

The situation, is, I think, that we certainly ought to conserve, for those purposes, whatever money we have. It is not so very long ago that the Premier laid upon the Table of the House a file dealing with correspondence that had passed between himself and the then Acting Prime Minister of the Commonwealth in regard to certain funds that were desired by this State. Unfortunately, that file has been returned—rightly so, of course—to the department. But a perusal of that file would have shown that there were funds available that had been advanced to various industrial enterprises and which had to be repaid, and to some extent—if not entirely—it would have been better if they had been conserved for the very essential things to which I have just referred.

Therefore, I do not think it is reasonable for the Minister to suggest that there have been no means of obtaining this £63,000, which amount has been the main subject of the remarks made by the member for Katanning. If it had been a question of giving closer consideration to the best means of spending this money on the most worthy and necessary undertakings that the Minister for Health and the Minister for Education might have found, then they would have been spending it in a much better way than they are at present.

I do not say that this would be a panacea to all their ills. That is too much to expect. They might have found themselves in a better position, however, even if the things I have referred to had been postponed. I would suggest to the Minister that he take up these matters a little more thoroughly with the Treasury officers and endeavour, in the future, to make arrangements that are more in concert with what I think are his own views on the subject.

The Minister for Health: How did you find the Treasury officers?

Hon. A. F. WATTS: I found that they were quite willing to put first things first if the Minister told them forcibly enough. I appreciate the Minister's difficulty in regard to this matter, but I think they could be induced to put first things first, and the Minister is the only one who can tell them to do so. I commend the member for Katanning for moving this motion. I have indicated that I think it is justified. I believe it is likely, if the matter had not been taken in hand, to have snowballed and a position would have been reached whereby we would have done the same as we did in 1946 and 1948.

I reiterate that I do not want any favours granted to any section of the community. I want the same treatment for all the State's taxpayers and that is what they would be getting if the Government adhered to the policy introduced in 1948 and paid for all the structural additions

and improvements or, alternatively, went back to the system that prevailed before 1948 and made all the people of the State contribute some proportion of the cost. But so long as the Government differentiates, I must disagree with it because of all the facts and the evidence before us. I suggest to the Minister that he should make it clear to his departmental officers that he does not want any dubious voluntary arrangements in the future. If it is to be a purely voluntary effort, let all the world know about it and then even I might be satisfied.

On motion by Mr. O'Brien, debate adjourned.

House adjourned at 10.54 p.m.

Legislative Council

Thursday, 15th November, 1956.

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

QUESTION.**EDUCATION.****Canning Vale School.**

Hon. N. E. BAXTER (without notice) asked the Chief Secretary:

In view of the answer to my questions re the Canning Vale school, given by him yesterday to the effect that it is proposed to erect a school on the present site, subject to the availability of funds, does he consider that it is a reasonable or fair distribution for funds to be made available for elaborate domestic science and manual training facilities at Mt. Lawley High School as illustrated by yesterday's report in the "Daily News", when schools like Canning Vale have to go without reasonable classroom facilities?

The CHIEF SECRETARY replied:

I am not the Minister in charge of the department, and I am therefore not in a position to comment on the comparisons drawn by the hon. member. I will, however, have the matter examined.

STANDING ORDERS SUSPENSION.**New Business, Time Limit.**

The CHIEF SECRETARY: I move—

That for the remainder of the session Standing Order No. 62—limit of time for commencing new business—be suspended.

This will enable us to deal with new business after 10 o'clock on each sitting night. If members have had a fairly heavy day, however, advantage will not be taken of this facility, because I am sure members will know that I have considered them in the past, and have met their desires in this regard. But last week, when we could have gone on a little longer, we were prevented from doing so because of this Standing Order.

Question put and passed.

BILL—BETTING CONTROL ACT AMENDMENT.**Recommittal.**

On motion by Hon. J. Murray, Bill re-committed for the further consideration of Clause 2.

In Committee.

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

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

Hon. J. MURRAY: I apologise to the Committee for having let this matter slip through last night. Page 3 of the Bill sets out what bookmakers shall pay in additional tax to the Government. This is the most important part of the measure, because without this provision the Government could not pay to the various associations, such as the Trotting Association and the Turf Club, their percentage

of what is provided in the Bill. I would like to traverse the comments of other speakers on taxing matters.

The Chief Secretary: You are in Committee.

Hon. J. MURRAY: I realise that, but I will link up my remarks. The Chief Secretary said that Cabinet had been advised and that there were several people in Cabinet competent to advise Cabinet on the limits to which the Government could go. I have a document here which was issued by the Premier's Department and indicates portfolios and the like. I have gone through it very carefully and considered the background of many of the members who were in Cabinet and whether they were competent to advise the Government on betting matters. I arrived at the conclusion—and I know that this view is held elsewhere—that when the original Bill was brought to this House there were two members in Cabinet who were interested in this matter. They went for a trip to examine legislation elsewhere and the public generally said they were two babes in the wood.

The Minister for Railways: Where did they say that?

Hon. J. MURRAY: One of them was, but even that member is not now in Cabinet. May I say to the Chief Secretary and the Government that this man, who has not been named here, is the chief advocate and spokesman for the s.p. bookmakers in Western Australia. I say that without reserve.

The Chief Secretary: I don't know what you mean.

Hon. J. MURRAY: I will leave it there.

The Chief Secretary: No; come straight out and make an accusation!

The Minister for Railways: No inferences. Say what you think.

Hon. J. MURRAY: I say that he is the advocate. That is not an inference, but a definite statement.

The Minister for Railways: Who?

The Chief Secretary: Who?

Hon. J. MURRAY: I would ask members who have questioned that remark to examine as I did the personnel of Cabinet and remember what the Chief Secretary said last night as to members of Cabinet who are qualified to advise the Government, and they will arrive at the same decision as that to which I have come.

The Minister for Railways: What do you mean by "advocate"?

Hon. J. MURRAY: An advocate in court is a man who stands up and advocates the case for someone.

The Chief Secretary: No one advocates anything in Cabinet. Every Minister has the same rights.

Hon. J. MURRAY: Thanks for the interjection. That brings me to my point. I know the composition of Cabinet. I know that there are certain members who for a long period in their lives were considered to be in the top line of people in debating outside the House altogether. They were members of a public debating league who competed against other people. Knowing their personal views on the subject, I say that those members have lost their punch in debate, or else they have been led astray.

The Minister for Railways: You can only make a decision on evidence.

Hon. J. MURRAY: The evidence was produced by a very competent advocate for a certain section of the people.

The Chief Secretary: If it is the person you are referring to as an advocate for a certain type of people, he is one who is always at the racecourse.

Hon. J. MURRAY: It could be. If a Labour Government were not in power at present he might get an O.B.E. for his work in that regard.

The Minister for Railways: You will hit the headlines! At somebody else's expense.

Hon. J. MURRAY: Because this is a taxing measure, I want to refer to the remarks of a member who is unfortunately not in his place today, just as I was not in my place the other night.

The Chief Secretary: Is this a third reading speech?

Hon. J. MURRAY: I will tie up my remarks.

The Minister for Railways: What are we considering?

Hon. J. MURRAY: The other evening Mr. Wise had something to say with regard to the State finances when speaking to the Supply Bill. I would say that he is probably the most egotistical man in the House, but I will let that go. He had this to say—

The development of a State like Western Australia can only be done by taxing the wealth of Australia wherever it is to be found.

That was his first profound statement, and I am in full agreement with it. In fact I would refer the House to a study of this volume No. 121 of the Parliamentary Debates.

Point of Order.

The Chief Secretary: On a point of order, Mr. Chairman. I never like to stifle debate. But there is a second reading stage, a third reading stage, and a Committee stage of a Bill, and I understand that this is the Committee stage following a recommittal. I want to know whether the hon. member is in order in not moving his amendment and discussing it but speaking generally, as though this were a second or third reading debate.

The Chairman: The hon. member has intimated that he intends to tie up his remarks with Clause 2. The question is that that clause stand as amended. So long as the hon. member confines his remarks to Clause 2, even on recommittal, he is in order.

The Chief Secretary: He must confine his remarks to the amendment he is moving.

The Chairman: I take it that the hon. member intends to move an amendment.

Debate Resumed.

Hon. J. MURRAY: I appreciate your ruling, Mr. Chairman. I definitely intend to tie up my remarks with the amendment I propose to move. I have already mentioned what Mr. Wise said in the first portion of his speech. He said later—

It is a very vital matter that every avenue that is left to the State should be explored without being exploited to endeavour to close the gap between the ever-increasing need of a State of the kind that Western Australia is, a vast area of undeveloped resources.

I am in complete agreement. Every avenue should be explored by the Government in an endeavour to get a legitimate pound of flesh from those people who can pay. Efforts were made in another place to do what I am going to try to do in a very few moments. The reply from the responsible authority was that this could not be done, because if it were, they would go underground, and this, that and the other thing would occur.

It was contended further by those who thought as I do, that there was a considerable difference between a certain figure and the figure that I think should be placed in the measure. The reply in that case from semi-official sources was that before the legislation came into force these people paid heavy taxation to agents for accepting the responsibility of collecting the money.

In this case there is no responsibility for collecting the cash, and no bad debts; and I say without fear of honest contradiction, that if the scale which I will seek to have included in the measure is adopted, this Government—which is hard-pressed for money—could get the best part of £61,000 more without penalising any of the people except a very limited number who are at present protected and who are getting a handsome rake-off. I might add that these people have one advocate in Cabinet and the Government is not taking what it could well take in its present impoverished state. I move an amendment—

That all words after the word "the" in line 37, page 3, be struck out and the following inserted in lieu:—

following rates:

- (1) Two per centum if his turnover does not exceed £40,000 per annum.

- (ii) Two and one quarter per centum if his turnover exceeds £40,000 per annum but does not exceed £150,000 per annum.
- (iii) Two and one half per centum if his turnover exceeds £150,000 but does not exceed £300,000.
- (iv) Three per centum if his turnover exceeds £300,000.

The CHIEF SECRETARY: In reply to the hon. member's remarks about an advocate, I would point out that there are no advocates in Cabinet. Every member of Cabinet has the subject matter before him and takes part in the debate. I know of two members in this Chamber who have had a lifetime association with the racing game, and one of them was reared on the inside of it.

The CHAIRMAN: The question is that the amendment be agreed to.

Point of Order.

The Chief Secretary: I ask your ruling, Mr. Chairman, as to whether the amendment is in order.

The Chairman: Subsection (3) of Section 46 of the Constitution Acts Amendment Act states—

The Legislative Council may not amend any Bill so as to increase any proposed charge or burden on the people.

I therefore rule that the amendment is not in order, as I consider that it would so increase the burden on the people.

Hon. J. Murray: Far be it from me to disagree with your ruling, Mr. Chairman. I must accept it with the best of grace, having been permitted not only to recommend the Bill but also to say what I had to say on this matter, which is very important to the people of Western Australia.

Hon. A. F. Griffith: I take it that the provision you quoted from the Constitution Acts Amendment Act, Mr. Chairman, means any particular section of the people as well?

The Chairman: That is so.

Debate Resumed.

Clause, as previously amended, put and passed.

Bill again reported without further amendment and the reports adopted.

BILL—LICENSING ACT AMENDMENT (No. 3).

Third Reading.

The CHIEF SECRETARY (Hon. G. Fraser—West) [3.0]: I move—

That the Bill be now read a third time.

HON. N. E. BAXTER (Central) [3.0]: I cannot let the third reading of this Bill pass without registering a final protest on

the incidence of this extreme sectional taxation. Even last night, the Chief Secretary, when replying to Sir Charles Latham during the second reading debate, offered to give Sir Charles one of the State hotels.

The Chief Secretary: Two, in fact.

Hon. N. E. BAXTER: I do not know how sincere the Chief Secretary was—

Hon. Sir Charles Latham: It was a bit of bravado, I think.

Hon. N. E. BAXTER: Yes, I agree; and it was said in a jocular manner. Nevertheless it indicates what the Chief Secretary thinks of the profits made from one country hotel. The fact that such a hotel is not subject to this tax or to the payment of any rates to the local authority in whose district it is situated, and yet still shows a substantial loss, illustrates what must be happening to many of our private country hotels and how serious their financial position must be today.

Therefore, I believe the Government did not go into this subject fully before seeking to impose this taxation; otherwise it would have given more consideration either to obtaining this tax in a different manner to that which has prevailed in the past or leaving it at the existing rate in regard to hotels, and perhaps increasing the licence fee for clubs and other bodies engaged in the liquor trade, to provide more revenue for itself. If, at a later stage in the session, the House agrees to the appointment of a select committee to inquire into liquor licensing, I am certain it will be fully proved from the findings of that committee that the Government has made an extremely bad mistake.

Even before 12 months have elapsed its mistake will show up in the deterioration of the country hotels of this State. The Government can obtain its pound of flesh just as Shylock tried to do, but although he was not allowed the blood as well, that is what the Government is attempting to do with this Bill. The Government is every bit as avaricious as Shylock was depicted to be in "The Merchant of Venice." I do not think that, by introducing this taxing measure, containing the provisions that it does, the Government has put a feather in its cap. I will therefore vote against the third reading.

THE CHIEF SECRETARY (Hon. G. Fraser—West—In reply) [3.5]: I am forced to reply, because I know that the position in regard to this taxation has been favourable to the licensees of this State for many years. Therefore, I could not allow the hon. member to have the final say by telling the House that they have been unfavourably treated.

The hon. member referred earlier to the position in South Australia, and he particularly drew attention to the revenue received from liquor and other taxation

in that State. However, if he takes all State taxation into account, he will find that in South Australia the amount levied per capita was £9 16s. 2d., compared with £8 0s. 7d. in this State, which figure was the lowest of all States.

Hon. L. A. Logan: That has nothing to do with this Bill.

The CHIEF SECRETARY: I am merely pointing out that this State is the lowest taxed of any in the Commonwealth.

Hon. L. A. Logan: And is the most sparsely-populated State in the Commonwealth.

Hon. G. C. MacKinnon: Is that something to be proud of?

The CHIEF SECRETARY: No; I am merely explaining that this taxation is justified because, if every other State is taxed more than we are, it is—

Hon. N. E. Baxter: This particular tax is not imposed in South Australia.

The CHIEF SECRETARY: I said that the overall rate of taxation in South Australia per capita is more than the overall rate in this State. In States other than South Australia, liquor taxation is levied on the basis of gross purchases, which includes Commonwealth excise duty. Dealing with this particular tax, I want to show the hon. member how groundless his complaints are.

Hon. N. E. Baxter: What is the difference?

The CHIEF SECRETARY: The difference is that in all States, other than South Australia, liquor taxation is paid on the basis of gross purchases, including the Commonwealth excise duty; but in this State the tax is paid on gross purchases, excluding the excise duty, so they are much better off.

No matter from what angle we look at this, the licensees in this State are not being unjustly treated, and would not be even with the imposition of the tax proposed in this Bill. They would still be in a more favourable position than their counterparts in other States.

Question put and passed.

Bill read a third time.

The PRESIDENT: The question is—

That the Bill do now pass.

Question put and a division called for.

Hon. N. E. BAXTER: Mr. President, I did not hear any voice call "aye". I believe that the Standing Orders provide that two voices must call "aye" before a division can be taken.

The PRESIDENT: I wish to announce that a division cannot be called for on the question that the Bill do now pass.

Question put and passed.

BILL—SUPPLY (No. 2), £18,500,000.

Bill read a third time and passed.

BILL—INSPECTION OF MACHINERY ACT AMENDMENT.

Assembly's Amendment.

Amendment made by the Assembly now considered.

In Committee.

Hon. W. R. Hall in the Chair; the Minister for Railways in charge of the Bill.

The CHAIRMAN: The Assembly's amendment is as follows:—

Clause 3—In line 27, page 2, delete the numerals and words "(ii) during use underground".

The MINISTER FOR RAILWAYS: I move—

That the amendment be agreed to. The reason for the amendment made in another place is that it was discovered that diesel locomotives are not used underground. For some reason these words were inserted unwittingly because the position is covered by the Mines Regulation Act.

Hon. C. H. SIMPSON: I support what the Minister has said. If these locomotives are covered by the Mines Regulation Act, it is quite unnecessary to refer to them in this subclause.

Question put and passed; the Assembly's amendment agreed to.

Resolution reported, the report adopted and a message accordingly returned to the Assembly.

BILL—BOOKMAKERS BETTING TAX ACT AMENDMENT.

Second Reading.

Debate resumed from the 8th November.

