

order to ascertain if they would be agreeable to amend the agreement by including such a provision. A cable was accordingly sent and a reply has been received from the company that it was agreeable to the amendment, and this has been confirmed by the local solicitors of the company. I therefore move—

That the amendment be agreed to.

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

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

House adjourned at 12.51 a.m. (Friday).

Legislative Council.

Friday, 12th December, 1947

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

ASSENT TO BILLS.

Messages from the Lieut.-Governor received and read notifying assent to the following Bills:—

1. Royal Style and Titles.
2. Fisheries Act Amendment.
3. University of Western Australia Act Amendment.
4. Factories and Shops Act Amendment (No. 1).
5. Native Administration Act Amendment.
6. Stallions Act Amendment.
7. Road Districts Act Amendment (No. 2).
8. Municipal Corporations Act Amendment (No. 2).

LEAVE OF ABSENCE.

On motion by Hon. A. L. Loton, leave of absence for six consecutive sittings granted to Hon. A. Thomson (South-East) on the ground of ill-health.

BILL—INDUSTRY (ADVANCES).

Assembly's Message.

Message from the Assembly received and read notifying that it had disagreed to the amendment made by the Council.

BILL—FACTORIES AND SHOPS ACT AMENDMENT (No 2).

Received from the Assembly and, on motion by the Minister for Mines, read a first time.

BILL—CHILD WELFARE.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to the amendments made by the Council.

BILL—IRON AND STEEL INDUSTRY.

Assembly's Message.

Message from the Assembly notifying that it had agreed to amendment No. 2 made by the Council and had agreed to amendment No. 1, subject to a further amendment, now considered.

In Committee.

Hon. J. A. Dimmitt in the Chair; the Minister for Mines in charge of the Bill.

No. 1. Clause 4 (1), page 2—Delete the word "fifty-two" in line 30 and substitute the word "forty-eight."

The CHAIRMAN: The amendment made by the Assembly to the Council's amendment is as follows:—

Delete from the amendment the final word "forty-eight" and insert in lieu the word "fifty."

The MINISTER FOR MINES: Members will recollect that we had a long discussion over this matter. The Bill originally provided that the Government could subscribe for 52 per cent. of the share capital of any company proposed to be formed, but that was amended by the Council to 48 per cent. The amendment made by another place is a compromise, and I think a reasonable one. I move—

That the amendment, as amended, be agreed to.

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

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

BILL—ACTS AMENDMENT (ALLOWANCES AND SALARIES ADJUSTMENT).

First Reading.

Received from the Assembly and read a first time.

Second Reading.

THE MINISTER FOR MINES (Hon. H. S. W. Parker—Metropolitan-Suburban) [4.45] in moving the second reading said: I think all members know about this measure which is commonly called the salaries Bill. It is to give effect to the report of a tribunal. It does not give effect in toto, as I shall explain. Last year the leaders of the three parties in another place met together and decided that a tribunal should be appointed to consider certain salaries and allowances of officers, including members of Parliament, who are paid under the authority of Acts of Parliament. The last in-

crease in parliamentary allowances was made in 1925 when they were raised from £400 to £600 per annum, although in 1944 a Bill was passed to permit of basic wage increases to be added.

I point out that the true basis upon which money is fixed is the value of gold. In 1925 gold was valued at £4 4s. 11d. per ounce and now it is £10 15s. 6d., an increase of 250 per cent. The increase in the allowances of members is only 37 per cent. Members will realise that the suggested increase is not excessive, and furthermore, it is long overdue. It is gratifying to know that it was not fixed by members themselves but an outside body or tribunal, the members of which were free of taint of party or any other politics. The Commonwealth Government has raised the payment of Federal members far in excess of what is suggested here. Parliamentary allowances have either been increased or will be increased in all the other States. It might be interesting to members to know the terms of reference of that tribunal. They were as follows:—

(a) To consider the relationship of fixed salaries with the salaries of officers and offices that are subject to review from time to time and to recommend what, if any, adjustments should be made to fixed salaries in order to restore them to a reasonably comparable basis.

(b) To consider and recommend the method that should be followed or the means that should be adopted in order that reasonable consistency between fixed salaries and salaries that are subject to periodic review may be maintained in the future.

(c) To consider the desirability of introducing some form of adjustment of parliamentary allowances:—

(i) in order to provide for the varying conditions (area, isolation and number of constituents) of members' constituencies; and

(ii) (inter alia) whether special allowances are desirable to meet varying conditions in parliamentary constituencies or other special districts or localities.

(d) The consideration of ways and means of providing pensions for members of the State Parliament as now provided in some of the other State Parliaments.

The tribunal presented its report on the 15th October, and the Bill has embodied the report in full, with one exception, and that is that whereas the tribunal recommended that the allowance of members of the Legislative Assembly should be £1,000 per annum, and that of the members of the

Legislative Council, £900 per annum, by agreement between the parties it was subsequently deemed right that the amounts should be the same. The Bill, therefore, provides for £960 for both Legislative Council and Legislative Assembly members. That, in fact, will mean a saving of some £200 to the Treasury. It has always been the practice for members of both Houses to have the same allowance, and another place has agreed that it should continue. I will now quote the salaries fixed by the Constitution Act, the rate recommended and the rate provided in the Bill—

	Exist- ing Rate. £	Rate recom- mended. £	Rate provided in Bill. £
Premier	1,200	1,500	1,500
Ministers	1,000	1,250	1,250
Chief Justice	2,300	2,600	2,600
Puisne Judges	2,000	2,800	2,300
Private Secretary to the Governor	350	500	500
President, Arbitration Court (same salary as a Puisne Judge under Industrial Arbitra- tion Act)	2,000	2,300	2,300

The Premier, therefore, is to receive £300 a year more, the Ministers £250 a year more, the Chief Justice and the Puisne Judges £300 more, the Private Secretary to the Governor £150 extra, and the President of the Arbitration Court £300. The allowances fixed by the Parliamentary Allowances Act, the rate recommended and the rate provided in the Bill are as follows:—

	Exist- ing Rate. £	Rate recom- mended. £	Rate provided in Bill. £
President of the Legis- lative Council	1,100	1,400	1,360
Speaker of the Legis- lative Assembly	1,100	1,400	1,360
Leader of Opposition ..	900	1,400	1,360
Chairman of Committees— Legislative Council and Legislative Assembly ..	900	1,200	1,160
Ministers' Parliamentary Allowance	600	1,000	960
Members' generally— Legislative Council ..	700	900	960
Legislative Assembly ..	700	1,000	960
Auditor General—Audit Act	1,000	1,200	1,200
Public Service Commis- sioner—Public Service Act	1,250	1,475	1,475

In addition a special allowance of £50 per annum will be paid to Country and North-West members and £100 to the Leader of the Opposition. Metropolitan as distinct from country electorates will be considered as those whose boundaries are all within a radius of 50 miles from Perth.

The new salaries will, in accordance with the Bill, date from the 15th October, that

being the date when the tribunal presented its report. The measure is a conscientious attempt to recognise the admittedly inadequate remuneration paid to certain officers, and members of Parliament.

Hon. G. W. Miles: Is the Governor's salary being dealt with?

The MINISTER FOR MINES: Not in this Bill. More than that, it is an attempt to establish the principle that the fixation of such salaries should be the subject of proper consideration by an appropriate authority before coming to Parliament for decision. If members require any further details, I might, in Committee, be able to give them. I move—

That the Bill be now read a second time.

HON. SIR HAL COLEBATCH (Metropolitan.) [4.56]: It would be a dereliction of duty on my part if I did not refer to one item in the Bill, and I shall refer only to it. For approximately 10 years I had the privilege of representing this State in London as Agent Général. I never made any complaint, and had no occasion to do so, about the conditions under which I worked. They were adequate. They did not enable me to save money and I did not want to do that, but they did enable me to carry out the duties of the office as I thought they should be carried out. I am glad to see that this Bill proposes to give an increase of £250 a year to the Agent General. I would point out, however, that that sum will probably not more than cover the increase in rent that he has to pay, whereas the additional taxation is tremendous. Also, increases in the cost of living are very great. I have had letters from the Agent General since he went to London, and in none of them has he made any complaint, but I know of my own knowledge that his present allowances and salary are inadequate, and that this £250, though it suggests a desire on the part of the Government—for which I commend it—to help the situation, is not sufficient. I hope some consideration will be given to the matter to see if, by some other method, the Agent General's position can be made more tolerable.

HON. L. CRAIG (South-West) [4.58]: Sir Hal Colebatch has raised a question I had in mind. Only last week I met someone, recently returned from England, who was closely in touch with our Agent Gen-

eral. He told me the day before yesterday that the Agent General is having a great deal of difficulty in keeping up with the expenses of his office. Costs in England have risen tremendously. I agree that if the Government can see its way clear to having full inquiries made with a view to giving the Agent General a greater allowance, it should do so. I know something of the position in England because I get letters every week from my wife, who is there. She said it is amazing. It is not possible to get a decent meal for less than 6s. or 7s. There is, I believe, no control of rents over £100 per annum. A person who was paying £3 or £4 a week rent before the war might have to pay £8 or £9 now. It would be a fine gesture on the part of the Government if it made full inquiries with a view to increasing the allowance of the Agent General.

HON. C. G. LATHAM (East) [5.0]: I do not wish to say anything against any increase that might be granted to the Agent General, but it has to be remembered that he receives £1,500 a year under statute and, in addition, is allowed £500 for expenses. Last year, I see £333 was spent under that heading. Then again, he receives £500 a year as an allowance for entertaining. Last year, £569 was spent under that heading. Thus it will be seen that, in addition to the £1,500 he receives as salary, a further £1,000 is provided. I admit that the position today for him is quite difficult, but I do not know that he is so badly off.

Hon. L. Craig: I do.

Hon. C. G. LATHAM: The reason I say that is because of the position as affecting our Lieut.-Governor from the standpoint of the salary paid to him. I think it is a very small remuneration.

Hon. L. B. Bolton: I think it is shocking.

Hon. C. G. LATHAM: So do I. The present arrangement has been going on for many years. I believe the Agent General receives an allowance for rent, and a motor-car allowance as well. I have no objection to that, but I certainly think more consideration should be given to the salary paid to the Lieut.-Governor. I am surprised that this legislation has been introduced without some adequate provision being made along those lines.

HON. L. B. BOLTON (Metropolitan) [5.2]: With regard to the position of the Lieut.-Governor, I am not conversant with the conditions under which his remuneration is provided, but I think he receives only about half the salary that would be paid to a Governor. I understand he receives £2,000 a year. I do not know what means should be adopted to improve that position, but certainly the matter should be brought under the notice of the Government. In view of the increases provided in the Bill for other officials, I think His Excellency is entitled to some consideration. At any rate, I draw the attention of the Minister to the matter.

