

# Legislative Council,

Thursday, 1st November, 1928.

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

## QUESTION—MAIN ROADS BOARD, CONTRACTS.

Hon. H. STEWART asked the Chief Secretary: 1, Has the Main Roads Board obtained the written consent of the Minister in connection with every contract involving an expenditure by the board of an amount exceeding £1,000, as provided for in the proviso to Section 17 of the Main Roads Act? 2, If not, what contracts have been entered into without the written consent of the Minister?

The CHIEF SECRETARY replied: 1, Yes. 2, Answered by No. 1.

## BILL—FEEDING STUFFS.

Read a third time and returned to the Assembly with amendments.

## BILL—DOG ACT AMENDMENT.

Report of Committee adopted.

## MOTION—MAIN ROADS BOARD, ADMINISTRATION.

*To inquire by Select Committee.*

Debate resumed from previous day on the following motion by Hon. H. Stewart—

That a Select Committee be appointed to inquire into the provisions of the Main Roads Act, 1925, and the administration thereof.

HON. E. H. GRAY (West) [4.35]: As both the Leader of the House and the Honorary Minister have fully answered all the supposed charges that have been levelled

against the Main Roads Board and the Government, my remarks on this subject will be brief. I should, however, like to refer to one or two matters. The first is the attack made by Mr. Glasheen, when he stated that a local authority had obtained a contract from the Main Roads Board at the rate of £7 10s. a chain, and had sublet it for £2 a chain, making a profit of £400.

Hon. G. W. Miles: That does not say much for the estimate that was put up.

Hon. E. H. GRAY: I have tried to discover the origin of this, but have failed. It may have happened, because in country districts, in times of depression, men are only too glad to work for farmers for practically only their tucker. I have seen dozens of men doing that in bad times. It may be that a farmer secured the contract from the local authority, and was able, by employing people who were out of work, to carry it out for this extraordinarily low sum.

Hon. C. F. Baxter: Where have you seen men working only for their tucker?

Hon. E. H. GRAY: I have often seen them. It has been going on in the country districts for the last 20 years. If this did occur, it would have occurred through some reason of that sort. A farmer may have taken the job in a slack season, and obtained the services of men who were hard up and were glad to get their tucker. If, however, the story were investigated, no doubt it would be found to be, like many others, without foundation. There may be another explanation. Only to-day I received a report, the truth of which is guaranteed, to the effect that the Pickering Brook-Bull's Creek road contract had been let to a man who was employing a gang of 12 aliens. One Britisher, with a wife and seven children, had been working on the job, but his services were dispensed with, and an alien put in his place. That may account for a lot of the cheap work that is being done. There are complaints all over the place that good Britishers are being displaced by aliens. That may be an explanation for the statement made by Mr. Glasheen.

Hon. G. W. Miles: The select committee could inquire into that.

Hon. E. H. GRAY: I was a member of the last select committee. I would pay a tribute to Mr. Stewart for the business-like way in which he went about his task as chairman. There was, I think, some reason for the appointment of that select com-

mittee. Every member desired to do his utmost to furnish a report to the House so that the best possible Bill might be framed.

Hon. G. W. Miles: The Premier accused that select committee of making the Bill unworkable.

Hon. E. H. GRAY: Some of the recommendations did not turn out too well.

Hon. E. H. Harris: Do you say that the Committee justified itself?

Hon. E. H. GRAY: It did good work. The same reasons cannot be advanced to-day for the appointment of a select committee. Last night Mr. Cornell harked back to 1927. That should be forgotten. His statements will not bear investigation.

Hon. J. Cornell: They will.

Hon. E. H. GRAY: Last night he made an extraordinary statement in that he referred to the action of the Main Roads Board in sending men into the Yilgarn electorate the day after the rolls had closed. What does the hon. member mean by that? It had nothing to do with either the board or the Government.

Hon. J. Cornell: I said that.

Hon. E. H. GRAY: Why put forward the statement. What inference is to be drawn from it?

The Honorary Minister: Why associate it with the select committee?

Hon. J. Cornell: Some of those men were put on the roll although they were a day late.

Hon. E. H. GRAY: The object of most metropolitan members in bad times is to see that men are got away to their work as soon as possible. At that time members representing country electorates were only too anxious to see work started there. If we had wanted to make our positions safe in Perth and Fremantle—

Hon. J. Cornell: They were quite safe.

Hon. E. H. GRAY:—and the Government were prepared to do things which would not stand investigation, and had the intention been to waste money in this way, it would have been better to spend it in Subiaco, Fremantle, Claremont and Perth in order to make sure of capturing the seats there.

Hon. J. Cornell: There was no chance of capturing some of those seats.

Hon. E. H. GRAY: There was a grave unemployment problem existing at the time. We were only too anxious that work should be found, and that any Government in office should get the men out of the towns as

quickly as possible. The action of the Government was seized upon for political ends, and all sorts of wild charges have been made since the last State election. The whole thing is now revived.

Hon. E. H. Harris: They require investigation.

Hon. E. H. GRAY: If the motion is carried it will do more harm than good. The Leader of the House and the Honorary Minister have stated that the Government have nothing to fear. They have reviewed and exploded every argument that has been brought forward and every charge that has been made. Every member who has spoken has said that, since the return of Mr. Tindale, the operations of the board have been carried on smoothly and well, and that the board is working in co-operation with the local authorities.

Hon. C. F. Baxter: Let us make sure by an investigation.

Hon. E. H. GRAY: What good is likely to be accomplished?

Hon. G. W. Miles: If we only find out where the money was squandered on the Canning-road, the Committee will serve a good purpose.

Hon. E. H. GRAY: Time alone will show whether it was waste of money.

Hon. G. W. Miles: Let us sheet it home to the people who were responsible.

Hon. E. H. GRAY: My own opinion is that as years go by this expenditure will be found to have been justified. Is it worth while upsetting the work of the Main Roads Board in the way indicated? If this select committee is appointed, it will have to do the job properly. This will mean an expensive investigation all over the State. Not only will it take up a great deal of the time of members, but the time of the members of the board, of the engineers, and of the local authorities. The select committee cannot conclude its labours by the end of the session. Is it worth while going on with the business?

Hon. J. Cornell: Assuming that the committee justified its existence by the end of the session, would not the Government be foolish if they refused to turn it into a Royal Commission?

Hon. E. H. GRAY: No good will be served by such an investigation. It will only be a waste of time. I do not see that the committee can do any harm, but it will mean a waste of time and money, and no good can

be accomplished. I am satisfied from the explanations that have been given and from the investigations I carried out personally, that the case that has been put up can be answered. If hon. members decide to go on with the proposal, I think it will simply involve a waste of time.

Hon. E. H. H. Hall: The more the operations of the Main Roads Board are investigated, the better it will be for all concerned.

Hon. E. H. GRAY: In the organisation of a big department, such as that of the Main Roads Board, mistakes are bound to be made at the outset. On the other hand, the members of the board have settled down to their job, and I do not think any good will be achieved by investigating failures of the past. As an instance of the matters the select committee will have to investigate, I would mention the statement made by Mr. Cornell regarding the road to Bullfinch.

Hon. J. Cornell: That does not require any investigation; it is there to be seen.

Hon. E. H. GRAY: An examination of the file indicates clearly the position regarding that road. Mr. Cornell said a mistake had been made. There was no mistake. It is true that the road was formed, but at the request of the local governing authority the Main Roads Board agreed to construct the road so that a saving of  $1\frac{1}{2}$  miles would be effected. It is true that a mile of road had been formed, but the money that the board lost on that mile of road was saved for all time in the shortening of the route to Bullfinch by  $1\frac{1}{2}$  miles.

Hon. J. Cornell: What is the hon. member's authority for that statement?

Hon. E. H. GRAY: I have seen the files and the plans. In any case, this happened in 1927! It is very ancient, and it simply shows how hard up the hon. member was for material to bolster up his case.

Hon. J. Cornell: What about the other road?

The PRESIDENT: Order! Order!