HON. L. C. DIVER (Central) [3.14]: This Bill proposes to increase the tax paid by s.p. bookmakers operating off the course. I, too, condemn the Government for not availing itself of the opportunity to tax, by all the means open to it, a section of the people which is quite capable of being taxed to the same extent that the Government has taxed other sections. Although the two Ministers in this Chamber have had some experience of horse-racing and betting, I feel that their experience is not as great as that of a member of another place who owes allegiance to their political party, and who put up the proposition that the turnover tax should be fixed at 4 per cent. so that the Government could see, in the course of the next 12 months, whether any bookmakers would hand in their licences.

There has been so much backing and filling regarding the capacity of this body to pay a greater amount of tax that the issue has been clouded—that is, the issue as to whether the present tax is reasonable. In my opinion, when that member

of another place put forward his proposition, he made a clear-cut suggestion that merited far more consideration by the Government of this State than was given to it. The average man in the street leaves his politics largely to those representing the political party with which he is aligned.

The Minister for Railways: They do that in the country as well. You referred to the man in the street.

Hon. L. C. DIVER: The man on the land is also included in the term "the man in the street". Country people are not class conscious, and they all assemble on Saturday afternoons in the towns. While these people leave the defining of political moves to their parliamentary representatives, in the instance of betting, the knowledge possessed by the man in the street is equal to that possessed by his parliamentary representative. One has only to move among citizens to find that out. On this question they do not say, "I have to ask my parliamentary representative about it". A large proportion of the people have studied this subject, perhaps more than any other subject that has cropped up in the community.

Almost without exception, the man in the street says that he likes to have his betting, and the Government has facilitated such betting. But strangely enough, the Government has thrown the betting public on to the mercy of s.p. bookmakers instead of trying out an off-course totalisator. In the light of my previous address to this House on the subject of betting, there is no doubt in my mind that the day will come when it will get out of control, particularly when one reads the letter published in the Press under the signature of the Chairman of the Betting Control Board.

Parliament has passed an Act and placed its administration under the Betting Control Board; but when that board is faced with the responsibility of making a decision on stamp duty, it says that is not their business. It is trying to thrust the responsibility on to the Commissioner of Stamps. People fully realise these things. It is so unusual for a Government which represents the vast majority of the betting public to neglect their interests. The day must come when the Government will regret its imprudence in this matter.

I take this opportunity of replying to a letter that appeared in the Press following my reading in this House of a transcript of a tape recording taken during the inquiry by the W.A. Trotting Association into the running of the horse Minstrel King. The letter was under the signature of Mr. P. B. Healy. In reply, I would say that I made no assertion; all I did was to read out the facts to this House, and to illustrate the impossibility of the situation under which

betting transactions were carried on in a loose manner. This was admitted by Mr. Healy himself in the evidence he gave at the inquiry when he said he retained those transactions in his head. As I asked previously: How can we make laws to control such methods of transacting business?

Following that, Mr. Humphrys, president of the s.p. bookmakers' association, rang me up on the evening of the day when the article appeared in the Press. He said that he had known me for many years and realised I was a fair man; and he asked whether I would like to hear the other side of the case. I said, "Most certainly. Never in my life have I refused to hear the other side of any case on which I have expressed a point of view." He said he was pleased to hear that and he would arrange for Mr. Healy and Mr. Godwin to meet me. I said "Very well. When and where?" He said, "You name the time and place." I did that; but the next morning I rang him and told him that it was not convenient for me to keep the appointment at the time and place arranged.

I asked him to put the meeting off until the following Tuesday. He said that no doubt that arrangement would meet with the approval of the two gentlemen concerned—Mr. Healy and Mr. Godwin. He further said that he would confirm this within an hour. Mr. Humphrys rang back and said that the two gentlemen concerned, while appreciating the spirit in which I was prepared to meet them, felt that it was too much to expect any member of Parliament to make an apology. I asked Mr. Humphrys, "What have I to apologise for? I have nothing to apologise for. All I did was to read from a statement of fact and show the impossibility of making laws to cover these people."

I then said to him, "I'll tell you what I'll do. I'll endeavour to get an adjournment of the debate on the betting tax Bill. If these gentlemen can show me that I made some statement which wronged them, I am prepared to stand up in Parliament, in the same place where I read the transcript of the tape recording, and admit that wrong." Mr. Humphrys replied, "I knew you were fair, but I did not think you would ever do that."

Then I asked, "Well, how about the time and date for this meeting? Will it be all right." Mr. Humphrys replied "I have no doubt that it will be." Not many minutes later I was called to the telephone again, when Mr. Humphrys told me that Mr. Healy and Mr. Godwin had decided that they would not bother me, and that they had decided on another approach.

I take it that the other approach was the letter that later appeared in the Press challenging me to stand outside the House and make the statement. I do not think I could have been fairer. At the time I had hoped to avoid making a statement of this nature; but owing to the attitude

adopted by Messrs. Healy and Godwin, by not meeting me through the introduction of Mr. Humphrys, I have been left with no other course than to make the statement here. I leave humanity at large to make its own deductions.

In justice to Mr. Humphreys, I must say that he said he was acting only in the capacity of a go-between; that having known me for many years, and being acquainted with the two bookmakers concerned, who were unknown to me, he thought he might get us together. He did not act in an official capacity at all, although I think he is president of the bookmakers' organisation.

I think there is nothing I have left unsaid that I should have said, and I will let the matter rest at that. I shall support the Bill, but with the greatest of reluctance, simply because I have no alternative. I wish the Government had been wiser in computing a just rate of tax in this instance.

HON. A. F. GRIFFITH (Suburban) [3.32]: The Legislative Council is not in a position to amend a Bill of this nature, so that all we may say in protest is of very little avail. I do not profess to know very much, if anything, about the ramifications—I use that word advisedly—of the betting world.

The Chief Secretary: The word is quite correct.

Hon. A. F. GRIFFITH: I am glad the Chief Secretary agrees with me, because I think those ramifications are far beyond my reach and knowledge. I wish to comment on the constitution of the Betting Board. As it is constituted, it seems to me that it is in the same group of constituted boards as the advisory committee under the profiteering Bill comes into.

The Chief Secretary: No.

Hon. A. F. GRIFFITH: The constitution is practically useless from the point of view of the board, because we have three members appointed by the Government, one of whom is the chairman, and two appointed by interested parties. I can well imagine what will happen—what has happened, in fact—when the three members appointed by the Government—the chairman in particular—do not agree with what the other two members are putting forward. The case in connection with the Egg Board was very similar, too. In this particular instance the chairman has a mighty lot to say, and what he puts forward seems to be much more important than anything submitted by the two representatives from outside.

When we get a Bill of this nature, it is interesting to listen to the points of view of other people who profess to have some knowledge of the business. Whether they have any knowledge of it or not, they still

say they have. I was interested one evening to listen to two people who expressed the opinion that they had some intimate knowledge of the—

Hon. L. A. Logan: Industry.

Hon. A. F. GRIFFITH: It is an industry, all right. One man said that the s.p. bookmakers were paying as much as they possibly could and that the increase of $\frac{1}{2}$ per cent. was all that they could stand. The other man said that that was a misstatement; that the bookmakers were in a far better position than the previous speaker had indicated, and he thought they could pay a great deal more. Then I heard a suggestion made in another quarter to increase the amount of tax to something far greater than it is here and allow the operation of the increased tax to pass the test of time, and that after a year we could see how many of these gentlemen found themselves in pecuniary difficulties.

To my mind that was a useful suggestion, and it might have been adopted had it not been for the advocacy of one member of the present Cabinet who seems to take the part of the bookmakers in this matter. I understand he has quite a knowledge of the circumstances under which they operate. The adoption of the suggestion I have referred to might have been the best action to take.

The course we can adopt here is one of two. We can either support the Bill or reject it. The Government has the right to raise its taxes, and I am only sorry that in these taxing measures we see such discrimination. On the one hand these poor fellows employed in the betting industry—I have yet to see any of them who comes within the qualification of the word "poor"—are battling along amid great difficulties; and, on the other hand, other sections of the community are being taxed in another way.

Hon. L. A. Logan: You want to look at their homes and motorcars.

Hon. A. F. GRIFFITH: When I was speaking to another question in connection with the starting up of the s.p. shops, I mentioned something about the situation of the shops. I am not too sure about my grounds here, but I have an idea that at some time during the course of the debate on the legislation, 12 months ago, a question was put to the Government—I do not know whether to the Chief Secretary—in connection with the establishment of betting shops near hotels. I do not want to implicate the Chief Secretary for giving these answers, because he may not have given them, but we were told that betting shops would not be established near hotels. That information came from somewhere.

Hon. L. A. Logan: From the Betting Control Board.

The Chief Secretary: Exonerate me, will you?

Hon. A. F. GRIFFITH: Yes. It is interesting to observe that in the district in which I live a new hotel has been built; and although it has been operating for only a short space of time, I have noticed a new building going up right on the other side of the street. At the moment I will not lay any odds as to what sort of a shop it is going to be—it could possibly be a greengrocer's shop—but it will be interesting to see the sort of scales that go into it when it opens.

The Chief Secretary: I think it rings a bell.

Hon. A. F. GRIFFITH: Perhaps I could have a private conversation with the Chief Secretary about this. Since he says this matter rings a bell, it might ring so much of a bell that he will know whether the place I am thinking of might not even be a shopping area! The Chief Secretary might have had to exercise the terrific power he has under the Local Government Act and say, "You can put a shop there, old boy when no one else can." I may be wrong about that.

The Chief Secretary: You might be right, too.

Hon. A. F. GRIFFITH: That is one of the ramifications of the Betting Control Board. I make no assertions or accusations, but I am watching the construction of that shop with a great deal of interest to see whether, when it opens, it will contain green vegetables or hot tips for the races. It will certainly contain some green-horns if it becomes a betting shop.

It is interesting to find people of the same beliefs—because I cannot discuss what occurs in another place I cannot say anything about this—and who move in the same circles, have such wide differences of opinion about the capabilities of this industry to pay. One says it is capable of paying whereas another says it is not.

The Chief Secretary: We move in the same industry, but have different opinions.

HON. A. R. JONES (Midland) [3.43]: I am perturbed about the measure. I was perturbed when the Bill introducing the legislation came before the House last year; but I find that now I have a bigger decision to make than I had on that occasion, because these taxing measures are always disturbing to members when they come up for consideration.

If we can take any notice of the information that has been supplied, I think we have every right to amend the Bill. Although everyone states we cannot amend it, I think we have every right to do so, because if we take the figures submitted by the bookmakers themselves through their accounting association—C. P. Bird &

Associates—we find that the position is very desperate, and that we should reduce the tax. In fact, on the figures supplied here, we should subsidise the bookmakers. If one considers the Government attitude, one becomes surprised that the Government should want to increase the tax on them.

The Chief Secretary: You think we have been too harsh?

Hon. A. R. JONES: This is very harsh indeed if one can take any notice of these figures. This suggests to me that we have to use our own nous on this matter if we believe that the bookmakers are not telling us all the story; and perhaps support the Government in its endeavour to raise some more cash.

If I were permitted to do what I would like to do in regard to taxation on bookmakers I would increase it. But I would increase it on a sliding scale because I know that the position of some small bookmakers in the country is desperate. There are few registered bookmakers in the small country towns who run their registered premises only for betting. They have some other business, and it is just as well they do, because whereas, in the old days, they were able to accommodate the few people around the district who wanted a small bet, today, because of the high costs in comparison with their small turnover, they are finding things difficult.

Some of them have told me that when their licences expire they do not intend to apply for a renewal. They said that they intended to go back to the old system of accommodating the few whom they knew were reliable. They said that they would take those few small bets because the present system gave them little return. I have also been told that some of the big bookmakers are becoming even bigger, and that they could well afford to pay up to 5 per cent., on their own admission. Why the Government wants to mess round with a trivial increase like this, I do not know.

The Minister for Railways: How do you know they could pay up to 5 per cent.?

Hon. A. R. JONES: On their own admission.

The Minister for Railways: But who told you?

Hon. A. R. JONES: The bookmakers to whom I spoke told me that they could.

The Minister for Railways: Who were they?

Hon. A. R. JONES: Quite a few of the big bookmakers.

The Minister for Railways: You would help the Government considerably if you could give us some information about it.

Hon. A. R. JONES: That is why I suggest that some investigation should be made before a decision is reached regarding the amount of taxation. Surely if a man has

a turnover of between £50,000 and £75,000 he should be making a greater net profit than £1,063. I venture to suggest that there is something wrong there. There are 14 in the £200,000 category, and yet they are supposed to be making a net profit of only £3,442. That also seems a little wrong and a bit ridiculous when we hear the figures that are banded round. One book-maker has a turnover of about £700,000 to £800,000, and it is just too stupid to think that the man who has a small turnover of £25,000 a year has to pay the same rate of tax as a man with a turnover of something like £750,000.

Hon. J. McI. Thomson: He would not need to be subsidised.

Hon. A. R. Jones: I do not think we would need to subsidise that bookmaker, but some of those in the country need to be subsidised. I said, when I spoke to the legislation last year, that this sort of thing would come up; that some men would become millionaires in no time; and in my opinion the Government is creating the biggest monopoly that has ever been created in this State. Yet it says that it is against monopolies. In a few years' time we will not be able to get rid of this legislation even if we want to abolish it. There will be no chance because the money will be too strong and this legislation will remain on the statute book forever.

Even if the Ministers are not able to do anything about it this year I ask them, for goodness sake, to use a little bit of sound judgment when the matter comes up for discussion again. We ought to see if we can get a greater revenue from this source. To my mind we ought to be able to get at least another £250,000 without anybody being hurt or affected. I have no option but to support the Bill.

THE MINISTER FOR RAILWAYS (Hon. H. C. Strickland—North) [3.50]: As a number of assertions have been made, and there has been some criticism of the Government; and as I am a member of the Government, I feel I should say something in respect of the speeches which some members have made on this Bill and on the complementary legislation that has already been passed. It seems to me that some members wish to engender suspicion in the minds of this Chamber and in the minds of the public, particularly those who read Hansard, that somebody in Cabinet represents and advocates the bookmakers' case. To put it in plain Australian language, some members are saying that somebody in Cabinet is pushing the bookmakers' barrow. I think that is most unfair criticism—I would say it is spurious criticism.

Hon. F. R. H. Lavery: And untruthful.

The MINISTER FOR RAILWAYS: To my mind its objective is to create a poison campaign against one of the Ministers. I do not know who that would be—it could

be me. But so far as I am concerned, I have agreed with all the decisions that have been made in Cabinet regarding this matter. I have agreed with them because I have had the opportunity of having facts and figures presented to me.

Hon. L. A. Logan: The same as we have had?

The MINISTER FOR RAILWAYS: We have had the opportunity of examining closely the private affairs of these book-makers—not all of them, but some of them.

Hon. L. A. Logan: Do you believe it?

The MINISTER FOR RAILWAYS: We can only believe evidence. It is all very well for a member to say, "Tax them 4 per cent. and see how many will be left," without substantiating that statement with evidence or figures. It would be nice for us to say, "We will tax the farmer another 10 per cent. He can stand it."

Several members interjected.

The PRESIDENT: Order!

The MINISTER FOR RAILWAYS: Let us see how many walk off their properties.

Hon. L. C. Diver: What does the Commissioner of Taxation do about it?

The MINISTER FOR RAILWAYS: I do not know what he does; but I notice, from this morning's paper, that he is chasing a few of them up.

Hon. L. C. Diver: I agree with that.

The MINISTER FOR RAILWAYS: Apparently it is not only the bookmakers who do not want to pay all their taxation.

Hon. L. C. Diver: I agree with the commissioner.

The MINISTER FOR RAILWAYS: Of course you do! The commissioner cannot tell if a cow has died on a property; whether six sheep died this year or none died. But it is of no use prompting those things. I am making a statement on my own behalf and on behalf of the Government—my fellow-members in Cabinet—in response to the assertions that have been made this afternoon. I do not care what the farmers do or what they do not do. I am giving an explanation; and I cannot help whether members agree with it or not. When the Government decided upon this increase in taxation, it had all the figures and evidence presented to it which substantiated the statement that 2 per cent. would be as much as the industry generally could bear.

I do not say that there would not be one or two who could not stand more. Mr. Jones said, "Why should the little man pay as much in taxation as the big man?" From returns that have been presented to me, I know that several little men are certainly showing a higher net profit than most of the big men: I would not say the

biggest men, but those in the higher categories who are holding twice as much each week. This is because these little men are not up for the same expenses or the same risks. I know of country bookmakers who are running their own businesses. They have no expenses for staff; they have no high rentals to pay, and no heavy telephone bills to meet.

