get more than 70 per cent. of their value. That would be subject to the safeguards provided in the Bill. I need say no more about the measure, but if any further information is desired I will gladly make it available to members. I move—

That the Bill be now read a second time.

On motion by Hon. W. J. Mann, debate adjourned.

ADJOURNMENT—SPECIAL.

THE HONORARY MINISTER (Hon. G. B. Wood-East): I move-

That the House at its rising adjourn till Tuesday the 18th November, 1947.

Question put and passed.

i

House adjourned at 6.13 p.m.

Megislative Assembly.

Wednesday, 12th November, 1947.

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

ASSENT TO BILLS.

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

- 1, Road Districts Act Amendment (No. 1).
- 2, Water Boards Act Amendment.

PERSONAL EXPLANATION.

Mr. Ackland and Minister for Education.

Mr. ACKLAND: I wish to make a personal explanation. Certain personal references made by me last evening concerning the Minister for Education were made, I find, under a misasprehension regarding certain of the facts. I desire to withdraw such personal references, although I do not in any way modify the views I expressed in connection with the subject under discussion at that time, namely, Communism.

Hon, A. R. G. Hawke: Feeble!

BILLS (3)—FIRST READING.

1, Native Administration Act Amendment.

Introduced by the Minister for Native Affairs.

- 2, Royal Style and Titles.
- Licensing (Provisional Certificate).
 Introduced by the Attorney General.

BILLS (2)—THIRD READING.

- 1, University of Western Australia Act Amendment.
- 2, Factories and Shops Act Amendment. Transmitted to the Council.

MOTION—GOLDFIELDS WATER SCHEME, ORIGINATORS.

To Inquire by Select Committee.

MR. GRAYDEN (Middle Swan) [4.37]: I move-

That a Select Committee be appointed to inquire into the question of the authenticity of the statements appearing in the school books, used by the Education Department, that the Engineer-in-Chief (Mr. C. Y. O'Connor) and Lord Forrest were the originators of the scheme for the supply of water to the Goldfields.

Having regard to the lateness of the session, I regret having to introduce the subject at this juncture. However, it is most necessary that this question be cleared up before it is too late. In my remarks I intend to be as brief as possible. When I spoke on this matter last week, my point was that the school history books used by the Education Department contained statements in connection with the origin of the Goldfields Water Scheme that were inaccurate. They

were statements which had been denied by the two persons most vitally concerned, and I produced evidence to prove this fact. I read a report from the Historical Society, which made an investigation into the matter, in order to substantiate my statement that that society had upheld the inaccuracies, even though it knew perfectly well that they were inaccuracies.

In reply to my statements, the member for South Fremantle, without question in good faith, introduced information no doubt supplied to him by the Historical Society, because that body has been parading that information for years, and everything he said has been said by it many times.

Hon, J. B. Sleeman: The Historical Society ought to know.

Mr. GRAYDEN: If those statements were true, they merely show that my charges were correct, namely, that the school history books are inaccurate and the society is perpetuating those untruths. However, it happens that the information supplied to the member for South Fremantle by the Historical Society had no bearing on the matter but, since those statements have been made in this Chamber, it is necessary for me to reply to them briefly. The hon, member mentioned a letter written by J. S. Talbot on the 8th March, 1894, and published in "The West Australian" on the 17th of the same month. The writer was a man who admitted having no knowledge of engineering difficulties. He spoke of water tower and a pipe-line. one will claim that was a practical suggestion and apparently no further notice was taken of it. The Minister for Crown Lands said they were pestered with applications. That is in "Hansard." He said they could not take any notice of any of them. There was a vast amount of difference between airy suggestions written without a knowledge of the subject and concrete practical suggestions with estimates.

It must be borne in mind that the supply of water to the Goldfields at that stage was in everyone's mind and every conceivable type of suggestion was made. The member for South Fremantle made reference to a gentleman named Maher. He was connected with a private syndicate that wanted water rights as a speculation. On the 4th October, 1894, according to "Hansard" of that

year (page 911) Mr. Throssell, in accordance with notice asked the following questions:—

- 1. Whether the Government had received certain proposals from Mr. Maher relative to the supplying Coolgardie with water from the Avon and Swan Rivers.
- 2. Had the Government made any inquiries from its professional staff as to feasibility of such scheme?
- 3. If so, would the Government make public such professional opinions?
- 4. Had the Government any intention of entering any arrangement with Mr. Maher on the matter?

The Director of Public Works, Hon. H. W. Venn, replied as follows:-

1, Yes; 2 and 3, No; 4, A private Bill will be necessary and if it is introduced and the terms are approved the Government would assist its passage.

The Government, from that reply, ignored Mr. Maher's application and said it had no intention to enter into any agreement The Maher syndicate with Mr. Maher. applied for water rights. What the scheme was I do not know. If we have this inquiry it will be for the Historical Society to produce evidence on that point, evidence that I have not been able to find. The member for South Fremantle said that evidence of that application was on the files of the Public Works Department. Evidence of applications for water rights is on the files. There is evidence of many other claims for water rights, but there is no evidence on the files of the nature of the suggested scheme. It is one thing to claim a water right and another to put forward a practical scheme. It is one thing to say that these documents are on the files and it is another thing to produce them. This is what the Historical Society had to say in "The West Australian" on the 17th September, 1947, in connection with that application which is supposed to be on the file-

2. The first departmental record of a scheme to pump water from a coastal area to the goldfields is referred to in an official file—Lands Department 2072/94, attached to P.W.D. File 10704/10. It is a scheme proposed by Mr. John Maher on September 4, 1894.

That is the matter to which the member for Fremantle made reference. The Historical Society has published the statement that that evidence is on the files. Hon. J. B. Sleeman: It was not the member for Fremantle.

Mr. GRAYDEN: I am sorry: I meant the member for South Fremantle. I can tell him that I had a good look at the files and at all the files in any department that might be relevant, and what I found did not enhance my opinion of the Historical Society.

Hon. A. A. M. Coverley: They spoke very well of you.

Mr. GRAYDEN: The record referred to was not the original. It was only a copy, and a typewritten copy at that. It dealt in generalities only and made reference to a railway line that did not even exist at that time—the line from Southern Cross to Kalgoorlie.

Mr. Fox: It existed to Southern Cross.

Mr. GRAYDEN: To Southern Cross, but That copy was not even not beyond. signed. Instead, it had someone's initials. That is the report that is so often referred to. If anyone has the original of that document, it must be produced before any eredence can be given to it. There are original letters referring to water rights-plenty of them. It is the evidence of a practical proposal that the Historical Society must bring forward; but the society must not continue to speak of originals on the files of the Public Works Department that do not exist. as it has done in this case. The society has apparently conveyed that information to the member for South Fremantle who, in good faith has accepted its statements. Before I leave this point, the hon. member read from a copy of an alleged telegram to England by that syndicate asking for quotes. It does not affect this issue but I trust he will be able to produce that original or evidence of it. It is obviously not sufficient to read from a document without being able to substantiate it.

There are only one or two other minor points which remain to be cleared up and I can do this very briefly. The hon member mentioned an extract from the "Coolgardie Miner" of the 23rd November to the effect that Forrest had said at Coolgardie that if it were found that they could not get a sufficient supply of water by boring, he would favour a much larger and more costly scheme—viz., bringing water from the seaboard. The point in connec-

tion with that which the society has overlooked is that Forrest was referring to bringing water from Esperance. He intended boring there for water and had an engineer in Adelaide buying machinery. I can quote from the "Coolgardie Miner" of the 26th November, 1895, something to substantiate that statement—

They had to consider how best the town could be adequately supplied and he would like to have the advice of experienced persons here as to how the Government should solve the difficulty.

However the question had to be faced; then there was still the greater question of the supply for the mines. Both these things had to be obtained and it would be only reasonable and right that before an immense expenditure was gone into in procuring water from the seaboard the Government should exhaust all means within narrow range with that object. The Government intended to expedite deep boring in various parts of the district (Cheers) even although the effort proved unsuccessful. (Cheers).

Valuable information would be obtained.

report it is In that pointed and it is clear from other sources—that an engineer named Jobson was in Adelaide negotiating the buying of machinery for boring in the vicinity of Kalgoorlie and at That was the scheme referred Esperance. to by Sir John Forrest. The second point is that in his letter to Forrest, which appears in "Hansard" of the 13th August, 1896, Mr. Harper mentioned that he had been advocating this scheme for over two years, which would take it beyond the suggestion of the member for South Fremantle. point in connection with the statement by the member for South Fremantle, that if Mr. Harper had been the originator of the scheme he would have been at the opening at Kalgoorlie in 1903, is that Mr. Harper had just returned from South Africa and was an invalid in Perth.

In addition, it must be remembered that at least two Premiers had succeeded Sir John Forrest since the scheme had been put forward. I refer to the Leake and James Governments. In his speech the member for South Fremantle placed great stress on a letter from Mr. John K. Ewers, who he understood was a member of the Historical Society. The member for South Fremantle also said that he thought it desirable to have that letter in "Hansard." It was actually Mr. Ewer's book—which I have here—that started this controversy. Statements were

made in that book and apparently the Historical Society has been endeavouring to substantiate them ever since. Mr. Ewers' book is entitled "The Story of the Pipeline" and in it appears the following:—

Supported by Mr. H. W. Venn, who claimed to have first suggested the idea, O'Connor put forward his scheme. The proposal was greeted with derision. Who had ever heard of such a thing? Pump five million gallons per day to Coolgardie, a distance of over 300 miles, through 30 inch steel pipes? The idea was absurd, impossible.

That book was published 12 years ago and Mr. Harper was in Melbourne when he first He immediately returned to Perth, and that was when the controversy started. It is one thing to say nothing about such matters, and another to publish inaccurate statements about them, as happened in this In the letter from Mr. Ewers. which I have mentioned, he referred to an investigation into this matter by a Mr. Wilson, an officer of the Goldfields Water If Mr. Wilson had Supply Department. perused the report of the Royal Commission of 1902 he would have come to conclusions other than those that he reached. letter Mr. Ewers quotes Mr. Wilson as saying that O'Connor's preliminary figures for alternative schemes, to deliver 1,000,000, 5,000,000 and 10,000,000 gallons daily were in hand in September, 1895, and were completed in November of that year. Who is right, Mr. Wilson or the Royal Commission of 1902? In its report the Royal Commission said-

About the 4th of February, 1896, Mr. T. C. Hodgson wrote a report on a proposed reservoir at Hedge's Creek, Greenmount, and appears, from P. W. 1592-96, to have been employed at that time as an assistant to Mr. J. Muir on the preliminary work for the Cool-gardie Water Scheme. About the 25th April, 1896, Mr. T. C. Hodgson appears to have been employed on the design of the weir, because, on that date, he wrote a memo. to the Engineer in Chief's confidential clerk, showing he had it in hand vide P. W. File 619-96. Mr. Hodgson appears, almost immediately afterwards, to have been placed in full charge of the Coolgardic Water Scheme: Because, on the 1st June, 1896, Mr. O'Connor, the Engineerin Chief, wrote the following memo. to Mr. Hodgson:—Subject: "Coolgardie Water Supply. Proposed scheme of pumping water from reservoirs near Guildford, asking for data, as follows:---'

If the Royal Commission is to be believed —I see no reason to doubt it—it is obvious that Mr. Wilson is one year out. He stated that the three schemes were in hand in

1895, while the Royal Commission fixes that business as at 1896. I think it must be believed in preference to Mr. Wilson, who said the schemes were already in hand lin the previous year. I have answered the statement made by the member for South Fremantle in this House last week. If the schemes which were supposed to have been put forward were put forward, they never reached Sir John Forrest, or they were not practical enough to convince him. In his letter in "The West Australian" of the 14th November, 1935, Mr. Beveridge said that Sir John Forrest told him that he had to fight the scheme politically and departmentally. Those were the words of Forrest.