Hon. E. H. GRAY: My view is that we should not go on with the proposal to appoint a select committee. It is not fair to the engineers to make them butts for those who are desirous of making political capital on behalf of our opponents. It is not at all fair to the officers. The way the engineers of the Main Roads Board have been raked over in this House during the last fortnight, is a sad reflection upon the fair deal hon. members are prepared to extend to those

officers. It is wrong to proceed with Mr. Stewart's proposal when we find that the wild charges that have been made are without foundation. I hope hon. members will reconsider their expressed opinions, and, now that the charges have been exploded, will decide to allow the affairs of the Main Roads Board to continue smoothly, without wasting time by indulging in the extensive investigation that will be necessary if the motion is carried. That investigation will carry no weight with the people because most hon. members have displayed so much unconscious bias that the report of the select committee will not carry any weight with the Government or with the people. I hope the motion will not be carried.

HON. SIR EDWARD WITTENOOM (North) [4.48]: I had no intention of speaking to the motion, because I am not very familiar with the details of the subject, and as to whether the Government have carried out their duties properly—I know that some of the roads are decidedly faulty—but I do so because of the unfavourable impression existing in the country. I speak with some feelings of sympathy for the Honorary Minister, to whose speech I listened with close attention and a great deal of interest. I compliment him upon having put forward his case so clearly and almost convincingly. When I heard him say that one of the reasons why we should not appoint a select committee was that members of this House were already prejudiced, it struck me that that was the very reason why we should have a select committee, so that we could alter their opinions. I do not think any members of this Chamber can be charged with being deliberately prejudiced against their own views and their own senses. It would be wise, therefore, if the matters that have been referred to, were investigated and the prejudice, which members here are said to possess, perhaps removed. Everyone would then be able to appreciate, if what the Honorary Minister says is true, that the Government had done well, and the whole matter would be cleared up. If that were so, the select committee in their report would point out those facts. I go further than that. There is a strong impression in the country regarding the carrying out of various works by the Main Roads Board. Recently I travelled through the Northern parts of the State, and I traversed a road not far from Geraldton.

I know the road well; it has been in existence for many years.

Hon. E. H. Harris: Are you referring to the corrugated road?

Hon. Sir EDWARD WITTENOOM: While we were travelling over it, I asked if it was one of the roads that had been constructed by the Main Roads Board, and was told that it was. I remarked that the road had quickly got into a state of disrepair, and the answer I received was, "Yes, and it cost a lot of money." I was asked if I knew how the work had been done and when I replied in the negative, I received this explanation, "First of all they sent up a whole lot of surveyors. They took several days going over the ground in motor cars, and then they went away. Another lot of men came up and checked the work the surveyors had done. Then they sent up a lot more men to do the work. They did not have sufficient tools with them, and the whole thing cost a great deal of money." That will let hon. members know what sort of an impression is abroad. Then there is another road, which, I presume, the Chief Secretary and other members from that part of the State are acquainted with. I refer to the road running into Mullewa on the Wongan Hills line. The part I refer to is about 10 or 12 miles away from Mullewa. If ever there was a stretch of country so formed that the making of a road was unnecessary, it is to be found in that area. The country is very gravelly, and the material there would make as good a road as could be found anywhere. All that was required was to fill up a few holes and sandy places. Instead of that, a beautiful macadamised road with a fine formation has been constructed for miles. There are very many places in other parts of the State where the money used on that work could have been spent to greater advantage. That is a matter that might be explained to the select committee. I am not giving these instances on my own account; I am mentioning the statements that were made to me when I saw the work that had been done. If we appoint a select committee quite a lot of these matters can be cleared up. Mr. Gray asked if such an investigation would be worth while. In my opinion, I think it will be worth while. If the Government and the Main Roads Board can show to the public that these statements are without foundation, surely it will be worth while having a report to clear up the whole business! In such circumstances, I

would not be justified in voting against the motion. Then again, some time ago the Premier accused this House of spoiling the Main Roads Bill when it was presented to us. He said that some of the sections in the Act had caused a lot of this trouble, because of the amendments made by the Council. Why did not the Government alter the Bill?

Hon. A. J. H. Saw: The Chief Secretary was particularly eulogistic about the work of the select committee.

Hon. E. H. Harris: So was Mr. Gray.

Hon. Sir EDWARD WITTENOOM: Why did not the Government send back amendments to us? I will not take up any more time of the House. I merely wished to state my reason for voting for the appointment of a select committee. In my opinion, it will be worth while and it will probably do a lot of good, not only in this House where members have been accused of being prejudiced, but it may be the means of removing impressions that have been wrongly formed.

The Honorary Minister: Does the hon. member agree with the political phase that been suggested?

Hon. Sir EDWARD WITTENOOM: I cannot hear what the hon. member is saying.

The PRESIDENT: Order!

HON. H. STEWART (South-East—in reply) [4.55]: Yesterday I received the following letter from the Hon. W. J. George, M.L.A. I will read it to hon. members as it is self-explanatory. It is dated the 31st October and is as follows:—

Dear Mr. Stewart,—Referring to our interview last evening when you brought under my notice the speech of Hon. Mr. Drew in regard to your motion for a Committee to inquire into Main Roads Board operations, I was rather surprised at the references by Mr. Drew to Mr. Briggs, Chairman of the Armadale Road Board, as I have known him for over 20 years to be a reliable straightforward man with plenty of public spirit for his native country, Western Australia. I do not know how many men were despatched for main road work to the Armadale district early in January, 1927, but there were over 400 sent into the adjoining district, Murray-Wellington, and as Mr. Briggs lives in that district he may have had that in view. Early in January, 1927, I made inquiry from Main Roads Board office on this point, and received reply per letter, signed by Mr. Anketell, giving the number sent to each—Peel Estate district, Dandalup district, Pinjarra-Waroona district—and the total number was over 400. From memory. I think it was 436. I have the letter among my papers, and will search for it. A copy will, of course, be found on the Main Roads

file. I introduced last year a deputation from various road boards, and during the interview, this very question came up, and in the course of the talk Mr. Anketell did say that he was forced to put them on. Whether this appears in the report or not, I cannot say, but there is no doubt as to the statement I have given at Waroona on 20th October. I met Mr. Tuckey, Chairman of Murray Road Board, and the incident came up, and he confirmed it just as I have given it. Hon. E. Rose was with us. The other members of the deputation I can communicate with if it be necessary. The Chief Secretary's office rang me up to-day, and speaking to the Hon. Mr. Drew, I gave him the gist of this letter; of course, whatever statement he made would be on information supplied by Mr. Tindale, and that officer was out of Western Australia at the time. He, therefore, could only give what the file would show. The stenographer could only give the usual condensed report—the interview exchanges were rapid, and Mr. Anketell's remark could quite easily be missed by the note-taker. My concern in this matter is on account of the imputation on Mr. Briggs, which should be withdrawn. Yours truly, (Sgd.) W. J. George.

I may add that I was asked to read that letter to the House.

The Chief Secretary: Mr. Briggs stated that 400 men had been placed at the Old Narrogin Inn.

Hon. H. STEWART: I am not defending Mr. Briggs and beyond reading the Press statement I made no reference to the 400 men. I will give the reason why I could not have avoided mentioning them when I spoke, and I claim that I did not introduce politics, as Mr. Miles suggested. The Chief Secretary seized on that point, and Mr. Drew and others dangled political considerations before us all. However, I was asked to read that letter in fairness to Mr. Briggs, and, so far as I am concerned, the matter ends there. The gratifying reception accorded to my motion by hon. members indicated that my action was fully justified. In placing this subject before members when I moved the motion, I did not act prematurely. I took no action until after a general outcry had been raised by the local governing authorities regarding the provisions of the Main Roads Act. I did not take action until the Premier and members of his Government had directly attacked the select committee and the Legislative Council. I have not criticised the chairman of the Main Roads Board—beyond referring to his trip to America and Europe—for the reason that he had very little to do with the administration of the board that caused the outcry. Further, I claim to have restricted my criticism to a