Hon. L. C. Diver: They have more trunk-line calls.

The MINISTER FOR RAILWAYS: I am telling the hon. member of some that I know. I do not know what he knows, but I know of three bookmakers—one in Wyndham, one in Derby, and the other in Port Hedland—who are well up on net returns with plenty of suburban bookmakers. They have lower overhead expenses, and their net profits at the end of the year would be higher than those of many bookmakers who are holding two, three or even four times as much money.

Hon. L. C. Diver: Are they the ones you were trying to protect last night?

The MINISTER FOR RAILWAYS: I was not protecting anybody.

Hon. L. C. Diver: When you suggested about a person wanting to make a bet of £50 or £100.

The MINISTER FOR RAILWAYS: I was asking why they should not be able to lay some of that money off and be able to distribute it. But the hon. member does not believe in that.

Hon. L. C. Diver: I do.

The MINISTER FOR RAILWAYS: Had that been so, the hon. member would have said so. However, I am pointing out that all these issues have to be examined properly. We have to look into facts and figures, and it is difficult to see how we can levy an equitable tax.

Hon. N. E. Baxter: Did you look into it in the same way regarding hotels?

The MINISTER FOR RAILWAYS: I am not talking about hotels. That tax regulates itself. The taxation to which the hon. member is referring is regulated by the amount of goods bought.

Hon. N. E. Baxter: No.

The MINISTER FOR RAILWAYS: Hotelkeepers are not taxed on turnover but on purchases.

Hon. N. E. Baxter: The Minister knows as well as I do that I was right.

The MINISTER FOR RAILWAYS: The hon. member has been a licensee of a hotel, and the taxation in regard to hotels relates to purchases and not turnover; and income tax comes into the picture. I honestly believe, on all the figures supplied to us by the Treasury and by the Betting Control Board, and in the taxation returns presented to us and signed by reputable public accountants, that 2 per cent. is the proper rate of taxation to charge.

What else can we judge the position on? Can we judge it on Mr. Jones's statement regarding 5 per cent.? All he said was that he had been told. It was just a wild statement.

Hon. L. A. Logan: By the bookmaker.

The MINISTER FOR RAILWAYS: What bookmaker?

Hon. A. R. Jones: I will take you personally to one man.

The MINISTER FOR RAILWAYS: Tell us something about him! These people are taken to task in this House; but when we want to find out something more about what is going on, we cannot get anything definite from members. All we hear is that they can afford to pay a tax of 5 per cent.

Hon. N. E. Baxter: The bookmakers in the bigger categories can pay it.

The MINISTER FOR RAILWAYS: There you are! Nobody can tell me, on the figures and evidence presented to us, that they can afford to pay 5 per cent. As a matter of fact, no bookmaker has ever suggested to me personally what he can afford to pay. Our decision was made on what evidence was placed in front of us. We saw their annual turnover and their commitments.

Hon. N. E. Baxter: Was that submitted by any particular bookmakers?

The MINISTER FOR RAILWAYS: By the Treasury. What else can the Government judge its figures on? We cannot just make a guess or a wild statement about it. Yet members get up here and start a poison campaign. They ought to know very well—and they do know but will not admit it—that in Tasmania the tax was 2½ per cent., and it had to be reduced to 2 per cent. The Tasmanian Government reduced it to 2 per cent. That is what happened in that State. Mention was made of two Ministers going to Tasmania, and I think the phrase used was "babes in the wood".

Hon. N. E. Baxter: One was and one wasn't.

The MINISTER FOR RAILWAYS: Yes; that is what was said. What the hon. member was trying to imply was that one of the Ministers was the bookmakers' advocate. That is not a fair thing at all. When this legislation was first mooted, somebody had to know something about how it worked; so the Minister for Police, as Minister in charge of the Betting Control Act, and another Minister was set up as a sub-committee.

Hon. Sir Charles Latham: Who was the other Minister?

The MINISTER FOR RAILWAYS: It was the Minister for Works. These two Ministers were set up as a sub-committee to make inquiries, during the recess, and bring back ideas to the Government of how off-course betting worked in South

Australia and Tasmania. If their findings were such that Cabinet thought they could be implemented here, the idea was to try them. When they returned with their evidence, Cabinet considered their report and finally decided to implement it.

Sitting suspended from 4.2 to 4.17 p.m.

THE MINISTER FOR RAILWAYS: In my view the rate of tax that is proposed to be levied by this legislation is the result of some very earnest consideration by the Government of the question of how much the bookmaking industry can stand; and I am perfectly sure that on the evidence that was submitted and the figures put forward—not the figures that were read out here from the circular, which, though it was posted to me, I did not read, but the figures that we had presented to us concerning every bookmaker's turnover though not every bookmaker's expenses but the expenses of some—that 2 per cent. is as much as the industry generally could stand.

Hon. Sir Charles Latham: Couldn't you have a graduated scale?

THE MINISTER FOR RAILWAYS: The question of a graduated scale was investigated thoroughly. At first, it was thought to be a most satisfactory scale, but we found anomalies and it was discovered to be wanting in several respects. Consequently it was abandoned for a flat rate for obvious reasons at the time in connection with calculating the rate, bringing takings into various gradings, and so on. It was decided that this rate would be quite a fair and reasonable one to impose. It will not be there for ever. There is 12 months' experience to judge upon, and there will be another 12 months with much more evidence available—much more factual evidence.

Hon. A. F. Griffith: I wonder whether the evidence is consistent with their taxation returns!

THE MINISTER FOR RAILWAYS: I have seen the taxation returns lodged by two bookmakers.

Hon. Sir Charles Latham: You have seen their copies.

THE MINISTER FOR RAILWAYS: Signed and verified by some of the most reputable accountants in the State.

Hon. Sir Charles Latham: You have not seen the returns submitted to the department.

THE MINISTER FOR RAILWAYS: No; copies of the returns lodged. On that type of evidence one could form an opinion. I had always believed that the bookmaking industry could stand something like 7½ or 10 per cent. tax. Some members have mentioned that they did pay commissions of as much as 10 per cent. in the £ to

bettors who bet with them. I know that was the case some years ago; but whether it was the same just prior to the introduction of this legislation or not, I do not know.

However, on that experience I thought there would be no trouble at all. But other factors have introduced themselves into the industry since it has been legalised. One is the amount of rent bookmakers are required to pay for premises these days. We know that unless a person owns his premises he can be subjected to quite a heavy expenditure by the landlord.

Hon. Sir Charles Latham: The wealthy man would own his premises.

THE MINISTER FOR RAILWAYS: Yes; but there are very few who do. There could be dozens, but I know of only one who owns his property, and has done so for years. These are factors that have become evidence since s.p. betting was legalised.

Hon. N. E. Baxter: What was the biggest rent you saw?

THE MINISTER FOR RAILWAYS: From memory, I could not tell the hon. member. They were substantial amounts, but I would not like to quote a figure because I would only be guessing.

Hon. N. E. Baxter: Would it be £1,400?

THE MINISTER FOR RAILWAYS: I would only be guessing. All these factors have to be considered and analysed. I am not pushing the bookmaker's barrow. He should be required to pay as much as his industry will allow him to pay. But it would be difficult to say, after 12 months' experience, that one should pay this and the other should pay that, because there are so many different aspects that have to be considered in connection with the locality and the size of the bet.

It seems to me that the little man who deals in small bets of up to £1 has a much better prospect of winning than the man who holds 10 times as much money but in larger amounts. That is how it appears to me, though I do not know everything about the bookmaking game and I would be a long time discovering the various—

Hon. J. Murray: Pitfalls?

THE MINISTER FOR RAILWAYS: I have discovered the pitfalls on the betting side. I would be a long time discovering all the various circumstances that come into this legalised business. As I said before, my intention in speaking on the Bill was to try to convey to members that the Government honestly believes that this tax is as much as could be imposed on the bookmakers at present, judging from the taxation figures placed before it.

HON. G. C. MacKINNON (South-West) [4.27]: The obvious sincerity of an address such as that delivered by the Minister for Railways could not fail to impress this House, I am sure, I would like to commend the Government on the great care it has taken to ensure that the bookmakers of this State have not been overburdened in the payment of their tax, and to express a fervent hope that in all future taxation measures on other sections of our community the same consideration and care will be exercised.

Hon. A. F. Griffith: Hear hear!

Hon. G. C. MacKINNON: There is one matter that gives me cause for thought and must give other members cause for thought. Throughout the country areas and small towns, wherever shops have been set up—I will go so far as to say in every town—one hears trenchant criticism of the actions that have been taken under the legislation to set up legalised betting in this State. We hear all sorts of veiled accusations, many of which are unfortunately made in the attitude of, "What can we do about it?"

Despite those veiled references, the Government debate on this subject has been virtually free from all reference to the possibility of any actions of the bookmakers that might not be of a completely moral character. As memories are reasonably fresh, that must surely strike a chord when we remember the veiled references—and some not so veiled—made to other types of businesses in recent debates in which very forthright suggestions were made concerning actions and practices which were wholly wrong and very bad for this community.

It does—it must—strike many people here, and I know it has struck many people outside that, on the one hand, legitimate business and productive business—the type which buys and sells and helps recreate wealth within our community—is criticised most trenchantly; whereas, at a very short date afterwards, we have legislation dealing with a type of industry which—however necessary it may be in the community—is not on the basis of producing wealth, buying and selling, and helping to distribute goods yet comes in for very little criticism by Government speakers; and there have been no suggestions by them that some sections of that industry might not have dealt very fairly with the community. As other members have said, we have no option but to pass this Bill, but I felt it would be unwise to vote without expressing those views.

HON. L. A. LOGAN (Midland) [4.31]: As one who, like Mr. Murray, was partly responsible for the passing of this measure in 1954, and as one who has not accepted the wild statements of some members who have said that we could increase this tax to 5 per cent., and so on, I think the Minister will agree that I have been

moderate in my approach to the question of taxation of s.p. bookmakers, but I do not find myself in agreement with the remarks he has just made. He said that to have a graduated scale would create too many anomalies. In my opinion a standard tax will create anomalies and cannot do otherwise.

The Minister for Railways: I did not say it would create anomalies. I said that anomalies could be seen.

Hon. L. A. LOGAN: The Government is creating anomalies by accepting the 2 per cent. flat rate, and probably more anomalies than would occur under a graduated scale would create too many the six top bookmakers in Western Australia cannot afford to pay more taxation than can the half-dozen smallest operators. Nobody could justify that with any figures.

The Minister for Railways: But they do pay more, on the turnover.

Hon. L. A. LOGAN: Do not tell me that they could not afford to pay more on this tax. As I said earlier, if Cabinet was given figures such as we have been given, prepared by what I presume is a reputable firm as the Minister says—and I do not think that C. P. Bird & Associates are not a reputable firm of accountants—

Hon. Sir Charles Latham: They could only come to conclusions on the matter supplied to them.

Hon. L. A. LOGAN: Nobody could expect us to accept those figures as being a true record of the business of an s.p. bookmaker.

The Minister for Railways: They were not considered.

Hon. L. A. LOGAN: They may not have been, but I think other figures almost identical were accepted by Cabinet and that is why I disagree with the Minister when he says we cannot increase this tax.

The Minister for Railways: I did not say we could not increase it, but that this was equitable.

Hon. L. A. LOGAN: I believe that for some s.p. bookmakers the 2 per cent. will be a burden. If we take some of the figures supplied to this Chamber in regard to the £50,000 to £75,000 group we find rents shown at £454. I have a particular friend who is paying £1,000 per year rent, and I know of two other men in the next group who are paying as much or a little bit more; yet according to these figures it is £483. On these figures those men will be hard hit. I am endeavouring to show the anomalies which can be created.

I believe there are many s.p. bookmakers who own their premises and charge that rent as part of their expenses. When speaking to the debate on the parent Bill, I said I believed that a small increase could be applied. I was not one who believed that a very great increase should have been

applied, and I ask the Government to give further consideration now to an increase in the higher income group.

Surely it is obvious to those who move in circles where the top-line bookmakers move, that they are in a position to pay a bit more than the small men pay. As I said by interjection, if we look at their homes and motorcars we must realise they can pay more; because if those are not proof of it, I do not know what is. I do not think it is necessary to keep to the group of four. It could easily have been a group of 10 on a graduated scale, and in that way we might have got away from most of the anomalies which the Government thinks might be created.

If the facts and figures as presented to Cabinet are correct, then there are a lot of bookmakers who are not putting in full returns. They must be doing a lot of turnover which is not going through their books. I think that must be obvious; and so I hope the Government will have another look at this matter, because there are other types of taxation which could easily be reduced if more money was taken through this avenue.

I would vote now as I did in 1954 if the same position existed; but I want this Act to work properly, and everybody to get a fair crack of the whip under it. If this tax could be increased on a graduated scale the incidence of some of the other proposed taxation could be reduced, and that would assist the State and the industries which are now likely to be taxed, while still allowing the Government to pay its way.

HON. E. M. HEENAN (North-East) [4.40]: I support the Bill. I was greatly impressed by the speech of the Minister for Railways. I think there have been too many general statements made by people who cannot possibly be fully apprised of the facts relating to this question. It is as well to remember that the legislation has been in operation for barely two years and that in introducing it the Government had to break entirely new ground. I do not think many members here would like to revert to the position that existed before the betting legislation was passed.

The position has improved greatly, and I am convinced that the Government has given this matter the greatest consideration. As the Minister pointed out, the Government has barely had 12 months' experience on which to go in this regard; and at the end of a further year, it will have the benefit of that added experience, and possibly the rate of the taxation can be altered then. We should progress fairly guardedly in this matter. It is obvious that the bookmakers have certain heavy expenses to contend with.

Hon. J. Murray: Haven't we all?

Hon. E. M. HEENAN: The bookmakers' premises that I have seen about the city and in country areas have been attractive, hygienic and well equipped, and seem to conform to a decent standard. We all have an idea of how expensive building is at present; and, in addition, these men employ big staffs. I presume they pay fairly high wages and their bills for stationery and suchlike must be heavy. I am sure that the Government, in justice to both sides, has taken those factors into consideration.

There is a common tendency to think that the other chap is very wealthy. Mr. Logan has just said that a glance at the homes and motorcars of these people should convince us that they are very affluent. It is very obvious that some of them are; but from studying the estates of deceased bookmakers, as published in the Press from time to time, I do not find them leaving enormous sums, but rather to the contrary. They are gamblers in a hazardous occupation, and are wealthy today and poor tomorrow.

Hon. Sir Charles Latham: You know very well how they dodge death duties and so on.

Hon. E. M. HEENAN: In the past, when s.p. betting was unlawful, they could do as they liked; but I believe that nowadays the Act is carefully policed, and there are no scandals attached to the business as far as I know.

Hon. J. Murray: Did you see what Mr. Andersen said about it?

Hon. E. M. HEENAN: I think the public have implicit faith in the Betting Control Board. I travel around fairly extensively. I consider that the public has implicit confidence in the board, and I subscribe to that belief myself. This new legislation and set-up, for which there was hardly any precedent, could have resulted in wholesale scandal. But such has not been the case—as far as I am aware, at any rate.

I do not know enough about the subject to determine whether this tax is sufficient, but I am convinced that the Government has given the matter ample consideration and it is wise not to form the belief that the bookmakers are robbing the public. They are conducting legitimate businesses and occupying extensive rooms which, by the nature of the business in which they are engaged, have to be situated in a prominent position; and obviously, therefore, the bookmakers have to pay heavy rents for them.

Hon. A. F. Griffith: As near as possible to a hotel.

Hon. E. M. HEENAN: The public wanted it that way, and the Government agreed to it.

Hon. Sir Charles Latham: We do not agree that this tax should be so low, but the Government takes no notice of us.

Hon. E. M. HEENAN: As the Minister for Railways has pointed out, the Government has had barely over 12 months' experience of this legislation to guide it in its decision. However, its members have gone carefully into the facts and figures and they have decided to apply this figure. As the Minister has explained, if—in the light of experience which will be gained within the next 12 months—it can be proved that these people can pay more tax, possibly they will be called upon to do so.

There is too much of this idle talk that the other fellow is making plenty of money. Everyone seems to know the other fellow's business, and it is a common thing to hear the saying, "He is rolling in money." There is too much of that kind of talk. I have no special brief for the bookmakers. But they are now engaged in a legitimate business, and I am sure the Government has arrived at this figure after careful consideration, and with little past experience to guide it, has done its best to give all sections of the community a fair deal. Therefore, I am prepared to support the Bill.