HON. E. H. GRAY (West) [5.4]: I appreciate the action of Sir Hal Colebatch in mentioning the position of the Agent General, who is doing a very good job in London. Those of us who are in communication with him realise that he is doing wonderful work at a very busy and difficult period. Expenses in England are very high. In view of his long period of office as Agent General in London, Sir Hal is in a position to know, and the recently retired Agent General, Mr. Troy, can also bear witness to the difficulties associated with the Agency General in these times. Certainly, the expenses involved are much greater than in years gone by. At any time, the question of increasing the salaries of members of Parliament is very embarrassing and difficult for them. The decision to refer the matter to a tribunal, the highest that could be appointed in the State, was very wise. There is no doubt about the merits of the case presented. Personally, I have often wondered how country members in particular have been able to make ends meet on their parliamentary allowance.

There is no gainsaying the fact that the reviewing of members' allowances was just. The investigations and recommendations of the tribunal have established that fact beyond all doubt. In the circumstances, every member can vote for the Bill with an easy conscience. The difference of opinion between the members of the two Houses was unfortunate. Tradition and not a matter of variation regarding salaries was the determining factor. Over the years since this House was first established, the principle of equal pay for members has prevailed, and no doubt that accounted for the deviation from the tribunal's recommendations. I

certainly think members of the Legislative Council are entitled to the customary privileges and status that they have always enjoyed. It was a protection to members of Parliament that the matter was referred to the tribunal for decision, as it was beyond all doubt an impartial body.

HON. C. B. WILLIAMS (South) [5.6]: I am glad to be able to address myself to this measure in the closing days of my parliamentary career. This will probably be the last time I shall be in attendance but, should my vote be necessary to carry the Bill, I will be present next week. It is my very great pleasure to support the Bill. I came here in 1928, having left a job for which I was paid £9 a week, plus the use of a motor-car and generous expenses; in fact, everything that one could wish. I gave that up in order to come here on a salary of £12 a week. There are some who say I should not speak. However, in another place last night I heard one hon. member talk about members of Parliament coming here for a salary of £13 10s. a week. I do not know if they did, and I will take his statement as correct. All I know is that I was paid £12 10s. a week, and later on it was cut down to £8. Mr. Keenan was a member of the Government that chopped me down to £8. I have been a member of this House for 20 years, and I know that the Legislative Council has always based its decisions upon a contract.

I came here on a certain salary, which formed the basis of my contract. All I know is that that Government reduced my salary from £600 to £400, and I was in receipt of the latter amount for a long time. Only recently have we reverted to the allowance of £12 a week. We now receive that after 20 years. It has been said by someone in another place that we have not been honest and just. For my part, I made up my mind to resign long ago because I was the only member of this House—there were eight Labour members here at the time and I do not ask them to make any excuses or apologies—that lived on his salary. The others all had some other source of remuneration, the Labour men included. They are here to speak for themselves if they think I am being nasty. I am not; I am merely speaking the truth. Maybe I should have turned round and taken up some other work, but I have always adhered to the old principle of one man, one living wage. If any member can say that the pro-

posed increase is not justified, it must be because he has too much money in his bank account and does not desire anyone else to enjoy a decent living.

For years we were down in our salaries because the Government, of which the Chief Secretary was a member until it was defeated, reduced the parliamentary allowances, and that is what the Commonwealth Government did, too. The point about it is that the man who was responsible for it all is about to retire from the House of Representatives. I refer to Mr. Scullin. I have never had any time for that man, nor have I had any time for this House or for the Parliament that reduced our salaries by 22½ per cent. That applied to everyone else associated with the State. It was all wrong. I remember one man who was a good and honourable person, and who sat where Mr. Bennetts is today, saying that the effect of it all was that we would have to smoke one packet of cigarettes where formerly we smoked two, and that we would have to patch our trousers. In my opinion, that was the wrong attitude to adopt. I opposed it, but the reduction of 22½ per cent. was insisted upon. I have yet to learn that the Government had any mandate to decrease our salaries in those days, but if it did then there must be a mandate today to increase them. If this goes through, it will mean that I will get more refunded to me when I retire. As a matter of fact, if this legislation is passed I will have the best Christmas I have experienced for years, and I will get about £60 in retrospective pay. I hear some people talk, and there is the member for the district where I live.

The member for East Perth—he makes me sick! Maybe when I retire it would be rather nice to represent the East Perth electorate on £1,000 a year! Possibly, in view of the agreement, it may be £900 odd a year, but if anyone argues that the members of the Upper House have not equal rights to the amount of salary paid to those belonging to the Legislative Assembly, he is very wrong. I cannot understand the mistake that took place in the first instance. As to the talk about the position of members representing the North-West, I and my colleagues represent a province that comprises nearly one-third of the State, and it is difficult to travel over. I realise the position of members who have 20 or 30 towns in

their provinces, and they are certainly not like the member for Boulder or the member for East Perth or the member for Perth. Their position is not more difficult than those of the members who represent the Metropolitan province or the East province or the South province. To suggest otherwise would be ridiculous.

Then we heard some talk about blackmail by this House. There has been no blackmail about it at all. We are entitled to it. We certainly have the same worries as members of another place. Can it be said that the members for Perth and East Perth have greater responsibilities than those of Mr. Gibson, Mr. Bolton or Dr. Hislop, who represent six or seven times as many constituents? And yet they talk about blackmail! I trust the Bill will be agreed to unanimously. Never mind about politics! I know people will say that we are worthy of the increase in our salaries.

HON. G. W. MILES (North) [5.14]: I have opposed each measure seeking to increase parliamentary allowances since I have been a member of this House. I certainly think that conditions have altered somewhat, owing to the increased cost of living, and I notice by this morning's paper that our pound is now worth only nine shillings or ten shillings.

Hon. C. B. Williams: Then we should be paid £1,200.

Hon. G. W. MILES: What I object to is that this matter was not mentioned before the last election. It has been stated that the Leaders of the parties agreed to bring some measure of this sort before this Parliament.

Hon. C. B. Williams: May I ask a question, Mr. President? Was not Mr. Miles, as the only Independent at the time, consulted?

The PRESIDENT: That is not a point of order. Mr. Miles may proceed.

Hon. G. W. MILES: I was not in the State when the last election took place; but from what I have read, it has been stated that each of the leaders of the parties agreed on this matter before the election. My objection is that they never notified the public. I do not suppose it would have made any difference, but the public are the employers of Parliament and the taxpayers

of this country. During recent months we have been complaining about Mr. Chifley bringing in certain Federal legislation without a mandate. We had an opportunity of obtaining a mandate from the people in regard to this matter. I do not suppose it would have made any difference to the result of the election, but I strongly objected to the matter not having been mentioned before the proposal was proceeded with.

On motion by the Honorary Minister, debate adjourned to a later stage of the sitting.

BILL—BREAD ACT AMENDMENT.

Received from the Assembly and read for first time.

BILL—COMPANIES ACT AMENDMENT (No. 2).

Assembly's Amendment.

Message from the Assembly received and read notifying that it had agreed to the Bill subject to an amendment, now considered.

In Committee.

Hon. J. A. Dimmitt in the Chair; **Hon. A. L. Loton** in charge of the Bill.

Clause 3.—Delete all words after the word "by" in line 14 and insert in lieu thereof the words "adding to subsection five a proviso as follows:—"Provided that this subsection shall not apply in the case of a co-operative company registered under the repealed Acts or Part VI of this Act."

Hon. A. L. LOTON: I move—

That the amendment be not agreed to.

Hon. L. CRAIG: I support the motion. It is obvious that the matter under consideration was not properly understood in another place. I have discussed it with two of the members who took the principal part in the opposition to the measure as submitted to another place, and they have realised that the implications were much greater than had been perceived. In the Companies Act there is a subsection which provides that if a person is a shareholder or a director in any public, private or co-operative company, and he or his wife or child becomes indebted to the company for

a sum in excess of the value of the shares held he commits a crime within the Criminal Code.

Hon. C. G. Latham: Only if the goods are booked up.

Hon. L. CRAIG: That is a habit of customers. It was the purpose of this Bill to remove that provision.

Hon. C. G. Latham: You were one of those that passed it in the first place; you were on the committee.

Hon. L. CRAIG: If the hon. member had known what he was talking about he would not have said that.

Hon. C. G. Latham: This Bill was introduced years ago.

Hon. L. CRAIG: This amendment was inserted after the committee had finished its work—some time later.

Hon. C. G. Latham: It passed this place.

Hon. L. CRAIG: Of course! Lots of other things have been passed that should not have been.

Hon. L. B. BOLTON: I support Mr. Craig's remarks. I agree that the section should never have been in the Bill, and I cannot imagine how we overlooked striking it out at the time. It is most iniquitous.

Hon. G. FRASER: I am prepared to support the motion, but I point out to Mr. Loton that as things stand he has half a loaf, and he will have to consider whether he is satisfied to take that with a view to getting the other half next session or run the risk of losing the whole loaf.

Hon. A. L. LOTON: I realise the position in which I have been placed. I have talked the matter over with Mr. Craig, who interviewed two members of another place that offered opposition, and after the matter was explained to them they saw the implications and damaging points of the clause. They will not offer any further opposition.

Question put and passed; the Assembly's amendment not agreed to.

Resolution reported and the report adopted.

A committee consisting of Hon. A. L. Loton, Hon. L. Craig and Hon. L. B. Bolton drew up reasons for not agreeing to the Assembly's amendment.

Reasons adopted and a message accordingly returned to the Assembly.

BILL—ACTS AMENDMENT (ALLOWANCES AND SALARIES ADJUSTMENT).

Second Reading.

Debate resumed from an earlier stage of the sitting.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. A. Dimmitt in the Chair; the Minister for Mines in charge of the Bill.

Clauses 1 to 4—agreed to.

Clause 5—Construction:

The MINISTER FOR MINES: I move an amendment—

That in line 1 of paragraph (iii) of the proviso to the proposed new Section 3 the word "nine" be struck out and the word "eight" inserted in lieu. This is merely a typographical error.

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

Clause 6, Title—agreed to.

Bill reported with an amendment and the report adopted.

Third Reading.

Bill read a third time and returned to the Assembly with an amendment.

BILL—MANDURAH CHURCH BURIAL GROUND.

Second Reading.

Debate resumed from the previous day.

THE HONORARY MINISTER (Hon. G. B. Wood—East) [6.0]: This small Bill, as explained by Mr. Tuckey, who introduced it, is important to the people of Mandurah. I am aware of the circumstances and would like to commend Mr. Tuckey for having introduced the measure. As he says, this burial ground has been used for about 80 years. The townsite has expanded considerably and the cemetery is now almost in the centre of the town. The residents desire that there should be no more burials in

the cemetery. It may just so happen that a few people, a husband or a wife, may wish to be laid to rest in the cemetery because the spouse of one or the other is buried there. To enable that to be done, Mr. Tuckey intends, in the Committee stage, to insert a proviso in the Bill to the effect that the Minister in control of cemeteries may in special circumstances issue a permit. I have much pleasure in supporting the Bill.

HON. H. TUCKEY (South-West—in reply) [6.3]: It would appear that the House is in favour of the second reading. I have nothing to add, except to say that it is my intention, in the Committee stage, to deal with the point raised by the Honorary Minister. Two or three people may desire to be buried in the old ground, and I shall move an amendment to make that course possible. These people are old residents and it would be unfair not to permit them to be buried in the old ground.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. A. Dimmitt in the Chair; Hon. H. Tuckey in charge of the Bill.