minimum necessary to justify my motion. Avoiding attributing political motives, I could have quoted from data in my possession many resolutions carried by local authorities and letters dealing with the alleged mal-administration of the Main Roads Board. I did not move for a select committee until after the Premier had definitely stated that a Royal Commission would not be appointed. A Royal Commission would be of no value unless the terms of reference were as wide as those embodied in the motion. There are some points that have been touched on in the debate to which further reference must be made. The Chief Secretary very astutely picks on what he designates as "my trump card," not by the way, a letter written, but a Press statement by Mr. Briggs, chairman of the Armadale-Kelmseott Road Board. I stated that that quotation was simply illustrative of many in my possession, and its relative value in the presentation of my case, far from being even a valuable trump card, as one would infer from the attention devoted to it by the Chief Secretary, is comparable only to a pawn in a game of chess. He quoted from a minute by Mr. Tindale which gave the transcript of the report of the deputation, the concluding words of which were "There is nothing in this to the effect alleged by Mr. Stewart, the stress of circumstances was the desire to get the work going." I shall again read portion of the Press interview with Mr. Briggs, so as to show that there was a reference to 400 men and there was a reference to the Assembly elections. The gravamen of my accusation in connection with that was that the work was done in violation of Section 13 (3) of the Act, which section provided that no action should be taken in that territory without the Main Roads Board giving the local authority 30 days' clear notice. No exception could be taken to my excising one paragraph from a Press article of two columns in length, and then ignoring everything about the 400 men, and the comment about the Legislative Assembly. When commenting, I cast no innuendo with regard to the breach of the Act that took place. I will not read that particular section again because it already appears in "Hansard," and members can see it there for themselves. They will see also that I made no reference whatever to political considerations. The Chief Secretary quoted from a minute by Mr. Tindale giving

a transcript of Mr. Anketell's explanation to the deputation. The concluding words of the minute were:—"There is nothing in this (quotation from the transcript) to the effect alleged by Mr. Stewart, the stress of circumstances was the desire to get the work going." Mr. Stewart alleged nothing. My words were—

Mr. Anketell should have an opportunity to explain how he was forced into the position.

This Chamber has heard me read the letter written by Mr. George. The transcript says that it was "stress of circumstances." Mr. Tindale interprets that as a desire to get the work going. I alleged nothing, but one point is definitely established and it is that the local authority was not consulted, as the Act provides. Many such instances could be cited, instances of violation of that portion of the Act which requires notice to be served on local bodies. Dissatisfaction has occurred because provisions were inserted in the Act by the select committee for harmonious working with the local authorities, and for utilising their knowledge and experience. In many instances those provisions were not observed by the Main Roads Board. It is true that the recent Road Board Conference passed a resolution, "That this conference does not approve of the appointment of a Royal Commission to inquire into the administration of the Main Roads Act." I do not wish to review at length all the circumstances of that conference, and of the conference of local authorities held a few days earlier, convened by the Mayor of Perth and which carried the resolution requesting the appointment of a Royal Commission. At that conference Mr. Tindale made a strong appeal for peace and promised better administration by the Main Roads Board. He did not want a Royal Commission. Many of the delegates to the conference wanted a Royal Commission and the reason some of them gave me for not voicing their opposition to the motion was this: "You know we will have to put up our requests for grants to the Main Roads Board, and we might be made to suffer in consequence." Victimisation was in their minds. I do not believe there was any justification for such thoughts on the part of the delegates. It is disturbing to find that attitude of mind. It is very unfair to the Main Roads Board. We want every citizen or representative to feel confident that he can lawfully and freely express his

opinion without fear of victimisation by any administrative authority. The Chief Secretary said that the spasmodic nature of the outcry against the Main Roads Board justified his charge that it was due to political propaganda for electioneering purposes. I do not believe it. I contend that the outcry was non-political. It synchronised with the allocations made by the Main Roads Board to the local authorities. The latter felt they were not getting fair value for the money expended by the Main Roads Board, and there was an almost unanimous cry of dissatisfaction. This had been simmering for some time and at last it boiled over. Let the Government's charge of political propaganda be investigated. If that is their real opinion, they have nothing to fear from the motion, and therefore they should support it. I have a number of Press cuttings in my possession, and one of them, dated the 12th April, 1928, deals with a meeting of road boards held at Kellerberrin. Mr. Tindale attended this gathering. The cutting I have from the newspaper referring to this meeting bears the initials "A.C." and contains these words—

At the Kellerberrin conference, at which the chairman of the Main Roads Board was present, there was chapter and verse cited in proof of the justification of the hostile criticism by almost every delegate who addressed himself to the subject. Mr. Tindale could not fail to be impressed by representations that were made or by personal inspections he made at the time of the roads of the Kellerberrin district. In fact, he expressed himself as highly pleased with the character of the work accomplished by the local board.

I have quoted from Mr. Tindale's remarks at the conference. I have also a report of the meeting held at Merredin. That meeting created an impression, though hardly so strong an impression as Mr. Glasheen indicated when he referred to it. Still, it created the impression that Mr. Tindale had really gained nothing from his trip abroad with regard to the particular problem that was being efficiently handled locally. I have chosen the words carefully because they are different from the manner in which Mr. Glasheen expressed himself. The impression created by the Honorary Minister's statement was that something was said by Mr. Glasheen which was quite without justification whereas there was some grounds for Mr. Glasheen's motion. On the second day of the conference of the Road Boards Association, Mr. Tindale, in addressing the con-

ference, bore out the statements that I made. The Leader of the House said that I might have been fair. I do endeavour at all times to be fair, except perhaps through the unfortunate use of a word, but I do try to be fair and I do not think that any exception can be taken by anyone to what I did say. Mr. Tindale, when addressing the conference, said—

When making the assessments they gave the matter a lot of thought, and at all times had a desire for the co-operation of the local authorities, but decided to start off with an experimental policy and wait for constructive criticism.

Is that very different from my saying the members of the Main Roads Board have admitted they made preliminary assessments to ascertain how they would be received? I consider it to be nothing but straw-splitting, and it was on that that the Chief Secretary raised against me a charge of not being fair. Mr. Tindale went on to say in his address—

They did not expect it to be received as perfect or final, but anticipated objections, and they got any number of them, but no constructive criticism whatever. He was not going to say that the operations of the Main Roads Board had been faultless. He had been away for about 12 months, but was prepared to take some responsibility for what had been done.

I am quite content to let the House decide whether there was any misrepresentation in my interpretation of what Mr. Tindale said. Reverting to my remarks on Section 13, I think it is evident that Mr. Tindale, when supplying notes to the Chief Secretary, had forgotten what he did say at the Road Boards Conference, or had not been careful to refresh his memory when putting up his reply. Fortunately in this instance I have the right of rejoinder. Here is another extract from Mr. Tindale's speech—

A speaker at Tuesday's conference had charged the Main Roads Board with having put developmental roads where natural conditions rendered them unnecessary. He admitted that had occurred, but the practice had been discontinued.

I shall later give an instance in point, an instance that was placed before me last Tuesday evening. I shall do so because the Honorary Minister said everything was all right. The Chief Secretary quoted my statement that the Act provided certain facilities whereby the Main Roads Board

could utilise the services of the local governing authorities.

Because of the lead given by this House on the recommendations of the select committee these facilities were made available, but the services of the local governing authorities have not been utilised by the Main Roads Board.

The Chief Secretary says that that statement is wholly incorrect. My previous speech also contains the following passage:—

The failure to use and work amicably with the local authorities is one of the causes of dissatisfaction.

My statement is absolutely correct, and I am going to prove that the Chief Secretary's statement is wrong. The admission which appears in the transcript of Mr. Anketell's remarks, quoted by the Chief Secretary, supports me. Mr. Anketell acknowledged that the Act had been broken and that the board had gone in without giving 30 days' notice. The Chief Secretary also said—

It was Mr. Tindale's promise to the Road Boards Conference to work amicably with them, and utilise their knowledge that killed the Royal Commission.

So far from my statement being incorrect, Subsection 3 of Section 13, Subsections 2 and 3 of Section 16, and Sections 19 and 22 of the Main Roads Act all deal with the relationship between the local governing authorities and the Main Roads Board, and the want of proper utilisation of those sections has been responsible for much of the dissatisfaction and waste attributed either to the Act or its administration. These provisions, dealing with main roads, also apply, mutatis mutandis, to developmental roads. Subsection 3 of Section 13 says—

The board, before recommending to the Governor (a) that any road be a main road; (b) that the maps, plans, and estimates of any proposed new main road or deviation from an existing main road be approved; (c) that plans and estimates of any permanent improvements to any main road or any part thereof be approved, shall serve on each local authority in whose district such road is or new road or deviation is proposed to be made, or improvements are proposed to be made, notice of its intention to make such recommendation. Such notice shall fix a day not less than 30 days from the service of the notice upon which any objections which may be made by any local authority concerned will be considered by the board before making any recommendations.