HON. N. E. BAXTER (Central) [4.48]: It is very strange and almost laughable to hear those members who support the Government making a case out for a big businessman and showing that they are out to get as much as they possibly can from him whether he makes a profit or a loss. In this case a very thorough investigation was made to ascertain whether, on net profits, this particular industry—if one can call it that—could afford to pay increased tax.

The Government has decided to impose a maximum rate of 2 per cent. This is the first time, since I have been a member of this House, that the Government has been so considerate to a section of the business community by going to the trouble of examining copies of taxation returns to ascertain if s.p. bookmakers can afford to pay more tax. I will leave it to the House to consider its reasons for acting in this way.

One member said that quite a number of the small operators made greater profits than the large bookmakers. He did not qualify that by explaining whether he meant that they were making a greater percentage profit on turnover than the larger bookmakers, or making a greater total monetary profit. However, I will give him the benefit of the doubt and take it that he meant they were making a greater percentage profit.

Even after taking their expenses into consideration, the larger bookmakers would naturally make greater profits than the smaller men. Even on the unbelievable figures submitted through C. P. Bird

& Associates, it can be seen that the larger operator is making a greater profit than the man who is in the small way. The Minister also quoted the high rents that these bookmakers are paying, but he was not able to substantiate the actual figures. He said that members, particularly on this side of the House, had made some wild statements. But is it not a wild statement to say that some of these operators are paying large rents, without quoting the actual figures? That is entirely a wild statement.

Even this list from C. P. Bird & Associates does not show that the rents are unusually high. According to that list 14 of the largest operators are paying an average rent of £1,403 a year; that is, approximately £27 a week. That is not a great rent for the type of business they are conducting and for a shop situated in the city of Perth, especially when it is in the vicinity of or alongside some of the main hotels in the city block, or even close to some of the hotels in the suburbs. Against their total costs, that rent would not represent a very great percentage.

It was also stated by Mr. Heenan that bookmakers pay very high wages. Yesterday I went to the trouble of working out the average wage paid, according to the figures submitted by C. P. Bird & Associates, and I found that it was £7 a week. To me, that does not seem a huge wage. In fact, when I took out the figures, I was surprised at how small the amount was. After all is said and done, for the type of business, and in view of the large turnover handled, £7 a week is not a large wage to pay; nor does it represent such a great amount in the total turnover and the total profits made by these operators.

From what has been said on this taxation measure, these poor bookmakers cannot afford to pay a higher tax than 2 per cent. on turnover. It reminds me of the position in regard to bookmakers about 1928 or 1929. A certain gentleman had a shop in one of our main city streets in which he started an s.p. bookmaking business. In those days it was a humble establishment, as it went, because the business he was conducting was illegal.

At that particular time, being a young man, I backed together with two friends, a couple of horses that were running in a country meeting. Fortunately both of them won. We had the princely sum of £9 to collect to be divided among the three of us. However, we had to wait for about three weeks before the bookmaker paid out. Ten or 12 years later, after successfully conducting this bookmaking business, and establishing another one in Perth, this gentleman retired with a fortune. He started his first business on what one might term "a half-dollar book" during the depression years.

Today, based on the money that is going through the hands of these people, the Government is trying to convince us

that the punter has become so shrewd that he is able to keep the bookmaker down to making a minimum profit, which, supposedly, is extremely small. Does not that seem too silly for words? I would be extremely gullible if I were to believe that a bookmaker today cannot make the same percentage on his turnover as the bookmaker in past years. Further, the expenses of the bookmaker in the past were fairly substantial, because he gave good service; and his rent, in comparison with existing values, would be just as great as the rent paid by the s.p. bookmaker today.

This legislation will remain on the statute book until the 31st December, 1957. Next session we will have to decide whether we are going to continue with off-course betting in this State. In view of that, members of Parliament of both Houses are entitled to detailed information at the end of the next financial year of the Betting Control Board. I contend that more information should have been contained in the report of the Betting Control Board this year than was presented. If the Government wants to continue this tax, to be fair to the members of both Houses, it should ensure that the Betting Control Board submits a report which is commensurate with its activities and which is according to the requirements of the Act.

Hon. F. R. H. Lavery: It might not be a very good report if it were commensurate with its activities.

Hon. N. E. BAXTER: The information that the board presented in its last report about permitting females and wives of bookmakers to work in betting shops was already known to members. We do not want that information contained in the report. We want a comprehensive survey of the whole position, not a reference to a few isolated cases. In that report there should be published a survey relating to the administration of the board and its expenses, and how they have been spent, so that the House can judge whether this is a progressive or retrograde step.

I would suggest to the Government that, when it introduces its continuance measure next session, it should consider the establishment of the totalisator system, particularly in regard to betting on trotting, because I think it would give us a good lead in the future. After all is said and done, all the betting transactions that are made on trotting meetings, are only on those meetings which are held in this State.

I have made some rough calculations of the amounts that would be returned to the clubs from a 5 per cent. tax on turnover handled by s.p. bookmakers, which would give a net amount of £122,422, and the Government would still get its 7½ per

cent. or 5 per cent. as against the amount of £21,090 received by the trotting clubs. Under this system one can see that there is a vast difference of over £100,000.

If the turnover were to go through the totalisator instead of through the hands of the bookmakers. Why should not that turnover go through the tote instead of through the s.p. bookmakers? The Government should for a start make an effort to try out the off-course tote system on trotting races. No argument in relation to interstate trotting racing will arise except during the inter-Dominion championships which are held annually. There is no reason why betting through the tote should not be conducted during the inter-Dominion championships when they are held in the other States. I trust that this aspect will be given consideration by the Government when the continuance Bill is introduced next year.

Even though the Government has intimated that close investigation has been made into all aspects covered by the Bill, I consider it has not taken the right stand. In reply to the Chief Secretary, who stated that the tax to be imposed on s.p. betting is fair, and that imposed on liquor is also fair, I would tell him that I thoroughly disagree with this contention because of one reason in particular: The tax on s.p. bookmaking has been assessed by Cabinet on the net profits made.

The Chief Secretary: Who told you that?

Hon. N. E. BAXTER: That was the inference drawn from the remarks made by the Chief Secretary and the Minister for Railways. They intimated that they had seen copies of the income-tax returns of various bookmakers. Would the Chief Secretary say that those returns were not based on the net income, after having assessed the ramifications of the transactions covered by those returns? If not, what were the returns based on?

They could not have been based on the turnover or the amount of tax they were paying. They could have been based on nothing else but net profit. Certainly they were not based on gross profit, because neither rent nor wages would have been deducted. It is ridiculous for the Chief Secretary to ask by interjection who told me that, after having indicated that those returns were based more or less on the net profits made by the bookmakers.

He is not game enough to stand up and say that when the tax was assessed in regard to the liquor industry the balance sheets were examined. That is the reason why I say the liquor tax should be decreased and the turnover tax on s.p. bookmaking be increased.

Point of Order.

Hon. Sir Charles Latham: On a point of order, Clause 2 states, among other things, that Section 2 of the principal Act is amended by adding the following paragraph:—

- (d) is, in respect of turnover mentioned in paragraph (e) of subsection (2) of section fourteen of the Betting Control Act, 1954, the rate of two per centum.

There is a Bill before this House which has not yet been passed, as it is subject to an amendment. If it is passed, the wording of the clause I referred to would be applicable.

The President: We are now dealing with the Bill to amend the Bookmakers Betting Tax Act, and last night we dealt with the Betting Control Act Amendment Bill, which was amended.

Hon. Sir Charles Latham: The clause I referred to seeks to amend something which is not yet in existence.

The President: I have given the call to Mr. Lavery to speak. I suggest that he now proceed; and that after he has concluded an adjournment of the debate be obtained. Would that be satisfactory?

Hon. Sir Charles Latham: Yes.

Debate Resumed.

HON. F. R. H. LAVERY (West) [5.9]: I agree with the point raised by Sir Charles Latham. There seems to be an anomaly. This Bill refers to the betting tax. Reference was made extensively by other speakers, to all phases of this measure which have come before us, but I do not wish to traverse the same ground.

I cannot cast a silent vote on this measure without saying that for a number of years before I entered Parliament I had been very keen to see some control exercised over s.p. betting. It was an octopus, and a cruel one. Under the system that prevailed, people bet under very adverse conditions. They had to duck around the corner to ensure that the police were not coming, or get the word from the look-out that the coast was clear.

I am proud to have been associated with the passing of a measure which has eliminated that type of behaviour by people placing bets. I am also proud that the Government, with the support of private members, was able to put this Act on the statute book, for two reasons. Firstly, I have always been of the opinion that all steps should be taken to prevent youth—by this I mean the young children—from making bets with s.p. bookmakers.

Under the present set-up that is not possible, although I would draw attention to the fact that in some instances outside of s.p. shops groups of children still get somebody else to place their bets. I have asked the Betting Control Board to do

everything possible to prevent that. I know it is happening, because I have seen it myself.

Secondly, the Government is now able to tax the s.p. bookmakers who for a great number of years have got away scot-free without having to make any contribution to Consolidated Revenue.

Hon. A. F. Griffith: Look at the police court fines when s.p. bookmakers were dealt with for obstructing the traffic!

Hon. F. R. H. LAVERY: I would suggest that the amounts imposed in fines were infinitesimal compared with what they are paying today. I want to refer to a number of letters which other members of Parliament and I have received from the Trotting Association and the Turf Club. I have not brought the letter sent by the Turf Club. I have received a number of letters from the Trotting Association. I appreciate the concern and interest felt by that association, and I want it to be known that, as a member of Parliament, I am not ignoring their views.

But I would like to point out to those organisations that this Bill attempts to answer the case which they have put before Parliament. I also want them to know that at my party meetings I referred to the letters which we have received. Like the member in another place, I was not satisfied with the amount of tax to be imposed under the Bill. I was one of those who believed that in assisting to put the Act on the statute book I was helping to clean up a social evil.

But I want the bookmakers' association to know that I am not standing behind the corner when stating that I am not here to do anything else but be as fair to them as to the Trotting Association and the racing clubs. I am not here for the benefit of either of those associations. If I think the Trotting Association and the racing clubs are not getting a reasonable return as a result of the Act, I will say so. If I think the bookmakers are not paying sufficient tax, I will say so.

This afternoon I heard the Minister give us an idea of what went on in Cabinet in regard to the matter. I assure members I appreciate everything he said; and I appreciate that he is a most honourable person, who would not attempt to delude the Chamber. When he made those statements, that was the first time I had heard them.

I support the Bill; but at the same time I express my opinion that the amount of tax could have been at least one-half per cent. higher. However, the Bill is now before us; and by the end of the next 12 months, when the continuance Bill will be brought down, I hope the board will have published a report on all facets of the industry. Because of the short time that the Act has been in existence, I do not think that either the bookmaking fraternity or the board has had a sufficient chance

to assess everything fairly and clearly. I feel that at the end of 12 months there should be no need for members to get up here and attempt to criticise any report that may be before us then, except to offer constructive criticism.

I wish now to refer to a letter that I received from the Applecross Association. Before I speak on this—

Hon. Sir Charles Latham: Is that about the building?

Hon. F. R. H. LAVERY: —I want it to be plainly known that I am not criticising Mr. Griffith for bringing the matter before this Chamber, but am offering criticism of the Applecross Progress Association. This criticism arises out of a letter which they published in the Press and which was sent to me from the association. The letter states—

I have been requested by my Association to pass on to you the text of a motion which was passed at a general meeting on the 19th instant:—

That this Association wishes to record its disgust at the action of the Betting Control Board in granting a licence for an s.p. betting shop at No. 3 Ardross-st., Applecross, despite the disapproval of the Premier, Deputy Premier, several local organisations and many local citizens.

That the action of the board is high-handed and arbitrary and is total disregard of the democratically expressed wishes of those most concerned.

That the Association wishes to record its regret at the failure of the State Parliamentary representatives to give effect to the wishes of the local residents.

That a copy of this motion be forwarded to the Premier, Deputy Premier, Chairman of the Betting Control Board, the member for the Legislative Assembly for the district, the member for the Legislative Council for the district, the Press and to organisations in the district.

The letter refers to "the member for the Legislative Council for the district." I have no objection to the association addressing a letter in these terms to me. In fact, I wish to support the earlier part of the motion that the Betting Control Board did take an arbitrary stand. But I know very well that this was never used in a political way at the last State elections. I know that a contestant for the Canning seat, Mr. W. J. Gaffy—he now holds the seat—did, at the request of this association, take an active part in the matter before he was a member of Parliament; and his efforts met with the association's satisfaction. It said so. Hon. J. T. Tonkin also took action.

The result was that there was published in the local "Applecross News," a full front page report of what was done. This report mentioned the final thing that he was doing for the district—Applecross was in his electorate at the time. Nobody was more surprised than Mr. Tonkin and I to know that the betting shop was eventually allowed to be proceeded with.

Hon. A. F. Griffith: Why did the Premier write and say it would not be proceeded with?

Hon. F. R. H. LAVERY: From the information I have, the Premier had exactly the same opinion, and he still is of the same opinion; that this was not a fit and proper place for a betting shop. My criticism is of the Applecross Progress Association, which has criticised me as being their M.L.C. for the district. They have only written to me and used the words "the member for the Legislative Council", and not "members".

I say now—and I have said it outside the House, so I am not saying it under privilege—that this is the first communication I have received from the association, and that I was never approached by it. I was not given a telephone call. Outside the House, several months before, I was given some information by Mr. Brand and by Mr. Griffith, unofficially; but so far as the organisation of people in the district was concerned, Fred Lavery just did not exist.

On the other hand, when the Applecross kindergarten found itself in difficulties over its new building—it had done a man-sized job and spent all its money and then could not get any assistance from the private banks or the R. & I. Bank—one of its members approached me; and I am pleased to say that, through my efforts, the association was able to get £1,000. I had the pleasure of handing over £500 of the amount myself.

An organisation that does not approach its member or do anything to get that member's assistance, and then criticises him through the Press and sends him a letter like this, is not quite fair. I repeat that I agree that the betting shop should not have been put there, and I have no reason to alter my opinion. I have said this before. I said it to the people concerned with the kindergarten, and I told them that I agreed with everything that John Tonkin, the Premier, and Mr. Gaffy had done.

Hon. A. F. Griffith: Despite that, the all-powerful board overruled them.

Hon. F. R. H. LAVERY: I still think the Applecross people did not receive from the board the treatment that they deserved. If the board is going to continue to disregard the wishes of people, after it has been approached in an honourable way, I shall continue to criticise it while I have two legs to stand on.

As far as the Betting Control Board is concerned, I must say that I admire the position in which we are now whereby we keep the young people out of the shops, although I point out that sometimes groups of children meet outside the shops and get older people to go in and make bets for them.

On motion by Hon. Sir Charles Latham, debate adjourned.

RESOLUTION—STATE FORESTS.

To Revoke Dedication.

Message from the Assembly received and read requesting concurrence in the following resolution:—

That the proposal for the partial revocation of State Forests Nos. 4, 7, 22, 28 and 37 laid on the Table of the Legislative Assembly by command of His Excellency the Lieut.-Governor and Administrator on the 14th day of November, 1956, be carried out.

BILL—RURAL AND INDUSTRIES BANK ACT AMENDMENT (No. 2).

Received from the Assembly and read a first time.

BILL—STATE TRADING CONCERNS ACT AMENDMENT.

Second Reading.

Debate resumed from the 8th November.

THE CHIEF SECRETARY (Hon. G. Fraser—West—in reply) [5.29]: Mr. Baxter asked about the economy that would be effected. When I introduced the Bill, I pointed out that it was brought forward not so much because of the amount that would be saved—I think I said it would be a very small sum—but because of the amalgamation that would be achieved.

At the request of the hon. member, I made some inquiries, and it is anticipated that, as a result of the measure, the saving—not in the first year, but after the re-organisation is made—will be approximately £1,500 a year. That is not a definite figure but is arrived at after taking everything into consideration.

The only other point was one which I think I answered in reply to an interjection. It was in regard to an increase in status and salary for the general manager and probably some other officers. At present, the manager is manager of both concerns; and I think he would have some difficulty in establishing a claim for a higher salary as a manager of one concern instead of two different concerns, as is the case at present. It is not anticipated that the changeover will make any difference in the status of or payment to the manager, or of anybody else. It is more likely to be the other way.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—BRANDS ACT AMENDMENT (No. 2).

Second Reading—Defeated.

Debate resumed from the previous day.

HON. A. R. JONES (Midland) [5.34]: Actually, the amendments in this Bill have been introduced to change the age at which cattle shall be branded from 12 months, as it is at present, to six months. This will require an amendment to Section 27, and there is a further amendment to Section 47 which will have the effect of deleting the words "or earmarked" in lines 3 and 4 of Subsection (2) and deleting the words "or earmarked" in the last line of the same subsection. This means that horses or cattle referred to in Section 27 will be eliminated from the other requirements mentioned in Section 47.