I would remind the Historical Society of another scheme that was put forward, and which for some reason or other it has disregarded. H. J. Saunders and G. Gray, men of good standing, applied through the Attorney General, Mr. S. Burt, for a water right at Guildford to supply the Goldfields, early in September of 1895. That proposal was turned down by the Government and the correspondence is in the Colonial Secretary's office. With reference to all schemes with which the Government was pestered and all the applications for water rights for this and that, the attitude of the Government was that they were impracticable, as is shown in "Hansard" of October, 1895. It was further stated by Forrest, at Hannans, one day before he went to Kanowna, that he did not have a scheme. At the banquet to which I have referred Sir John Forrest said again, as is reported in "The West Australian" of the 27th of November, 1895-

One of the greatest difficulties to be grappled with is that of water, and one of the chief objects of my visit is to find out how best the Government of the Colony can assist in the matter. The difficulties to be encountered with regard to the scarcity of water will, I believe, be overcome, although I cannot say how. What a transformation there would be if the district had a stream of fresh water running through it. How a supply can be obtained I repeat, I cannot say, but it must be secured.

Are those the words of a man who had a concrete scheme to put before the people? The money would have been frittered away on a nebulous scheme such as that at Broken Hill, where recently, after 60 years, the miners threatened to go on strike if water was not brought from the Darling. Sir John Forrest's statement, which I have

read, cuts right across these previous proposals. I draw the attention of the House to a deputation that waited upon Sir John Forrest at Kalgoorlie, in connection with which a report appeared in "The Daily News" of the 26th November, 1895. That report contained the following—

Captain Oates asked that the Government set aside £10,000 to hore for water in the neighbourhood of Kalgoorlie. Mr. Moran, M.L.A., advocated a scheme of water supply by the construction of numerous covered-in tanks at Hannan's Lake, 7 miles distant.

It will be recollected that Mr. Moran was the member for the district. Next let me read a letter written by Mr. John Woolcock, who was present at the banquet at Kanowna. The member for Nedlands knew that gentleman very well and in a letter written to "The West Australian" under date the 6th November, 1935, that gentleman said:—

I have followed the controversy concerning the Goldfields Water Scheme in your columns with great interest, and I can support Mr. Harper's claim to have been the first originator of the Scheme.

So convinced was Sir John Forrest by Mr. Harper's speech at the banquet that at his invitation we adjourned to a private room in Donnellan's Hotel, where we remained discussing the question until long after midnight. With us was the late Jonathan Bray.

Sir John was so impressed by the lack of water on the field and the imperative necessity of providing it that he said, "Any suggestion you make will receive the careful consideration of my Government," and it was on this occasion that Mr. Harper gave him the more detailed account of his proposal to pump the water to the goldfields.

He asked Mr. Harper to furnish him with the approximate quantity of water required.

In talking the matter over with Sir John in the train from Adelaide to Melbourne in company with a member of the Federal Parliament. Sir John referred to it as "Harper's Scheme," and turning to me said, "You remember the night he suggested it at Kanowna?"

Sir John Forrest further referred to the matter on one occasion when Federal Treasurer. Having met Bray, Harper and myself, he invited us up to his rooms in the Treasury and I distinctly remember him saying, "Harper, it's your scheme."

If Mr. Reynoldson's contention that the scheme was in existence prior to Mr. Harper's suggestion of it at the banquet, it is an extraordinary thing that Sir John in his speech, or in the conversation afterwards, did not mention it.

I will go further and read a statutory declaration furnished by Mr. C. T. Faulkener, as followsI, Cecil Thomas Faulkener, of 34 Railway Street, Cottesloe, in the State of Western Australia do solemnly and sincerely declare that—

I was one of the company at a banquet held at the Criterion Hotel, Kanowna, on November 24th, 1895, tendered to the then Premier of Western Australia, Sir John Forrest.

Sir John said in the course of his speech: "I have been through the goldfields districts. I see you want water, and water you must have, but how to provide it I am at a loss to know."

Responding to the toast of the mining industry, Mr. Nat Harper said that water could be brought by pipe line from the Avon by a series of pumping stations and there would not be engineering difficulties of any magnitude to overcome.

Sir John Forrest displayed great interest in Mr. Harper's proposals, in which he estimated the cost to be £2,500,000.

Mr. Hegney: What is the date of that declaration?

Mr. GRAYDEN: It was made on the 15th December, 1942. The documents from which I have quoted cannot make it other than clear that on Sir John Forrest's arrival at Kanowna the stage was set. There was no scheme. Sir John was looking for a scheme, and at the banquet at Kanowna he found it. He was convinced and converted at that banquet, and not until then. In the circumstances, for the sake of future generations, the inaccurate statements should be withdrawn from the school books and my motion should receive the unanimous support of the House.

THE MINISTER FOR EDUCATION

(Hon. A. F. Watts-Katanning) [5.5]: I do not propose to ask the House to adjourn the debate on this motion, because the remarks of the hon, member today have only been, as I see them, in amplification of those he made before. I have taken some interest in those he made previously. It is quite beyond me to say whether the facts brought forward by the bon, member and also those statements which have been made by him which he regards as facts, are incontrovertible or otherwise. I am sure no Government would willingly allow a statement to be contained in books used, or provided, by the Education Department if it knew that those statements were not in accordance with fact in a matter which was of any historical importance. But I do not admit at this juncture-because I cannot-that the statements which have been so copiously referred to in recent debates as being in the

various publications of that kind, are inaccurate or otherwise. There is certainly plenty of room for doubt as to which gentleman of those who have been mentioned, was the actual originator of the scheme which now supplies the Goldfields and many other intermediate areas of the State with water.

To ask this House to agree to the appointment of a Select Committee at this stage would not be conducive to the result which the hon, member desires to achieve, nor would it be practicable. It would certainly have to be postponed until after the session had finished, because it would be necessary to provide shorthand reporters and other facilities for Select Committees of that nature, and it is also necessary to remember that the work of those reporters who are engaged upon the "Hansard" staff increases very substantially as the session draws near its end, although it is heavy enough at all times. In addition, a Royal Commission on the Railways is sitting, and another one may sit at intervals between now and the end of the year on other matters. So I feel sure that for that reason to ask the House to agree to the appointment of a Select Committee would be unwise.

I am, however, in a moment or two, going to make a suggestion to the hon, member with which I hope he will comply and which I feel will achieve the result he desires. When I say "the result he desires," I firmly believe that what he wishes to do is to get down to the actual and authenticated facts of this matter, which is one of considerable historical importance in Western Australia. The scheme in question was, I have no doubt, at the time of its origin one which had few, if any, parallels in the world. Today, of course, it is a comparatively common occurrence that supplies of water and, indeed, of all other commodities, should be taken over long distances in difficult areas by pipe-line, but at that time it was by no means a usual thing. It had the effect also of opening up in a way which could not otherwise have occurred, particularly at that time, the vast goldmining resources of the Eastern Goldfields, which have contributed not only to the State's financial wealth but also to the wealth of the people that we find here, and, indirectly, substantially to the development of agriculture and primary production in various parts of Western Australia.

A good many of those people who comout here for the purpose of looking fo gold have in their later years, and not through their descendants, contributed t the development of other portions of th State to a very great degree. So there i no gainsaving the importance of the wor that was put into operation at that time I would say that the future generations o Western Australia should be acquainted, s far as anyone can be acquainted at thi distance of time, with the facts as nearly as possible substantially authenticated b people of this country who are living in period not so very far removed from th actual happenings of that time. going on to say in regard to the suggestion for the appointment of a Select Committe that I question very much whether such a committee of members of this House is desirable medium for an inquiry of thi character.

There are people in Western Australi who are far better qualified to undertake a inquiry of this kind, men of letters and experience in investigation in what may b called literary and historical matters, and who are utterly unbiassed. Any such gentleman should not be associated with desire to bolster up the claim of one sid or another, but would, purely in the inter ests of fact, disclose the true position t the people of this State for all time. Whil I am opposed to the proposal that a Selec-Committee should be appointed to inquir into this matter, I am by no means opposed to the ascertaining of the true facts. Rather I think the idea of doing that in view of all that has been said and for the other reasons I have mentioned, i quite desirable. So my suggestion to th hon, member is this: If he will agree with the consent of the House, to withdraw the motion, the Government wil find an unbiassed and competent man o letters and ask him to undertake an investi gation into the questions that have been re ferred to by the member for Middle Swai and to which reference is made in the motion.

The Government will place all the facilities that it can at that gentleman's disposa and will provide him with all the relativisties that are found to be available. It will seek the co-operation of interested partie in order to provide him with any paper

that may be in their possession so that he may have an opportunity of exploring all avenues that the hon, member has mentioned, and any others that are in the possession of people now living, whether in their possession originally or in that of those who went before them. No obstacle, but rather every encouragement, will be placed in the way of the gentleman I refer to, who would be carefully selected for the purpose as being unbiassed in this matter, but whose judgment and ability would, in the Government's opinion, be undoubted. If the member is prepared to accept this suggestion, which is made in good faith and which would be carried out to the utmost of the ability of the Government, then I give him an assurance that as quickly as possible such a person will be found and requested to make the inquiry. If the hon. member is not prepared to accept the suggestion, then I reserve the right to oppose the motion.

Mr. GRAYDEN: I ask leave of the House to withdraw the motion.

Motion, by leave, withdrawn.

MOTION-LAND ACT.

To Disallow Abrolhos Islands Amended Bylaws.

HON. E. H. H. HALL (Geraldton) [5.17]: I move—

That amended by-laws Nos. 3, 6, 12, 13, 17, 18 and 20, made under the Land Act, 1933-1946, published in the "Government Gazette" on the 10th October, 1947, and laid upon the Table of the House on the 21st October, 1947, be and are hereby disallowed.

I have been requested to bring forward this motion, and I beg leave to read the following letter, dated the 20th October, 1947, which has been addressed to me by the Geraldton Fishermen's Association, Inc.:--

The Abrolhos Board of Control notified all professional fishermen occupying the surface of the Islands or having any structure on same, that they are required to pay a permit fee of 5s. per head per fortnight, or £5 per year, as a rexident fisherman as from the 1st July, 1947. I would like to advise you that the men concerned are those earning their living at crayfishing and have been for quite a number of years living on the Islands during the crayfishing season, approximately eight months of the year and have never previously been asked for any fees. I would also like to point out that the Islands occupied by the fishermen are not used as a tourist resort; therefore they are not causing any inconvenience.

The whole of the camps have been erected and are the property of the fishermen, and in no case has the Board of Control expended any money on the Islands for the benefit of the fishermen.

For your information, the fishermen have so far ignored the request, being of the opinion that the Board of Control have not the power to demand anything in the way of fees from professional fishermen occupying the surface of the Islands.

When it is taken into consideration, the fishermen have to pay Geraldton harbour dues, berthing dues, license for both men and boats, Association fees, it is conkidered they are taxed quite enough.

The Board of Control, we understand, are demanding this fee under the Land Act Section 34/1933, and we are given to believe (privately) that the Board are now endeavouring to get additional power under this section and that drafts sof the proposed amendments are to be brought before the House immediately (if not already been done).

Now comes the principal object of this communication. My Association desire and request that you will oppose any amendment to this section, giving the Board of Control any extra powers, especially in granting them power to impose any fees on professional fishermen or royalties on crayfish..

The W. A. League of Professional Fishermen's annual meeting will be held in Perth on 12 November. Our delegates have been instructed to bring this matter before the other delegates and are confident we will get full support from the League.

We therefore request that at least you will endeavour to get this Bill postponed until such time as the members of the league have discussed this mater and we feel sure we will have the members of Parliament from the other fishing centres supporting our requests.

Thanking you in anticipation,

Yours sincerely, W. W. Trigg, Secretary.

I sent this communication to the Minister for Lands and he was good enough to let me have the following reply, dated the 24th October, 1947:—

With reference to the attached communication from the Geraldton Fishermen's Association Incorporated, I have to advise you that the Abrolhos Islands Board of Control requested the amendment of the bylaws to cover the control of fishermen's camps on the islands. It was considered by the Board that it was necessary to exercise some system of control at that centre.