Clause 1—agreed to.

Clause 2—Land in schedule not to be used as burial ground:

Hon. H. TUCKEY: I move an amendment—

That at the end of the clause the following proviso be added:—"Provided that the Minister controlling cemeteries may, in special circumstances, issue a permit."

This will cover the point that has been discussed.

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

Clause 3, Schedule, Title—agreed to.

Bill reported with an amendment and the report adopted.

BILL—RESERVES.

Second Reading.

THE HONORARY MINISTER (Hon. G. B. Wood—East) [6.8] in moving the second reading said: This Bill deals with eleven

different pieces of land and I think the members who are concerned with them have already inspected the plans and will be conversant with the details contained in the Bill. A reserve for a racecourse was declared many years ago several miles out of Esperance and a title was issued in the name of three trustees for the race club, which later became defunct. One of the trustees is dead, another has long since left the district, and the third, although living there, is no longer interested. The two survivors have indicated that they desire to be relieved of their trusteeship of the land. A new racecourse site has been set aside and a new race club formed, but this club disowns any interest in the old site. Clause 2 provides for the termination of the old title and the return of the land to the Crown.

Morawa Lots 68 and 69 were granted in trust to the Morawa Road Board for a hall site and local government purposes. The board has indicated its willingness to relinquish Lot 68 in favour of the Rural and Industries Bank, for which purpose the lot is favourably situated. The bank does not desire to build on a lot held under a trust and is prepared to purchase the freehold from the Crown. The fair price has been assessed at £100 after consultation with the Taxation Department. The Land Act does not permit of sales of town lots without opportunity for public competition. Parliamentary authority is necessary to effect a direct sale.

The Carnarvon Municipal Council hold a Crown grant for a reserve comprising Carnarvon Lot 234 in trust for a library and reading room. The Council desires to erect a hall and chambers on the site while at the same time continuing the provision of library and reading room facility, but it finds itself unable to expend municipal funds for other than the precise trust at present expressed in the grant. Alteration of the purpose of the reserve to "municipal purposes" with the consequent amendment of the Certificate of Title will overcome the present stricture.

Clause "A" Reserve 6618 (Recreation) was vested in the Gingin Road Board in 1900, but it has never been used for the purpose. After inspection by departmental officers and consultation with the local governing authority, it would not appear that the site lends itself to, or is required for, recreation

purposes, facilities having been provided elsewhere in the town. Representations have been made to the department through the Gingin Road Board to have portion of the land set aside as a site for a bush nursing hospital. An area of two roods 16 perches is deemed sufficient for this purpose, and the balance of the land could be held for future subdivision and disposal as the Governor may direct under the Land Act. Parliamentary authority is necessary for the cancellation of the Class "A" Reserve.

Portion of the Class "A" Reserve at Point Walter (Recreation) was occupied by the Army authorities under the powers of the National Security Regulations during the war period. Hutments and other buildings were left and taken over by the State when the military forces vacated the site as at the 28th March, 1947. The camp was converted for use as an immigrants' home. As the reserve had been set apart for recreation and classified "A" parliamentary authority is necessary to legalise the use of the portion in question as an immigrants' home. A period of 10 years is provided for.

Narrogin Lot 335 is at present held in trust for a church site by the Methodist Church Trustees, while Narrogin Lot 160 is held by the municipality of Narrogin in trust for municipal endowment. The parties find that they would be mutually advantaged by exchanging lots. Clause 7 seeks to provide the necessary machinery to give effect to that exchange.

Glen Forrest Lot No. 166 was reserved for a hall site many years ago, and a 99 years' lease, in trust, was issued to three trustees, two of whom died and the third became registered as sole survivor. Before he had carried out the procedure necessary to transfer to new trustees, he also died. The local governing body, the Mundaring Road Board, is prepared to take over the property, and as the board has continuity of existence, repetition of the previous experience will be avoided.

A Class "A" reserve has been declared over certain lands within the Subiaco Municipality at Shenton Park, on which is situated a "lake." That reserve has been vested in the municipality. Provision has been made in the Road Closure Bill to close portion of Centre-street and a right-of-way, and add the contained lands to the reserve.

The municipality has purchased the freehold of adjoining lands and has agreed to have these re-vested in the Crown so that these, too, may be added to the Class "A" reserve. The final result will be that all the lands concerned will be brought to a common status in the one over-all Class "A" reserve vested in the municipality.

Sitting suspended from 6.15 to 7.30 p.m.

The HONORARY MINISTER: A committee was formed at Moora, after the 1914-18 war, which organised "The Moora Fallen Soldiers' Memorial Site Fund" and erected a memorial on a piece of land forming portion of the railway station yard. The Midland Railway Company has agreed to sell the site for a nominal sum, but the site formed portion of land acquired under the Waddington Agreement for the specific purpose of the construction of the railway and so the company was not empowered to sell the site and matters have remained at a deadlock. In due course, the memorial was taken over by the Moora Road Board, and the board and the company have asked the Government to clear up the matter of title to the site by legislative action. The Bill makes the necessary provision to take the land from the company and grant it to the Moora Road Board, in trust, as a Class "A" reserve.

At a spot on the water front at Rockingham, where private and departmental surveys adjoin, it is necessary to excise a fractional part—two perches—from a Class "A" reserve to add it to the abutting road in order to give the road a minimum width of one chain.

The last area to be dealt with is an important one and I call the attention of metropolitan members to it. Portion of the reclaimed land bounded by the site occupied by the Repatriation Department, Government House grounds, Christian Brothers' College, Victoria-avenue, and Riverside Drive, is at present reserved for botanical gardens, park and recreation, and is under the control of the State Gardens Board. Congestion in the main city streets and the limited parking areas available make the provision of an additional area for car parking an absolute necessity. A committee appointed by the Government to inquire

into the problem has recommended the provision of facilities on the site mentioned in the Bill. I understand this land is not used very much. No sport is played on it although sport is played on the area to the east of it.

Hon. L. B. Bolton: It has only recently been levelled.

The HONORARY MINISTER: That is so. Provision must be made for parking in the city, and in view of the enormous amount of land along the riverfront and on the islands near the Causeway, this site has been chosen. It is the only one available. In Melbourne, people park their cars over Prince's Bridge by the Botanical Gardens and have to walk twice as far back to the city as people will from this proposed parking area. In addition, those who park here will be able to take the tram to the Town Hall if they so wish.

Hon. C. G. Latham: What is the area of that piece of land?

The HONORARY MINISTER: I do not know, but I should say it was between 10 and 20 acres. I understand that this debate will be adjourned, so I will lay on the Table of the House plans of the land and reserves mentioned. I move—

That the Bill be now read a second time.

HON. C. B. WILLIAMS (South) [7.35]: I support the Bill. It would be nonsense for anyone to oppose it. After all, who is going to walk along that part of the Esplanade which the Honorary Minister suggests should be a parking area? It is about three quarters of a mile from the city. There is this point, we want some revenue, because we have lost a lot of money on the trams. The Government should run more trams from the Esplanade to the city because we have miles of Esplanade country available to the people of Perth. To the east of this area, and right up to the Causeway, baseball, cricket and other games are played, but on this land I have only seen male masquetaders walking along looking for their sweethearts.

On motion by Hon. Sir Hal Colebatch, debate adjourned.

BILL—SUPERANNUATION AND FAMILY BENEFITS ACT AMENDMENT.

Second Reading.

THE MINISTER FOR MINES (Hon. H. S. W. Parker—Metropolitan-Suburban) [7.36] in moving the second reading said: This important Bill affects all civil servants. It seeks to amend the 1938 Act. In 1904 an Act was passed abolishing all pensions for civil servants, and until 1938 no pensions provision was made for persons who joined the Civil Service between 1904 and that time. The Superannuation and Family Benefits Act, a comprehensive measure, was then enacted, and it followed on the lines of the Commonwealth legislation. It has now been found that amendments are necessary in view of altered conditions. There are five main alterations and many small machinery amendments. The first is to increase the value of the pension unit by 25 per cent.—that is the amount which will be paid to the pensioner. Each unit will be increased from £26 to £32 10s. The scale set out in the Bill shows how many units each individual may apply for.

Hon. C. G. Latham: Will this automatically affect all pensions in existence?

The MINISTER FOR MINES: Yes.

Hon. C. G. Latham: Including the ones under the old Act?

The MINISTER FOR MINES: No. We dealt with them the other night. Those were increased by a Bill passed the other day.

Hon. G. Bennetts: Will that mean an increase in the cost per unit?

The MINISTER FOR MINES: The computations for this measure were made on the basis that investments would return 4 per cent. Mainly because of the war there was a reduction in interest rates, and the rate is now 3¼ per cent. The Government will make that up to 3¾ per cent., at an anticipated cost of £4,000 per annum.

Hon. G. Fraser: Can it be kept at 3¼ per cent.?

The MINISTER FOR MINES: If not, the Government's contribution will have to be increased. The Government pays 50 per cent. of the pensions, and not of the sub-

scriptions to the fund. There are exceptions to that in certain Government utilities, where the Government is the employer. Then, as an employer, it pays into the fund. Generally speaking, it can be taken that the Government pays 50 per cent. of the pensions.

I would mention also that the ceiling has been raised as regards contributions. In the past a subscriber to the fund could subscribe for up to 12 units, but the maximum has now been raised to 20 units. The Commonwealth has gone as far as permitting employees a maximum of 26 units, but it is thought that would be too much of a burden on this fund. All those concerned in the fund recommended that the maximum be 16 units, but the Government has deemed fit to set the maximum at 20 units.

Hon. G. Fraser: Are many people likely to subscribe for the maximum number of units?

The MINISTER FOR MINES: Very few. Provision is made for reserve units, on the same principle as a life policy. A man insuring at 20 years of age for a certain sum to be paid him at 60 is charged a lower premium than if he took out the policy at 40 years of age. Under the schedule on page 4 of the Bill the employee is permitted to subscribe for a maximum number of units, according to his rate of pay. A salary not exceeding £130 permits the employee to subscribe for two units, while a salary of £676 to £728 enables the employee to subscribe for 13 units. If he takes up those additional units late in life the payment per unit is greater and so provision is made in the Bill that at any time an employee may subscribe to this reserve fund an extra amount, perhaps to bring his contribution up to a subscription for ten units. As he goes up on the salary scale, so much of that reserve is applied to the extra units, just as though he had been entitled to take up the whole ten units when he first joined the service. It is a reasonable and equitable provision. Should he subscribe all along for ten units and retire when his salary still entitled him only to six units, he would be repaid all that he had subscribed for the extra four units, plus interest on the money.

Hon. G. Fraser: Are contributions to that reserve fund compulsory?

The MINISTER FOR MINES: No. The fund is there to enable employees to sub-

scribe for a larger number of units at a cheaper rate than if they had to wait until they reached a salary range high enough to enable them to subscribe direct for the desired number of units. There is also a provident fund that assists, particularly, female employees. Both male and female employees can have deducted from their salaries a specified sum per week, and they can withdraw it whenever they like. It bears compound interest. It is an ordinary provident fund managed by the board. The rate of interest is arranged from time to time as the board thinks fit.