I cannot for the life of me understand why it is proposed to amend this Act and inflict upon the owners of cattle the further work and responsibility required in branding cattle prior to the age of six months. In my opinion it is completely unnecessary; and anyone who has had anything to do with cattle raising knows that to brand at that age interferes with the growth of the animal, the hide of the animal, and also the meat. If a person is breeding baby beef he knows that it is wrong to brand the animal at such a tender age, because it takes a week or a fortnight for it to recover. It also causes a big setback in its growth and well-being; and this amendment to the Act would be a definite disadvantage to baby beef producers.

If a person breeds an animal with the intention of selling it for stud purposes, it is branded after 12 months. If a person breeds with the object of selling store cattle they, too, are branded after 12 months. I have no objection to that. But to ask the owner or breeder of baby beef cattle to brand them prior to the age of six months is quite wrong. Baby beef are sold at about seven, eight or nine months of age; and branding them before they were six months old would be detrimental to them. I hope members will not consider this proposal.

The second amendment in the Bill is consequential; and if the first amendment is defeated, it will not be necessary to worry about the other. I hope that the first amendment will be defeated.

Hon. H. K. Watson: Are you voting against the second reading of the Bill?

Hon. A. R. JONES: Yes, because I can see nothing but harm coming from it. What does it matter to an outsider whether the owner or breeder of stock brands them or not?

Hon. G. Bennetts: He might sell somebody else's stock.

Hon. A. R. JONES: At the moment branding is optional. If Mr. Bennetts were my neighbour, and he had a suspicion that I was taking his stock and selling them, he would be able to brand them as a check. But knowing Mr. Bennetts as I do, I would be quite happy, if he were my neighbour, to run the risk and leave my cattle unbranded.

There is an added protection, too, because the young beast would be with its mother, who would be branded. The calf is running with the mother until such time as it is sent to market as baby beef, and it is quite easy to identify a calf as being the progeny of a certain mother. As I said, I can see no necessity for this amendment, and I would like to hear the opinions of those members who come from the South-West and who, perhaps, have had a greater experience in the raising of cattle.

It is wrong to have to brand young cattle at six months, because it does have a detrimental effect on them and retards their growth. As I said, it takes a week or 10 days, or maybe a fortnight, for them to recover, and that means a loss of between 10 and 20 lb. in weight. I oppose the whole Bill, and I shall vote against the second reading and trust that members will support me.

HON. F. D. WILLMOTT (South-West) [5.40]: As I see it, this Bill proposes to do three things. It makes the firebranding of cattle compulsory; takes away the option which previously existed to use an earmark instead of a brand, if the owner so desires; and will compel the branding of cattle at the age of six months.

Hon. N. E. Baxter: Before that age.

Hon. F. D. WILLMOTT: Yes. The reason given by the Minister for Agriculture, when introducing the Bill in another place, for the branding of cattle before the age of six months was for identification purposes at the abattoirs. He said that certain young cattle which had been slaughtered there had been found to be diseased, and it was considered that the branding of baby beef would enable diseased beasts to be more easily identified. I think the branding of baby beef would be perfectly useless in that regard because, when the beast was skinned and the hide had gone down the chute, it would not be recognisable by the time it was found to be diseased. I would like to know how it is proposed to identify a diseased beast.

Hon. A. R. Jones: They will leave that portion of the skin with the brand on it on the beast!

Hon. F. D. WILLMOTT: That might be so too. If it is considered desirable to have branding for identification purposes, surely an earmark would be far more useful, because the head could be left on the beast and the owner could be identified in that

way. With branding, once the skin has gone down the chute it is anybody's guess as to which skin belongs to which beast.

The Minister also said that earmarks were easily mutilated because of the cattle running through scrub country. With baby beef there is no such thing as cattle running through scrub country because, if they do run through scrub country, they do not get into baby beef condition.

There is one other point regarding diseased baby beef. I do not know of my own knowledge, but I think there would be a very small percentage of baby beef found to be diseased when killed. These beasts are killed at seven, eight or nine months, and I do not think that a beast would reach baby beef quality if it were diseased. In fact, I am certain it would not. So I imagine that the percentage of diseased baby beef would be extremely small. Therefore, if that is the idea of introducing this amendment it is completely unnecessary.

Also, it is not as easy as it sounds to brand baby beef. If a person has a yard full of mothers with baby beef running with them, it is a terrific job to try to handle them. They will go through the yards, over the top or, in fact, anywhere. To put owners to the cost and trouble of branding these baby beef before they reach the age of six months is absurd. As far as I am concerned I see absolutely no necessity for these amendments and the idea that they will help to prevent stealing is also absurd as anybody who has handled baby beef knows.

I do not know how anybody would go about stealing them; because one cannot round up baby beef quietly at night as one can sheep, with the help of a dog. Anybody who removed from its mother a calf, young enough to be considered baby beef, would be lucky if he were able to sleep within two miles of the mother because of the noise she would make. Accordingly I am not at all in favour of branding cattle before the age of six months.

I admit that I would not have unbranded cattle running about. I would prefer to brand them. But I cannot see why owners of stock should not be allowed to use their own discretion as to whether they firebrand or earmark their cattle. Why should we compel them to use the firebrand if they wish to use the earmark method of branding? It is true that it is more difficult to alter a firebrand, and that it is possible for an earmark to be defaced; but owners should be allowed to exercise their own discretion and should not be compelled to firebrand their stock.

The branding of stock before the age of six months—as provided in this Bill—also applies in the dairy areas where there are bucket-fed calves. Most people say that the branding of these bucket-fed

calves can be done when the calves are being castrated; but that is not as easy as it sounds. Calves are generally castrated at the age of seven to 14 days.

I do not know whether anybody has attempted to brand a bucket-fed calf at this age. The brand, with the growth of the calf, would become so large that it would be completely absurd. If we are to have brands of suitable size, then the calves should be branded as near six months of age as possible, because before then it is difficult to read the brand. If it were left till the calves were 12 months old it would mean they would only have to be branded once a year. To comply with the provisions of this Bill, the people on the dairy farms might have to brand several times in one year.

The same thing applies in relation to stealing. Is there such a thing as the stealing of a bucket-fed calf? Even if the calves are weaned off the bucket; no one is likely to steal them. They would still be bucket-fed and would suck their owner's finger any time he liked to stick it out. I am opposed to the amendments contained in the Bill. I can see no necessity for them.

THE MINISTER FOR RAILWAYS (Hon. H. C. Strickland—North—in reply) [5.50]: The main objection to this Bill appears to be the branding of calves at six months, and it is possible there is some justification for it. It is considered, however, that calves at the age of 12 months would be a reasonable proposition for branding; and I understand that if that were acceptable to members, the Minister would be prepared to alter the provision dealing with compulsory branding to relate to calves that are 12 months old.

Hon. F. D. Willmott: Why make it compulsory? There is no necessity for it.

THE MINISTER FOR RAILWAYS: The purpose of the compulsory provision is to meet the very points raised by the hon. member when he explained the position to the House a while ago. It is considered that cattle should be branded by the age of 12 months.

Hon. F. D. Willmott: Why not "or earmarked"?

THE MINISTER FOR RAILWAYS: I cannot say—except, as I remarked in my second reading speech, that an earmark can be altered or damaged.

Hon. F. D. Willmott: Surely that is for the owner of the beast to decide; if he likes to take the risk, why insist on it?

THE MINISTER FOR RAILWAYS: I can see the hon. member's point of view; but those were the reasons submitted by the meat industry and the abattoir authorities. In the papers I have with me, I cannot see why the meat industry people made those representations; but they were supported by the abattoirs in their request. The authorities at the abattoirs

were anxious to have this provision included because it would help them to identify the animal for slaughtering purposes.

Hon. F. D. Willmott: An earmark would do that.

THE MINISTER FOR RAILWAYS: During Mr. Willmott's speech, Mr. Jones interjected and said that when the head was removed there was no chance of identifying the animal. All I can say is that this provision has been requested by the meat trade and the authorities at the abattoirs.

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

Ayes	10
Noes	14

Majority against 4

Ayes.

Hon. G. Bennetts	Hon. E. M. Heenan
Hon. E. M. Davies	Hon. R. F. Hutchison
Hon. G. Fraser	Hon. G. E. Jeffery
Hon. J. J. Garrigan	Hon. H. C. Strickland
Hon. W. R. Hall	Hon. J. D. Teahan

(Teller.)

Noes.

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

(Teller.)

Pairs.

Ayes.	Noes.
Hon. W. F. Willesee	Hon. J. G. Hislop
Hon. F. J. S. Wise	Hon. H. L. Roche

Question thus negatived.

Bill defeated.

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

Second Reading.

Debate resumed from the previous day.

HON. A. F. GRIFFITH (Suburban) [5.55]: This Bill will have the effect of validating the actions of the Minister for Water Supplies when it becomes necessary to impose water restrictions. I think the House should agree to the measure, and I accordingly support the second reading. Before I resume my seat, however, there are two points that come to my mind about which I cannot see anything in the Minister's speech. One of the questions to which I have referred—and if this Bill is to be debated properly, I think I am at least entitled to have my questions listened to—

The Chief Secretary: I am all ears.

HON. A. F. GRIFFITH: The first question that exercises my mind is whether this will give the Minister for Water Supplies the right to restrict the use of water over the whole of the State. The other question about which I am concerned is

that dealing with advertising. When this advertising is done under the by-law we generally see a Press report in some paper to the effect that the Minister for Water Supplies advises the public that they can only use water under certain conditions.

I think it would be reasonable to assume that an advertisement of that nature in the paper could be missed by some people in the community; they could quite easily not see it, and they might quite easily and unknowingly contravene the instructions given by the Minister. I want to make sure, if I can, that the Government will give some undertaking that, in addition to an advertisement being placed in at least one of the daily papers—if not both of them—perhaps the co-operation of the very excellent news service of the A.B.C. could be sought.

Hon. A. R. Jones: It would be a lot cheaper.

Hon. A. F. GRIFFITH: That may be so; but I think that, under the Act, it will still be necessary for the Minister to advertise.

Hon. L. C. Diver: It is essential.

Hon. A. F. GRIFFITH: As an individual in my household, I suggest the news is listened to regularly; indeed my experience is that it is listened to regularly by most households where we receive the Australian news, the overseas news, and the State news. When the restrictions are to be imposed I think the Minister's department should seek the co-operation of the A.B.C. and ask that body if it would advertise the fact perhaps three or four times in the day, so that people may be well advised of the restrictions that are about to be imposed. If that were done there would be less fear of people unknowingly committing a breach of the regulations. I would like to hear the Minister's point of view on that matter. In the meantime I support the second reading of the Bill.

THE CHIEF SECRETARY (Hon. G. Fraser—West—in reply) [6.0]: In reply to question No. 1 as to whether this applies all over the State, the answer is that it is for the metropolitan area only. In regard to question No. 2, I would point out that the Minister has to advertise. He may do so only once, because there might not be time for it to be done on more than one occasion. For instance, that might occur if it were found today that restrictions must be imposed to tomorrow.

However, I will pass on the hon. member's suggestion, which I think is a good one: that, as well as advertising in the Press, the co-operation of the A.B.C. should be sought. Of course, time cannot be purchased on the A.B.C.; but I fancy that the A.B.C. would co-operate in this matter.

The Minister for Railways: It would be news.

THE CHIEF SECRETARY: Yes. As a matter of fact, I think that more people would hear about it over the air than would read about it in the Press. I will forward the suggestion to the Minister, and I have no doubt he will co-operate. Of course, we would be entirely in the hands of the A.B.C., and it would decide whether to make the announcement once or twice, or to refuse the request.

Question put and passed.

Bill read a second time.

In Committee.

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

Clause 1—agreed to.

Clause 2—Section 147A added:

Hon. A. F. GRIFFITH: I would like to take the Chief Secretary up on a comment he made about there not being time to advertise in the paper more than once. I do not think members will accept that statement, because the Minister and the department are fully cognisant of the levels at the weirs and the Minister knows when he will have to restrict the use of water in the metropolitan area. It is no use the Chief Secretary shaking his head.

Does he mean to say that the Minister would not know whether or not, in the event of a very hot spell, restrictions would have to be imposed? I realise that in the event of a breakdown, it might be a question of short notice; but in normal circumstances, he would have plenty of time to advertise.

I would like the Chief Secretary to give us some information concerning Subclause (6). One has only to have a small knowledge of the building industry to realise how this provision could apply. Bricklayers mixing mortar during a hot day have to keep their bricks wet in order that the mortar will run. Would they be expected, when they had a heap of bricks to lay, to climb down from a building every 10 or 15 minutes to turn the water off?

The clause is very deep in its implication. A tap might be turned on on a property by a child passing by, and the owner of the place would not have wilfully intended a breach of the Act to be committed. Nevertheless, in such circumstances, he could suffer a penalty if the Minister decided that he should.

Hon. G. BENNETTS: This clause is a good one. Only today I happened to be in a shop in the city, and I saw a tap turned full on and the water running down the sink. It looked to me as though the people concerned were too tired to turn off the tap. That was not the first time I had seen that occur in that particular shop. The effect of this provision would

be to ensure that such people took the precaution of seeing that taps were properly turned off.

A lot of water is allowed to run to waste in the building trade, and in many hotels one can see water running into baths unnecessarily because the taps are defective. Only a few such taps need to be left on and a few thousand gallons of water are wasted. I do not think that inspectors will act harshly, unless such action is considered necessary. Should a child leave a tap running, I imagine that an inspector would merely warn the householder.

Hon. L. C. DIVER: It is necessary to cultivate some appreciation in the minds of people in the metropolitan area of the value of water. I am one who has lived for a long time in an area where water—especially potable water—has been scarce, and I have been appalled time after time not once but hundreds of times—to see dripping taps in the metropolitan area. In that way thousands of gallons of water are wasted during the year.

I know that what Mr. Griffith has said regarding the building industry is likely to create some heart-burning, but the waste of water in that direction is appalling. That is not the fault of the master builder, but of his labourers. An effort should be made to induce people to look upon water as gold. The water that is wasted would keep a fair number of farms supplied without the building of another dam.

Hon. C. H. SIMPSON: It is pertinent to remember that the Government itself could help in the conservation of water by exercising economies. I have seen sprinklers left running in parks when there have been showers of rain. The question of water supply as a whole is very important. If the population of this city grows as we are told it will, the time will come when the riddle of an adequate water supply will be one that engineers will find it difficult to solve, and we shall have to employ some other means of utilising the water we have. We might have to provide catchments for water which is allowed to run away from our houses at the moment. Again, some consideration might be given to the question of encouraging homeowners to sink their own wells.

The use of water for sluicing purposes will be a necessity for years to come, and the utilisation of that water is a matter which should receive some attention. I know that in the country one sees big wheat silos from which the water is allowed to run to waste, and people who are desperately short of water ask why there is not some provision for storage.

Hon. L. C. Diver: Weevils prevent it.

Hon. C. H. SIMPSON: It is said that tests have been made and that the water is quite fit for human consumption. People ask why steps are not taken to conserve it.

The Chief Secretary: I do not think I would like to drink weevilly water.

Hon. C. H. SIMPSON: It is a matter of making a test.

Hon. G. C. MacKinnon: It is a matter of how badly one wants water, too.

Hon. C. H. SIMPSON: While I agree with the need for the Bill, I think that some attention should be given to the phases I have mentioned in view of what might happen in the future.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. G. C. MacKINNON: As Mr. Griffith said, it might be necessary to keep a sprinkler going all day on the bricks when a house is being built, to keep them in condition. Any Government move to conserve water will receive the whole-hearted support of country members. Far-sighted men in the South-West are perturbed at the encroachment further into that portion of the State of dams to supply the metropolitan area. I am thinking of Serpentine at the moment and I believe that in 10 or 20 years' time dams to supply the metropolitan area will be constructed even further south. Mr. Diver said that many sprinklers seen running in parks are supplied by bores, but we should impress everyone with the necessity to save water.

Hon. Sir CHARLES LATHAM: I would like the Minister to ask the Minister for Water Supplies how many premises there are in the metropolitan area not yet fitted with water meters and I think the answer to that question would be surprising. Years ago we were told that Mundaring Weir could hold no more but since then its capacity has been more than doubled. All the water for the lower rainfall interior of this State has to be supplied from the coast but I think that people in country towns should do more to catch rainwater from their roofs just as is done in the wheat belt. Subclause (6) is too far-reaching and could possibly make me responsible for that portion of the pipe outside the fence line at my place of residence.