The request was referred to the Chief Inspector of Fisheries, who replied stating that the fee of 10s. per month (or £5 per annum) appeared reasonable, but that the Board should in return for this fee render service to fishermen by the erection of lights, beacons, jetties, mooring sites and sanitary service. He also stated that another service the Board

could render was to clear some of the passages to the anchorage ground by blasting the coral.

The Board of Control was advised that approval would be given to amend the bylaws, subject to the conditions set out by the Chief Inspector.

The amended bylaws were approved by the Governor-in-Council on the 1st October.

I suggest that perhaps a meeting could be arranged with the representatives of the Fishermen's Association, the Chief Inspector of Fisheries and the Under Secretary for Lands to discuss the question, with a view to trying to come to some amicable arrangement.

Yours faithfully,

L. THORN, Minister for Lands.

As time was the essence of the contract, I sent the Minister's letter to the Association, with a request that it be placed before the members and that a reply be sent to me. I have now received the following letter, dated the 3rd November, 1947, from the Geraldton Fishermen's Association:—

Yours of 27th October, enclosing Minister for Land's communication to you, duly received, for which I thank you.

The above-mentioned letters were read at our committee meeting last night, and I am instructed to advise you that the following motion was unanimously passed:—

"That secretary write to Hon. E. H. Hall opposing the proposed amendment of bylaw pertaining to the Abrolhos Board of Control charging fees to professional fishermen."

I have to advise that this Association was not consulted by the Abrolhos Board of Control about the alteration to the bylaw. Our first intimation that any alterations were being brought forward was given privately to several of our members. We then immediately communicated with you.

Two delegates from this Association will be attending the meeting of the W.A. League of Professional Fishermen at Fisheries Department, 108 Adelaide Terrace, Perth, on 12th and 13th instant, and they have been requested to get in touch with you with the object of having a meeting with the Minister for Lands and Inspector of Fisheries either on 14th or 15th instant to discuss the proposed amended bylaws.

Our delegates will also ask the delegates of the other League Associations to request their members of Parliament to support you (if necessary) in opposing the proposed amendments to bylaws mentioned.

Sorry to have delayed so long in replying to yours of 27th, but it was held over until our regular committee meeting.

Yours very sincerely,

W. W. TRIGG, Secretary.

I have discussed the matter with the Minister for Lands, who has given me to understand that he is not disposed to oppose the amendment keenly; but, in view of the fact that the delegates are now in Perth attending the conference mentioned in the correspondence, I have to move this motion. would the otherwise Ι miss tunity to bring the matter under the notice of the House. In any case, I shall be interested to hear what the Minister bas to

On motion by the Minister for Lands, debate adjourned.

BILL—GAS UNDERTAKINGS.

Second Reading,

HON. J. T. TONKIN (North-East Fremantle) [5.26] in moving the second reading said: This Bill, which I previously mentioned would be brought down, is now before the House. It contains those provisions which I previously said should have been included in the Minister's Bill. There is nothing new or original in the Bill the second reading of which I am now moving. All of its provisions have been obtained from existing legislation either in Great Britain or in the other States of Australia. There is not a single clause which is an innovation, so we can accept the position that the legislation embodied in the Bill has been adopted without protest by the people of Great Britain and of Australia where the various sections were enacted, because I am not aware of any protests having been made against them.

I emphasise that our legislation dealing with gas is very much out of date, and it is only right and proper that, now this opportunity is afforded us, we should take advantage of it and incorporate in our statutes the provisions which are operating elsewhere and which are regarded by those who know as necessary for the proper control and guidance of the gas-making industry. It has always been the practice of the British Parliament, in return for a monopoly of supply conferred upon gas undertakers, to exercise a rigid control over their finances. That is not just a flight of fancy; it is a fact. Whenever the British Parliament has conferred a monopoly of supply upon a gas undertaking, it has invariably imposed rigid control over the finances of the undertaking. We have not done that in Western Australia.

The gas companies in this State have right up to the present time enjoyed the greatest freedom, even though they possess a monopoly of supply and can do almost what they wish. The control imposed by the British Parliament on gas companies in Great Britain has been effected in two ways; firstly, by limiting the amount of capital which such companies could raise, and prescribing the method by which they could raise it, and secondly, by limiting dividends. We have done only one of those things here. We have limited the amount of capital that can be raised. From time to time we have altered the law to permit the Fremantle Gas and Coke Company Limited to increase its capital, but on each occasion the permission has been limited. The company has never been given the right to issue as much capital as it desired. So, in that particular, our legislation conforms to that of Great Britain. But there our control over the capital ceases.

Under the original statute, the Fremantle Gas and Coke Company Ltd. must offer the shares to its shareholders. As is to be expected, seeing that this is a monopoly, the shares have consistently risen in value so that today they stand at a considerable premium-13s. 6d. on a £1 share. new issues, when authorised by Parliament, represent a straightout gift to the existing shareholders. That has not been permitted in Great Britain since 1870, when it was enacted that new share issues had to be put up for public auction, and from that time forward we find in all statutes what is called the "auction clause" which makes it obligatory upon a gas company to submit its shares by auction when it proposes to issue new shares. The provision in the British legislätion has been followed in Australia, and so we get the auction clause in the New South Wales Act. I quote from Section 13 of that statute, which is No. 42 of 1935—

General provisions applicable to gas companies. Notwithstanding the provisions of any Act or of any memorandum or articles of association the issue after the commencement of this Act of any shares in The Australian Gas Light Company, the North Shore Gas Company Limited, the City of Newcastle Gas and Coke Company (Limited) or the

Mauly Gas Company Limited, shall be subject to the following provisions—

- (a) all shares so to be issued shall be offered for sale by public auction or tender, and may be sold at, above or below par;
- (b) notice of the intended sale shall be given to the Minister at least twenty-eight days before the day of auction or the last day for the reception of tenders, as the case may be.

And so it goes on. That statute is almost word for word with the British Acts passed after 1870, when the power to sell shares to shareholders was taken away, because Parliament thought the time had arrived when monopolies should not be such a close preserve, and members of the general public should be afforded an opportunity to purchase shares. So far as I can ascertain, this is the only place where a monopoly in the issuing of fresh capital to existing shareholders is still permitted. The second wav in which control over the finances of a company has been effected in Great Britain has been by limiting the dividends which such companies may pay. In addition, the price which they may charge for their gas may be fixed.

The Minister for Works: What was the maximum limit in that case?

Hon. J. T. TONKIN: I will come to that in a moment. The British Parliament also stipulates what amount may be set aside as reserves, because obviously if we take steps to fix the price and make no provision with regard to reserves, we simply permit the company to declare its maximum dividend and continue charging its high prices, and it can then put into reserves the excess profits which could later be distributed in some form or other. So, when the legislature took steps to limit the dividend, it also fixed the sum which could be set aside to reserves. If, after that, there was any surplus, it had to be returned to the consumers by means of a reduced price for gas in the following period. We have not attempted to do anything like that in Western Australia, although it has been done in other States.

When steps were first taken to limit dividends, the amount fixed was 10 per cent., but it soon became apparent that it was too high and it was subsequently reduced to 7 per cent. It stood at that rate in 1912, but since then it has been further reduced to a

general figure of 5 per cent., although in some cases it is 4 per cent. In New South Wales the dividend is limited to 6 per cent. on ordinary capital and 5½ per cent. on preference shares. It was in 1847—100 years ago—when the British Parliament arranged that the price of gas was to be reduced if profits exceeded a prescribed amount. It was done by the Gasworks Clauses Act, which I propose to quote. Section 30 of that statute provides—

The profits of the undertaking to be divided amongst the undertakers in any year shall not exceed the prescribed rate, or where no rate is prescribed they shall not exceed the rate of ten pounds in the hundred by the year on the paid up capital in the undertaking, which in such case shall be deemed the prescribed rate, unless a larger dividend be at any time necessary to make up the deficiency of any previous dividend which shall have fallen short of the said yearly rate.

So, steps were taken to ensure that there would be a level 10 per cent., year in and year out. I have quoted that section to show that one hundred years ago the British Parliament thought it necessary to limit the dividend. But I point out that in those early times gasmaking was still a risky business and was not the sound investment it is today. It could then be regarded as a speculation. So it is not to be wondered at that the investors were permitted 10 per cent. Section 35 of the same Act made this provision with regard to price—

In England or Ireland the court of quarter sessions, and in Scotland the sheriff, may on the petition of any two gas-ratepayers within the limits of the special Act, nominate and appoint some accountant or other competent person, not being a proprietor of any gasworks, to examine and ascertain, at the expense of the undertakers, (the amount of such expense to be determined by the said court or sheriff,) the actual state and condition of the concerns of the undertakers, and to make report thereof to the said court at the then present or some following sessions, or to the sheriff; and the said court or sheriff may examine any witnesses upon oath touching the truth of the said accounts and the matters therein referred to; and if it thereuopn appear to the said court or sheriff that the profits of the undertakers for the preceding year have exceeded the prescribed rate, the undertakers shall, in case the whole of the said reserved fund has been and then remains invested as aforesaid, and in case dividends to the amount hereinbefore limited have been paid, make such a rateable reduction in the rate for gas to be furnished by them as in the judgment of the said court or sheriff shall be proper, but so as such rates when reduced, shall ensure to

the undertakers (regard being had to the amount of profit before received) a profit as near as may be to the prescribed rate.

So, in 1847, the legislature of Great Britain limited dividends and made provision for a reduction in price if dividends exceeded the prescribed amount. We are, therefore, a long way behind in this State. Various methods have been adopted to control dividends and fix prices. There was the standard rate of dividend and then the sliding scale under which, if prices were reduced, the undertakers were permitted to increase their dividend without limit so long as the consumers and the producers, or the undertakers as they are called, shared in the excess profit. But in 1920, after a committee of inquiry had given some consideration to gas undertakings in general, the Gas Regulation Act was introduced which enabled companies to adopt what they called the basic price system. Since the 1920 Act, numbers of companies have adopted this method with the result that in 1938 more than half the gas in Great Britain was supplied under that system. It is a somewhat complex system in its provisions, but very simple in principle. A price which will enable the undertakers to obtain a standard rate of dividend is fixed. After making provision for depreciation, reserves, superannuation, co-partnership claims and the like, it provides that the surplus profits shall be divided as to three-quarters to the consumers and one-quarter equally between the gas undertakers and the co-partners.

Some companies in Great Britain are trending towards the adoption of the basic price as being an improvement upon the previous methods which have been used from time to time. The basic price system is fixed not on the price of the gas but on the total revenue received, whether that revenue be from the sale of gas or the use of gas fittings, from the issue of shares at a premium, or from any other sources. Upon the total revenue the price is fixed and so the company is enabled to depart from the basic price above or below, according to circumstances. The provision in the English legislation is that if a company should charge above the basic price then it shall not get more than the standard rate of dividend. If it charges below the basic price, then according to the amount of revenue of the company the standard

rate of dividend may be increased. Under those circumstances consumers will benefit by a reduced price of gas, and the employees of the company will benefit also as a result of receiving bonus shares, or some benefit from a co-partnership scheme.

There are three principles to be regarded in this system which are embodied in the Bill now before the House. Firstly there is the basic dividend, which is also a mini-That the company is enmum dividend. titled to get. Even though the price of gas should be increased above the basic price, the company is still entitled to get the minimum dividend which is prescribed. There is also the incentive payment; that is if the company will bestir itself, make use of the latest devices, take advantage of knowledge gained from scientific experiments and improve its technique, and so carn greater profits then its basic dividend or standard dividend can be increased and the consumers will benefit as well by a reduced price. Three-quarters of the increased revenue is to go back to the consumers and one-quarter to be divided equally between the company and the employees.

More than half the gas sold in Great -Britain today is sold on the basic price system. It was first authorised in 1920, and is now adopted by two companies, namely, the South-Metropolitan Gas Co. and the Commercial Gas Company, two very large concerns in Great Britain. The third provision in the basic price method is for the introduction of co-partnership schemes. has long been a principle of British industry to enable the employees of a company to participate in the profits. Lord Leverhume, I think, was one of the first who played a big part in the early years in this method of enabling employees to participate. Since his time other firms have adopted the principle and it is now fairly extensive.