I paraphrase the sections as I go along; it is unnecessary to include their full wording

in my speech. There is the following proviso to Subsection 3 of Section 13:—

Provided that any local authority which feels aggrieved by any such recommendation may, within 30 days after the consideration of such objections, appeal to the Minister . . . .

That provision was violated, as we gather from the outcry which has been made. Subsection 2 of Section 16 provides—

The powers of any local authority over any main road shall not be deemed to be taken away by this Act . . . . .

Subsection 3 of the same section says—

A local authority may, at the request of the board, undertake on behalf of the board the construction, maintenance, and repair of any main road within its district . . . . .

And so on; there are more words in the subsection. Those provisions were specially recommended by the select committee in order to ensure that harmonious working which, however, has not eventuated. With Section 17 I shall deal later. The section has been violated, but that does not apply here. Section 19 provides—

The board may request any local authority to furnish any information respecting any road or work under the control of such authority, and if the information is available it shall be furnished to the board by the local authority within one month.

That is a direction to the local authorities to make their knowledge available to the Main Roads Board. The section compels the local authorities to make their knowledge available. Section 22 says—

Before making any recommendation for the purposes of the last preceding section, the board, in consultation with the local authority, shall make such investigations as may be prescribed . . . . .

When I made the statement that the provisions of the Act had not been observed, the Minister said I was incorrect.

The Chief Secretary: I said nothing of the kind in relation to that.

Hon. H. STEWART: I do not think I have misrepresented the Minister. However, I take up his challenge, and I turn to the notes of my previous speech—

The Chief Secretary quotes my statement that the Act provided certain facilities whereby the Main Roads Board could utilise the services of the local authorities.

I claim that the sections which I have read out support those words to the letter.

Because of the lead given by this House on the recommendations of the select committee,

these facilities were made available; but the services of the local governing authorities have not been utilised by the Main Roads Board.

Does the quotation end there?

The Chief Secretary: Read my comment.

Hon. H. STEWART: I am not willingly misrepresenting the Chief Secretary. If I have put a wrong interpretation on his words, I am relieved of the necessity of a criticism from the personal aspect. I do not think even now that there was any intention of misrepresenting.

The Chief Secretary: I would like you to read my reasons for stating that.

Hon. H. STEWART: I have read the extract from my speech, which is in small type. Immediately following that extract is the Chief Secretary's sentence to the effect that my statement is wholly incorrect. I have that here before me.

Hon. J. J. Holmes: What is it?

The Chief Secretary: Will you give my reasons for stating that?

Hon. H. STEWART: I am not concerned with the reasons. People can state reasons, and those reasons can be looked at after. I have made a definite statement that certain things were not done. I will give again the quotation from my speech, and I hope hon. members will bear in mind the four sections of the Act I have cited in support—

The Act provided certain facilities whereby the Main Roads Board could utilise the services of the local governing authorities. Because of the lead given by this House on the recommendations of the select committee, these facilities were made available, but the services of the local governing authorities have not been utilised by the Main Roads Board.

Those are the words I used in moving my motion. The next sentence of the Chief Secretary was—

This is wholly incorrect.

I am not concerned with what reasons may be given. I give my reasons to prove the correctness of my statement.

The Chief Secretary: In explanation I desire to say that Mr. Stewart is not reading the reasons I gave for my statement. I said that that was wholly incorrect and proceeded—

The Federal authorities insist on tenders being called for all work, and the only opportunity the local authorities have is the opportunity to tender. The Main Roads Board has been able to arrange with the Federal authorities that in cases where no tenders are received they can negotiate and arrange for the work to be done by the local authorities.



The hon. member's observation, "Because of the lead given by this House on the recommendations of the select committee, these facilities were made available," refers to facilities previously existing. He says they were made available. He went on to say that the services of the local governing authorities had not been utilised by the Main Roads Board. I proceeded to show that we could not utilise those services because the Federal authorities had insisted on tenders being called. We could not let contracts to local governing bodies because the Federal Government insisted on tenders being called.

Hon. H. STEWART: If, through being insufficiently careful, the Chief Secretary has been led into an error in expressing an opinion, that is not my responsibility. I have read a quotation, and I have cited not one, or two, or three, but four sections covering different grounds in connection with local authorities co-operating with the Main Roads Board. The Chief Secretary, in his reasons, cites the Federal authorities' insistence on the calling of tenders. Do not we wish that the Federal authorities had insisted on tenders? A great deal of day labour was done, and proved highly expensive. The Chief Secretary asked me to read his reasons. He has now read them. They do not alter the position. I am perfectly satisfied that members who are listening here, who have heard the quotation and have heard me paraphrase the four sections of the Act, will agree that the Chief Secretary's statement as to this being wholly incorrect, is wrong. It would be quite different if the Chief Secretary had said the statement was not altogether incorrect, or if he had modified his form of expression. The sections I have paraphrased fully justify my statement which was quoted by the Chief Secretary. Mr. Glasheen gave an instance where a local authority, on the advice of the Main Roads Board, tendered at, and got a contract for, £7 10s. per chain. The local authority sublet the work at £2 10s. per chain.

The Chief Secretary: What local authority was that?

Hon. H. STEWART: A local authority in our province.

The Chief Secretary: Where?

Hon. H. STEWART: I have not the particulars. I am well aware that both the Honorary Minister and Mr. Gray, speaking

on behalf of the Government and the Main Roads Board, were unable to get at the definite instance. I am sorry I cannot help them.

The Honorary Minister: I asked that those particulars should be supplied by the hon. member, but they have not come to light.

Hon. H. STEWART: But he is not in the House. I am only going to hear out what the Honorary Minister says. They made a profit of £400, as alleged by Mr. Glasheen. Mr. Glasheen was in error in saying that the Main Roads Act required that that profit should be expended on that road. But it seems the Main Roads Board made the local authorities spend it unnecessarily. That indicates a matter that requires further investigation. I feel certain the Honorary Minister agrees with me that a statement like that requires further investigation. If I can assist in that investigation, I shall be pleased to do so.

The Honorary Minister: Does the hon. member know the particulars?

Hon. H. STEWART: No. I would not keep a thing like that up my sleeve. The Honorary Minister claims that the administration is now good. But on Tuesday Mr. Lindsay, M.L.A., informed me that he had just come from the Main Roads Board, where he had lodged a protest by the Kununnoppin-Trayning Road Board in regard to the Kununnoppin-Marshall Rock road, where work is being done by the Main Roads Board, although the Kununnoppin-Trayning Road Board two years ago stated, and has since repeated, that that road was not one of the five preferences that had been submitted to the Main Roads Board. The road boards are asked to state what roads they want, in order of preference. I am now giving to the House an instance that Mr. Lindsay volunteered to me, showing what is even now taking place. In spite of that intimation two years ago that this road was not one of the five that had been put forward as preferences, the Main Roads Board have gone on with the surveys and specifications, and the Kununnoppin-Trayning Road Board want to know the places where the road is to be made and the contract prices for the work, because they, the Kununnoppin-Trayning Road Board, have formed up the road themselves. It is all of good natural material, and they have laid a

good firm road surface. Now, after having spent as much on surveys and specifications as the good road cost the local authority, according to Mr. Lindsay the Main Roads Board are tearing up the good road surface at the worst time of the year and making it loose in order to remake it; and that on a road which is not one of the five preferences submitted for consideration to the Main Roads Board by the Kununoppin-Trayning Road Board.

Hon. J. R. Brown: Will not all this come out in the select committee's report?