At present, no matter what the salary of a civil servant is, he can subscribe only for a maximum pension of £312 per annum. A man who has received a large salary may find it difficult, when he retires, to live on a pension of only £312 per annum, which is a little more than the basic wage, and so it has been found necessary—not only by this Government but by the Commonwealth—to permit an increased pension, for which employees pay. It is true that the Government pays half the pension, but it has been deemed necessary that the maximum should be raised to 20 units, returning a pension of £650 per annum. No man can subscribe for more than 20 units. There is a great deal of detail in the Bill, with which I will not delay the House.

Hon. C. G. Latham: We would like to know what the details are.

The MINISTER FOR MINES: I will give them.

Hon. G. Bennetts: Is there any provision for a person paying in for perhaps 20 years and then retiring? Does he get his money back, with interest?

The MINISTER FOR MINES: Yes, and no. It is worked out on an actuarial basis, and a surrender value is provided, as in the case of a life policy.

Hon. G. Bennetts: I paid in for 25 years, and did not get it.

The MINISTER FOR MINES: After he has paid in for 14 years, he receives 100 per cent. The increased average liability will be about £60,000 for the next five years. The Premiers' Conference discussed this matter with a view to arranging uniform conditions, but unfortunately the Prime Minister was not prepared to agree to many of the suggestions. The amount standing

to the credit of the fund now exceeds £1,600,000 and will progressively increase. Perhaps the making up of the interest will cost more as time goes on, but if the investments produce a higher rate, the cost will not be so much. The anticipated cost at present is £4,000 a year.

The Bill provides for allowing a period of 12 months in which a contributor may be eligible to increase his units in excess of 12, the State to accept liability for the increased cost should such a contributor become an invalid or die within the time. If the contributor delays applying for additional units beyond 12 months, the ordinary provisions will apply, including the requirement to produce a medical certificate. The Act provides that a contributor may be permitted under certain conditions to change his elected retiring age to an earlier age, but no mention is made of the converse. In practice, approval has been granted for such a change and the Bill will now give authority to meet cases of this sort.

Hon. G. Bennetts: The contributor would have to pay the difference.

The MINISTER FOR MINES: Yes. In certain cases, a pensioner without a wife but with children may die, and although the children become entitled to certain pension rights until they are 16, when they reach that age the amount of pension attributable to the contributions of the parent may not have expired. Provision is made in the Bill for the amount of the difference to be paid from the fund for the benefit and education of the children, even though they have passed 16 years of age. Such cases, it is expected, will be few in number.

When a public servant resigns from the service, he becomes entitled to a certain refund of contributions. The Bill provides that if a man who was absent on active service and had his contributions paid by the State should resign, he cannot get by way of a refund to himself the amount the State paid on his behalf. Any refund would be made only in relation to his own contribution. I think members will agree with that. An opportunity has been taken to include in the Bill several items that experience has shown should be specifically mentioned in the Act, some of them being for the better protection of the fund. Several have already been provided for in amendments to the Commonwealth Superannuation Act and

they include payment of contributions to be made to invalidity pensioners whose pensions have been cancelled on account of their working. A person in the service might become ill and entitled to a pension.

Hon. G. Fraser: From this fund?

The MINISTER FOR MINES: Yes. When he recovers and returns to employment, the payment of the pension from the fund ceases. If he returns to and continues in the service, he will be considered for the purposes of the fund as having been on leave and will continue the payments. There have been instances of people having received a pension under the fund for invalidity and of having obtained employment. That is wrong and contrary to the objects of the Act. A person cannot receive two pensions. There was an instance of a man who had been in the Commonwealth service, which has a similar fund, receiving an invalidity pension and then joining the State service, paying his contributions and receiving another invalidity pension. That has been stopped. No man may draw a pension from two funds. Actually, in that case, the Commonwealth was paying half the pension and the State the other half. I think members will agree that such abuses ought to be checked.

Hon. G. Fraser: Is there a minimum time which a man must be off before he becomes eligible for a pension?

The MINISTER FOR MINES: That is subject to a medical certificate. A female invalidity pensioner who has been restored to health after her pension has been cancelled and who marries, is not entitled to receive a further pension from the fund. Instances have arisen such as that of a woman going off the pension and marrying. If a similar illness overtakes her after her marriage, she cannot go back on the fund on the plea that her ailment related to her previous illness. She, having been restored to health and having married, the responsibility rests with her husband and not with the fund. The minimum period of membership to qualify for an invalidity pension is to be three years. If a contributor becomes an invalid within that time his contributions will be refunded. That is a necessary protection for the fund. It would hardly be fair if a young person entering the service became an invalid within three years and could have a portion of his pension borne by the rest of the civil servants.

There is a rather curious anomaly in the Act in that no date is specified for the resignation of a female contributor. The Bill provides that she shall resign from the fund on marriage if she leaves the service. A pension will not be payable in respect of a widow if she marries a contributor or pensioner under this scheme, otherwise she would be getting a double pension. They cannot be allowed to double-bank. Exemption from reduction of pension in case of employment or re-employment is to be limited to one term of 28 days where the employment is continuous for more than 12 months. I do not think the position is likely to arise. A man may retire and get his pension, and then go back to work for the State or the Federal Government on full pay. We say to such a person, "Very well. For the first 28 days you can carry on, but after that you will not receive your pension again until you finish your work; in other words, we are not going to give you a pension and so put you on a better footing than your fellow-workers. If you care to work on, good luck to you; but you cannot draw your pension as well."

When the Act was consolidated and reprinted, it embodied the original schedules of rates. As those rates were superseded by the revised tables by proclamation in 1945, the Bill provides for the inclusion of the revised tables for ready reference, to enable them to be embodied in any future reprint. Several other clauses are of a machinery nature, and will be dealt with in the Committee stage. Some of the proposals in the Bill were submitted to the Joint Superannuation Committee, which is the body representing the various associations and unions, the members of which are contributing for superannuation. In other cases that committee has had the opportunity to consider proposed amendments to the Act and no dissentient view has been expressed upon the proposals in the Bill, these being recognised as being a step forward. The actuarial advice in relation to the proposal is that if the Bill is passed there will be an advance in pension benefits to members of the service, and anxiety about the adequacy of contributions and the clearance of the deficiency in the fund should be removed. I move—

That the Bill be now read a second time.

HON. G. FRASER (West) [8.3]: I do not intend to oppose the Bill, as I realise that it will provide greater benefits to contributors. There are, however, some points in the Minister's speech which I could not quite grasp. He mentioned something about the person who drew £312 per year being able by some method to go up to 12 units.

The Minister for Mines: Twenty units. That is the limit.

HON. G. FRASER: The Minister mentioned some of the lower-salaried contributors who would be entitled to go up to 12 units. He said they would get only a little above the basic wage, and that this other provision would give them an amount greater than the basic wage.

The Minister for Mines: A person on the basic wage could not go up to £312 per annum. I am afraid I did not make myself clear.

HON. G. FRASER: I do not know whether it is my fault, but I would like an explanation on the point. I understand the ceiling provision and am not concerned about that. The other provision about which I desire a little more information is the provident fund. I notice that provision is made for a contributor—I presume a male contributor. The Minister said a contributor could withdraw at any time. My reading of the Bill is that he must have contributed for five years.

The Minister for Mines: That is so, or if he leaves the service.

HON. G. FRASER: Yes. That provision must always remain. As I understand the measure, they must have been contributors for five years before they can withdraw the money.

The Minister for Mines: That is so.

HON. G. FRASER: I notice, and I do not suppose it could be done otherwise, that the person who desires to become a contributor to the provident fund would not have any idea of what his return might be.

The Minister for Mines: That is so. The interest is fixed from time to time.

HON. G. FRASER: I assume that the interest would be on the amount of revenue derived from the investment of the money in the provident fund.

The Minister for Mines: I can only say the interest will be a little better than savings bank interest.

Hon. G. FRASER: Would the Minister tell me whether the interest would be on the amount invested in the provident fund or on the whole fund?

The Minister for Mines: On the whole fund.

Hon. G. FRASER: I assume the actuary is satisfied on the point, but danger may arise there on account of the money subscribed to the provident fund being pooled with the ordinary contributions. I would not like the solvency of the fund to be jeopardised in consequence of the provision for this extra provident fund. If the Minister can reassure me on that point, I have no further objection to raise. I wish to be certain, in connection with the provident fund, in this respect: Is any provision made for the amount that a male contributor may pay to the fund?

Provision is made that the female contributor, who is not a contributor to the superannuation fund, must pay into the provident fund. That person must, contribute not less than the equivalent of two units. There is no similar provision in the case of the male. I should like some further information as to the line of demarcation between the two. Would it be possible for the male contributor to pay in a lump sum, or must he make a weekly contribution, and if it is to be a weekly contribution, is there a limit to what he can pay in?

The Minister for Mines: The minimum is 1s. per fortnight. There is no limit.

Hon. G. FRASER: Those are the only points I wished to be cleared up. I am quite happy about the rest of the Bill. I want to see better benefits provided for contributors, and am satisfied that the Bill seeks to achieve that object. I support the second reading.

HON. SIR HAL COLEBATCH (Metropolitan) [8.10]: I support the second reading. The only point that occurs to me is this: Is there not some danger that with the steady decrease of the purchasing power of money the pensions afforded will not represent an adequate return for the investments made by the subscribers? How-

ever, that is something we cannot anticipate. We can only hope that it will not go to such an extent that it will be necessary to amend this Act in order that justice may be done to the subscribers.

HON. G. BENNETTS (South) [8.11]: There are two or three points about which I am not clear. Do I understand that if a person resigns from his position before 14 years have elapsed he does not receive any interest on his money? Again, if a person resigns, does he have to pay so much for book-keeping and the holding of the money? I mean, is that figure deducted from the amount paid to him? The third point is this: If a person is retrenched through no fault of his own after having paid contributions to the fund for a number of years, does he receive his own money back with interest from the department, or only his own money less an amount charged for book-keeping? The fund seems to be a big improvement on that with which I was connected for many years. I paid contributions for 22 years and when I resigned—

The Minister for Mines: Not to this fund?

Hon. G. BENNETTS: No, I was on the Commonwealth scheme.

The Minister for Mines: This is an improvement on the Commonwealth scheme.

Hon. G. BENNETTS: When I resigned I received my own money, less so much for book-keeping. I did not get any interest, but lost money.

HON. E. M. DAVIES (West) [8.13]: I would like to ask for a little elucidation of some points. I support the Bill generally with a view to permitting contributors to the scheme to increase the units they can take and so increase the pension payable. There is one section of contributors of whom no mention was made. I refer to those who in 1938 were over 30 years of age but were permitted to join the scheme on payment of contributions at the rate for those 30 years of age. It was provided that they should pay 8s. 5d. a fortnight if they proposed to retire at 65 and 10s. 4d. if they were to retire at 60. Those contributions were subsequently increased some time ago. I would like some information as to how this Bill will affect them.