Most of the gas companies have adopted a co-partnership scheme. The actual provisions in this Bill in regard to it have been taken from the legislation of Great Britain. Usually the British Acts of Parliament state what the basic price shall be, because the authorities have had such long experience of working it out that the undertaker is able to indicate to the draftsman the basic price which will enable him to earn his standard dividend. I am not in a

position to know that, so I cannot prescribe the basic price. I make provision that the price shall be fixed by the Electricity Commission after due regard to certain principles which are laid down in the Bill. Consideration will have to be given to the legitimate payments which could be made by the company, such as its expenses, and a calculation will have to be made so that a price can be fixed as the basic price.

The Attorney General: The price factors vary so much these days.

Hon. J. T. TONKIN: They do. Once the basic price is fixed after investigation there can be no hardship in regard to it, because it can be altered if circumstances are such as to show that it is impossible for the company to carn its dividend at that price. It is usually found that companies, because of the incentive payment sell gas at below the basic price, and do indeed succeed in achieving that object substantially. greatest, profits are being made in Great Britain by gas companies who are going out after business which involves selling gas at a considerable discount below the ordinary basic price. They enter into contracts with large manufacturing undertakings to supply gas at a reduced rate, and it is the profits from that supply which enable the companies to increase the standard rate of dividend. It is an encouragement to them to endeavour to supply gas at a price which will cause industrial establishments to make greater use of gas as a source of power.

The Bill introduced by the Minister the other evening, provides that gas companies will still sell gas by measurement on the basis of 1,000 cubic feet. That is the method adopted in New South Wales, Victoria, Queensland, and is still adopted by some companies in Great Britain. It is regarded by the Fuel Research Board of Great Britain as a principle that gas should no longer be sold on a quantity basis, but should be sold on heat content and they argue that, when gas companies were first formed, the idea was to supply gas as an illuminant and to measure it by quantity which was thought to be reasonable. When gas is required today, it is required for heating purposes. A person who buys gas wants to know how much heating energy he buys. He wants to pay for the quantity of heating energy he gets and not for the volume of gas. Since 1920 it has been the practice for more and more companies in Great Britain to sell on the thermal unit basis and the unit adopted was the therm, being 100,000 B.T.U. The price of gas as quoted in Great Britain is at so much a therm and not so much per 1,000 cubic feet. It is simply a matter of calculating how many therms are being purchased.

Once the calorific value of the gas being sold is fixed, and we know how many B.T.U to expect in a cubic foot of gas, it is only a matter of multiplication to find out how many B.T.U. there are in 1,000 cubic feet of gas, and we can easily calculate how many therms of gas have been obtained. The Bill provides that gas shall be sold on its calorific value, and the price shall be so much a therm or so much per 100,000 B.T.U. It may not be generally known, but so that members may understand what I am talking about, I propose to state what a British thermal unit is and how we get the figures 450 or 500 B.T.U. In case there are one or two members who do not understand this, I will take up a little time of the House in making an explana-The British thermal unit is the tion. amount of heat required to raise 1 lb. of water one degree F., that is to raise its temperature 1 degree.

Mr. Smith: In a given time?

Hon. J. T. TONKIN: Under standard conditions. When we say the calorific value of gas is 500 B.T.U. we mean that the combustion of a cubic foot of gas produces 500 B.T.U. I hope that is clear. It should readily be seen that when a person buys so many B.T.U. of gas, say 100,000, he is buying a certain quantity of energy. cannot be given less than the quantity which he is buying or be given more if steps are taken to see that the company adheres to the declared calorific value of its gas. That is why inspectors have to be appointed to examine the gas from time to time to see that the company is indeed supplying according to its declared quality. The Minister's Bill provides for that. It is improper for a company to sell gas which is supposed to be of a certain quality but is not, and continue to charge the same price for it. That is what has been happening in this State over many years. Despite the depreciation in quality the company has

been enabled to get the same price for its gas and has actually been overcharging the people in a way that is not permitted in any other type of business. If it were tried in any other type of business the proprietor would soon be in trouble with the law for overcharging, but it is permitted in the gas business.

The company has charged more for its. commodity than it is worth, if the price remains fixed and the quality falls. Minister's Bill will safeguard that, I hope, by making the company declare its standard and adhere to that standard within a certain limit of divergency. point I think a further provision is required, namely, that the quarterly average. calorific value of the gas supplied by the company shall not be less than the declared standard. Were that not so we could have a company that would be within the limits prescribed, yet below the calorific standard, for every day of the month, with the result that at the end of the month it would derive some very substantial benefit. is not intended and so has to be safeguarded.

I have explained that the Bill provides, in accordance with the basic price system, that excess profits shall be divided, threequarters to go to the consumer and of the remainder one-half to the employees of the company and one half in extra dividends to the company. That is in accordance with the basic price legislation of Great Britain. The Bill will limit the dividends of the gas company to 6 per cent. on ordinary capital and 51/2 per cent. on preference capital. That is exactly the same as is provided in the New South Wales Act, which has been operating for more than ten years. auction clause, which has been in British legislation since 1877, is embodied in the Bill, but it will not be obligatory on the company to use the auction clause in the first instance. If the company so desires, it may, upon obtaining the approval of the Electricity Commission, offer its new shares to its consumers and employees. If the company does not wish to do that, it will be permitted to offer the new shares to the general public by public auction or tender.

The preference given to consumers and employees is one with which many people would not quarrel. It appears in quite a number of the British Acts and is based on the principle that those who are providing the profits ought to have first chance to get a share of the business. Members of the public, not being consumers of the company, are not directly supplying any of the surplus profits or enhancing the value of the shares. Therefore it can be successfully contended that the consumers certainly have a prior right to consideration as compared with members of the general public for the new shares to be issued. If the company does not adopt this course, it will be obliged to submit the shares to public auction or tender in accordance with the provisions contained in the Bill. Those conditions are very similar to the ones laid down in British legislation, but with the difference that the improvements recommended by the Gas Committee of Great Britain Legislation have been incorporated in the Bill.

If there is to be a co-partnership scheme, provision must be made for the election of an employees' director. The provision in the Bill has been taken from a British statute and shows the conditions under which directors may be elected to the board representative of the employee copartners of the firm. Up to three employees, so long as they possess the qualifications mentioned in the Bill, may be elected to the directorate and exercise some say in the This is not obligatory on the control. company, but will be done only if the directors receive the sanction of the majority of the shareholders. I have explained the division of surplus profits, and as, in the event of there being surplus profits, there must be a division amongst the employees, it will be expected that some form of copartnership scheme will be inaugurated.

Another provision, something not altogether new to Australia, is that a company shall pay interest upon any deposits lodged with it. I have frequently heard people complain because they are required when arranging for a supply of gas or electricity, to lodge with the firm posit to cover contingencies. The dewith the posit remains company the depositor continues as a long as consumer, which may be a period of 50 years or more. The company has the use of that money free of interest, and although it may not be a large amount for each individual consumer,—the deposit may not be more than £1 or £2-if there are several thousand consumers each paying a minimum sum of £1, a very substantial sum of money is available to the company free of interest and upon which it may earn interest even if it merely leaves the money in the bank. This is not regarded as a fair proposition, and the New South Wales legislation provides for the company in such circumstances to pay the ruling rate of interest as declared by the Commonwealth Bank. I have embodied that principle in the Bill. Consequently, if the measure becomes law, a company will be obliged to pay interest upon any deposits left with it.

With regard to supplies of gas, it has been a frequent cause of complaint that consumers in districts that are not affluent have not been able to obtain a supply of gas, because companies have looked to those places where the return for the outlay is likely to be somewhat greater. In those circumstances, it is extremely difficult for people in poorer districts to get a supply. The company is not anxious to supply, and when a company has a monopoly, that is a bad state of affairs. The Queensland legislation contains a very good provision that I have adopted. It sets out that if any of 20 occupiers in a district desire a supply, they may make a request to some body—I have specified the Electricity Commission for a supply. Then the matter will be investigated and determined and if it is decided that the return from the gross sales of gas from the required extension would be not less than 20 per cent. per annum, the company will be ordered to give a supply. I think that is a good provision and I have embodied it in the Bill.

Then there is the question of the charge for meters. When the Bill was being drafted, I adopted a provision appearing in the most recent legislation as to how meter hiring should be charged. Members will find it in the Bill. Since the Bill was drafted, however, and as a result of the discussions in this House on other measures, I have come to the conclusion that it would be far better not to permit the charging of any Therefore I hope that meter hire at all. when the Bill reaches the Committee stage, members will permit an alteration to the clause to provide that no charge shall be made by way of meter rents. I think this will be found to be in conformity with the recommendations of the Gas Legislation Committee of Great Britain.

I know that the next provision is in conformity with those recommendations. It relates to pre-payment meters, commonly known as slot meters. The price for gas shall not be greater if taken through one of those meters than through an ordinary meter. For many years it has been the practice to differentiate and charge people who take gas through pre-payment meters a higher price than is charged to those who take it through the ordinary meters. Gas Committee of Great Britain has recommended that there should be no disparity, but that the price should be the same in both instances. It also recommended that the having consumers pre-payment meters should have the right to get their meters changed to the ordinary meters. That provision is included in the Bill.

The Bill also provides for the taking over of any gas company. I have already dealt with the principle on another Bill, the principle that a local authority shall be empowered compulsorily to purchase a gas undertaking on its structural value only and shall not be required to pay for goodwill. It will pay for the land taken at its fair market value and will pay for the buildings thereon a price that would be involved if the municipality itself had to establish such buildings. I hope this will be an encouragement to a municipality to take the necessary steps to acquire what after all is a public utility that should not be left in private I repeat what I said the other evening that the special committee appointed by the Liberal Government of Great Britain, after giving consideration to the state of the gas industry in the Old Country, recommended to the present British Government that gas undertakings be nationalised. According to "The West Australian" of a. week or so back, mention was made in His Majesty's Speech of the fact that the Government intended to adopt the recommendation and take steps to nationalise the industry.

The Minister for Works: That provision would not encourage private enterprise to embark upon gas undertakings.

Hon. J. T. TONKIN: I cannot see how it would discourage them because, to start with, they are to be guaranteed a certain rate of dividend, and if the undertaking is acquired—it can be taken over at any time now by the Government under its power of eminent domain—the company will get fair market value for its land and nobody can expect more than that—

The Minister for Works: Is there a guarantee in your Bill for the payment of a certain dividend?

Hon. J. T. TONKIN: Yes. I was saying that the company would get the fair market value of the land plus what the buildings and machinery would cost to put there. There is nothing unreasonable about that proposal. I move—

That the Bill be now read a second time.

On motion by the Minister for Works, debate adjourned.

Sitting suspended from 6.15 to 7.30 p.m.

MOTION—BANKING NATIONALISA-TION.

As to Commonwealth's Refusal of Referendum.

THE PREMIER (Hon. D. R. McLarty—Murray-Wellington) [7.32]: I move—

That in the opinion of this House the action of the Commonwealth Government in proceeding with its proposals for nationalisation of banking without first conducting a referendum calls for the strongest protest from this Parliament on behalf of the people of this State. The Commonwealth Government can claim no mandate from the people for such proposals which, in view of the controls over banking exercised under the Banking Act of 1945, are in no sense necessary or desirable and should not be imposed on the people without their assent. Therefore, this House calls upon the Commonwealth Government not to proceed with the Bill unless and until such a referendum of the Australian people has been held and decided in the affirmative.

In discussing this motion, it is not my intention to deal with the Banking Bill as introduced in the Commonwealth Parlia-Members know exactly ment. the provisions of that Bill are; they have beard a great deal of the debates over the air, they have read a great deal about the Bill and heard a great deal about it. This motion does not deal with the actual legislation, but asks that a referendum should be held before the legislation is put into force. As head of this Government, I feel I owe a duty to the State of Western Australia. When I say "I," I mean the Government.