Hon. H. STEWART: I am giving, not political reasons, in answer to what the Honorary Minister said when he declared that everything was right now. I have not sought this. It has been brought to me. And as the Honorary Minister said that everything was all right, and as up to date I have said nothing in criticism of such matters, I might well mention this that has been supplied to me. I would be failing in my duty if I did not put it forward. I want it to be understood that it is not my statement. I do not like quoting other people, but when I do quote a thing I quote it for what it is worth. And I quote this, fully realising that there may be some complete reply to that statement by Mr. Lindsay, and that the chairman of the Main Roads Board may make it at any time. But at all events I cannot be charged with having made a misrepresentation.

The Honorary Minister: I have said there is a good feeling existing at the present time between the Main Roads Board and the local authorities. I ask the hon. member whether or not he believes that.

Hon. H. STEWART: I agree with the Honorary Minister in that opinion. But from this statement given me by Mr. Lindsay it appears that although a good feeling may exist between the heads of these bodies, the Main Roads Board and the local authorities, there is something which is preventing the accomplishment of the harmonious results we should expect.

The Honorary Minister interjected.

Hon. H. STEWART: I made a remark in putting forward what had been brought to me by Mr. Lindsay about the surveys and specifications done by the Main Roads Board, because a large amount of money has been spent, comparable with what it actu-

ally cost the local authority to build that road with good natural material. I wish to quote again from Mr. Tindale's speech at the Road Board Conference, showing the general aspect of this question. Sir Edward Wittenoom has also referred to expenditure on elaborate surveys and administrative work. Mr. Tindale said—

In the Merredin district—

That is where the expression was used that Mr. Glasheen referred to when he spoke of the chairman of the Main Roads Board's tour. It tends to bear out the impression that was in Mr. Glasheen's mind. Mr. Tindale is reported to have said—

—In the Merredin district he had been shown a road as level as a table, where no survey had been made, because unnecessary. It made him think that elaborate survey work could be dispensed with in many similar cases.

A good, commonsense statement, that. It is bearing out the contention of the Honorary Minister to a certain extent. In saying that one of the troubles that have arisen is that the members of the Main Roads Board have admitted that they made preliminary assessments under Section 30 to ascertain how they would be received, I had no intention of reflecting on the Main Roads Board for so treating an admittedly awkward task. I pointed out that instead of the Main Roads Board receiving appeals, as provided for in the Act, they were met by protests. The Chief Secretary said I should be fair. But he has misunderstood my attitude. I welcome the opportunity to acknowledge the difficulty that confronted the board and in ranging myself beside them by pointing out that the Act provided for appeals and that the local authorities had not seemed to have sought that remedy. Inquiry may show that a few did appeal. I pointed out that Mr. Tindale's speech to the Road Board Conference justified the suggestion I put forward that the first election was of a tentative nature. But I did not put it forward as in any way a reflection on the Main Roads Board. The Chief Secretary, or those who supplied him with the information, misinterpreted my intention in the matter. In moving the motion I pointed out that Section 18 provides that the Board shall report at least once a year to the Minister on its operations. That intention of Parliament has not been carried out. This is shown by the replies given on October 11th last by the Chief Secretary to questions asked

by me. Some 2½ years have elapsed. An annual report of the operations of the board should have been presented to the Minister, yet no such report has been presented. The time has arrived when the Act should be amended to provide that the Main Roads Board should report to Parliament. When moving the motion I well knew of the financial statements from the 30th June, 1923, to the 30th June, 1927, on pages 71 to 83, dealing with the state of the Federal road grants and expenditure. But by no stretch of the imagination can those long tabulated statements of roads and costs be considered a report under Section 18. The Act has been flouted. I challenge the Chief Secretary to point to anything in the report of the Public Works Department for 1926-27 over the signature of the Main Roads Board or any member thereof. His expression, "A report of the Main Roads Board's activities was incorporated in the report of the Department of Public Works for 1926-27" is calculated to deceive the House. Here is the report on pages 71 to 83 and the tabulated statements which go back to 1923. In my opinion the Chief Secretary has been provided with data, and the wording of that data, it seems to me, was intended to deceive the House. I exonerate the Chief Secretary, but I am beginning to think from the fact that this is referred to as a report, it is time Parliament protested against this kind of matter being put up to a Minister of the Crown in this House. To characterise these tables as a report of the Main Roads Board's activities, when the tables go back to 1923, before the board was in existence, is calculated to deceive the House. I exonerate the Chief Secretary of such intention, but I feel that he has been placed in a false position by the way in which the information has been expressed. The matter of the reports has been dealt with in replies to questions on the 11th October. In those replies the statements are a good deal plainer. My first question was—

How many annual reports of the Main Roads Board have been made to the Minister under Section 18 (b) of the Main Roads Act, 1925?

The answer was—

No specific annual report has been submitted, but general information is incorporated in the report of the Department of Public Works and Labour for the year 1926-27. This is being amplified by a comprehensive report now in preparation dealing with the board's operations from its inception to the 30th June last.

That statement is very different from the words used by the Chief Secretary. Another question I asked was—

What reports have been published under Section 17 (3) of the Main Roads Act, 1925?

Section 17 provides for the board to conduct experiments as any moneys legally available for the purpose permit, as well as investigations into various matters. Subclause (3) provides that the board shall record, publish and make available for general information the results of all such surveys and investigations, while Subclause 4 provides for the purchase of land, machinery, etc., needed for the purposes of the Act. Subclause 3 is just as mandatory as is Subclause 4, and the obligation to record, publish, and make available for the information of the local governing authorities the results of its surveys and investigations has not been carried out. No specific reports have been published, and there again the provisions of the Act have not been carried out. The Chief Secretary said my mind was warped on the subject of the Main Roads Act and its administration. He insinuated that I was unconsciously biased on this subject, and that I had already come to definite conclusions on the matters suggested for investigation by the select committee. I suggest that my presentation of the case has been temperate and moderate, and I am content that the motion should be carried without my even being a member of the select committee. My attitude is in marked contrast to his and that of the Government he represents—at one stage eulogising the select committee and the Act, and at a later stage inspiring and reiterating condemnations of them. I really think the House could not get a chairman with a greater desire than I would have to be impartial. Since the Chief Secretary's speech, however, I have asked Mr. Seddon, than whom I think no member of the House is more imbued with the spirit of impartiality and whose ability we all recognise, in the event of the motion being carried, to propose the motion for the select committee without including my name. Recognising the great amount of work and time required of the previous select committee, I desire to express my appreciation of the public spirit displayed by Mr. Seddon in acceding to my request. Our Main Roads Board is also governed by the Federal Aid Roads Act. Some of the hard criticism to which it has been subjected may be due to

the Federal provisions and the full value of an investigation would not be obtained unless the working relationship between Federal road legislation and our Main Roads Act were fully investigated. I moved for a select committee for the following reasons:—

(1) The manifest public dissatisfaction and outcry, citing only Mr. Briggs' Press statement whereas many statements, letters and articles were available.

(2) The Canning-Fremantle road estimates and actual expenditure.

(3) The provisions of the Act for harmonious working with local authorities had admittedly not been observed.

(4) There is a financial problem associated with main road construction which Section 30 sought to deal with, and the matter warrants further investigation.

(5) Apparently wider and consequently more expensive main roads were being constructed here than in Victoria where similar roads carry a far greater daily traffic.

(6) To determine whether the provisions of Section 17 (3) of the Act had been carried out.

Answers given by the Chief Secretary on the 11th October show that they have not been carried out.

(7) Apparently Section 18 (b) which provides for annual reports to the Minister had been neglected.

Answer given on the 11th October proves a breach of the Act. The Chief Secretary replied at great length to No. 1 only; he had very little indeed to say against the other six grounds for the appointment of a select committee. I leave the question to the decision of the House, but I appeal to the Chief Secretary, if the motion is carried, to give an assurance that if the committee is unable to complete its work before the session ends, it will be converted into an honorary Royal Commission. I trust that much good will result from an investigation which I regard as an opportunity for a select committee to do valuable work for the State.

Question put and passed.

#### *Select Committee Appointed.*

Hon. H. SEDDON: In accordance with the indication given by Mr. Stewart, I move—

That the select committee consist of the Hon. E. H. Gray, Hon. G. A. Kempton, Hon. G. W. Miles, Hon. W. J. Mann, Hon. H. A. Stephenson, and the mover; that the committee have power to call for persons, papers and records, to move from place to place, to sit on days over which the House stands adjourned,

to have power during the taking of evidence to admit representatives of the Press at its discretion, and to report on Tuesday, 4th December; and that a quorum of the committee be three.