THE MINISTER FOR MINES (Hon. H.

S. W. Parker—Metropolitan-Suburban—in reply) [8.15]: With regard to the comments by Mr. Fraser, the £288 basic wage to which reference was made has really nothing to do with the matter. I only mentioned it to point out that that was very near the maximum that anyone could get under the existing Act; but now all pensions have been increased by 25 per cent. and the Government bears that expense. In future the rates to be received will be in accordance with the amounts set out on page 4 of the Bill. The fund will be a joint provident and pensions fund. It is guaranteed, so there is no worry about that. Sir Hal referred to the question of an adequate return on a falling money market. That is recognised in this Bill, because we are increasing the rate by 25 per cent., and no doubt that will happen from time to time. It is something that cannot be helped, but the State is bearing that 25 per cent.

Information was desired by Mr. Bennetts as to the position of people retiring with under 40 years' service. The money is paid back on an actuarial basis. Please realise that the State pays all administrative costs. If a man is retrenched at any time after 10 years he receives the full amount of pension plus the amount the State is presumed to have paid. Under this scheme the State does not subscribe on a £ for £ basis but says, "We will pay half the pension." In other words the contribution only goes to half the pension. So it will be worked out what the State is presumed to have paid and the man will be allowed that amount after 10 years' service.

Hon. G. Bennetts: Suppose he has not had 10 years' service?

The MINISTER FOR MINES: Then he receives his money back on an actuarial basis. In answer to the question raised by Mr. Davies about those over 30 years of age in 1938, the Government pays under the existing law 90 per cent. of the pension instead of paying 50 per cent. That is not so much to relieve the actual individual as to relieve the fund.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Bill read a third time and passed.

**BILL—GOVERNMENT RAILWAYS
ACT AMENDMENT.**

Second Reading—Defeated.

Debate resumed from the 9th December.

HON. L. B. BOLTON (Metropolitan) [8.24]: It is my intention to oppose the second reading of the Bill. I want to make a few general remarks on the railway position as I see it, and as it appeals to me, and has done for the last 30 years, particularly during the last 12 to 15 years. I think the Government was entirely wrong in submitting this measure before receiving the report of the Royal Commission which has sat—perhaps it would be right to say in judgment—on the railways. There may be something conflicting in the measure as compared with the Commission's report. That, to my mind, would be embarrassing to the Government. I have put under six headings what I consider to be the main factors contributing to the railways' present position, and I propose to quote those headings and to deal with a few figures.

I will endeavour not to keep the House too long, but as one deeply interested in every angle of our railways, from the point of view of primary as well as secondary industries, I shall remind the House of some of the factors that have brought the railways to their present unhappy position. I propose to place my views as clearly as possible before members. I deeply deplore the unfair criticism levelled at the Commissioner of Railways and his principal officers. Some of it has emanated from a quarter that would carry very little weight, but nevertheless dirt has been thrown, and some of it will stick. I will, a little later, have more to say on this matter.

In my opinion the present sad state of the railways is brought about mainly by the greatly increased costs and, at the same time, by the failure for many years to increase freights and passenger fares. I will later quote some figures submitted yester-

day by Mr. Raynor to the Royal Commission. Most of us know the railways' position and we are not all like the Under Treasurer, Mr. Reid, who treats the annual report of the Commissioner as a joke. Some of us study that report and appreciate the difficulties under which the Commissioner has been working for years.

Hon. J. A. Dimmitt: It has worried many of us for a long time.

Hon. L. B. BOLTON: That is so. We would have no right to remain here as representatives of the people if it did not worry us. The point is that we have not been able to mend the position. It has been mainly due to the unsympathetic attitude of the Government over the last 15 years. If any public servant holding a high position of trust has had a rough spin from his Minister and Government, it is the Commissioner of Railways, Mr. Ellis. It is remarkable that his heart has not been broken long before this. Members will recall that when from time to time Mr. Ellis has had industrial troubles and has stood out against the unions, on only one occasion has his Minister supported him, and that Minister got the sack, on the very next occasion upon which the Party in power re-appointed its Ministers. I am referring to Mr. F. C. L. Smith, who on one occasion stood behind the Railway Commissioner, with the result that when he came up for re-election in Caucus he was dropped.

Hon. G. Fraser: That had nothing to do with it.

Hon. L. B. BOLTON: It was due to no other reason. In my opinion Mr. Smith was one of the best Labour Ministers this State has ever had.

Hon. G. Fraser: Let me tell you—

Hon. L. B. BOLTON: I would not believe anything the hon. member could tell me about it, because I know the facts. No matter what the hon. member says, I know that what I have said is correct.

Hon. G. Fraser: I say there was no connection between the two matters, and I was one of the voters who had a say in it.

Hon. L. B. BOLTON: Lack of maintenance during the war period, owing to shortage of labour and materials, played a great part in reducing our railways to their present condition. The present state of af-

fairs was also brought about, to a certain extent, by the continued absence during the war period of two of our railway heads, the Commissioner, Mr. Ellis, and the Chief Mechanical Engineer, Mr. F. Mills. I do not say that, in view of the war and the work this State was doing during that period, the lending of those officers was not justified, but it was not justified to the extent to which it was done. No undertaking of the magnitude and responsibility of our railway system could afford to be without its two chief officers for long periods, as were our railways during the war.

Hon. G. Bennetts: The man left in charge was 50 per cent. better than either of them.

Hon. L. B. BOLTON: Their absence was another reason why the railways got into their present deplorable state, particularly as regards rollingstock and other equipment.

The Honorary Minister: What about the six years prior to the war?

Hon. L. B. BOLTON: During that period the Labour Government gave the Railway Department so little financial help that the system had got into bad condition, even before the war.

Hon. G. Bennetts: And before the Labour Government took over.

Hon. L. B. BOLTON: Today not only the Railway Department, but other Government departments and, to a large extent, private enterprise, are getting little more than 75 per cent. of the value from their workers that they got eight or 10 years ago. I have figures to prove that. It is bad enough in private enterprise, but it is deplorable in Government undertakings. As we move about in our daily lives we constantly see men not giving nearly the value of labour that they gave a few years ago. Today one requires 100 men to do the work that 75 or 80 did some years before the war, and that also has helped to reduce the railways to their present condition.

Another point that was brought out in evidence before the Royal Commission was that it is almost impossible for a State with a small and widely scattered population to carry roughly one mile of railway for every 100 persons, and at all times it is a losing proposition. I would mention the failure to train young men for the

higher positions in our Public Service, and particularly the Railway Department. To-day we see valuable young officers, who are just making their mark in various departments, leaving the Government service and going to better paid positions in the other States or in the Commonwealth service. The result is that we have not sufficient highly trained young men ready to step into higher departmental positions. In many instances promising young officers in the Railway Department have seen what they must expect in higher positions when they are promoted, and have not been prepared to take it.

One of the reasons advanced in favour of this Bill is that it will afford an opportunity to make a change because four senior officers of the department will be retiring at an early date. That seems to be an entirely wrong idea. I have made inquiries and have found that this statement is not altogether true. There are four senior officers approaching retirement, but they will not retire within 12 months. One of the most valuable of the four, I should say, is the accountant, Mr. Bromfield, who coincidentally, was in the House tonight when another Bill was under discussion. I hold no brief for him but I know he is a valuable servant.

I believe that the next senior man to him, although he is nowhere near the retiring age, has decided not to seek the higher position. He says that if he had to submit to the unfair criticism and to continue under existing conditions without their being improved materially and financially, it would bring about a breakdown of his health. I understand he has advised the Commissioner that he has no intention of going on. Much the same applies to other officers. I understand that two of them are so fed up with their positions as to feel that if they carried on, it would be at the expense of their health, and they are not prepared to do it.

This brings me back to the point I made about the deplorable conditions in the service and the lack of any action to select young and promising officers and have them trained ready to fill the higher positions. This, I am afraid, has been a weakness in all the Government departments. These men must be shown that there is before them some future which will be not only financially good but one in which they will be able to live a bright and happy life, and not

be at the beck and call of every Tom, Dick and Harry, as the Commissioner has been.

Abuse has been heaped on the head of the Commissioner by a person not fit to clean his boots. Fancy a man with a moral outlook like that of the man Davidson criticising the Commissioner as he did the other day! I think it deplorable that he should have been allowed even to give evidence before the Royal Commission. He suggested that the Commissioner was a law unto himself, a king amongst men, a king that could do no wrong. Said Davidson—I hate to call him “Mr.”—

Hon. G. Fraser: Are not you taking an unfair advantage of him?

Hon. L. B. BOLTON: He is not entitled to the courtesy of being referred to as Mr. Davidson. This man Davidson suggested that the Commissioner was a law unto himself. He also said, “I have always believed you, Mr. Raynor, to be the fighting guard, forward, flank and rear, of the Commissioner, and I have always found Mr. Raymond to be a very astute gentleman. In fact, I believe he is the de facto Commissioner of Railways.” Those of us who know Mr. Ellis realise that he is strong enough to be Commissioner of Railways at all times. He does not want any substitute or anything of the nature suggested by the man Davidson.

Later on in the inquiry, one of the Royal Commissioners reprimanded Davidson for some of his remarks, and said he was sorry to see one public servant slating another before a Royal Commission. Davidson answered, “I am not a public servant.” The Commissioner said, “You serve the Government.” Davidson replied, “I serve His Majesty the King.” Serve His Majesty the King! I would not call him a public servant; I would call him a public nuisance. That is all he is. Wherever he goes he makes trouble. Hardly any lengthy period passes without Davidson being in trouble with someone or other.

Hon. G. Fraser: You will be in trouble with him before long.

Hon. L. B. BOLTON: I am not worried about that; I can look after myself and would put my reputation against his.

Hon. E. H. Gray: You must admit that he is an efficient Town Planning Commissioner.

The PRESIDENT: Order! I suggest that the hon. member should not pursue that line.

Hon. L. B. BOLTON: I am sorry; I am afraid I was a little carried away, but when a man like Mr. Ellis or any other decent public servant is criticised as in this instance, we should at least take up the defence on his behalf.

Hon. G. Fraser: But not accuse the other man at the same time.

Hon. L. B. BOLTON: I have not accused him of anything I cannot prove. I can prove every word of it. He has condemned himself. However, at the request of the President, I shall not pursue the subject. Much has been said about the lack of suitable housing for the railway staff. I think the only answer to that is that what money has been provided for the department has been spent, as it necessarily should be, on the track, plant, buildings, stations and so on, and there has not been an opportunity over the last few years to bring the housing to the standard it should be.

The Honorary Minister: Do you think that railway stations should come before houses for people?

Hon. L. B. BOLTON: No, but stations have to be made safe. The Minister has heard of a siding on which it is not safe to walk owing to some of the planks being missing. We cannot afford to have stations, yards and such like in that condition.