Hon. J. M. A. CUNNINGHAM: The clause could be interpreted to mean that a person seeing a burst pipe and not reporting it could be held responsible and I do not think that is intended. The attitude of Goldfields people towards water is different from that of metropolitan residents. They are infinitely more water-conscious and respond very much faster to a request to conserve water. On the Goldfields people seldom fill a bath with more than nine inches or one foot of water but in the metropolitan area people fill their baths to overflowing.

Hon. G. C. MacKinnon: How do you know?

The Chief Secretary: You must get around.

Hon. J. M. A. CUNNINGHAM: Not long ago during a period of shortage a public meeting was held at Norseman and was attended by the Minister and the people were asking for a flat rate for water. The Minister's reply was, "We could not afford to put the rates up in the metropolitan area in order to make a flat rate throughout the State because everybody would put down their own bores or wells and we would not be able to carry on." That is on record, so there is little chance of our getting a flat rate. When the first 10 or 15 houses were built at Mt. Yokine they had to put down bores to provide their own water but within a very short time of the scheme water being made available all those bores went out of use.

The Minister for Railways: Yes, because they would have to pay their water rates in any case.

Hon. J. M. A. CUNNINGHAM: That is so. The rating encourages the use of scheme water. If the purpose of the clause is to make people more conscious of the need to conserve water I will accept it.

The **CHIEF SECRETARY:** Members seem to have been refreshing themselves with water. Mr. Griffith referred to a statement I made about only giving one notification in the Press in regard to restrictions and said that as the Minister's advisers must know days before, the people could be told earlier. No Minister will authorise restrictions until it is absolutely necessary. The Minister generally delays water restrictions from day to day hoping that with the change in the weather there will be no need to impose them.

During the last year or two, mainly on account of the extreme weather conditions, it has been necessary to announce at short notice that restrictions would be imposed. However, they are generally lifted as speedily as possible because no Minister wishes them to continue unnecessarily. Because of the rapid changes in the weather, it is impossible to give long-range notice that restrictions are to be imposed. This is a good clause, and extremely necessary, because there are some people who will refuse to co-operate. They leave their taps dripping and their hoses on for unduly long periods.

Hon. J. M. A. Cunningham: Sometimes the water that is wasted is not on the consumer's side of the meter.

The **CHIEF SECRETARY:** That would be the responsibility of the departmental officer concerned. Members know that even though some people are caught committing a breach of the water restrictions generally, they are only warned as first offenders. However, if they continue to offend, this clause will prove to be most necessary.

Hon. A. F. GRIFFITH: It seems that by asking a question I have almost built up in the minds of some members that I have

great objection to this clause; but such is not the case. I merely wanted the Chief Secretary to clarify Subclause (6). The explanation that has been given by the Chief Secretary is quite satisfactory. Also, I have seen from a reading of Hansard that the Minister for Water Supplies has stated in another place that the power contained in this Bill would not be exercised indiscriminately, and that any proposed prosecution would have to be examined by him before it was executed. I have no objection to this clause.

Clause put and passed.

Title—agreed to.

Bill reported without amendment, and the report adopted.

BILL—BELMONT BRANCH RAILWAY DISCONTINUANCE AND LAND REVESTMENT.

Second Reading.

Debate resumed from the previous day.

HON. C. H. SIMPSON (Midland) [7.52]: This is an extremely small Bill and it seeks to obtain the sanction of Parliament to pull up a section of railway connecting Bayswater, through Whatley, to the racecourse. The Minister covered the ground very well and explained the Bill to the House. He said that it had served very few people during the time it had been in operation and practically the only goods it carried were from the Brisbane and Wunderlich tile works; and further, over the last few years, a fire had burnt the bridge out which brought about a discontinuance of the railway. In the meantime the parties concerned had adjusted themselves to the change and had been able to manage quite well with road transport.

So we can agree with the Minister that this is one railway line that can be pulled up. Commenting on the remarks made by the Minister in regard to another railway matter calling for the endorsement of the House to suspend certain services, there is, of course, a tremendous difference between the two propositions. This Bill concerns a line which traverses a route where there are ample roads and alternative forms of transport which would be cheaper, and it is quite obvious that there could be a better service supplied by road transport over a short lead such as this than could possibly be provided by the railway.

Members will recall that when the legislation dealing with the Bassendean-Welshpool railway was passed, the question arose as to whether the line under discussion would be dismantled. The W.A.T.C. made representations to have the line preserved and it was informed that a bridge, capable of carrying traffic—not only on the chord line railway, but also on the replacement of this line—would be built at the same time because the old bridge was becoming unsafe. However, the W.A.T.C.

now realises that this necessity no longer exists and it is quite willing to have the railway line pulled up.

In this instance, I am quite prepared to support the Minister in his request that the line be dismantled and the necessary land be resumed, as provided for in the Second Schedule to the Bill.

HON. F. R. H. LAVERY (West) [7.55]: I support the Bill. By dismantling this line, a danger to the general motoring public will be removed where the railway crosses the Guildford-rd. At this point many people have lost their lives. By the pulling up of this line, a further road hazard will be removed.

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

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

Second Reading.

Debate resumed from the previous day.

HON. F. D. WILLMOTT (South-West) [7.56]: The purpose of this Bill is to increase the levy imposed on fruit growers from 1d. to 4d. per bushel. As the Minister stated, when he moved the second reading of the Bill, the purpose of the fund is the eradication of diseases and the payment of compensation for losses incurred as a result of such eradication measures.

As members know, there has been a serious outbreak of codlin moth at Bridgetown in the South-West. It is going to be extremely expensive to eradicate that pest. During the next 12 months, £35,000 will be spent, of which £25,000 will be provided by the Government and the remainder will come from the fruit-growing industry trust fund. That, of course, will only be a start, because it will be impossible to eradicate an outbreak of codlin moth, such as there is at present in Bridgetown, within 12 months. It will probably take four or five years to get rid of this pest, and that will prove to be very costly.

Seven sprayings will have to be made during the summer, and one is under way at the moment. Also, as growers generally carry out only two sprayings yearly, which do not have to be so extensive as these will have to be, growers are short of spraying plants. Therefore a great deal of money has to be expended on the purchase of such plants. Many growers are providing their own spraying plants, but the Government is also assisting in the provision of this equipment to enable them to get through the programme laid down.

In addition to that, all trees in the area have to have hessian bandages around the butts, and grubs have to be removed from around the trees and destroyed. Unless these grubs are removed the eradication measures will not be successful.

When it is considered that there are 1,400 acres in the quarantine area, it will be realised that this is a tremendous undertaking.

Hon. J. M. A. Cunningham: What is the average number of trees per acre?

Hon. F. D. WILLMOTT: Sometimes there are 80 trees planted to the acre, sometimes 110, but the average is 100 per acre. So there are 140,000 trees on the 1,400 acres of orchard. This is a pretty big undertaking. It is not the first time there have been such outbreaks in the industry. I remember in the early 1920's when the apple-growing industry in Bridgetown faced annihilation from an invasion of woolly aphids. I had just started on an orchard myself, and the production in three or four years dropped from 4,000 cases to less than 400 through the depredations of that pest.

The Superintendent of Agriculture in this State, Mr. Wickens, introduced a parasite in the orchard to counteract the woolly aphid. It was a minute fly—a most interesting insect—that actually hatched inside the aphid itself. When the warm weather started in November or the beginning of December, the fly was ready to emerge, and it punched its way out from the inside of the aphid and flew off. There were many acres of orchard showing signs of the bodies of aphids stuck to the trees where the flies had worked their way out.

Within 18 months of the introduction of that parasite into my orchard woolly aphids were virtually wiped out. In two or three years the fly was introduced over the whole of the apple-growing areas in this State; and from then on, woolly aphids have not been regarded by the apple-growers as a serious disease. There are always a certain number present but not sufficient to cause great concern.

A few years ago there was a serious outbreak of black spot in the Manjimup district. Again, eradication methods were introduced successfully. I give the department full marks for the job it did to wipe out those pests. The officers are very keen about their work, and they have always been right on the ball.

Hon. G. Bennetts: All Government departments are the same; they are very good.

Hon. F. D. WILLMOTT: I have been critical of Government departments; so when I can honestly give them a pat on the back, I have much pleasure in doing so. Up until now there has not been a very great call on the fund, but when a call is made it will naturally be a big one. The fruit growers are willing to make levies so that money will be available to fight this disease. They realise that with the presence of codlin moth in Western Australia, either the moth goes out or the grower goes out.

I know the codlin moth is found in the Eastern States as well. It has not been eradicated but is only under control. The position there is different from the position in this State. Their production per tree is considerably higher than ours, which means that their spraying cost for production per box of apples is far below ours. The growers here realise that if the codlin moth gets a hold it will put the apple growers off their orchards.

The growers are agreeable to contribute to this fund. There is further cost as a result of this outbreak, because the packing charges are increased considerably more than is normal. All the fruit in quarantine has to be channelled through the packing sheds to ensure that it is inspected and that there is no chance of the moth getting away.

In this State there have been 17 previous outbreaks of codlin moth infestation. On every occasion the department has succeeded in eradicating the outbreak. Unfortunately, this is the worst outbreak that has yet occurred, for this reason: The outbreak originally started in an orchard purchased by an Eastern States' settler in Bridgetown. Evidently he had no experience in this matter because he did not realise the presence of the pest. It was not picked up for a couple of years, by which time, per medium of the central packing shed, the pest had been transported to other orchards through the picking boxes. When the moth was discovered, it had a large hold in the district.

I am confident that if the money is available—and it will take a lot of money—the Government will back the growers up, because the growers themselves are willing to contribute to this extent. Eventually this will mean the eradication of the disease. I support the second reading of the Bill.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—STATE GOVERNMENT INSURANCE OFFICE ACT AMENDMENT.

Second Reading.

Debate resumed from the 6th November.

HON. C. H. SIMPSON (Midland) [8.8]: As members know, this Bill is an old friend or an old enemy, according to the attitude we adopt. It has been before the House four times in the last four years. All the older members have already spoken to the measure. They are all familiar with its objects; no doubt they have their own ideas as to which way they will vote when the question is put. For the sake of new members, a few points might be worth while covering. Some of

the points which were raised by the Chief Secretary when introducing the Bill deserve comment.

For the information of new members, I would point out that this Bill covers a project which had been regarded as illegitimate, because it started without parliamentary authority in 1926 and it was not until 1938 that a validation Bill was brought down which invested the State Insurance Office with certain powers. In saying straight out that I oppose this measure for reasons of which the House is fully aware, I want to say that I have every respect for the officers who conduct the State Insurance Office. I know them very well and have every confidence in them. They are experienced officers. This is certainly not a question of personalities but one of principle.

We believe that it is not the function of the Government to invade the field of private enterprise where that field is adequately catered for by existing instrumentalities. I have said on more than one occasion in this House that I regard the functions of the Government similarly to the functions of a policeman. The policeman is there to protect the people, to protect law-abiding persons against law-breakers, and to advise them but not to interfere with them.

The Chief Secretary: To take all the rough stuff.

HON. C. H. SIMPSON: There are certain fields of enterprise which private industry could not conduct successfully. I say it is the function of the Government to conduct public utilities and perhaps to differentiate between city and country charges to enable those utilities to continue. I do not think that private enterprise can cover that field. That is the point of division between what might be called private enterprise and Government utilities.

In his introductory speech the Chief Secretary made certain claims. It is quite in order for us to pick up some of the points, examine them, and see whether the story he told us can be verified and the full facts placed before the House. Before touching on that I wish to explain the advantage which a Government instrumentality has over a private undertaking when it comes to competition.

The Government enterprise has the first call, in some cases a statutory call, on certain forms of insurance. It does not have to seek that insurance; insurance comes to that office without any effort or cost. This gives the Government instrumentality a wonderful start, and therefore its procurement costs of necessity must be very small. Even if it engages in other forms of insurance which may be competitive with other companies, it will still have a start because of the advantage of having a tremendous volume of business placed in its lap which it did not have to seek.

It is a recognised principle that insurance, in the ordinary course of the term, has to be sold. One of the first claims made by the Chief Secretary was that this policy had been endorsed at the election. I have heard that claim made so many times over the years that I wonder if anyone really believes it.

At election time so many things are placed before the electors that I doubt whether anyone can lay his finger on anything in particular as being the cause of either winning or losing the election. At the last election something definitely happened which had an influence on it, but it was nothing to do with insurance. So, by and large, these claims are not valid; and this one certainly is not.

Another point made in the speech of the Chief Secretary referred to mis-statements by members, and one of the alleged mis-statements was in regard to local authorities. I think the comment was that the local authorities' scheme was superficially attractive because of the low premiums but unsound from the point of view of sound insurance practice. Exception was taken to that remark by the Chief Secretary, no doubt on the advice of his chief insurance adviser. The Minister went on to explain how successful the scheme had been, and said that the local authorities had been allowed a rebate at the end of each year on the premium actually paid.

All insurance men know, when they sell insurance, that they have to make provision for risks that are incurred when the business is done. An insurance company cannot, from a successful year, rebate to its clientele any surplus above claims and working expenses, and start off afresh at the beginning of the next year. It is only a public insurance office, with public backing, that can make that sort of promise.

There could, however, be serious trouble. Sometimes an insurance company will strike what insurance people call a calamity risk, and the incidence of claim then is very high indeed. That might happen in a year when the Government was having difficulty squaring its budget. The State insurance office is more or less gambling on the possibility of the State always being solvent and in a position to meet the heavy claims that might be incurred.

The sound practice adopted in insurance circles is gradually to build up a fund, and this the companies have been doing successfully over the years. They invest that fund and make it earn interest. They are then solidly placed to cover any risk.

The Minister for Railways: The State office is doing that.

Hon. C. H. SIMPSON: The State office, I understand, reinsures outside the State. The tariff companies reinsure inside the State.

The Minister for Railways: It invests here also.

Hon. C. H. SIMPSON: By doing that, those companies keep the money here. It might be a sound practice to put the State Government Insurance Office on a basis where it could enter into a similar arrangement with the tariff companies and by that means keep the money in the State.

If members examine the business done over the seven years during which the local authorities' scheme has been in operation, they will find, according to what the Chief Secretary has told us, that £23,000 has been rebated. This sounds a sizeable sum of money, but when divided among the 120-odd local authorities in the State the benefits to each individual taxpayer work out at less than 1d. per head. However, the Government still has to carry the risk in regard to any of the hazards that might arise.

I have already referred to the inherent unsoundness of that practice from an insurance point of view, and the Minister has been kind enough to help me with respect to the reinsurance of risks with other companies. He said that the State office reinsures overseas.

The Minister for Railways: It also builds in this city.

Hon. C. H. SIMPSON: I believe the manager of the State office claims some credit for the inception of the Motor Vehicle Trust. I would not altogether dispute that, yet it was hard to prove. As a matter of fact it was Hon. A. F. Watts—a Minister during the time of our Government—who introduced the Bill. As the Minister, he had the right to turn it down or adopt it. While he may or may not have received advice, he certainly used his own judgment in actually introducing the Bill and having the legislation placed on the statute book. If credit is due to anyone it is due to the Deputy Premier of the previous Government for actually bringing the Bill forward and getting it passed.

At another stage the Chief Secretary said that while the companies were liable to make a contribution to that fund, they had not so far been called upon to pay a penny. That again sounds reassuring, but is it as clear as it seems? Actually insurance claims take a considerable time to clean up and it is only now, after seven years, that the first year's business has been concluded. While the claim that none of the insurance companies had contributed a penny may have been true when the Chief Secretary made his speech, it is not true now because with the completion of the first year's business the insurance companies have been called upon to contribute their quotas. I know of one company that has contributed many hundreds of pounds and I would say that the companies will all contribute in proportion to their interests.

As a matter of fact that fund did show a heavy loss—well over £100,000—on its first year's operations. In the second year

it showed another heavy loss. In the third and fourth years it showed a profit. This is always the experience of insurance. We take the ups and we take the downs. In the fifth year it showed another loss. Probably on balance—and this is the opinion of actuaries—there will be a slight margin in favour of the companies. So it is a sound business from all points of view and it does a very necessary job. This is not a criticism in any way at all.

The claim has been made that, again owing to the influence of the manager of the State Government Insurance Office, the premium on a private car is only £3 10s. in Western Australia against £7 to £8 in Victoria and New South Wales. No doubt this will be altered under the present taxation schedule. There is, however, an explanation for this. In Victoria and New South Wales the damages are assessed by a jury whereas in this State they are assessed by a judge. Members can decide for themselves which is the more equitable or just method of determining that liability. That is the reason for the higher premiums in Victoria. In that case the incidence of higher claims has to be met. The incidence is lower here because the claims are not so high.