The PRESIDENT: If the House desires that the committee should consist of more than three members, it will be necessary under Standing Order 269 to pass a motion to that effect. The better plan would be first to table a motion specifying the strength of the committee.

On motion by Hon. V. Hamersley, resolved: That the select committee consist of seven members.

Hon. H. SEDDON: I now move the motion I have read. I find, however, that I have mentioned only six names.

Hon. A. LOVEKIN: I think that Mr. Stewart should be a member of the committee. I move that his name be added.

The PRESIDENT: Under Standing Order 270, if there be any other nominations, a ballot may be taken. If there be no other nominations, I shall put the motion with the additional name suggested by Mr. Lovekin.

Question put and passed.

#### **BILL—WHEAT BAGS.**

##### *In Committee.*

Debate resumed from the 25th October; Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

The CHAIRMAN: Progress was reported on Clause 2.

Clause 2—Wheat bags to be branded:

Hon. J. NICHOLSON: I move an amendment—

That after "stamped," in line 5, the words "or imprinted on one side thereof" be inserted.

It is quite possible, I am informed, for a method of imprinting to be adopted instead of stamping, and the question might arise whether stamping would cover imprinting. The amendment is necessary to obviate any question.

Hon. V. Hamersley: What is the difference between stamping and printing? Would not the word "stamp" cover everything?

The CHIEF SECRETARY: The amendment is quite unnecessary. It merely ampli-

fies what is already provided. The Government have no objection to it if the Committee desire to pass it.

Amendment put and negatived.

Hon. J. NICHOLSON: I move an amendment—

That in Subclause 1 all the words after "grower," in line 6, be struck out, and the following inserted:—"or with a brand of the description used for branding cattle and horses, and registered by the grower under the Brands Act, 1904."

The Brands Act provides for different classes of brands. There is one for horses and there are earmarks for cattle and sheep. It must be made clear what kind of brand is being provided for. The object of branding wheat bags is to enable the owner to be traced.

Hon. C. F. BAXTER: Mr. Nicholson's amendment will be of a restrictive nature. If the clause were left alone, it would cover all classes of stock brands, whereas Mr. Nicholson's amendment will really confine people to the use of firebrands. These are difficult to use, and not as clear as other brands. The conditions set out in the clause are quite clear. I hope the amendment will be negatived.

Hon. H. Stewart: The Bill as it stands is all right. The provision for stock brands is quite suitable. All that is required is that these shall be used on wheat bags.

The CHIEF SECRETARY: The Committee is quite at liberty to discuss the first part of Mr. Nicholson's amendment, but I must oppose the second part, which deals with the proviso. I see no object, however, in passing the amendment.

Hon. J. NICHOLSON: No meaning is given to a stock brand, either in the Act or in the Bill. There is a meaning given to the word "brand," and a separate meaning to the word "stock," which includes any horse, cattle or sheep. The Bill says the brand must be a stock brand registered by the grower in the Department of Agriculture. No method of registration is provided by any Act.

Hon. H. Stewart: It has to be done all the same.

Hon. J. NICHOLSON: Nothing of the kind. No doubt the hon. member has been so engrossed with other matters that he has not had time properly to consider this Bill. The clause means that the Government would

be required to set up some machinery for the registration of the brand. At present none has been set up. It is obviously intended to incorporate the use of a brand such as might be used on cattle, and one which would be registered under the Brands Act. If that is our intention we should make it clear in the Bill. I am only trying to make the way clear.

Hon. C. F. Baxter: Strike out the word "stock."

Hon. J. NICHOLSON: More than that will be required.

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

Hon. J. NICHOLSON: If the Bill is to be made effective, it is necessary to stipulate what brand has to be stamped on the bags. I have referred to the provisions of the Brands Act regarding cattle and sheep brands, but if hon. members think it will be of advantage to refer to brands generally without specifying the different types of brand, I am willing to fall in with their views. It will be necessary to include the other portion of my amendment relating to brands registered under the Brands Act, 1904. That is the only way a proper record can be kept of the brands.

Hon. H. STEWART: If the hon. member desires to retain the reference to cattle and horse brands, I suggest he includes sheep brands as well. The sheep brand is more often used in this connection than the others.

Hon. J. NICHOLSON: Perhaps it would be better to merely refer to brands registered by the grower under the Brands Act, 1904, without stipulating the type of brands.

The CHAIRMAN: I would suggest to Mr. Nicholson that, instead of moving his amendment, he achieves the same end by deleting "stock" in line 12 and "in the Department of Agriculture" in line 13, and inserting the words "under the Brands Act, 1904" in lieu.

Hon. J. NICHOLSON: I will accept that suggestion and, as a preliminary, I ask leave to withdraw my amendment.

Amendment by leave withdrawn.

Hon. J. NICHOLSON: I move an amendment—

That in line 12 the word "stock" be struck out.

Amendment put and passed.

Hon. J. NICHOLSON: I move an amendment—

That in line 13 the words "in the Department of Agriculture" be struck out, and "under the Brands Act, 1904," be inserted in lieu.

Amendment put and passed.

Hon. J. NICHOLSON: I propose to move an amendment to delete the penalty of £20 and to insert the proviso that appears on the Notice Paper. I do not think it would be fair to require the branding of bags used for wheat cleanings or refuse from wheat that is sold for pig or poultry food.

The CHAIRMAN: I suggest to the hon. member that he move to add the proviso at the end of Subclause 1, without striking out the penalty at the present stage.

Hon. J. NICHOLSON: I will accept that suggestion. I move an amendment—

That the following proviso be added to Subclause 1:—"Provided that the provisions of this section shall not apply to wheat or the cleanings or refuse from wheat sold by a grower to any person as food for pigs or poultry."

The CHIEF SECRETARY: I oppose the amendment. In commenting upon the proviso, the Director of Agriculture points out that the Bill is intended to deal mainly with wheat sold for milling purposes, but any exemption such as that proposed will tend to render the provisions of the Bill less effective.

Hon. H. A. STEPHENSON: I support the remarks of the Chief Secretary. The object of the Bill is to prevent fraud and if the proviso is inserted, there will be the possibility of frauds creeping in. It will necessitate the examination of bags, and it would be better to leave the clause as it stands. In South Australia there was an important law suit regarding certain wheat sold by the compulsory wheat pool. The deal ran into hundreds of thousands of bags. It was stated that the wheat was sold because it was inferior and fit only for pigs and poultry. As a result of that litigation, the pool was robbed of a large amount.

Hon. J. NICHOLSON: I ask leave to withdraw my amendment.

Amendment by leave withdrawn.

Hon. J. NICHOLSON: I move an amendment—

That the words "Penalty: Twenty pounds" be struck out.

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

New clause:

Hon. J. NICHOLSON: I move—

That the following new clause be added to stand as Clause 3:—Any person who—(a) not being the grower or, without the authority of the grower of wheat contained in any bags, stamps on the bags containing such wheat the name and address or brand of such grower; or (b) defaces, alters, or renders illegible the name or address or brand of such grower on bags containing wheat; or (c) causes, directs, or assists in or permits or suffers any such act, matter, or thing aforesaid, shall be guilty of an offence against this Act.

The CHIEF SECRETARY: I support the new clause, which, in the opinion of the Director of Agriculture, is a wise provision.

New clause put and passed.

New clause:

Hon. J. NICHOLSON: I move—

That the following new clause be added to stand as Clause 4:—No person, other than the grower whose name and address or brand may be stamped or imprinted on bags, shall refill with wheat, for the purpose of selling or disposing of same, any bags previously used by such grower without first effectively and completely removing or obliterating the name and address or brand thereon of such grower, and any person failing to comply with the provisions of this section shall be guilty of an offence against this Act.

The object of the new clause is to prevent fraud being practised on an innocent grower.

New clause put and passed.

New clause:

Hon. J. NICHOLSON: I move—

That the following new clause be added to stand as Clause 5:—A person guilty of an offence against this Act shall be liable on summary conviction to a fine not exceeding twenty pounds, or to imprisonment with or without hard labour for a period not exceeding six months.