Mr. Reynolds: We all do.

The PREMIER: The duty I feel I owe to the State is to do my utmost to try to bring about a referendum before the banking proposals become law. I have had numerous requests that a referendum should be held. I have also had numerous requests from organisations and individuals to hold a State referendum.

Mr. Triat: You refused one for the Upper House quite recently.

The PREMIER: I can deal with that matter. I do not think a referendum from the State point of view would serve any useful purpose; it certainly would permit people to register a protest, but before the referendum could be held the banking legislation in the Commonwealth Parliament would have been finalised. Therefore I do not see that any good purpose would be served by holding a State referendum. As members are aware, in a huge State such as Western Australia it would take a considerable time before the referendum could be held. As I have said, I have had many requests from various organisations and individuals to press for a referendum on this very vital matter.

Hon. J. T. Tonkin: How far would Christ have got if he had taken a referendum on Christianity?

The PREMLER: I want to give the people an opportunity to express their views. The member for North-East Fremantle is a believer in democracy, and I have no doubt—not the slightest doubt—that if the people of this State were given an opportunity to express their views through the ballotbox they would overwhelmingly decide against the banking nationalisation proposal of the Commonwealth Government.

Government Members: Hear, hear!

The PREMIER: Consequently, if we believe in democracy I fail to see how the House could do otherwise than accept this motion.

The Minister for Lands: The hon, member is not in favour of it himself,

Hon. J. B. Sleeman: Menzies did not believe in it at all.

The PREMIER: Apart from the very considerable pressure that has been brought

to bear by all sections upon the Commonwealth Government to agree to this referendum-

Mr. Hoar: A lot of pressure has been brought to bear on this Government.

The PREMIER: —I feel we must do something about it. As members are aware, petitions have been signed by scores of thousands of people from one end of the State to the other.

Mr. May: Nearly all of them have been inspired, too.

The PREMIER: The member for Collie says nearly all of them have been inspired, but does he regard the average person in Western Australia as one who just signs something that is thrown in front of him, or does he not give the average man and woman in this State credit for some sense of responsibility? I am convinced that the average citizen in this State has a sense of responsibility and does not sign the first thing that is put in front of him. Apart from the petitions which have been signed by scores of thousands of people, there have been protest meetings held from one end of the country to the other. These protests and petitions have been forwarded to the Prime Minister who, it is apparent, intends to ignore them.

I am told on good authority and believe it to be true that in quite a number of towns where these petitions have been circulated—and they have been circulated in about every country town in this State—a mere handful of people have refused to sign them; they have been signed by an overwhelming majority. I wish to say something about the Victorian elections. We have all seen the result of those elections. We know what brought them about.

Mr. Graham: The Upper House!

The PREMIER: Exactly! No-one will deny that, and it cannot be denied that the action of the Upper House in forcing this issue received the overwhelming support of the majority of the electors.

Mr. Graham: Nothing of the sort!

The PREMIER: Anyhow, let us take the Victorian elections. Other issues were brought in. Every effort was made to cloud this issue but the present Victorian Government insisted that banking should be the issue and made it the issue. So the

people had the right to say whether banking or some other question should be the issue. They overwhelmingly decided on the banking issue; and, as a result, the Government that stood for the proposals of the Commonwealth suffered one of the greatest defeats in Australian history.

The Minister for Lands: This Bill is crucifying State Labour and they know it!

Hon. A. H. Panton: There is no-one more pleased than you about that.

The PREMIER: There can be no possible doubt as to what is the attitude of the great majority of the electors of Victoria.

Mr. Triat: How many voted in favour of or against the Government? What were the total numbers?

The PREMIER: I cannot give the exact numbers but I think it is something like 200,000 against the Government.

Several members interjected.

Mr. SPEAKER: Order! We cannot have a chorus.

The PREMIER: I said efforts were made in Victoria to cloud the issue-very vigorous efforts-but they did not work. I met the former Premier of Victoria. When I went to the Premiers' Conference I was anxious to meet the Premiers of other States to see what sort of men they were, and I made many inquiries about them. The Government of Victoria was not defeated because it did not have a popular He stood high in the estimation of the people of that State. As a result of my visit to Victoria, I consider that the people of Victoria still have a very high regard for him. . But he did suffer his defeat because he supported the banking proposal of the Commonwealth Government, and for no other reason.

The Minister for Lands: He was crucified.

The PREMIER: Further, I am convinced of this also: If there had been a referendum in Victoria and no other issues had been introduced, the majority against these banking proposals would have been far greater than it was as indicated by the election. I do not think it is safe to ignore the feelings of the great majority of the people of any democracy. I feel sure that must have its reactions. Wherever we have seen the will of the people defied or ignored,

especially in democratic countries, the Government which has defied it has not lasted long. There is no question that the great majority of the people are being ignored and defied in regard to these banking proposals.

Mr. Graham: When did you discover that?

The PREMIER: I have discovered it wherever I have gone in this country and, if the hon. member has read the papers since the Victorian elections, I do not see how he can have come to any other conclusion.

Mr. Graham: You seem to have gained a lot of courage since Saturday.

Mr. May: A lot of money has been spent by those opposed to the proposal.

The PREMIER: I do not think it is possible to bribe the great majority of the electors.

Mr. May: Why did they spend all the money then? What was the purpose?

The PREMIER: People have the right to spend money on a cause which they think is just—every right!

Mr. Graham: Tell us why you did not introduce this motion last week or some time earlier.

The PREMIER: I intended to introduce the motion but to choose my own time in which to do so. I do not make any secret of that fact.

Hon. A. H. Panton: A very wise general. Mr. Graham: Cashing in on Victoria—or

The Minister for Lands: That does not worry you, does it?

Mr. SPEAKER: Order!

trying to.

The PREMIER: I am going to say with all the emphasis possible that this Commonwealth Government has no mandate from the Australian people to enact this legislation.

Mr. Graham: And you have no mandate to oppose it.

The PREMIER: And that is proved by the action of the people in Victoria on Saturday. If there was a mandate—which I deny—the mandate has been taken away.

Mr. Hoar: Why do you not go and live in Victoria?

The PREMIER: Because I prefer to live where I am.

Hon. A. H. Panton: Hear, hear!

The PREMIER: I was born in this country and I hope I will die here—but not too soon.

Hon. A. H. Panton: So do I.

The PREMIER: I know of only one Party which is solidly behind this proposal and that is the Communist Party. There is no doubt where that Party stands. It is 100 per cent. behind this proposal and is the only Party in Australia behind it. So enthusiastic are the members of that Party that in its little paper—someone gave me a copy last week—it advised the people of Western Australia to kick me out as soon as possible.

Mr. Hoar: That is not a bad idea, either!

The PREMIER: These proposals destroy the choice of the people. There are 1,400,000 people dealing with the Associated Banks, not because they are forced to but from choice only. If they wanted to go to the Commonwealth Bank tomorrow there is nothing to stop them-1,400,000 of themand I have no doubt that they are exceedingly hostile to the proposals of the Commonwealth Government and will make their influence felt throughout this country. have already been asked during the last day or two whether I am going to Melbourne to meet Mr. Hollway, the new Premier of Victoria, and Mr. Playford, the Premier of South Australia.

Mr. May: They reckon you are. The papers reckoned you were going.

The PREMIER: They know more than I do.

Mr. Graham: And Mr. McConnan.

The PREMIER: I said Mr. Hollway and Mr. Playford. I would like to meet both Premiers as soon as circumstances permit.

Hon. F. J. S. Wise: I will give you a pair if you want to go.

The PREMIER: Thank you! I much appreciate that and will probably accept the generous offer of the Leader of the Opposition.

Hon. F. J. S. Wise: That is a genuine offer.

The PREMIER: If I do go and meet those two gentlemen I will make them this promise on behalf of the Government of the State: That we will by every constitutional means do our utmost to prevent these proposals coming into operation.

Mr. Hoar: Have you talked to Mr. Chifley about it?

The PREMIER: What is the use of talking to the Prime Minister! I did talk to the Prime Minister and asked him to agree to a convention—and five Premiers supported me-to discuss Federal-State financial relationships. Through his spokesman he said he would not do so, despite the fact that six Premiers supported the motion, which was in the first place suggested by the Leader of the Opposition. Again, what is the use of my going to him when, in connection with our taxing powers, whose return was promised to us, he just said, "You are not going to get them back." That was the end of it. But, I appeal to the House to pass this motion because I say, without the slightest hesitation, that the overwhelming majority of electors of Western Australia is solidly behind it and we, the representatives of the people, should see that their wishes are carried out.

Mr. Graham: What good do you think the passing of this motion will do?

The PREMIER: It will indicate to Mr. Chifley what the Parliament of Western Australia thinks.

Mr. Graham: But we have no mandate.

The PREMIER: We have a definite mandate. Thousands of people are asking for this to be done every day. The hon. member has not been asleep. He would get a mandate in East Perth if the opportunity arose.

Mr. Graham: I have not received one letter.

Mr. SPEAKER: Order!

The PREMIER: I am going to move this motion, and I hope it will be carried by the House. If it is, I will then move that it be sent to the Legislative Council for its concurrence therein.

HON, F. J. S. WISE (Gascoyne) [7.51]: The Premier raised many points of interest and also much extraneous matter. The motion is framed with words to convey to

the Commonwealth Government the opinion of this Parliament. Many times in this Assembly, and in all the Parliaments of Australia, motions akin to this have been moved and carried, and conveyed to other Parliaments. The fact of their passing and representing particular points of view to other Parliaments and Governments has rarely, if ever, had any effect. The Premier answered his own arguments as to the advantages to be gained in carrying the motion and submitting it to the Common-The Rt. Hon. the wealth Parliament. Prime Minister has been implacable; his attitude apparently is irrevocable in connection with the decision that he has reached in regard to a referendum. has made that perfectly plear, and he did so prior to the passing of the second reading of the Bill, which is now an accom-The attitude of the Prime plished fact. Minister is very definite on the point. The Premier, in his own words, said, "What is the use of approaching the Prime Minister on this matter?" What is the use of personal representations from him? question has already been predetermined.

So, no matter what time is taken by this House or by the other House in debating the question, the result, in the event of the motion being carried, will be nil. No matter what representations are made, there will be no effect. There is no question that we cannot ignore the fact that if we carry the motion it will have no effect. It is quite within the right of this Parliament to give consideration to the point-and there is really only one point embodied in the motion -that the Commonwealth Government is to be called on not to proceed with the Bill unless and until a referendum of the Australian people is held and decided in the affirmative. I repeat, no matter how long we talk on this subject and plead for a referendum, the referendum will not be held. But since it is within the right of this House to consider the motion and carry it, it simply boils down to this, that at this stage the motion is one for this House to decide.

MR. BOVELL (Sussex) [8.56]: I wish to commend the Premier's action in bringing the motion forward. I am thoroughly in accord with the sentiments he expressed. I feel that true British democracy is at stake with the Commonwealth Government's pro-

posals to nationalise banks. I consider the Prime Minister has treated the Australian people with silent contempt!

Hon. J. B. Sleeman: Tell us what Mr. Menzies said on referendums.

Mr. BOVELL: I am not concerned with what he has to say on referendums, but what the people have to say. Socialism and Communism are the enemies of true democracy. I feel that the nationalisation of bankstep of the Commonwealth ernment is the first one towards socialistic state. It challenges all the freedoms known to British-speaking peoples; to the Anglo-Saxon race of this world. It challenges the freedom of speech, the freedom of the press, the freedom of religion, the freedom of the individual to pursue a life unfettered in private enterprise in the community in which he resides, and it challenges the right of the Australian people-

Mr. Graham: This is going to be good!

Mr. BOVELL: It is. It challenges the right of the Australian people to exercise their powers through the secret ballot! That is the greatest travesty on the freedom of British-speaking peoples that can be brought about by legislation. The Commowealth Government's Bill challenges institutions that have played an important part in the social, industrial and primary life of the community for 130 years.

