIEF SECRETARY: I did put a wrong construction on a portion of the amendment. Instead of the amendment meaning what I said it meant, it simply means that two-thirds of the occupiers in a particular district owning two-thirds of the land may prevent the putting into operation of the proclamation made on the recommendation of the commission. We will simply have a repetition of the trouble that has occurred in other parts of the State where, on account of antagonism of certain people, it has not been possible to settle grievances as it will be possible to settle them under the Bill.

Hon. J. J. HOLMES: I am as conservative as Mr. Hamersley in regard to people's rights. One settler established himself on streams in the South-West, acquired rights, and became successful. He induced other

people to come along and to start orchards and gardens farther up the stream, and they have been robbing him of his rights and holding up water that he thought he was entitled to. In some instances concrete walls have been built.

Hon. C. F. BAXTER: That is legal under the present Act.

Hon. J. J. HOLMES: Legal or not, they are robbing the original owner of his rights, and now it is proposed to give back to the original owner his rights, and for that reason I oppose the amendment.

Hon. C. F. BAXTER: After all, the beds of the streams are the property of the Government and nobody can transgress by putting a wall across a stream or diverting it or interfering with it in any way. Is this a democratic country or not? We must get a two-thirds majority and, not content with that, a two-thirds majority of the acreage must be represented. Mr. Holmes spoke of a man being robbed. Surely it is only reasonable, if a board is to be constituted, to have a two-thirds majority. We are putting the whole affair into the hands of the Government without any consideration for the person who has invested his money in the district. It is not right at all. I assure the Committee there will be great trouble if the proposal as it stands is allowed to operate. Six month's notice should be given; only three months is provided in the Bill. Why should we be in such a hurry? Must the board be constituted in 24 hours? The amendment is reasonable and democratic, and will protect those people who invest in property.

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

Ayes	..	..	..	..	4
Noes	..	..	..	..	17
Majority against					13

AYES.	
Hon. C. F. Baxter	Hon. H. V. Plesse
Hon. V. Humersley	Hon. A. Thomson
	(Teller.)

NOES.	
Hon. E. H. Angelo	Hon. G. W. Miles
Hon. L. B. Bolton	Hon. T. Moore
Hon. J. M. Drew	Hon. J. Nicholson
Hon. G. Fraser	Hon. H. S. W. Parker
Hon. E. H. Gray	Hon. H. Seddon
Hon. W. R. Hall	Hon. H. Tuckey
Hon. J. J. Holmes	Hon. C. B. Williams
Hon. W. H. Kitson	Hon. E. M. Heenan
Hon. J. M. Macfarlane	(Teller.)

PAIR.

Aye.	No.
Hon. G. B. Wood	Hon. J. A. Dimmitt

Amendment thus negatived.

Clause, as previously amended, put and passed.

Hon. H. TUCKEY: I move an amendment—

That in line 3 of the proviso to the proposed new Subsection (5) the word "fourteen" be struck out and the word "thirty" inserted in lieu.

This will mean that 30 days instead of 14 days' notice will have to be given to the local authority concerned of intention to make a declaraton, cancellation or revocation.

The CHIEF SECRETARY: I raise no strong objection to the amendment.

Hon. J. Nicholson: I think it is fair.

The CHIEF SECRETARY: I regard the provision in the Bill as fair.

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

Bill again reported with a further amendment.

House adjourned at 10.2 p.m.