New clause put and passed.

New clause:

Hon. J. NICHOLSON: I move—

That the following new clause be added to stand as Clause 6:—Nothing in this Act contained shall confer or be deemed to confer on the purchaser of any wheat in bags stamped or imprinted or branded as aforesaid any greater rights or remedies against the seller than a purchaser heretofore had or may have been entitled to, nor shall anything in this Act alter the onus of proof in any proceedings which may be taken by any one of such parties against the other.

In view of the provisions of the Bill, there might be an implication that a bag with a brand on it was in a sense *prima facie* evidence of ownership, and of guilt of an offence. A buyer of the wheat should not be placed in a position different from that which he occupies at the present time.

New clause put and passed.

New clause:

Hon. H. A. STEPHENSON: I move—

That the following new clause be added to stand as Clause 7:—"This Act shall not apply to wheat sold by one grower to another for seed or feed."

The exchange of seed is often necessary on account of the different quality of the soil. In such a case it should not be necessary to brand bags.

Hon. E. H. Harris: What is the definition of a grower of wheat? The object desired to be gained can be evaded unless we have a definition.

Hon. H. A. STEPHENSON: I am sorry that Mr. Harris has asked such a question. I thought everyone knew what was a grower of wheat. A grower of wheat is—

The Honorary Minister: A grower of wheat.

Hon. H. A. STEPHENSON: A farmer who produces wheat and sells to another for seed purposes should not be required to brand his bags. The matter does not need any further explanation.

Hon. Sir WILLIAM LATHLAIN: The new clause might provide a loophole for evading a particular grower's responsibilities to the I.A.B. We should see that the proceeds derived from sales are used in the right direction.

Hon. H. A. Stephenson: The greater part of the wheat that passes from one farmer to another, is really not sold, but exchanged.

New clause put and passed.

Title—agreed to.

Bill reported with amendments.

#### *Recommittal.*

On motion by Hon. H. A. Stephenson, Bill recommitted for the purpose of reconsidering Clause 1.

#### *In Committee.*

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

Clause 1—Short Title:

Hon. H. A. STEPHENSON: I move an amendment—

That the following be added to the clause:—"and shall come into operation on the first day of August, 1929."

The Bill cannot come into operation this season, as the harvest is upon us and some farmers are already delivering wheat. All the farmers should be on the same footing.

The CHIEF SECRETARY: I have no objection to the amendment.

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

Bill again reported with a further amendment.

#### **BILL—RAILWAYS DISCONTINUANCE.**

##### *Assembly's Message.*

Message from the Assembly notifying that it had disagreed to two amendments made by the Council in the Bill, and giving a reason, now considered.

#### *In Committee.*

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

No. 1. Clause 2.—Delete all words after "be" in the ninth line, and insert in lieu thereof the words "operated until the Governor otherwise declares and the material thereof may be used in the construction of any other authorised railway."

The CHAIRMAN: The Assembly's reason is—

Because the Railway Department would have to pay interest on an extinguished asset. The material in these railways is not fit for use in the construction of new lines.

The HONORARY MINISTER: I move—

That the Council's amendment be not insisted on.

Hon. J. NICHOLSON: Good reasons for the amendment were given during the discussion on the Bill. In the absence of the amendment, the Kanowna line would be closed until the passing of a measure for its re-opening.

Hon. A. Lovekin: The Assembly gives exactly the same reason for disagreeing to the amendment as we gave for making it.

Hon. J. NICHOLSON: Quite so. The rails might be of use in short lines or sidings, but we must look to the future and I should be sorry to see the railway expunged. The Railway Department have had all the profits from the line. If some of those profits had been transferred to a special account for the writing off of the capital cost, there would be nothing to write off to-day. Instead of that, the whole of the profits have been taken into revenue and expended. The amendment should be insisted upon.

The HONORARY MINISTER: If the amendment is insisted on, another Bill will have to be passed before any of the rails can be used.

Hon. A. Lovekin: The amendment allows the rails to be used.

The HONORARY MINISTER: The line would have to be put in order, at considerable expense, before trains could run over it. To let the capital remain and to compel the department to pay interest on it would not be reasonable, as the line would not be earning any revenue. The Bill proposes what is the practice in all railway services when lines are discontinued. The rails are of very little use to the department, except for sidings. The clause cuts the loss on the railway in question, whereas if the amendment is insisted on, the effect will be to let the rails rust away and become a total loss. The Railway Department have no objection to the earthworks, culverts and so on remaining in position.

Hon. A. Lovekin: That is not the point.

The HONORARY MINISTER: Moreover, the land on which the railway is built will not revert to the Lands Department.

Hon. A. LOVEKIN: The Honorary Minister is quite wrong in saying that if the amendment is insisted on the Railway Department cannot use the rails. The amendment says that the material may be used in the construction of any other authorised railway. Although apparently of small import, the amendment is of considerable effect in relation to the finance of the country. No private enterprise would tolerate the position that after money has been borrowed to create

an asset, a railway which has been operating and has proved highly profitable, the whole of the profits going into State revenue while the asset diminished in value until it became practically valueless, the money borrowed should be written off. That is equivalent to saying, "We will borrow more money to make good to the Railway Department the value of this line, though we have taken into revenue the money which the railway has earned and by which it has paid for itself." By doing what is proposed we should be creating on our general loan indebtedness a lot of dead weight for which we should have no assets whatever to show. It is far better to keep this loan where it is, because in point of pounds, shillings and pence it makes no difference to the country on which pocket the loss falls. For the sake of finance, it is much better to keep the debt where it ought to be, because we have had the profit from the railway and have paid that profit into revenue. Under the Bill referring to group settlements it is proposed to appoint three gentlemen with practically carte blanche to write off millions. People in the United Kingdom and elsewhere whom we ask to lend us money will look at the way in which we finance, and if they are struck with the view that we indulge in frenzied finance from time to time, we shall have to pay much more for money and have more difficulty in getting it than otherwise we would have. That case is almost on all fours with this one. We have borrowed so much money for group settlements. We get the money at a cheap rate of interest for five years, and at a low rate for the next five years. We have paid out of revenue the 1 per cent. interest for the first five years. On the other hand we are debiting up to each of the group settlers the full rate of interest of  $5\frac{1}{2}$  or 6 per cent., and are taking that money into revenue. And now, when the money is gone and the groups are hopelessly in debt and the settlers cannot stay there on the capitalisation that has been created against them by charging them more interest than the State has been paying, we are to have a board of three gentlemen with full power to write off these millions. That ought not to be tolerated for two minutes. This little Bill before us is just the prelude to that condition of finance in Western Australia.

Hon. J. Nicholson: It is the principle that is involved.



Hon. A. LOVEKIN: It is a most vicious principle. If ever there was an amendment that this House ought to insist upon, it is the one before us.

Hon. Sir WILLIAM LATHLAIN: It is not the value of the rails that is involved, it is the very vicious principle. In the ordinary way, if an amount is to be written off, it is written off profits made during the year. That is the way it would be done in any business concern. The Wyndham Meat Works presents one of the most marvellous and intricate pieces of bookkeeping I have ever seen. The works have made tremendous losses, and to cover them up they have been added to the capital; so when we come to get a realisation of the assets of the meat works we shall find a very serious deficiency. So, too, with the group settlements. If they are to be written off, they must be written off the profits made in one year. What is proposed in the Bill is not even an honest bookkeeping transaction. The only way to write down capital is to write it down out of profits. The amendment should be insisted upon.

The HONORARY MINISTER: One is inclined to resent the suggestion that some vicious principle is being put into operation by the present Government.

Hon. A. Lovekin: Not by the present Government. It has been the practice for a long time.

The HONORARY MINISTER: If members were to make it clear whom they are blaming, we might know where we stand. I do not see that the Group Settlement Bill has anything to do with the Bill before us. The writing-off proposed in the Bill is the practice in every railway service in the Commonwealth. Members know, or at least ought to know, that State accounts are not kept in the same way as the accounts of an ordinary business concern. When the Railway Department makes a profit, that profit is paid into Consolidated Revenue, and when the department requires money the department has to ask the Treasurer for it.