Another claim was that representation had been made by civil servants, etc., to insure with the State Government Insurance Office. I cannot see why a man, because he works for the Government, should be influenced to patronise a Government instrumentality rather than any other. They all work under a tariff determined by a board on which the State office is represented. It would be just as logical to say that if the Government runs a drapery store and a grocery store we should buy our shirts, butter and everything else from those shops. As a matter of fact, some of us are viewing with alarm the spread of Government departments and the growth of the civil service. We know they are necessary up to a point and we know that they give very good service. The time can arrive, although I hope it never will, that Winston Churchill referred to when he said—

I hope the time will never arrive when civil servants become uncivil masters.

If we allow the departments to grow all the time, this state of affairs could ultimately be reached.

An interesting statement was made by the Chief Secretary regarding the capitalising of £750,000 of undivided profits. I forget the exact details, but I think this was a case where 5s. of the value of shares had been actually paid up and the remainder of 10s. or 15s. was liquidated by the company out of reserves. There is nothing extraordinary in that. It might be worth examining the histories of the company just to see how the reserves were

built up. I can assure members that they were not built up by charging heavy premiums.

In nearly every case the company has been in existence for a long time, and by a policy of thrift and good management it gradually accumulated funds which it invested. In fact, many of the societies—the State Government Insurance Office is one—have put their money into property from which rents have been derived.

If members examine the balance sheets of these companies, they will find that the major portion of their income comes, very often, from the investment of moneys which they gathered together over the years, and all of which represents reserves to meet liabilities that may occur, and also to enable them to keep their premium rates low. By and large, the insurance companies have probably invested more in this country in property and buildings than they have received here by way of profits.

The buildings they have erected have not only added to the value of the property in the town, but have created employment and in the case of office buildings have provided accommodation to people requiring it. Sometimes when other instrumentalities were not forthcoming to provide badly needed accommodation these buildings have been available. This, at least, is one thing that the companies have done for which I think we should be grateful.

I would like to refer to some of the State office tables showing the differences between the premiums paid and the benefits received from, say, the Queensland Insurance Office and our own. Over the years, the Queensland office has frequently been held up as a model on which to plan our own insurance office.

I shall take a number of selected items and read them out. The list will show the difference between the rates for the Queensland company and the State rates. They are as follows:—

	Qld. per cent. s. d.	W.A. per cent. s. d.
Aerated water factory workers	42 0	38 6
Boilermakers	52 6	28 3
Builders	49 6	34 9
Bus crews	31 6	8 0
Carters	79 0	49 6
Clerical workers	3 6	1 0
Clothing factory workers	7 0	4 3
Electricians	38 6	23 0
Farmers	38 6	39 6
Fishermen	99 0	33 6
Orchardists	30 0	13 9
Petrol service stations	17 0	7 3
Roadmakers	59 6	16 0
Tile and brick workers	66 6	37 9

Those are the respective rates for the two States on 15 selected items. The average for Queensland is 43s. 5d. per cent. and in Western Australia it is 23s. 5d. per cent., just over half.

Hon. Sir Charles Latham: Would the benefits be the same?

Hon. C. H. SIMPSON: I will give those in a moment. In every case except one—farmers, where the difference was 1s. in favour of Queensland—the Queensland rates were higher. As regards benefits, from 25 selected rates in only the higher categories were the Queensland benefits greater. I will explain that in a moment. There were seven rates out of the 25 where the Queensland rate was £2,800 for death, loss of eyes and so on as against an amount of £2,546 here. That is an amount which, by the way, goes up and down with the basic wage. I must point out that these big amounts are paid out only rarely.

Some time ago I was taking out some figures for a friendly society, and the death benefits were only 20 per cent. of the total benefits, the other 80 per cent. being for sickness. It is roughly a ratio of four to one against an accident being one which would incur a high benefit payment. But on the lower rates the Western Australian benefits were consistently higher. Out of 25, which is a fairly large number, only 10 rates, including the top seven I mentioned, were higher for the Queensland company, but all the other benefits were higher in Western Australia.

In another rates table, of 51 classifications taken in alphabetical order the rate for Queensland averaged 173 per cent. higher. I took them as they came and they started off with abattoirs and finished up with chaff-cutters; I shall mention only one or two rates because they are rather extraordinary. For acid workers the rates for Western Australia were 5s. 3d. per cent. while in Queensland they were 77s. 6d. per cent.; the Queensland rates were 1,376 per cent. higher. For assayers the rate in Queensland was 41s. per cent. and in Western Australia it was 1s. 3d. per cent., a difference of 3,180 per cent. In billiard saloons the rate for Western Australia was 1s. and in Queensland it was 13s. 6d., 1,250 per cent. higher. For blind makers Western Australia was 4s. per cent. and Queensland 34s. 6d. per cent., a difference of 666 per cent. There were some rates for which Western Australia was a little higher, but not much. Out of the 51 classifications the Queensland rates were, on an average, 173 per cent. higher.

The Minister for Railways: The Western Australian rates favour the insurers and the employers.

Hon. C. H. SIMPSON: Yes, they do. They pay a lower rate and get a higher benefit.

The Minister for Railways: That is so.

Hon. G. Bennetts: They must have a good management.

Hon. C. H. SIMPSON: Yes. Those figures are rather striking because we so often hear the State Insurance Office in Queensland held up as a model for this State.

The Minister for Railways: They would be private rates.

Hon. C. H. SIMPSON: In view of the rates I have given, it is hard to understand how and why the Queensland company can be held up in that way. I think I have given a fairly good story and a case as to why the Bill should be opposed.

The Chief Secretary: I can give you a better one as to why it should be supported.

Hon. C. H. SIMPSON: I will not tread on old ground which has been trodden so often before. I think practically every one of the older members of this House has contributed towards a similar debate on previous occasions and is thoroughly familiar with the pros and cons of the case. With those remarks I will leave it to the good sense of members to join with me in opposing the Bill.

HON. R. F. HUTCHISON (Suburban) [8.37]: I wish to make a contribution to the debate on this Bill. Mr. Simpson said that he did not intend to go over all the old ground, but I think it is worth going back over it to see what arguments have been put forward previously. After listening to Mr. Simpson, it seems to me that the same old pattern has been followed throughout the years.

The State Insurance Office was first started by the Collier Government, and it remained on a more or less illegal basis for about 12 years. Why was this office established? It was established because it was not possible to get any other insurance company in Western Australia to take the risks connected with the mining industry and the possibility of miners contracting miner's phthisis. I remember it well, because I lived on the Murchison goldfields.

Hon. C. H. Simpson: But now it is getting a monopoly worth £250,000 a year.

Hon. R. F. HUTCHISON: Members opposite have followed the same pattern throughout the years in opposing measures similar to this. They have always been against the State Insurance Office having its franchise widened. Why should these huge profits, which are made by the private companies, go to private individuals? The money should be kept in the State and put to better use. It should be put back into the people's pockets for their own good.

In 1938 a Bill to legalise the State Insurance Office was introduced by Mr. Hawke, and since then that office has been a credit to this State. Starting-price betting, before it was legalised and made respectable, was carrying on illegally. That was legalised by a Labour Government the same as the operations of the State Insurance Office were legalised by a Labour Government.

The State office has been a great asset to Western Australia and all the prophecies of the private companies did not come true. That office has proved itself, and has increased its business in the face of opposition by the private companies and members of this Chamber. It is a really good business, and now we see offices being erected for it in the city which would be a credit to any organisation.

I shall not quote lots of figures because they would only weary members; but let me say that a measure such as this has been defeated over the years, so that huge profits could still continue to be made by private enterprise. If this Bill were passed, it would allow a sensible down-to-earth State enterprise, which is showing good business acumen under the present competitive system, to gain more profits for the benefit of the people as a whole and not for a few private individuals.

Hon. Sir Charles Latham: More socialisation.

Hon. R. F. HUTCHISON: The State office was legalised in 1938, and since that time it has slowly consolidated and widened its field of operations. The other day I saw an article in a country newspaper, and it rather shocked me because I thought it bordered on dishonesty. It was regarding some remarks of a member of another place who had made wild statements about what the State Insurance Office had done about the local government insurance pool. The statement has been refuted, but it is a sad thing when we see members reaching a stage where they become politically dishonest.

Hon. Sir Charles Latham: You cannot reflect on members of another place without breaking the Standing Orders.

Hon. R. F. HUTCHISON: I am not talking about another place; I am talking about this place at the moment. The Act covering miners' silicosis was the most humane Act ever introduced in this State.

Hon. L. A. Logan: This House agreed to it.

Hon. R. F. HUTCHISON: Men were dying of this disease, and no company would insure them. I saw how these people suffered and how miserable they were.

Hon. Sir Charles Latham: John Scaddan introduced that measure.

Hon. R. F. HUTCHISON: But it took the State Insurance Office to lead the way regarding this type of insurance. The

legalisation of that office was one of the best things that has happened in this State. It is about time members in this Chamber started to progress in their thinking. They progress only when they cannot stand up against the opposition; and the time is coming, and quickly too, when they will have to progress a little faster than they have done in the past. Members opposite in this Chamber are always spoken of as being obstructionists to progress. We should allow the State Insurance Office to carry on its good work and widen its franchise. The manager of the office deserves much credit for the good job he has done and will continue to do. The State Insurance Office is held in high esteem and is a credit to the State.

We live under a competitive system, and our action should suit the exigencies of that system. It was suggested earlier that the State Government Insurance Office should cover other classes of insurance to enable it to participate in all classes, so that it might act as the local agent for other States. There is nothing wrong with that. It is a very laudable objective.

This is about the fourth time that a Bill of this nature has come to this Chamber. I have heard many members in this House in the last two or three days speaking at great length about the necessity to save money. Upon my word, if some of the speeches that were made had been curtailed, not only would it have proved of great benefit to everyone, but it would also have helped save money somewhere.

There is no doubt that the local authorities will benefit by this scheme. The resources of the State Insurance Office are sufficient to stand up to any demand that may be made; so it was not honest to say that a self-insurance scheme would break down in a crisis. There would be no risk of that at all. The manner in which the Bill was defeated in 1953 reflects little credit on the measures used to prevent the people of Western Australia enjoying the fruits of progress. I would like to make the point that the State Government Insurance Office has not been built because of the help of this House of Parliament, but in spite of it.

The PRESIDENT: Order! I would draw the hon. member's attention to the fact that on many occasions when she has spoken she has made insinuations against members of this Chamber, and I have asked her not to do so. I would again ask her if she would kindly refrain from following that line of debate.

Hon. R. F. HUTCHISON: I am sorry Mr. President; but it is difficult to speak and not cast reflections. I really mean that members are restricting—

The PRESIDENT: Order! If the hon. member will not do as she is asked I will take steps to ensure that she does.

HON. R. F. HUTCHISON: I hope members will see the light on this occasion and that they will support the Bill. The time has long gone past when we should have a State Government Insurance Office covering all avenues of insurance. It would be a better thing for this State to have its insurance profits—and everyone knows that insurance is a lucrative business—going back into the progress of this State. It is far better to support our own people, rather than have those profits going into the coffers of a private insurance company which often takes the money out of this country.

The State Government Insurance Office has proved itself by its progress. It has made a solid contribution to this State, and I hope the Bill will be supported on this occasion honestly, as it should be, for the benefit of the people of Western Australia. I support the second reading.

On motion by Hon. L. A. Logan, debate adjourned.

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

Second Reading.

Debate resumed from the 8th November.

HON. H. K. WATSON (Metropolitan) [8.50]: This Bill appears to me to be a quiverful of barbed shafts directed at the small storekeeper. It contains a host of small irritating proposals which have been pretty fully covered by Mr. Mattiske in speaking to the measure. I do not propose to go through all the various provisions of the Bill; it is sufficient to mention two of them to indicate why the Bill should not be given a second reading.

It proposes to restrict the small suburban storekeeper, and the small country storekeeper, who now closes his business at six o'clock, and it seeks to make him close at 5.30. It further seeks to make him close on Saturday at 12.30 instead of one o'clock. For the life of me I do not see why we should interfere in such a pettifogging manner with the legitimate desires of the small businessman and the housewife and citizen who desire to do that bit of last minute shopping up till one o'clock.

It is a matter that we could well leave to the discretion of the trader, and I feel we would be ill-advised to pass this Bill. It further proposes to enforce hairdressers to make what appear to be major structural alterations to their premises.

Hon. G. Bennetts: Some of them want it.

Hon. H. K. WATSON: Then again, it proposes to deprive the various country districts of their existing right to decide by local option whether they shall have their weekly half-holiday on Saturday afternoon or some other afternoon. But

I hesitate to be dogmatic on that point; and I would like to hear members representing the country districts on the proposal.

I feel it should be left to the respective country districts, and the people in those districts, to decide—as the Act at present permits them to decide—by a poll, as to whether they want to have a half-holiday on Saturday afternoon or some other day of the week. The dimensions of our State are such that it is not practicable in my opinion to try to enforce some rigid rule over the whole State. We must ride with a loose rein and allow local desires, considerations and circumstances to govern that aspect.

As it stands at the moment the Act more than adequately covers all the matters that it should cover and if all these additional amendments were passed there is one thing about which we could be certain and that is that the Factories Department would immediately increase its complement by another half dozen inspectors who would be appointed to enforce all the further restrictions and impositions contained in this Bill. For these reasons I am going to vote against the second reading.

On motion by Hon. Sir Charles Latham, debate adjourned.

BILL—LAND ACT AMENDMENT (No. 1).

Second Reading.

Debate resumed from the 8th November.

HON. L. A. LOGAN (Midland) [8.55]: I think I can assure the Minister for Railways that this Bill will probably get better treatment than the one we dealt with a short while ago. This measure deals with three phases. Firstly it seeks to clarify the definition of Crown land in regard to the lands between high and low-water mark. The idea is to make sure that the definition is a correct one. Secondly there is the question of reciprocity between our Land Act and the Commonwealth Land Act. Apparently at some time or other the Commonwealth Land Act was amended and this left the corresponding part of our Act rather separate. The purpose of this measure is to bring those two Acts into line.

The third amendment in the Bill proposes to control the trafficking in leases, particularly in the North-West of the State. It has been found that some get-rich-quick St. George's Terrace-squatters have been taking leases and after a few months they have been transferring those leases to other people at a profit. The provision in the Bill seeks to ensure that before any lease can be transferred certain moneys must be expended on the lease and certain stock must be carried. That I think is a fair consideration. It is only

right that this trafficking should be stopped and that during the term of the lease some use should be made of the land itself. I think all members will agree with that.

The amount of money that has to be spent is not large; nor are the numbers of stock to be carried; although I believe that, in certain areas, 30 head of sheep to the 1,000 acres may be a little high. But provision has been made for the Minister to allow for a transfer of lease in certain circumstances if some of these conditions have not been complied with. It could happen that a leaseholder did not have the requisite number of stock because of the nature of the area he had leased, and in those circumstances the Minister might permit him to transfer the lease to someone else if he wishes. All in all it is quite a good Bill particularly that portion of it dealing with the trafficking of leases in the North-West. I support the second reading.

Question put and passed.

Bill read a second time.

In Committee.

Hon. W. R. Hall in the Chair; the Minister for Railways in charge of the Bill.

Clause 1—agreed to.

Clause 2—Section 3 amended:

Hon. H. K. WATSON: This clause defines the lands between high and low-water mark on the sea-shore and on the banks of tidal waters. Where a citizen's title to land which adjoins a river or sea frontage runs to high-water mark or low-water mark, and subsequently reclamation takes place; or where his land, which perhaps has a road in front of it, is right on the water's edge and reclamation takes place for 200, 300 or 400 yards, and the high-water and low-water marks have been extended accordingly, what is the position in respect of the reclaimed land?

The MINISTER FOR RAILWAYS: It is rather a problem to answer that off-hand. I know that in the early days title deeds were issued when the land ran to high-water mark. My understanding of the Bill is that where land is reclaimed, it becomes Crown land. In respect of the titles mentioned, some provision would surely have to be made; but my recollection of the Minister's explanation of this Bill to Cabinet was that it arose actually from some reclamation work which took place near the fish-market jetty at Fremantle. There the fishing-boat harbour was deepened, and the spoil thrown up against the railway land, and the land was reclaimed.

Two departments were involved. Above high-water mark it was Crown land, and below high-water mark it was vested in the Harbour and Light Department. There were applications for the leasing of the reclaimed land, and the question arose as

to who had the authority to lease it. My understanding is that that is what prompted the realisation that the Act did not define whose land that would be. So this amending Bill was brought down.