Mr. May: Particularly in the depression times.

Mr. BOVELL: If members opposite paid a little more attention to what I have to say instead of interjecting so freely——

Hon. J. B. Sleeman: Tell us how much the banks have spent on it.

Mr. BOVELL: Members opposite talk of the depression. This is what Mr. Lyons, when Prime Minister of Australia said in 1934.

Mr. Graham: A political rat!

Mr. BOVELL: This is what that Rt. Hon. gentleman had to say:

Had it not been for these institutions-

that is the banks

—we should have been faced with complete and absolute collapse of everything worthwhile in our country. The banking institutions were the sheet anchor of this country during that period. He was there referring to the depression period. He went on to say—

They saved us from absolute and complete failure.

Those are the words of the Prime Minister at the peak of the depression.

Mr. Graham: Was that before or after he ratted?

Mr. BOVELL: It was my privilege to be a member of the staff of a bank—the bank of New South Wales—which has served this country for 130 years. It has grown year by year until today it is one of the largest financial trading institutions in the Southern Hemisphere. For the year ended the 30th June, 1947, the advances of the trading banks increased by £65,000,000.

Hon. J. B. Sleeman: What has that to do with the motion?

Mr. BOVELL: And Commonwealth bank advances increased by £3,500,000.

Hon, A. R. G. Hawke: This is an anti-climax!

Mr. BOVELL: The increase in the advances of the trading banks was due entirely to the confidence of the Australian community, and it must be remembered that all the people concerned had the right to approach either the Commonwealth bank or the trading banks.

Hon. A. A. M. Coverley: Tell us something about the trading banks.

Hon. A. R. G. Hawke: The member for Sussex was only a wage plug in a bank.

Mr. BOVELL: An analysis of the trading bank figures for the whole of Australia shows that there are over 1,400,000 current accounts, of which 1,127,558 are creditor accounts.

Hon, A. A. M. Coverley: What about the motion?

Mr. BOVELL: The staffs of the trading banks total 20,418, and of that total the number of enlistments during the 1939-1945 war was 8,474, of which—I regret to state—600 did not return. They paid the supreme sacrifice for democracy.

Mr. May: It is the only time they ever did.

Mr. BOVELL: In speaking on the second reading debate in the House of Representatives last night Mr. Chifley—

Mr. Graham: You have skipped a couple of pages.

Mr. BOVELL: I will go back to them in a minute. Mr. Chifley said, as reported in this morning's issue of "The West Australian"—

I know that the employees of the private banks have to serve their masters and no man can serve two masters. He cannot serve this Government and at the same time serve employers who are opposing, in some cases in very dubious ways, the proposals of this Government. No man can serve two masters.

Since when, in our democracy, has an elector had to serve the Government? I understood that I was elected to serve my electors. That is something that Caesar might have said in his day.

Mr. Rodoreda: What about Uncle Joe?

Mr. BOVELL: It is all the more devastating when such an announcement is made on Armistice Day, when we remember the sacrifices of the employees of the trading banks during the recent war and the 1914-1918 wàr. The motion moved by the Premier calls upon the Commonwealth Government to conduct a referendum and give the people what is their right under our British democracy. I want you, Mr. Speaker, and the House, to know what my electors think of the proposal of the Commonwealth Government to proceed with the nationalisation of Australia's trading banks without reference to the people. On the 27th August last the Cowaramup branch of the Farmers' Union, with 70 members present and only four dissentient voices, carried this resolution-

That the Federal member for the district, Mr. Nelson Lemmon, M.H.R., be advised that this meeting, with only four dissentients, is against the Federal Government's proposal to nationalise the banks.

Hon. A. H. Panton; What did Lemmon do?

Mr. BOVELL: On the 20th September, 1947, the Karridale sub-branch of the R.S.L. carried the following motion for transmission to Nelson Lemmon, M.H.R.—

We, the R.S.L. of Karridale W.A. wish to record our vigorous protest against the menace to the liberties for which we fought contained in the Federal Government's proposal to nationalise banking without prior reference to the people and we call upon you, our elected representative, to combat with all your power this attack upon democratic principles and procedure.

[HODEMPLI.]

Hon. A. H. Panton: And what did Lemmon do?

Mr. Leslie: That Lemmon will need some sugar, shortly.

Mr. BOVELL: On the 16th September last the Metricup-Willyabrup branch of the W.A. Farmers' Union carried the following motion—

This branch strongly opposes the nationalisation of trading banks.

On the 4th October last a public meeting held in the Regal Theatre at Busselton carried unanimously the following motion—

That this meeting of the citizens of Busselton and districts protests against the proposed formation of a Government monopoly of banking and demands that the proposal be submitted to the people of Australia by referendum hefore any attempt is made by the Federal Government to put this into effect, and that a copy of this resolution be sent to the Prime Minister, the Hon. Nelson Lemmon and the Rt. Hon. R. G. Menzies.

Member: Did Chifley acknowledge it?

Mr. BOVELL: No. The Rosa Brook branch of the Farmers' Union of W.A., on the 29th October last, carried the following resolution—

That Mr. Nelson Lemmon be advised that the Rosa Brook branch of the Farmers' Union favours a referendum on the nationalisation of banking.

Hon. A. H. Panton: Where is Rosa Brook?

Mr. BOVELL: I am surprised that a former Minister of the Crown does not know where important dairy farming centres are. At a public meeting at Margaret River on the 30th October last, the following motion was carried with only three dissentient voices—

Several members interjected.

Mr. SPEAKER: I must ask all members to give the hon, member a fair hearing. They will have a chance to speak in their turn.

Mr. BOVELL: The motion carried was as follows:--

That this public meeting of electors of Margaret River registers an emphatic protest against the nationalisation of banking and other industries by the Federal Government without first having obtained the authority of the people by way of referendum, and calls upon the member for the district and members of the Senate to have a clause to that effect inserted in the Bill.

Those are the sentiments of my electors. I have read to the House the motions that have been forwarded to me. Again I commend the action of the Premier in bringing forward this motion. I wholeheartedly support every word of it as I believe that true British democratic principles are at stake. I am prepared to do everything in my power to bring about a referendum on this most vital issue.

THE PREMIER (Hon. D. R. McLarty—Murray-Wellington—in reply) [8.10]: I do not intend to traverse the ground that has already been covered. The Leader of the Opposition seems to be quite sure that whatever legislation we pass will be disregarded by the Prime Minister.

Hon. F. J. S. Wise: I said it would have no effect.

The PREMIER: I know that the Prime Minister has decided to proceed with the Bill but, in view of the happenings of the last few days, I do not think that his decision is irrevocable.

Hon. A. H. Panton: He said last night that it was.

The PREMIER: Even so we still have a right to pass the motion, and I am hoping that it will have some effect on him. I believe that, if he shows reason, he will take notice of it and I suggest to the House that we pass it.

Question put and passed; the motion agreed to.

On motion by the Premier, resolved: That the resolution be transmitted to the Legislative Council and its concurrence desired therein.

BILL-FISHERIES ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. A. V. R. Abbott—North Perth) [8.12] in moving the second reading said: This Bill is very simple. It seeks to continue the operation of Section 36A of the Act for a further period of 12 months from the 31st December of this year. The section provides that the Minister may from time to time, by notice in the "Gazette," regulate, restrict or prohibit the purchase, sale or disposal

of any fishing gear, either absolutely, or apon and subject to such conditions, restrictions and regulations as may be specified in There are also some other such notice. provisions of a like nature. Up to the 31st December, 1946, there was provision under National Security Regulations to regulate and control the purchase and vending of netting and other fishing requirements. Those regulations lapsed on the 31st December, 1946, and, in order that the provisions might be continued, legislation was passed last year embodying the section to which I have just referred.

Hon. A. H. Panton: Do you think the crabs will take a referendum on this?

The CHIEF SECRETARY: The Chief Inspector of Fisheries has reported that netting, nets and cotton supplies are still in very short supply, and it is thought reasonable that what is forthcoming should be made available to the professional fishermen who need it to earn a living.

Hon. F. J. S. Wise: This is to control fishing material?

The CHIEF SECRETARY: Yes, fishing gear and fishing material.

Hon. J. B. Sleeman: More controls!

Hon. A. R. G. Hawke: More interference with the liberty of the individual!

The CHIEF SECRETARY: The department and the Government consider that this control should be continued for the purposes outlined, and I believe that it will have the support of both sides of the House. I am surprised at some of the comments from the Opposition.

Hon. A. R. G. Hawke: They are only friendly.

The CHIEF SECRETARY: The Bill proposes to continue these provisions for a further 12 months. I move—

That the Bill be now read a second time.

HON. A. A. M. COVERLEY (Kimberley) [8.15]: I do not intend to raise any serious objection to the Bill. I regret somewhat that it is necessary to continue this legislation. Not so long ago members on the Government side from the hustings accused the then Government of dilatoriness, of being plastered with cobwebs and doing nothing, and after the election the new Government.

ernment appointed a special Minister to inquire into the supply of various materials. Why the Honorary Minister has not been able to overcome the lack of fishing gear has me wondering. As a private member, she was one who was particularly opposed to control, and I think we should hear from her as to why it is necessary to extend the Act for another 12 months. If that explanation is forthcoming, there is a possibility that the House may agree to the second reading.

There are, of course, members of this Chamber who represent the fishing industry and may not agree with me, but I have expressed my approval of the Bill because I happen to know that, for a considerable time, there was a shortage of fishing gear that it was impossible to overcome. The limited supplies being imported were being grabbed by a few people, while the majority of professional fishermen on whom we rely for supplies of fish for food were unable to get their legitimate portion of the gear. Therefore, control of the sale was necessary under priorities so that each professional fisherman might get a fair deal. If that state of affairs still exists and continued control is necessary, another 12 months will do no harm. Without control, a section of the professional fishermen would not have been able to get the requisite gear to continue their operations.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—PLANT DISEASES ACT AMENDMENT.

Second Reading.

THE MINISTER FOR AGRICULTURE (Hon. L. Thorn—Toodyay) [8.22] in moving the second reading said: This is a small Bill designed to put the parent Act in order.

Hon. J. B. Sleeman: Is it on the file?

The MINISTER FOR AGRICULTURE: Yes. It has been passed by another place. Hon. A. H. Panton: Then it must be all right.

Hon. J. B. Sleeman: I hope it is different from the dried fruits measure.

The MINISTER FOR AGRICULTURE: According to a ruling from the Crown Law Department of the 13th of January, 1947, the payment of inspection fees under the parent Act cannot be enforced. A copy of this ruling is as follows:—

- (a) The Plant Diseases Act, 1914-1939 (Vol. 2 Reprinted) is directed to the control, including prevention and eradication, of disease.
- (b) To further control, powers are provided to preclude, among other things, the introduction into the State of things likely to introduce disease.
- (c) Non-payment of inspection fees does not come within the ambit of these powers.
- (d) They cannot properly be resorted to in order to enforce payment of fees.

The reason for the Bill is that some time ago a retailer at Kalgoorlie imported goods, including vegetables, which were inspected under the Act by the inspector at Kalgoorlie, but despite all efforts to recover payment he has failed to pay the necessary inspection fees. On the 15th October last the amount involved was £12 10s., and since that time other consignments have been imported upon which no inspection fees have been paid. Despite this, however, he can still import vegetables and fruit but cannot be forced to pay inspection fees. The object of the Act, among other things, is to preclude the possibility of introducing disease on fruit and vegetables from the Eastern States. A considerable amount of time is spent by inspectors on most imported lines to ensure their freedom from disease. The inspection fees are not high and I feel certain do not cover the actual time spent by inspectors on the work. A considerable sum of money is collected each year as inspection fees and if this particular importer is permitted to import goods without paying inspection fees then other importers will seek the same privilege.