Hon. A. Lovekin: And on the 10th July in each year the accounts are juggled.

The HONORARY MINISTER: I do not know whether the hon. member wishes to be taken literally. Several times last night I was called to order for using expressions that other members might regard as being not quite fair.

The CHAIRMAN: Does the Honorary Minister take exception to the remark made by Mr. Lovekin? If so, I will ask the hon. member to withdraw it.

The HONORARY MINISTER: I do not want to take advantage of the position. I think I know what the hon. member means. But I do not see that the Group Settlement Bill or the Wyndham Meat Works have anything to do with the Bill before us. The White Hope Railway is an entirely different proposition from the Kanowna line. The White Hope railway has shown a loss ever since it was purchased with a view to securing a water supply for the Hampton Plains goldfields. Those fields came to nothing, and so the railway has never succeeded in making ends meet, and at present it is in such a condition that it is of no use to the department. So the argument used against the pulling up of the Kanowna line cannot be used in respect of the White Hope line. In view of the fact that we are following a practice common to all railway services, and in view of the further fact that it is not proposed to interfere with the land on which the railways are laid, there is no reason why the Government should not be allowed to do what is proposed in the Bill.

Hon. Sir WILLIAM LATHLAIN: We have no objection to the Government taking up the rails and using them elsewhere. The point we dispute is the proposal that the cost of the line should be omitted from the accounts prepared under Part IV. of the Government Railways Act. I am satisfied that the rails in the White Hope line will not be of much use in any other line. But that is not the point in dispute. Neither do we object to the discontinuance of these railways. But I for one strongly object to the writing-down of capital when there is nothing whatever to write it down against.

Hon. J. NICHOLSON: The Honorary Minister pointed out that the Railway Department was in a different position from ordinary business concerns. If the Railway Department has been run on different lines from those of an ordinary business concern, the sooner we rectify that the better; and this present occasion might be a very good one to mark the essential reform. If the finances of the State are to be put on a solid foundation, it can only be done by following business principles. The Honorary Minister said that any profits made by the Railways went into Consolidated Revenue. That is a wrong principle. First there should be a

writing-down wherever there may be depreciation. If a railway line be closed, it has to be remembered that money was raised for the purpose of constructing that line, and that the people who advanced that money believed they had some tangible asset and security for the money they advanced. The lenders of that money, if they came to look for the asset, would find that by a stroke of the pen the asset had been wiped out.

The Honorary Minister: Money is not borrowed for particular railways.

Hon. J. NICHOLSON: Sometimes the works are enumerated in the schedule and are put in the prospectus.

Hon. A. LOVEKIN: To-day the money market is insisting that they shall be in the prospectus.

Hon. J. NICHOLSON: We have to keep faith with the lenders of the money. When the asset is worn out, we ought to see that it is replaced. The security should be maintained, or the money should be there to represent it. Although the State at large may be liable, why should we alter the book-keeping of the Railway Department for no other purpose than to give the idea that the department is making a profit, when actually it is being done only by working on a reduced capital. Also the Honorary Minister said that although the railway line may be closed, the land will not revert to the Lands Department. He is wrong for the simple reason that, if we passed the Bill as drafted, the line would cease to exist as a railway, the land would no longer be declared railway land and would revert to the Lands Department. Consequently, the supposed asset on which a loan was raised for the construction of the line would disappear. The longer we keep the line, the better it will be from a financial standpoint.

Hon. E. H. Gray: Keep it there even if we do not use it?

Hon. J. NICHOLSON: I am looking forward to the time when it will be used again.

Hon. A. LOVEKIN: If ever there was an inopportune time to produce a Bill of this kind, it is the present. A year or two ago Australian stocks were not very fashionable on the London market. Mr. Bruce was at Home at the time, and those who represented the market insisted that in future full particulars of every loan should be shown in the prospectus. I was in London at the time and I know Mr. Bruce undertook that Australian loans in future would be covered by

full information in the prospectus. When he returned to Australia he pressed for the establishment of the Loan Council in order to stabilise Australian finance. Our position has improved to some extent since then. Only recently four gentlemen known as the Big Four have been visiting us, looking into finance and other matters, and no doubt their impressions will be conveyed to the British lenders of money. What would those gentlemen say to a Bill of this kind that proposes to write off general loan account a railway asset? What would they say to a measure such as the Group Settlement Bill, under which we are proceeding to write off millions of borrowed money, very much of which has gone into revenue as interest and been spent? In addition, we have with us to-day a partner of Nivison & Co., who have been the brokers for this State and brokers in Australian loans almost from time immemorial. They are the representatives of the London and Westminster Bank, the bank of this State. What is that gentleman going to say to finance of this kind? I suggest that for the miserable little advantage—really no advantage in £ s. d.—the Government should not persist in a Bill that can avail them nothing but can do much harm in other directions.

The HONORARY MINISTER: I fail to see any strength in the argument advanced by Mr. Nicholson or Mr. Lovekin. The question of principle does not enter. Mr. Nicholson would have us believe that we were seeking to wipe out an asset. If the rails were taken up and used elsewhere, even under the measure as amended by this Chamber, the asset as a railway would no longer exist. Yet the hon. member would have us believe that by a stroke of the pen we are wiping out an asset. All we ask is that the Railway Department shall be relieved of the liability to pay interest on that particular amount. The liability would remain, but what is the security? Surely the security of the State would be as good if the railway were discontinued as if it were allowed to remain. One line was laid merely to assist the mining industry.

Hon. A. Lovekin: The object does not matter; it is a question of finance.

The HONORARY MINISTER: The railway was acquired to make secure a water supply for a goldfield of promise. The goldfield has not proved successful, the line is unusable, and yet members contend that the

Commissioner of Railways should be responsible for the payment of interest on the outlay. It is monstrous. There is no business interest in the city that would agree to such a proposal. It is a liability of the State, not of the Railway Department, and the Bill as originally presented should have been accepted.

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

Ayes	..	..	..	3
Noes	..	..	..	10

Majority against .. 7

#### AYES.

Hon. J. M. Drew		Hon. E. H. Gray
Hon. W. H. Kitson		(Teller.)

#### NOES.

Hon. J. Ewing		Hon. J. Nicholson
Hon. G. A. Kempton		Hon. H. Seddon
Hon. Sir W. F. Lathlain		Hon. H. A. Stephenson
Hon. A. Lovekin		Hon. H. Stewart
Hon. W. J. Mann		Hon. J. T. Franklin
		(Teller.)

#### PAIR.

AYE.		NO.
Hon. C. B. Williams		Hon. C. H. Wittenoom

Question thus negatived; the Council's amendment insisted on.

No. 2. Title.—Insert the words "the operation of" before the word "certain," and at the end insert the words "and for other purposes."

The CHAIRMAN: This is a consequential amendment and therefore will be insisted on.

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

*House adjourned at 9.45 p.m.*

## Legislative Assembly,

Thursday, 1st November, 1928.

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

### QUESTION—WATER METER RENTS, KELLERBERRIN.

Mr. GRIFFITHS asked the Minister for Agricultural Water Supplies: 1, What amount has been collected for water meter rents during the last 15 years in the Kellerrerrin Road Board district? 2, Is it correct that users of these meters have to pay for repairs in addition to paying a charge of 10s. per year? 3, What was the original cost of the meters? 4, As these meters have presumably been paid for several times over, will he now abolish the meter rent charge? 5, When was the meter rent charge abolished on the goldfields?

The MINISTER FOR AGRICULTURAL WATER SUPPLIES replied: 1, Approximately £2,050. 2, Users of departmental meters are called upon to pay for damage done to such meters, but they are not required to pay for ordinary maintenance and upkeep. 3, The cost of meters varies. The average original cost was £4 10s. and the average cost of fixing £1. 4, As experience has proved that the rents collected are sufficient only to cover interest on the outlay and the cost of maintenance and nothing towards the capital cost, I am not prepared to abolish the meter rent. 5, As from the 1st July, 1923. The Lands Department pay to the Water Supply Department the revenue lost through the granting of this concession.

### QUESTION—OIL PROSPECTING.

Mr. TEESDALE asked the Minister for Mines: 1, Is he aware that Australia House officials have given unfavourable replies to inquiries as to the position of oil