With respect to the cases mentioned by the hon. member, I could not explain now with any assurance what the position would be. But I suggest that, with this amendment, the land would become the property of the Crown.

Hon. H. K. WATSON: Could the Minister enlighten me as to whether this clause is intended to cover cases such as I have mentioned, or whether the primary object relates to other Crown lands?

The MINISTER FOR RAILWAYS: I have not that information, but I would have no objection to reporting progress so that I can explain the matter at a future sitting.

Progress reported.

BILL—FISHERIES ACT AMENDMENT.

Second Reading.

HON. E. M. DAVIES (West) [9.6] in moving the second reading said: This is a very small Bill, which seeks to amend the Fisheries Act, 1905-51. In Section 30 of the Act, provision is made for the formation of bodies for the purpose of being trout acclimatisation societies. The idea of the amending Bill is to provide for local authorities to be registered as such societies by making application to the Chief Inspector of Fisheries.

The reason for the introduction of the Bill is that there are local authorities which desire to be registered for this purpose, but there is no power in the Act to permit this to be done. While it is quite possible for a band of interested citizens who desire to utilise the waters in their particular district for the purpose of breeding trout to do so, a local authority in whose district there are lakes suitable for this purpose do not have that power.

At the moment there is in existence a trout acclimatisation society in the Serpentine district whose area extends to the coast and includes three local authorities—the Cockburn Road Board, the Kwinana Road Board and the Rockingham Road Board. The Cockburn Road Board has three stretches of water known as Bibra Lake, North Lake and Lake Thompson, and it has endeavoured to breed trout in some of those waters. However, there is no provision in the Act for the road board to be an organisation for that purpose; and as it is necessary for certain moneys to be expended on such an activity, authority under the Act is needed for the road board to operate as an acclimatisation society.

I would point out that the acceptance of this amendment would not make it obligatory on local authorities to take upon

themselves this responsibility. The relevant proposed new Section 31A provides that—

A local authority may, subject to any regulations made under this Act, apply to the Governor for registration as a trout acclimatisation society... As that indicates, there is no obligation on a local authority to be registered as an acclimatisation society; but the local authority to which I have referred, and which has already taken steps to breed trout in some of its waters, desires to be registered; and to enable it to make application, this amendment is necessary. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—CITY OF PERTH SCHEME FOR SUPERANNUATION (AMENDMENTS AUTHORISATION).

Second Reading.

Debate resumed from the 6th November.

HON. H. K. WATSON (Metropolitan) [9.13]: I support the second reading of this very small Bill, which is designed to remove two anomalies in the City of Perth superannuation scheme. The first one, as I understand it, is that a salaried officer's superannuation benefit accrues at the rate of 1/60th of his annual salary, with a maximum of 40/60ths. So it is possible that a lad starting with the council at the age of 15, and going through to his retiring age of 65, would serve for 50 years and contribute for 50 years, but only collect 40/60ths.

The Bill is designed to overcome that anomaly and give the contributor the full benefit of his contribution. The position is covered because the maximum weekly superannuation which he may draw from the fund has not been altered and I understand that the figure is £12 per week and that the restriction already in the Act is not being lifted. The safety of the fund is therefore adequately protected. The other provision relates to the person who starts off in the service of the council as a wages employee and eventually graduates to the salaried staff. At present such a person gets no allowance in respect of his period of service as a wages employee.

That situation is inequitable and the measure proposes to alter the superannuation scheme so that as a salaried officer the benefit can accumulate at the rate of 1/60th of the annual salary and in respect of his service as a wages employee he will receive the proportion of the

allowance payable to a wages employee in the ratio that the number of years during which he contributed as a wages employee bears to the total number of years of his contributing service up to the date of retirement. That amendment is made retrospective to the 1st of August, 1955, as the death of a former wages employee shortly after that date brought to the notice of the council the anomaly which may arise and apply to a wages employee who subsequently becomes a salaried employee. I support the second reading.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—CHILD WELFARE ACT AMENDMENT.

Second Reading.

HON. A. R. JONES (Midland) [9.20] in moving the second reading said: This Bill seeks to amend the Child Welfare Act of 1947-1955 by adding an additional section to stand as Section 137A. The object of the measure is twofold: firstly to provide that the parents of a child be made responsible for its actions in regard to damages or costs if a child be proven guilty under the provisions of the Child Welfare Act and, secondly, to empower the court to make the parent or guardian give security for the good behaviour of the child.

It is felt necessary by the mover of the Bill in another place, and I, that something should be done owing to the increasing vandalism that is in evidence in our community life today. The number of delinquent children seems to be on the increase. It has been said that we could expect an increase in this type of crime by delinquent children owing to the increase in our population and, to a degree, that is true, but even making allowance for that, the number of delinquent children seems to be increasing and from the publicity given in the past few years and the statistics, I think we can take it that such a trend unfortunately exists.

To illustrate what I have said, I would point out that two years ago there were 315 arrests for the stealing of automobiles in this State. Of course, there were many more cars stolen in instances where no arrests were made, but my point is that of the 315 offenders arrested in the 12-month period 74 were juveniles. From the 30th June this year until the end of October 133 persons were arrested for the same offence and of that number 111 were juveniles. That shows that although two years ago 74 out of the 315 persons arrested were juveniles, roughly 25 per cent., in the recent five-month period the percentage of juveniles arrested was over 75.

Hon. F. R. H. Lavery: How many cars were stolen in that period?

Hon. A. R. JONES: I do not know but I have reason to believe that it would run into many hundreds.

Hon. F. R. H. Lavery: I believe the figure is about 700.

Hon. A. R. JONES: That would not surprise me. Almost every day we read in the Press of young children, of even ten years of age or less, having committed acts of vandalism and we can advance no reason for it unless it is that they are children who are not receiving in their homes the upbringing which they need and deserve and which is necessary if they are to become good and useful citizens in our community. I suppose all of us who are parents are neglectful at times and occasionally feel at a later time that there was something we should have done in the matter of caring for our children, but generally I think people accept their responsibility as parents fairly well and I think it reasonable to suggest that only about 10 per cent. of the children in the community are not raised according to the standards which society demands. I do not suggest that that figure is correct but I submit it as an estimate of what the position probably is.

Once again, therefore, it is necessary to bring forward legislation to protect the people and legislate against a minority. It seems that always, if we want to protect the community by means of legislation, we have to deal with a minority. This is not the only country where child delinquency has been on the increase, and I will read from an American journal called "The Rotarian" an article written by J. Edgar Hoover, Director of the Federal Bureau of Investigation of the United States Department of Justice. He says—

The cultists who for years have allowed their children to emulate Topsy, the child who "just grewed," are now having a bitter awakening. They are learning that juveniles who are allowed to "just grow," with inadequate guidance and few moral restraints, are not in some automatic fashion directed toward a mature and happy adulthood. Those who have forgotten the Biblical admonition to "Train up a child in the way he should go: and when he is old, he will not depart from it," are finding that the abdication of parental responsibility is resulting in the tragic anarchy of juvenile delinquency.

The tragedy does not end with delinquency. It has been the sad experience of law enforcement to note that the first act of delinquent behaviour is all too often the forerunner of increasingly serious crimes. The stairway from delinquency to crime is but a few short steps. If you examine their records, you will find that many of

today's most vicious criminals committed yesterday's burglaries, the petty thefts of last year, and acts of vandalism the year before.

The process of criminal development is a depressing and disheartening one. We in law enforcement are charged with stemming the tide of crime. That is our job. But the tide of juvenile crime will become overwhelming unless preventive action is taken in the one place where it can do the most good—the home.

Look for a moment at the problem with which we are faced. Last year America's vast criminal army committed an estimated 2,262,450 major offences—the second-largest total in the nation's history. To be sure, it suffered casualties, and to fill the vacancies in its ranks, the underworld looks to the rich recruiting grounds of juvenile delinquency.

It is not looking in vain. In 1954 an estimated 519,000 persons under 18 years of age were arrested. In 1955, arrests in the same age group jumped to 576,000—an increase of 11 per cent.

How much of this is due to population increase? In comparing 1954 with 1955 it should be noted that the population of youths aged 10-17 increased 3 per cent. while the arrest rate in this age group increased 7.8 per cent.

I cite those interesting illustrations to show that the problem of child delinquency is just as acute in America as it is in this country, and there the standard of living is similar to that enjoyed by the Australian people. So, in the words of James Edgar Hoover, the place for restraint and guidance to be exercised over young people is in the home. It appears that there is a percentage of people in our community which is not prepared to carry out its responsibilities in a proper manner in regard to the welfare and guidance of young people. Recently, articles which were published in the "Weekend Mail" indicated that some parents did not always know where their children were.

Hon. R. F. Hutchison: Did you always know where your children were?

Hon. A. R. JONES: When my children wished to go out, they were always asked to explain where they were going, who would be accompanying them, and what time they expected to return home. If possible, I checked the company they were keeping and the place they were going. However, one woman I have spoken to admitted that although she had seen that her daughter was safe in bed she was unaware that later she left the house, committed acts of vandalism, and entered on wild escapades such as stealing motorcars and so on until the early hours of the morning. Until such time as the police

picked the girl up in company with boys and charged her with stealing a car the mother was entirely ignorant of her daughter's misdemeanours.

The hon. member will understand, therefore, that a parent can exercise as much care as possible over his child, but sometimes it is impossible to know where the child is because it could happen that the child might tell a lie as to where he intended going and so mislead the parent.

We all realise that this is an extremely complex problem. Members can probably bring to mind some families where the children are well-developed, well-nourished and reared in a proper manner; and yet one of the family may turn out to be what is termed a black sheep and bring disgrace upon his parents and brothers and sisters. In such cases the responsibility for any wrongful acts committed by such a child cannot be borne by the parents because they are unable to keep a watch over all his movements.

The Bill makes provision for such a case so that where such difficulties do arise, the magistrate before whom the defaulting child is brought can use his discretion in deciding whether the parent has neglected his responsibility in taking care of the child and is guilty of an offence.

Hon. G. Bennetts: What do you think is the principal cause of juvenile delinquency?

Hon. A. R. JONES: The only opinion I could express would be a very humble one, and would emanate from a limited experience as the father of only two children. However, I suggest that too much money handled by young people is one cause of their getting into trouble. Often when they first start work, they receive a wage of £6 to £7 a week and the parents allow them to keep too much pocket money. Also, there are instances of where parents have done the wrong thing when, because they wish to attend a hotel for a drinking session, they give a child a fair amount of money to attend the pictures or some other form of entertainment so that it will be out of their way and they can enjoy their pleasure unhindered.

There is no doubt that the possession by children of too much money has a detrimental effect on their characters; and if a parent does not exercise proper control over the child's spending, it is not conducive to its proper upbringing. Not so very long ago a case was brought to my notice of a young man who is not yet out of his time and who is earning £23 a week. Further, when he completes his apprenticeship, his wages will be increased by another £3 weekly. His father is very disgusted with him, because he spends most of his earnings on smashing up motor bikes.

I suppose it would be extremely difficult to explain why there are so many juvenile delinquents and so many acts of vandalism committed. I have given my explanation. Parents can be too lenient, and yet again they can be too strict. The proper course seems to be a balance between one and the other. Parents should endeavour to gain the confidence of their children without being too hard on them, which might result in their leaving home. On the other hand, they should not be too lenient by allowing them too much pocket money, for instance, and spending too much time away from home; more than a good mother or father would wish them to.

Some years ago an experiment was conducted in America in an endeavour to arrest this delinquent trend among juveniles which I have outlined. In the State of Michigan a law was enforced to deal with the problem. This Bill, to a large extent, is a combination of provisions taken from that legislation and of provisions taken from the English "Young People's Act."

To illustrate the result of the passing of legislation in Michigan, I would like to read one or two extracts taken from the April, 1956, issue of "The Reader's Digest." The heading of the article is, "Michigan Puts it Up to the Parents." It then goes on to state—

A simple logical law holds them responsible for their children's vandalism—and it works.

The senator who introduced this Bill into the Michigan legislature, Senator Harold M. Ryan, had this to say—

I was prompted by the idea that if vandalism costs the parents money, they will take a keener interest in where their children are and what they are doing.

Those remarks are almost identical with others contained in an article that was published in the "Weekend Mail" a few weeks ago when the Bill was being discussed in another place. The article shows how acts of vandalism were occurring and the parents of the children were being held responsible, and how over a period of 12 months, acts of delinquency dropped off considerably. The article also went on to point out that the Michigan law was one of the finest pieces of legislation ever put on the American statute book, because it had achieved the desired effect.

If we combine those statements with the remarks made by J. Edgar Hoover, it will be realised there is a very good chance that in America, in a short space of time, many of the older criminals will pass from the field of crime either by being committed to prison for long terms or meeting their just fate in the electric chair with a definitely reduced field from the juvenile ranks to replace them.

Taking the Bill as printed, proposed new Section 137A, Subsection (1), reads as follows:—

137A. (1) Where a child is found guilty of an offence with respect to which payment of damages, costs or restitution may be ordered the Court, on being satisfied that any parent or guardian of the child has condoned to the commission of the offence by neglecting to exercise due care or control of the child, may order that the damages, costs or restitution be paid—

- (a) by the child; or
- (b) by the parent or guardian; or
- (c) by both the child and the parent or guardian, in such proportions as the Court may determine.

In an order for payment of any sum, the Court may direct that such sum be paid by periodical payments.

Hon. G. Bennetts: Don't they do that now?

Hon. A. R. JONES: No; they cannot do that now. For two hours Mr. Ackland and myself had a conversation with the officer in charge of the Child Welfare Department, in the presence of Mr. Arney, the magistrate of the Children's Court. We asked Mr. Arney for his opinion on what would be the best provision to insert in the Bill, which he, as magistrate, would have to administer. We did not want anything that would be difficult to enforce. In fact, the amendments contained in this measure emanated from a Bill that was introduced in another place and all of the amendments were considered to be necessary and capable of being administered by a magistrate of the Children's Court.

The Bill provides that if in the opinion of the magistrate the child has the means and can pay something towards the fine imposed, the child shall do so if the magistrate so orders. If the parent or guardian of the child has condoned to the commission of the offence by neglecting to exercise due care or control of the child, then the parent or guardian shall be responsible also. This leaves both the child and the parent or guardian to be responsible in such proportions as the court may determine. The court may direct that such sum be paid by periodical payments. Paragraph (2) which states—

In any case where a child is charged with an offence, the Court may order the parent or guardian of the child to give security for the good behaviour of the child and such order may be made by the Court in addition to any order made in respect of the child. is self-explanatory and there is nothing for me to add. The next paragraph states —

An order under this section may be made against a parent or guardian who, having been required to attend,

has failed to do so, but, save as aforesaid, no such order shall be made without the parent or guardian having first been given an opportunity of being heard nor shall any such order be made requiring a parent or guardian to pay an amount greater than one hundred and fifty pounds.

This limits the amount which the guardian or parent may be called upon to pay, and gives the parent or guardian every chance to appear before the court. Nobody can therefore grumble at this provision. The next paragraph which states—

Any sum ordered to be paid under this section, or payable on the forfeiture of any security as aforesaid, by a parent or guardian, may be recovered in the same manner as if the order had been made on the conviction of the parent or guardian of the offence with which the child was charged.

is also self-explanatory.

When the Bill was introduced in another place the term "parent or guardian" was included. The Premier considered it was not well framed because that term would include the Child Welfare Department, any person who had become foster parent to a child, school teachers, etc., who were acting as guardians. In discussing this matter with the Child Welfare Department and Mr. Arney it was felt that those people should be protected; so for the purpose of this clause the term was amended to include the natural parent, adoptive parent, legal guardian, or any person having or purporting to have the control of the child. But it does not include officers of the Child Welfare Department, licensed foster parents, school teachers, or members of staffs of children's institutions.

Hon. G. C. MacKinnon: The term "purporting to have control" is very wide.

Hon. A. R. JONES: According to Mr. Arney and other advice, including Crown Law advice, it was felt that the position could not be covered in any other way.

Hon. G. C. MacKinnon: I was thinking of a person looking after a child for the afternoon. He would be in control of the child.

Hon. A. R. JONES: He would not be the natural parent. The object of this phrase was to cover cases where a man and woman are living together, but are not married. They would purport to have control of the child. I have covered the ground pretty fully and I commend the Bill to members of this House. I move—

That the Bill be now read a second time.

On motion by Hon. J. M. A. Cunningham, debate adjourned.

House adjourned at 9.50 p.m.