Until recently it was thought that there was full power under the Act to collect these fees and therefore the ruling of the Crown Law Department came as a distinct surprise. The object of the Bill is to ensure that goods can be held until the fees are paid, and that if they are not paid within one month the inspector may dispose of the goods by sale

or otherwise. The definition of "plant" in the Act includes any part of a plant and extends to fruit. The goods in question would include fruit, plants, vegetables, etc. The department at present is in an unsatisfactory position. It is essential, in the interests of production in this State and in order to prevent the spread of diseases not now existing in the State, that inspections should be made and they must be carried out under the Act. The State is surely entitled to some little remuneration for these services. This Bill is designed to put the matter in order. I move—

That the Bill be now read a second time.

On motion by Hon. J. T. Tonkin, debate adjourned.

BILL—GOVERNMENT RAILWAYS ACT AMENDMENT.

In Committee.

Mr. Perkins in the Chair; the Minister for Railways in charge of the Bill.

Hon. F. J. S. Wise called attention to the state of the Committee.

Bells rung and a quorum formed.

Clauses 1 and 2-agreed to.

Clause 3-Amendment of Section 1:

The MINISTER FOR RAILWAYS: I move an amendment—

That in line 5 of proposed Division 2 of Part II. the figure "12" be struck out and the figure "13" inserted in lieu.

This is to rectify a typographical error.

Amendment put and passed.

Clauses 4 to 8-agreed to.

Clause 9—Repeal and new sections:

Hon, F. J. S. WISE: I have several amendments on the notice paper applying to this clause. The first deals with the number it is intended shall form the directorate. Proposed new Section 7 provides that the directorate shall consist of five members, and subsequently it specifies who those members shall be. My amendments are designed to provide that there shall be a directorate of three and not five, and that they shall be different in type and personnel to those proposed in the Bill. The Tramway Department is being separated from the railway administration as has already been done with the State Electricity Commission, and now the proposal in this Bill is to replace a single Commissioner, with greatly lessened responsibilities, by a board or directorate of five. While agreeing to the principle of a directorate, I sharply disagree with an unwieldy directorate of five to control this instrumentality and to be composed of people as specified in the clause.

On the second reading, I analysed the composition of this directorate, and the Minister did not very specifically reply to my comments. It is proposed that one member of the directorate shall be an engineer with a comprehensive knowledge and experience in the management, maintenance and control of railways, and the second is to be a departmental member with experience in the transport or administrative branches of the department. Those two members are to have permanency of appointment. At present, the appointment of the Commissioner of Railways must be ratified by Parliament, but it is now proposed to remove from the Act any authority for the reference to Parliament of this appointment or re-appointment. Instead of that, the Government will be obliged, if the clause is passed in its present form, to appoint a qualified engineer, no matter when the position of Commissioner of Railways or member of the directorate becomes vacant. One of the persons will, if this clause is passed as it stands, be selected in perpetuity from a panel, and he must be a qualified engineer.

But the most important thing necessary in the control of railways is to have someone with business experience, even though he knows nothing about engineering. It is proposed that instead of having an arrangement for this to be approved by Parliament the appointment is to be made by the Governor, and no retiring age is fixed. With regard to the second appointment, I consider there would be more practicability in appointing a person with the qualifications mentioned in this clause than is the case in connection with the first one. In addition to those two members, there are to be others nominated by different organisations approved and appointed by the Minister—people who have no knowledge whatever of railway management but who have a definite interest in obtaining concessions for those they represent. It is all very well for the Minister to talk of his abhorrence of political control when, of course, these people should be subjected to the closest Ministerial control in regard to the direction of policy.

The three people provided for in my amendment would furnish a compact directorate properly representative of sections which should be represented on such a body. They include a member with business experience to be a link between Treasurer and the railways, which is very important because, if there is one need greater than any other in the business control of the railways, it is to give an opportunity for a return to the principle of representation by a Government nominee, one directly representing the Treasurer in a department which is involved in such a large proportion of the State's revenue and expenditure. The railways can so influence the Bunget through the management thereof as to make the position of the Treasurer untenable, and therefore in these proposals which I have on the notice paper to vary the directorate from five to three, I am providing that one shall be at the time of his appointment employed in and have a knowledge of and experience in the transport branch or the administrative branch of the department.

The second one shall be a person with business knowledge, and he will represent the Treasury. The third, and this is a principle we adhere to, shall represent the different organisations connected with the railway workings. The difference between the proposal in the Bill and that which centres around my first amendment is that the board shall be reduced from five to three for many reasons but if for one more than any other, it would be because the board would be more qualified to control, in the interests of the Treasurer as well as the people, the railways with their £27,000,000 worth of capital. I move an amendment—

That in line 1 of Subsection (2) of proposed new Section 7 the word "five" be struck out and the word "three" be inserted in lieu.

The MINISTER FOR RAILWAYS: I cannot accept the amendment. It would destroy the whole purpose of the Bill. We on this side of the House consider that for the proper management of the railways it is essential to have certain interests represented on the board of management. We have two vital branches of the railway service and they are the engineering branch and the transport or administration branch. They each have a different outlook. I am not prepared to accept the opinion that it is not necessary to have an engineer on the

board, particularly in Western Australia where there are engineering difficulties to be contended with

Mr. Rodoreda: We have none here.

The MINISTER FOR RAILWAYS: That is the hon, member's opinion and not mine. In order that the viewpoints of both the engineering and the transport sections shall be adequately represented, it is essential that the two branches be included in the board of management. I agree that it does not say that the representative of either shall be chairman, and I agree also with the Leader of the Opposition who says that administrative ability should be the guide in selecting the chairman. Either of these people is available for selection as chairman under the Bill. I cannot accept the statement that while the representatives of the primary producers and the commercial interests would be influenced by their sectional interests only, the employees' representative would not. If any one of these sections is likely to be so influenced-and I do not say it is—they would all be.

I do not visualise, when appointing the representatives of these sections, selecting people who will simply be capable of voicing the claims of their own particular sec-Today we have announced in the Press that a certain gentleman has been selected to be the representative of the workers on the Arbitration Court. I venture to say that in making that selection the people concerned have chosen a man, who in their opinion, is most fitted for the position. When it comes to asking the Farmers' Union to submit names for selection to this board, I am well aware that the organisation will bear in mind the responsibility of the position. Certain people have already expressed to me the need to choose for these positions men who will be able to advance the general standing of the railways and not simply deal with their own interests.

There is ample evidence that the interests of the primary producers have not been properly looked after in the past so far as railway vehicles are concerned. Any representative of the primary producers, seized with the importance of his position would see, when a programme for the building of rollingstock came forward, that vehicles best suited for the conveyance of various produce would be constructed, and not simply

agree to the ordering of a certain number of vehicles regardless of their utility. I could not possibly agree to the representative of the primary producers being excluded from the board, any more than I could the representative of the employees.

Hon. F. J. S. Wise: You could still appoint a primary producer if he had sufficient business acumen,

The MINISTER FOR RAILWAYS: If the Leader of the Opposition were leading the Government and introduced this Bill I would give him credit for displaying a sense of responsibility. He would display it so far that if he received three nominations and he considered them to be unsuitable he would reject them and ask for another three.

Hon. F. J. S. Wise: Do you think a board of five is ideal, numerically?

The MINISTER FOR RAILWAYS: No. I regard five as unwieldy, but I cannot pick on any one of these mentioned here to be excluded. I, therefore, want to be on the safe side and make provision for the five representatives. I agree with the Leader of the Opposition when he states that the railways have a very influential part to play in the Budget of the State. But I would not say that it has in the past been mismanagement by the railways that has caused such a big draw on the State's finances. The Commissioner cannot increase charges without the sanction of the Government, which has not been forthcoming, and so we cannot blame the railway management for the drain the department has made on the finances of the State.

Hon. F. J. S. Wise: Would you rectify that position by agreeing to an increase?

The MINISTER FOR RAILWAYS: That is another question. It must be borne in mind that this Government has been in office only a few months, but there is a serious position that must be faced in the near future and the Government will not avoid it. However, we cannot attribute the present position solely to mismanagement on the part of the railway administration. For those reasons I cannot agree to the amendment.

Mr. RODOREDA: The Minister has said he is not wedded to a board of five members, but does not know which of the five to reject. He could well afford to drop the engineer member from the board, have no, engineering problems in our permanent railways in this State, compared with the difficulties met in Victoria, New South Wales and Queensland. We have no great mountains or rivers, and therefore practically no problems that do not come within the ordinary routine work of an engineer. The Public Works Department is led by a non-technical administrator, who sees that each division does its work. The technical problems are left to the technical men. I ask the Minister to consider rejecting the engineer member. I do not see any difficulty in one man representing both the primary producers and the commercial interests, as the latter are bound up with the former.

The suggested board is too large to deal with railway transport only. Had the Bill taken a different form there would have been a board of directors in the Cabinet. with technical men to look after the administrative side. However, we are now asked to agree to a board of five, representing conflicting interests. Each of them will be working only for the interests he represents, irrespective of the good of the undertaking as a whole. The directors of a private company are imbued with the idea that the concern must be successful and make profits, but the directors of a public utility, dealing with public funds and representing conflicting interests, will each be out to get the best deal possible from the public purse for the interests he represents. A board of three would work more harmoniously than one of five members, and I am sure an engineer member is not reauired.

Mr. HILL: I do not agree with the amendment, as I believe five is the minimum number for this board of directors. The Fremantle Harbour Trust, with a loan liability of £3,250,000, has a board of five. The Bunbury Harbour Board, with a loan liability of £750,000, has five directors.

Mr. Styants; But they are not full-time directors.

Mr. HILL: I do not think these would be full-time directors. The South Australian Royal Commission recommended a managing director and five other directors. The general manager of the South African Railways and Harbours, which is a much bigger concern, recommends nine members

on the board of directors, one nominated by the South African Agricultural Union, one by the Associated Chambers of Commerce of South Africa, one by the South African Federated Chambers of Industry, and one by the mining industry.

Mr. Rodoreda: What about the Victorian Railways?

Mr. HILL: I am not conversant with the position there, but the Canadian railways have adopted a board of directors. If we adopt the board proposed by the Minister we will be carrying out the policy generally recognised as best throughout the business world today.

Mr. STYANTS: When speaking on the second reading debate I said I was not in favour of an alteration to the administration of the railways, but of the two proposals now before the Committee, that of the Minister and that of the Leader of the Opposition, I prefer that which I think is the lesser of the two evils, the smaller direc-The Government is not attacking this problem from the right angle. I have often said that it is not mismanagement or inefficiency on the part of the railway administration that has caused the trouble, but the obsolescence of the plant given to the management and operatives with which to provide a service to the patrons of that department. The Minister has reiterated the necessity for an engineer who in all probability will be chairman of directors.

The Minister for Railways: Not necessarily.

Mr. STYANTS: I think he would be chairman, but at all events that is not material to my contention. It is said that he must be an engineer. An engineer of what? The present Commissioner is an engineer qualified the construction in branch, but has no knowledge of electrical engineering, or mechanical engineering as regards locomotives. While he might be competent from the constructional point of view, he does not fill the bill for what the Minister has in mind regarding the engineer to be on the directorate.

The individual envisaged by the Minister will require to be a superman if he is to perform the functions proposed, and in addition to being the administrative head of the department and, presumably, chairman

of the directorate, is to be required to go into such matters as are involved in the engineering side of the railway problem. Why should he have to do so? We have a Chief Mechanical Engineer who is paid £1.500 a year and a Chief Civil Engineer who also receives a similar salary. Surely it is not expected that the man to be appointed as administrative head of the railways is to tell officers, to whom we pay such high salaries, how they shall do their jobs! From the standpoint of the engineering qualifications of one of the two departmental representatives on the directorate, such a proposition is quite unnecessary. That is obvious, seeing that we have engineers who are specialists in their respective sections of the railway service.

As a matter of fact, it would be practically impossible to get a man with qualifications enabling him to fill a position dealing with all the constructional, mechanical and civil engineering phases. If a man possessed all those qualifications, he would not be content with a position for which £2,000 a year will be paid, but would be in charge of a railway service such as that operating in Victoria and South Australia where the Commissioners receive something in the vicinity of £5,000 a year, What advantage would it be, bearing in mind my contention that it is not the fault of the administration but the obsolescence of plant that causes the unsatisfactory service rendered by the railways, to have a representative of the primary producers or one representing the Chamber of Commerce on the directorate? While the representative of the primary producers might be able to tell his colleagues that the farmers' produce was not being moved as it should be. I do not think he would be able to contribute one iota towards the solution of the problem.