May I now offer a few remarks on the financial position of the railways. I intend to quote some figures given by Mr. Raynor, and I should like members to consider how they would feel if they were asked to run a business of a like nature with a staff in proportion, to purchase their goods at greatly enhanced prices and continue to sell at the same prices as they got 12 to 15 years ago. Would they expect to continue to make a profit? Would they expect to continue even to exist? My answer is that no man would expect it. As our costs increase, so must our prices increase. Yet on every occasion when the Commissioner made a proposal to the Government to increase freights or passenger fares his proposal was turned down. I admit myself that on more than one occasion I may have voted for the disallowance of a regulation submitted by the Government for an increase in fares or in freights, but on every

occasion the Government failed to do anything in the matter.

I intend to quote some evidence given to the Royal Commission and hope I shall be excused for doing so. This Royal Commission has provided an opportunity for members to obtain some information in a simple way, information which they were unable to obtain before. I am certain this evidence has brought home to more than one member the real position, the real condition and the real cause of our railway disaster today. Mr. Raynor said that no attempt had been made to assess the effect on present-day operations of costs increases prior to the 1st July, 1938, but that since that date the additional burdens which the railways have to shoulder had been tabulated in the Commissioner's report which is now in the hands of the printer. These additional burdens totalled £1,612,000. A few of the items are—

	£
Basic wage award increases ..	765,000
Increased prices of stores and materials generally ..	215,000
Coal price increases ..	144,000
Superannuation ..	125,000
Additional public holidays, wages staff ..	103,000

These are but a few of the items of increased costs in the running of our railways. Increased fares and freights? Nil. Mr. Raynor said that the department had not advanced far into the war period when it became apparent that increases could not be made in the then existing charges. A memorandum, dated the 2nd November, 1942, to the then Minister for Railways recommended a war surcharge of 12½ per cent. on charges then in general operation. The recommendation was not approved. The matter was revived on the 17th January, 1944, when it was pointed out that increases in costs since the 1st July, 1939, had added £757,000 annually—three-quarters of a million—to working expenses, and that the department was facing an accumulated liability for deferred maintenance and leave of £1,171,000. This memorandum was referred to the then Premier, Mr. Willecock; but it was decided in March, 1944, on the suggestion of the Under Treasurer, Mr. Reid, that the matter could be reviewed in a month or two, when a more accurate estimate of the results of our revenue operations could be made.

I am sorry to criticise the Under Treasurer, who is one of our most valued of-

fice's, but I am quite sure he forgot himself, or forgot the position, when he gave the answers he did regarding the finances of the railways, because it was proved that Mr. Reid, as Under Treasurer, must have known that financial position. Mr. Raynor said that on the 16th December, 1946, proposals were put forward for increased charges to yield between £1,000,000 and £1,400,000 annually. Increases of from 15 per cent. to 40 per cent. were proposed on goods rates and charges, with a 20 per cent. increase in passenger fares and parcels rates. I wish to say, although I will not be popular for saying it, particularly with my country friends, that the sooner something is done in that direction, the better for the railways.

Hon. H. L. Roche: Abolish the Transport Board at the same time.

Hon. L. B. BOLTON: No.

Hon. H. L. Roche: Oh, no! You want it both ways.

Hon. L. B. BOLTON: I do not. I want both to work together. I agree with the member who suggested that perhaps a little more latitude could be given by the Transport Board. It will have to come to that, if we are to shift our harvest and carry on. Road transport certainly will have to carry many more commodities than it has done in the past. That is what my friends are anxious should happen. I agree with them and will do all in my power to see that it is brought about, because I am a primary producer as well as a manufacturer.

There is one point I omitted to mention and I am sure you will pardon me, Sir, because you asked me to refrain from criticising a certain gentleman. Mr. Fraser interjected to the effect that probably I would have some defence to put up for myself pretty soon. I should be quite happy to put up any defence that is necessary against a man who made the remarks which this man made. During the course of his criticism, he told the Commission that because Mr. Ellis believed he could do just as he liked, he even micturated on the public of this State. I have purposely quoted that word, and I shall purposely quote Webster's definition of it: "To make water, desire to urinate, also a morbidly frequent passing of urine in consequence of disease." Is a man of that type to be

allowed to go before a Commission and criticise our public men in that way? Certainly not. The sooner he stops that sort of thing, the better it will be in the interests of the State.

I wish now to refer to the Bill itself. My opposition to the Bill is, as I said, that I think the Government should have refrained from bringing it in before it had the report of the Royal Commission. I consider no good purpose can be served by the appointment of a directorate of five. I believe we have in the two suggested Government nominees men well fitted and able to carry the burden of our railways and transport. If the Bill should be passed and it is intended to appoint three additional men to the directorate, I suggest that those proposed would be nothing but a burden on the railway management for the next three or four years. It would take those men, men of commerce, primary producers and union representatives, at least two or three years to acquire sufficient knowledge to be of any service to the Railway Department. I think this House would be entirely wrong if it supported a measure with that object.

Hon. G. Bennetts: Who would you suggest should be on it?

Hon. L. B. BOLTON: Not the hon. member!

Hon. G. Bennetts: I know that; but what is your suggestion?

Hon. L. B. BOLTON: Another thing that does not meet with my approval is the fact that the two Government nominees are to be appointed without any stipulated length of service. I do not believe in such appointments being made at the pleasure of the Governor. I believe there should be a fixed term, so that if an officer is unsatisfactory he can be replaced, and if he is satisfactory his appointment can be renewed. I mentioned that the State—not necessarily the Railway Department—should train its young officers to be prepared to take these positions. I think failure to do that is largely attributable to the fact that seniority comes first in almost every Government department.

If more attention were paid to ability, plus length of service, we would get these men to stay in these positions and work their way up. But Jack Jones knows that

if Bill Smith has been a day longer in the service than he then, notwithstanding that Jack Jones has double the ability, he cannot rise to the next position, but must wait till Bill Smith dies, or else get out if he wants to improve himself. That is why many of our departments are in such a deplorable condition. Nobody with any brains—I am sorry if I offend some of our leading public servants—would stay five minutes in the Public Service. I would not do so, and I have not many brains. I would have enough brains to leave the Public Service.

Hon. W. R. Hall: It is good to hear you admit it.

Hon. L. B. BOLTON: I think the Minister will realise from what I have said that I intend to vote against the second reading.

HON. SIR HAL COLEBATCH (Metropolitan) [9.4]: I regret deeply that I cannot support the second reading. The introduction of the Bill is an indication that the Government fully realises the critical nature of the position. It is also a proof of its desire to carry out a promise made to the electors before the last election. But, to my mind, something has happened since the election that entirely alters the position. A Royal Commission has been appointed and has practically completed its inquiries. If this Bill had been introduced without the appointment of a Royal Commission, it would have been the bounden duty of every member to give it consideration; but, since a Royal Commission has been appointed and is about to render its report, to my mind circumstances are entirely altered.

I think the Government acted wisely in appointing the Royal Commission. It was fortunate, and the State was fortunate, in the two men whose services were secured as Royal Commissioners. By courtesy of the Minister for Railways, we were afforded an opportunity a little while ago to listen to an address by one of these Commissioners, and I do not hesitate to say that that address confirmed my confidence in him. It is impossible to exaggerate the importance of our railway service. Transport is the lifeblood of every country, and in this State the railways are the most important feature of transport. The railways employ a larger number of men than any other single activ-

ity. They are responsible for the bulk of the State's deficit and I am sure we cannot escape the conclusion that the losses must increase considerably in the immediate future.

Practically all our industries depend upon an efficient railway service. My contention is that when Parliament is asked to make fundamental alterations in the control of a service of such paramount importance, we are entitled to have all facts before us, and the best possible opportunity of forming our own opinions as to what should be done. The first question that arises is: Should we or should we not be guided by the evidence submitted to the Royal Commission? If we say no, surely we are depriving ourselves of the opportunity to gather facts that will be of great importance to us. If we say yes, we are up against this proposition: That we have only read the newspaper reports. They have been as voluminous as could be expected, and I do not question their accuracy, but we know that they are necessarily condensed, and we have not had the opportunity that the members of the Commission have had of deciding as to their value, and particularly the value of the directly contradictory statements made by the two sides.

For that reason, my decision is to await the Royal Commissioners' report before deciding on any material alteration so far as our railways are concerned. I find it impossible to agree with the Minister when he says the matter dealt within the Bill is different from that which the Commission is considering. Surely the first, or at all events, the most important recommendation of the Commission will be as to the control of the railways—how they are to be controlled. Control may take one of several forms. Let me suggest a few. There is control, as at present, by a Commissioner, protected in his office; or control by two or more Commissioners, protected in their office, or not protected—each course is open: ministerial control, such as this House rejected in the Bill submitted to us last session; or control by a board of directors such as this Bill suggests. The Bill sets out how that board is to be constituted and to what extent the members are to enjoy freedom from interference.

I am not saying anything against the proposal in the Bill, but I do say we are not

competent to come to a decision when we know that the Royal Commission has completed its evidence and is shortly to submit its report. If this proposal for a directorate came before the House, backed by the recommendation of the Royal Commission, I give the Minister my assurance that I would support it. The evidence given to the Commission discloses what we already knew—that the railways have drifted into a deplorable condition. I notice that one of the Commissioners spoke of them as being as dead as the Dodo. Just how dead the Dodo is, I do not know. The other Royal Commissioner said it would be necessary to spend £20,000,000 over a period of 10 years in order to put the railways into something like decent condition. Then we have an admission from the Commissioner of Railways that he knew of no other railway service in such a deplorable condition as ours.

Hon. G. Bennetts: It does not sound too good for him.

Hon. SIR HAL COLEBATCH: When we get the report of the Royal Commission we shall have some indication as to the extent of the financial obligation we shall have to face. Do not let us forget that there is a scheme afoot for the unification of all the railways in Australia at a cost of some hundreds of millions of pounds. Our Railway Commissioner condemned that proposal unless it was necessary for defence purposes, and the defence authorities also turned it down. We must also keep in mind the extent to which a proposal of that kind is likely, on financial grounds, to interfere with the much smaller but still essential business of putting our own railways in order.

We have to remember that this expense cannot be met by printing pound notes, but by obtaining things, largely from other countries, and that will involve the raising of considerable loans. It is only fair that we should recognise that the drift in the railways has, to some extent, been aggravated by circumstances over which no Government could have control. There was the depression, and then the war. But I think there is general agreement that things ought not to have been allowed to drift as far as they have.

A question we shall be in doubt about until we get the report of the Commission is:

Was there unnecessary slipping? We know that there has been unnecessary slipping, but we want to know whether it was due to too much political control or too little; in other words, was it the fault of the Minister or the Commissioner? I was much struck by the evidence of one of our highly placed civil servants—a man for whom I have the greatest respect—when he said the reason the money was not provided was that sufficient pressure was not brought to bear. That reminds me of an old couplet, singularly appropriate to the railway service—

I never was a grouser, I always worked for peace; but the wheel that does the squeaking, is the wheel that gets the grease.

Was the trouble that the railway wheels did not squeak enough, or were the authorities, who should have supplied the grease, not listening? The Commission, in its report, will tell us all about that. It has been suggested that a board of directors would be able to make useful suggestions. I am not disputing that, but we have to divide the problem into two parts. First there is the permanent and ultimate control of the railways, and then there is the immediate trouble. So far as the permanent and ultimate control is concerned, I am prepared to await the report of the Commission, but we do not need suggestions to deal with the immediate trouble. Suggestions are not worth a rap; what is wanted is money.

Hon. C. G. Latham: And workers.

Hon. Sir HAL COLEBATCH: Yes. Let these two things be provided at the same time, and I feel certain that those who have been in charge of the railways for many years, and are familiar with all the troubles, will make better use of them in remedying the present position than would a board of directors composed of people who would, of necessity, take some years to acquire a sufficient knowledge to deal properly with the problems. If men and money are provided, then the quicker we get to work with them the better.

One of the few arguments used in favour of the Bill is that if we do not pass it, the report of the Royal Commission will be presented and legislation might, as a result, be required, and Parliament will not be in session for quite a long time. Let us see what that contemplates. It contemplates that the only legislation required,

as a result of the Royal Commission's report, will be some measure to deal with the question of appointing directors instead of a commissioner, because anything else that the Royal Commission recommends that requires legislation will have to wait, necessarily, until the next session of Parliament.

In this connection I would suggest—with some hesitation because I know it is a suggestion likely to be unpopular—that in view of the vital importance of the railways to the people of this country it would be preferable for the Government, when it has considered the report of the Royal Commission, to summon a special session of Parliament to deal with the matter rather than to pass now an Act which we might find to be entirely contrary to the desires and recommendations of the Royal Commission. For these reasons I must oppose the Bill.

HON. W. B. HALL (North-East) [9.16]: I oppose the Bill which provides for a directorate of five people to take the place of the present railways administration. That would be a retrograde step on the part of this Parliament. With all due respect to the Royal Commissioners, I do not think it was necessary to go outside of Australia—to South Africa—to find someone to deal with the administrative affairs of our railways. We are all only too willing to kick to pieces the administrators of the railway system, namely, the Commissioner of Railways and his officers. During the war years they did a remarkably good job, and if money could be expended, as the Commissioner would like, we would be in a far better position than we are. I have criticised the railway administration of this State.

Hon. L. A. Logan: With every justification.

Hon. W. R. HALL: Perhaps so, but I feel that if the Commissioner and his officers were given the wherewithal to enable them to put their ideas into operation, we would be in a better position than we are. Members of this Parliament are to some extent to blame for the present condition of our railways, in view of the fact that so little finance has been made available to the system in past years. Although protests have been made in this House about the running and condition of engines between Merredin and Kalgoorlie, I understand that the

trouble has been simply due to lack of the money necessary to put them into serviceable condition to haul heavy trains.

The present Railways Commissioner has had a hard job, particularly during the war years, in keeping the railways even up to the standard in which we now find them. If the money were made available to him to do all that he would like to see done in the reconditioning of our railway system, it would cost the State many hundreds of thousands of pounds. I see no advantage to be gained by appointing a directorate in the place of the present Commissioner. I believe one man, in the position of Commissioner, can do the job as we would like to have it done, provided he is given the money that is necessary and the co-operation of the whole railways staff. I oppose the second reading.

HON. G. BENNETTS (South) [9.22]: I cannot understand why this Bill was introduced before the Government received the report of the Royal Commission. Twelve months ago—on the 10th of this month—the present Minister for Railways, the Attorney General, and the Premier, criticised a Bill that was brought down by the Labour Government. They said that nothing should be done in the matter until such time as a Royal Commission of inquiry into the railways had been appointed. That Royal Commission was appointed by the present Government and yet, before its report has been issued, we find this Bill brought before Parliament to anticipate what the Royal Commission might recommend in its findings.

The Minister for Mines: That is not the position at all.

Hon. G. BENNETTS: It has been said that members in this House take notice of what Labour members of another place have said. I think the Bill should be thrown out on the second reading—and I believe it will. The State has paid a large sum of money in order to obtain the advice of the Royal Commission, and in view of the vast sums of money necessary to bring our railways up to anything like a decent standard, I feel we should await the advice of the Royal Commission, before making any change in the set-up of our railways.

A great deal of money has been wasted on derelict locomotives. I refer to the heavy "S" class engines. I do not know what their running costs are, but they must be very high. Several of them, after doing one trip to Kalgoorlie and return, cost hundreds of pounds in reconstruction and reconditioning. On a recent occasion "S" 647, after doing a trip to Kalgoorlie and return, had to have its valve cradles replaced at a cost of £300 or £400. The whole railway service is in a deplorable condition. One of the troubles is that the weight of rails in our tracks is not uniform, and perhaps the Royal Commission will suggest what should be done in that regard. I believe that before we can have faster and heavier trains we must lay heavier rails. At present we cannot get gangs to maintain the tracks, because the conditions under which they are asked to work are simply not good enough.

Hon. H. L. Roche: Do you not want to alter that?

Hon. G. BENNETTS: Yes.

Hon. A. L. Loton: Then why did your Government do nothing about it?

Hon. G. BENNETTS: I want to see our railway workers given conditions such as are provided for the men on the Commonwealth Railways. We have 90-lb. rails as far as Northam and then 60-lb rails. Further up we have only 40-lb. rails. If big locomotives are put in sidings on 40-lb. rails, they simply spread them. I do not think we should agree to the second reading of this Bill before the report of the Royal Commission is received. I oppose the second reading.

HON. G. W. MILES (North) [9.28]: Mr. Bennetts has expressed my views on the Bill. The present Premier, the Attorney General and the Minister for Railways last year refused to agree to an alteration in the management of our railways until a Royal Commission had carried out its inquiries. That is sufficient reason for me to oppose the Bill. Now, instead of waiting for the report of the Royal Commission that has been appointed, they introduce this Bill. I listened with interest to Mr. Simpson's speech the other evening, and I congratulate him on the views he expressed. He pointed out that the primary producers, in their

wheat union, had four members representing them, with no outside influence.

In introducing this measure to provide for a directorate of five members, the Country Party is supporting something directly opposite to what it did under the wheat Bill, by wanting a farmers' representative, a workers' representative and a manufacturers' representative on a directorate to control the railways. That is absurd and the only thing this House can reasonably do is to carry out the views expressed by the leaders of the Government last year, on which views they seemed to have turned turtle. Then they said that nothing should be done until a Royal Commission was appointed. A Royal Commission has been sitting, and I consider it the duty of the House to vote against the Bill and await the report of the Commission.

THE MINISTER FOR MINES (Hon. H. S. W. Parker—Metropolitan-Suburban—in reply) [9.31]: I have been somewhat amazed at the speeches that have been delivered on the Bill. The object of the measure is to enable the Government to endeavour to deal with the railways, which are in urgent and immediate need of improvement. It has been suggested that the Premier, the Minister for Railways and the Attorney General 12 months ago—

Hon. G. W. Miles: Not suggested; it is a fact.

THE MINISTER FOR MINES: It has been suggested that those Ministers 12 months ago stated that a Royal Commission should be appointed and that nothing should be done until the report of the Commission was received. I point out that until this Administration took office, we did not realise how bad the position was. I venture to say that no member realised the bad condition of the railways until they read the evidence tendered to the Royal Commission. We all knew that the condition of the railways was bad, but none of us knew how bad they were.

Hon. G. Bennetts: The present Minister for Railways has always been a critic of the railways.

Hon. H. L. Roche: Justifiably.

Hon. G. Bennetts: Well, he knew the condition of the railways.

THE MINISTER FOR MINES: The Minister for Railways has been a critic of the

system for a considerable time, but even he had no idea how bad their condition was and what a deplorable state they were in until he took over the administration. This Bill was introduced purely as an emergency measure in order that, if the report of the Royal Commission is what the Minister thinks it might be, he will be able to implement it straight away.

I regret exceedingly that the debate has been so largely centred by opponents of the Bill on the Commissioner of Railways. When moving the second reading, I did not mention anything about the Commissioner. There is no attack on him, except some imaginary attack that is being defended by opponents of the Bill. I am not attacking the Commissioner in any way. It does not matter to the Government what the reason may be for the railways being in such a bad condition, but it is a matter for concern that we should improve them as quickly as we possibly can and obtain the best possible advice and assistance for guidance in the immediate future. We have a harvest that cannot be shifted; we have roads that cannot carry the traffic. Therefore we have to do something and do it quickly, and we want the best advice we can get.

Hon. C. G. Latham: Do you think this Bill will give you either of those requirements?

The MINISTER FOR MINES: No doubt the hon. member's advice is excellent, but I suggest that he give it in the proper place—before the Royal Commission. What I am trying to impress upon the House is that we are in difficulties, urgent difficulties, and we desire to get out of those difficulties as soon as we can. The only remedy we can see at the moment is to have power to appoint a directorate and provide for various other matters. I repeat that if the report of the Royal Commission is against the proposals in the Bill, they will not be implemented, but if the report is in any way in accordance with those provisions, we shall be able to go along and implement the findings, and we thus hope to be able to do something to assist in the moving of the present harvest. This is necessary and urgent.

I did not enter into any details as to the deplorable state of the railways, but Mr. Bolton said tonight that one cannot walk down a platform without breaking a leg,

on account of the planks having gone. Various other things have been pointed out; in fact, every speaker against the Bill has shown the urgent and immediate need for some proper management of the railways. Does it matter whether the mismanagement has been political or otherwise? It does not matter two straws. What we want to do is to rectify the management, and we feel that to do so we must be fortified by the provisions of this Bill. There is no suggestion in the measure that the present Commissioner will not be one of the members of the directorate.

Hon. J. A. Dimmitt: There is no suggestion that he will, is there?

The MINISTER FOR MINES: None whatever. There is nothing in the Bill to say that anyone shall or shall not be a member of the directorate. Whether the present Commissioner is one of the directorate or not, he is still employed and will continue to be employed for a considerable time on his present salary because he is under an engagement which, I think, has another 18 months to run. So we shall have the benefit of his advice. If the Royal Commission should decide that the fault does not lie with the Commissioner, but that he, on the contrary, is a very good and efficient man, we would have his services available and would continue them. If, on the other hand, the Royal Commission pronounced judgment against him, as apparently is feared by members who are opposing the Bill, we want to be in a position to appoint a directorate that will be able to help us.

As a Government, we do not suggest that we know all about railways. What we say is that we want advice. Members of this House have given plenty of advice. They all know what is wrong with the railways—finance is needed in various directions—but they have the strongest objection to appointing to the directorate a man with commercial knowledge, a representative of the producers who use the railways and know their faults and failings as well as their good points, or a representative of the commercial world who knows something about transport, costs and other things. We want an employee on the directorate to assist in the working and control of the railways and the general welfare of the employees, with a view to getting perhaps more and better work.

Hon. G. Bennetts: With a workers' representative on the directorate, you will get greater harmony.

The MINISTER FOR MINES: Yes. We want to encourage everyone in the railways to do his best, and so we ask that the workers be given direct representation at the head so that we may get the best work from them. I cannot understand what the objection is to the Bill. The only really serious objection advanced is that the measure should not be passed because a Royal Commission is sitting.

Hon. C. B. Williams: Hear, hear!

The MINISTER FOR MINES: That is the real reason. The Royal Commission has not yet finished taking evidence as far as I know, although it may have done so. It certainly has not made its report and, under normal conditions, Parliament will not sit again until next July. Are we to wait till then and in the meantime let the railways go on sinking? The fact is that the railways are in a very bad condition; the more one looks into the position, the worse one finds it. Are we to wait for the Royal Commission's report, or are we to attempt to do something?

Hon. C. B. Williams: You can have a special session of Parliament in January, if you wish.

The MINISTER FOR MINES: My friend pleases me very much! I sincerely trust that he will follow up his remarks by voting with me. The control we desire is a directorate; and, if the Royal Commission says that that is the proper thing to do, then we can proceed at once to implement the management of the railways.

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

Ayes	6
Noes	20
	—
Majority against ..	14
	—

AYES.

Hon. C. F. Baxter	Hon. H. S. W. Parker
Hon. L. A. Logan	Hon. H. L. Roche
Hon. A. L. Loton	Hon. G. B. Wood
	(Teller.)

NOES.

Hon. G. Bennetts	Hon. F. E. Gibson
Hon. L. B. Bolton	Hon. E. H. Gray
Hon. R. J. Boylen	Hon. W. R. Hall
Hon. Sir Hal Colebatch	Hon. E. M. Heenan
Hon. L. Craig	Hon. O. G. Latham
Hon. H. A. C. Daffin	Hon. G. W. Miles
Hon. E. M. Davies	Hon. C. H. Simpson
Hon. J. A. Dimmitt	Hon. F. R. Welsh
Hon. R. M. Forrest	Hon. O. B. Williams
Hon. G. Fraser	Hon. H. Tuckey
	(Teller.)

PAIR.

Hon. W. J. Mann	Hon. J. G. Hislop
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Question thus negatived.

Bill defeated.

BILL—GAS UNDERTAKINGS.

Second Reading.

Debate resumed from the 26th November.

THE MINISTER FOR MINES (Hon. H. S. W. Parker—Metropolitan-Suburban) [9.45]: I have considered the Bill and personally have no objection to it. It is a private member's Bill and I support it.

HON. L. CRAIG (South-West) [9.46]: This Bill proposes to control what is today a public company. The company was formed in 1886, so it is probably one of the oldest companies in Western Australia. Throughout the years it has built up its assets and, on the whole, I presume has served the people of Fremantle and suburbs well. Some may differ with me there, but when one remembers the age of the company one must admit that on the whole it has given good service. The Bill proposes to bring it under complete control; the quality of the gas is to be controlled, the issue of shares is to be controlled and so is the future rate of dividends. By and large, I would have no objection to such control, provided it was imposed when the company was formed.

If a monopoly is given to a company formed for the purpose of rendering a public service, I have no objection to the monopoly being under control, in order that no person may be exploited. But this company, from 1886 onwards, has accumulated very substantial reserves by way of increase in the value of its assets. For example, it owns miles of gaspiping which may have been laid at a very low price, but which today must be worth a very high

price. It would be very expensive to replace that piping. So the company has reserves which belong to its shareholders. That point must be conceded. Its assets have increased in value in the same way as a farming property increases in value.

The owner of a farm gets the benefit of the increased value, and the shareholders of this company get the benefit of the increased value of the company's assets. By another Bill the company is seeking to raise additional capital, a very substantial sum. The company has in its existing nominal capital 30,000 shares which have not been issued and which potentially belong to its shareholders. If this Bill is passed as printed, none of those shares may be issued to the existing shareholders. I would remind the House that many of the shareholders have paid up to 34s. for £1 shares because they have in reserve some of these assets which belong to them. Under the Bill any new issue of shares must be offered to the consumers of gas, to the employees of the company and to the general public—not to the shareholders.

Hon. E. H. Gray: The shareholders would be included.

Hon. L. CRAIG: Yes, but would have no preference. And do not forget that the shareholders own this company; it is theirs. This Bill proposes that any future issue of shares shall be on the basis I have mentioned—to the consumers, the employees and the general public.

Hon. G. W. Miles: Robbing the shareholders!

Hon. L. CRAIG: I think it is.

Hon. G. Fraser: Perhaps the hon. member can tell us how it is robbing them.

Hon. L. CRAIG: I am trying to say that the shareholders, who are the owners, have some rights. I have said before that I have no great objection to control over a monopoly, provided it is done at the beginning. But in the last four years there have been 49 new shareholders in this company, representing 12,600 odd shares. There have been ten new shareholders in the last six months. They have bought on the market in good faith and have paid, I should say, not less than 33s. per share. Are any accumulated rights to be taken away from those people? I say that would be unjust.

I have discussed this Bill with Hon. J. T. Tonkin and pointed out these things. He has agreed that it is only fair that the unissued capital—that is the £30,000 which they have now in their nominal capital and which they have the right to issue to the shareholders at par—shall be issued to the existing shareholders.

Hon. G. W. Miles: Hear, hear! That is what is wanted.

Hon. L. CRAIG: He has been reasonable and just. I have agreed that it is a fair thing that any new capital which Parliament may authorise the company to raise should be subject to the conditions set out in the Bill and subject to control as to the rate of dividend and so on, if the House will agree to the amendment I shall move, which will be a proviso that the conditions in this Bill shall not apply to the unissued capital of any company existing at the time of the passing of the Bill.

Hon. C. G. Latham: To any company?

Hon. L. CRAIG: Any gas company. This Bill is dealing with a gas company. We cannot put into a gas Bill conditions relating to any other company.

Hon. C. G. Latham: We had a Bill which dealt with a lot of subjects, which is wrong in principle.

Hon. L. CRAIG: This one deals entirely with a gas company. Subject to that proviso, I do not think we can object to control.

Hon. G. Fraser: I am prepared to accept that.

Hon. L. CRAIG: A six per cent. dividend on a monopoly providing an essential commodity is a fair thing provided an injustice is not done to shareholders who have paid a big premium for their shares. Under the conditions I have mentioned I support the second reading.

HON. G. FRASER (West—in reply) [9.55]: It appears that with the alteration suggested by Mr. Craig the House is prepared to accept the Bill. I thank members for the reception given to it and hope the Minister will permit it to go into Committee tonight.

Question put and passed.

Bill read a second time.

In Committee.

Hon. J. A. Dimmitt in the Chair; Hon. G. Fraser in charge of the Bill.

Clause 1—agreed to.

Clause 2—Interpretation of terms:

The MINISTER FOR MINES: I have here a definition of a British thermal unit which I received from the fuel technician. It is—

The quantity of heat required to raise one lb of water at 60 degrees Fahrenheit one degree.

I do not know whether the hon. member will accept an amendment on those lines.

Hon. G. FRASER: The definition appearing in the Bill is that which appears in the New South Wales Act and is exactly the same as the definition appearing in a report on the gas industry submitted to the British Parliament by a special committee of inquiry. I prefer to stick to the definition in the Bill.

Clause put and passed.

Clause 3—Administration:

Hon. C. G. LATHAM: This clause says that the Act shall be administered by the Commission subject to the Minister. I presume that means the Minister in charge of the Electricity Commission.

Hon. G. Fraser: Yes.

Hon. C. G. LATHAM: Who is the Minister?

Hon. G. Fraser: I presume the Minister in charge of electricity supplies.

Clause put and passed.

Clause 4—agreed to.

Clause 5—Basic price:

Hon. G. FRASER: I move an amendment—

That in subparagraph (ii) of paragraph (b) after the word "depreciation" the words "and renewals" be inserted.

At a conference we had with the directors of the Fremantle Gas Company they were a little afraid that the word "depreciation" would not cover the whole of the expenditure they were likely to incur. They specially mentioned the question of the renewal of retorts. I believe it costs £20,000 to renew the two, as they have to be replaced at the one time.

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

Clauses 6 to 10—agreed to.

Clause 11—Issue of additional shares:

Hon. L. CRAIG: I move an amendment—That the following proviso be added:—"Provided also that this section shall not apply to any unissued shares of a company existing at the time of the passing of this Act."

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

Clauses 12 to 22—agreed to.

Clause 23—Price on compulsory purchase:

Hon. L. CRAIG: This clause might conflict with Section 50 of the Act. The clause lays down how the acquisition shall take place when a local authority acquires an undertaking. Section 50 also provides how acquisition shall take place. This might override Section 50.

The Minister for Mines: It would.

Hon. L. CRAIG: We must protect the provisions of Section 50. I move an amendment—

That at the end of the clause the following words be added:—"This section shall be read in conjunction with Section 50 of the Fremantle Gas and Coke Company's Act."

This is to ensure that it will not override the protection provided in the original Act.

Hon. G. FRASER: I have no objection to that provision going in, but it merely lays down the basis. The other provision lays down that umpires shall be appointed. This is the basis for arriving at the price.

The MINISTER FOR MINES: The Bill purports to cover all gas companies in the future, and it mentions plant of equivalent capacity. If the Fremantle City Council took over the gas company, it would have to pay for a new plant of similar capacity. The provision at present is that if the price could not be agreed on it would have to go to arbitration.

Hon. G. Fraser: It is already in the Act.

The MINISTER FOR MINES: This provision overrides the Act. The clause is unnecessary and is dangerous from the point of view of local authorities.

Hon. C. G. Latham: We should provide for a just price, as is done in the Commonwealth Constitution.

The MINISTER FOR MINES: Section 56 of the Fremantle Gas and Coke Company's Act sets it out simply. If the council decided to take over the gas company tomorrow it would have to pay for new plant of similar capacity, which would be an enormous price. The amendment would not be of much value, and I think the clause should be struck out.

Hon. G. FRASER: Section 50 of the Act provides for the appointment of an arbitrator, but gives no basis by which he is to arrive at a price. The clause is essential, to be read in conjunction with Section 50 of the Act. It means that the local governing authority, in taking over the plant, will pay the present-day value of the property and plant. It will safeguard both the company and the municipality.

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

Clauses 24 to 28, Title—agreed to.

Bill reported with amendments.

ADJOURNMENT—SPECIAL.

THE MINISTER FOR MINES (Hon. H. S. W. Parker—Metropolitan-Suburban): I move—

That the House at its rising adjourn till Tuesday, the 16th December, at 3 p.m.

Question put and passed.

House adjourned at 10.20 p.m.

Legislative Assembly.

Friday, 12th December, 1947.

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The SPEAKER took the Chair at 2.15 p.m., and read prayers.

QUESTION.

MURRAY RIVER.

As to Nanga Brook-Dwellingup-road Bridge.

Mr. REYNOLDS (on notice) asked the Minister for Works:

(1) Is he aware that the previous Minister for Works allocated £2,500 for a bridge over the Murray River on the Nanga Brook-Dwellingup-road?

(2) Does he intend to honour the promise given that the bridge would be constructed this year?

(3) Is he aware that this is the best period to commence construction?

The MINISTER replied:

(1) Yes.

(2) No, promise was given that the bridge would be constructed this year, but it will be undertaken as soon as the Main Roads Department is in a position to do the work.

(3) Yes.