To provide the money in the first place and then the manpower, materials and equipment necessary for an service is the solution of the problem. not the appointment of five men to a directorate. If we had: 50 individuals on the directorate, the control would not be efficient than is the one-man system at present. I do not think there is any recommendation in favour of a representative of the Chamber of Com-Even if the representative were from the Chamber of Manufactures, he

could not assist in the solution of the problem. What contribution could he make that would result in obtaining better plant and equipment for the railways? Then again the Government's proposal for a directorate of five makes no provision for the commissioners being under the direction of the Treasury. In fact, the directorate will be entirely divorced from the Treasury. We must bear in mind that the deficit incurred by the railways annually bears a close relationship to the State deficit.

In the circumstances, it is highly desirable and necessary that the directorate shall be directly responsible to the Treasury. As I mentioned during my second reading speech, the Commissioner of Railways is the largest employer of labour in the State. He has between 9,000 and 10,000 employees. The revenue derived from his undertaking is in the vicinity of £4,000,000 per annum, and he can spend the revenue in any way he likes in procuring additional rollingstock, without any reference to the Treasurer at all. Some idea of how the money has been spent and the manner in which the railway accounts have been kept is to be derived from the fact that the Railway Department stated that its deficit for the six years prior to 1945 was approximately £1,600,000, whereas the Under Treasurer stated that a true bookkeeping record would reveal a deficit of €2,900,000.

To appoint a directorate that will not be directly responsible to the Treasury is, from the standpoint of the finances of the State, a colossal blunder. I trust some representative of the Treasury will be on the directorate, or failing that, that the directorate as a whole will be brought under the supervision of the Treasury in one way or another, which could be decided upon later on. I do not think there was any analogy in the instance quoted by the Minister when he referred to the representatives of the employers and of the employees on the Arbitration Court.

Hon. A. R. G. Hawke: There is no comparison at all between the two positions.

Mr. STYANTS: None at all. The Minister stated that if the primary producers had a representative on the directorate, a greater number of ventilated vans and other vehicles might be provided. My opinion is that it would not make a scrap of difference because the Commissioner of Railways and

his advisers have all along realised, there was a shortage of suitable vans and it has been because of financial considerations and, since the war terminated, of physical and material deficiencies, that the situation has not been relieved. I believe that if money, tradesmen and materials were made available, the present management would make a considerable improvement in the service. The Minister agreed that under the proposal in the Bill the directorate would be unwieldy, but he was at a loss to know who should be left off it. If he were to accept my advice, he would delete four of them and leave the present administration, providing it with the necessary equipment and money with which to do the job for which it is quite competent. As that proposal is not before the Committee, I think two of the representatives should be struck off, which would make the proposed directorate less objectionable than it is at present.

Mr. NEEDHAM: I support the amend-Big undertakings like the A.N.A. ment. and T.A.A., in which vast sums of money are involved, do not insist upon having a qualified engineer in charge. Experienced men are employed in the branches and, controlled by a capable administrator, those services are successfully. Similar control should suffice for our railways. It is ridiculous to suggest that the chairman should be a qualified engineer. I still maintain that a directorate of five would be too unwieldy and that the amendment moved by the Leader of the Opposition would ensure greater efficiency. I cannot see how the representatives of the sectional interests will be able to devote all their time to their duties or how they will be able to discharge those duties without bias, probably unconscious bias, towards the interests they represent. The Posts and Telegraphs Department has on its staff all sorts of engineers, and yet the man at the head in this State for many years was not an engineer.

The Leader of the Opposition suggests that one member shall have knowledge and experience in the Transport Branch or Administrative Branch of the department and one shall represent the Treasury and have had some commercial experience. I should like provision made for the representative of the Treasury to have consider-

able commercial experience, for we want a man of approved capacity, but even with the limitation entailed by the word "some," I consider the amendment to be far superior to the proposal in the Bill. I hope members will not be misled by the remarks of the member for Albany, but will heed the instances I have quoted. To provide for a directorate of five for our railway system is, in my opinion, absurd. If the amendment be accepted, it will be a step in the direction of making the measure workable and giving the board an opportunity of operating efficiently.

Mr. HEGNEY: I regret that the Minister does not intend to depart from the provision for a directorate of five. During my second reading speech, I spoke in favour of a board of management of three, and asked the Minister to outline the functions of the five members proposed by him. I would like the Minister, if he intends to reply, to explain the functions of these commissioners and to state whether their duties will be of a full-time nature or not. I cannot subscribe to the view of the member for Kalgoorlie that one-man control should continue. The time has arrived when we must depart from existing conditions. I ask the Minister to agree to a directorate of five members; if it is found after reasonable trial that this is not satisfactory and that a larger number is warranted, Parliament could make the necessary alteration.

There must be some radical alteration of the existing system. The Minister, by virtue of his office, should be chairman of the directorate. For many years past Ministers of Railways-I am not speaking critical or disparaging mood-have regarded more or less as rubber stamps. They have not had the same power as the Minister for Works or the Minister for workers' Education. A representative should be on the directorate; the time has come when workers should be given a part in the management of industry. would dispute the desirability of having a workers' representative on the directorate. Amongst the primary producing industries of this State, we have men of wide commercial experience and the Government could select one of them to act as the representative of the primary producers commercial interests. The Bill provides

that one of the members shall be a qualified engineer, but it is not stated whether he shall be a civil, marine, electrical or mechanical engineer. It is not essential that an engineer should be a member of the directorate, although I would not go as far as to suggest that the fact of a man being an engineer should preclude him from being a member. I hope the Minister will give further consideration to the proposal that the directorate should be one of three members.

Mr. ACKLAND: Unlike the member for Pilbara, I hope the Minister will be adamant in insisting that the directorate shall consist of five members. In 1945 Parliament passed an Act appointing an Electricity Commission, which is something very much smaller and of much less importance than is the Railway Department. We now find that members who are advocating that the directorate shall consist of three members said on that occasion that it was necessary to have seven members to control the electricity undertaking. I agree with members opposite that it is not essential appoint a man with railway experience to the directorate. In the district in which I am interested we have two railway running yards and the men employed there are disappointed and disgusted at what is going on in the railway service. They tell me that from time to time they put suggestions before the management, but that no notice whatever is taken of them.

Hon. J. B. Sleeman: Is there any merit in their suggestions?

Mr. ACKLAND: Certainly. These men know their work and are capable of making good suggestions. I favour the appointment of a representative of the unions to the directorate. By the same token, I believe there should be a member representing the primary producers, who are the biggest customers of the railways. I point out that an underweight of wheat of half of one per cent., with wheat at 16s., means an under-payment of £120,000. I have in front of me a list, which I received last June, of 87 trucks with their numbers. It was demanded that these trucks be re-weighed. In the total of that list there were 87 tons 5 cwt. of underweight wheat, and the railway management was not in the least concerned about it. With wheat at its present oversea price, that represents

£3,175 11s. 6d., money which was considered of no concern whatever to the railway management.

I have another list here which was put before me only last month. This shows that the loss of time caused entirely by railway management represented very alarming proportions indeed. It is considered a fair day's work for a man to load 50 tons, but, owing to delays caused in the Railway Department alone those men averaged 191%. tons of wheat per day. In a 13-week period between July and September this year, delays in the loading of wheat were caused to this extent: There were no trucks on 312 occasions; insufficient trucks on 378; no tarpaulins on 209; no shunts on 135; yards blocked on 63; no fittings on 16; and every one of those were attributed to railway inefficiency. With regard to the company that handles wheat alone, elevator delays consisted of 97 and rain stopped work on 52 occasions. If we had a primary producer on the directorate, he would be in a position to submit'the viewpoint of those people and see that those delays due to railway management did not occur and that the general efficiency of the department was speeded up.

Hon. J. B. Sleeman: Are you not going to put a woman on the directorate?

Mr. ACKLAND: I do not think there is any necessity for that, but a railway employee is essential to secure happy working in the department. Furthermore, those who are the biggest customers of the railways should have a representative on the directorate

Hon, A. R. G. HAWKE: I support this amendment for a reason somewhat different from several reasons advanced by other members. The Government, in this Bill in general and in this clause in particular, is casting away Governmental responsibility for the administration of the Railway Department. If there is one department that should be under direct governmental and ministerial control more than any other department, it is the Railway Department. Yet in this Bill, and particularly in this clause, the Government is not only going to hand control over to a directorate of five members; but, in addition, because of the proposed composition of the directorate, it is going to hand control of the railway system and its administration to outside interests and to outside people. That

is what this clause means when it is closely analysed. The directorate is not to be subject to the Minister. Therefore, the directorate will in many vital matters be master of its own business; will be able to make its own decisions, and to proceed to put into operation the policy which a majority of the directorate thinks should be put into operation. Of the five members of the proposed directorate, only two will be permanent employees of the Government. The other three will represent outside interests over which the Government has no control and no influence. So a majority of the members of the directorate will consist of representatives of outside organisations.

We have been told many times in recent weeks of the very large amount of public money-taxpayers' money-invested in the railway system, the amount being, I think, approximately £27,000,000. Yet the Treasurer and the other members of the Government are going to pass over a large amount of the responsibility for the railway system to a directorate, the majority of the members of which will be representing interests outside of the Government and only two members of which will represent the Government, as such. If the directorate were to be subject to the Minister, the argument against the proposal in this clause would not be nearly as strong as it is. There are other Government commissions and boards upon which the majority of the members represent outside interests, but in every such case the commission or board is directly subject to ministerial control. That is the great safeguard from the point of view of the Government and from the point of view of the taxpayers of the State. How the Treasurer can agree to the proposal in this clause regarding the composition of the proposed directorate is beyond my understanding. No responsible Treasurer or Government could agree to handing over the future administration of the Railway Department to a directorate, the majority of the members of which will represent outside interests.

Hon. F. J. S. Wise: I cannot understand the Premier's attitude.

Hon. A. R. G. HAWKE: If the majority of members of this board, representing outside interests, are influenced more by the requirements of the sections which they represent than by the interests of the Government and the State generally, they could land the Government into an unholy financial mess. While that was going on, the Government would not be able to do anything unless Parliament happened to be in session at the time, when emergency legislation could be drafted. In that case the Act could be amended to abolish the directorate, to alter its constitution or to bring it under the control of the Minister, which, in my opinion, is what ought to be done. The clause does not meet with my approval, nor does the amendment, but it is preferable to the clause.

It is almost too late to expect that the Government will look this matter squarely in the face and take upon its shoulders the responsibility it ought in the interests of the State and the taxpavers, but I still have a lingering hope that it will do so. Why should not the Government take the responsibility for the administration of the Railway Department as one of its direct and major concerns? I am convinced, from observation and experience, that the railway system will never be in a satisfactory condition, administered properly or give the service it should until there is direct governmental or ministerial responsibility taken for its administration. However, the Government has resisted that point of view up till now and will, I am afraid, continue to resist it. Why, I am not able to understand, except for the rather weak excuse put forward by the Minister that any such action would amount to political control.

The Attorney General: There will be the same ministerial control as there has been for the last 43 years.

Hon. A. R. G. HAWKE: Yes, but that has not been enough.

The Chief Secretary: It was enough in South Australia.

Hon. A. R. G. HAWKE: No, it was not. If the Chief Secretary were to study the South Australian Railways Act he would find his impressions about it are not correct.

The Attorney General: They have a good railway station.

Hon. A. R. G. HAWKE: It is because the amount of governmental and ministerial control has not been sufficient in the past, that I have urged the Government on more than one occasion to face the responsibility, and even at this late hour I ask it to do the right thing. That is the ultimate solution of the whole problem. The Government can fool around with directorates of five or three, or adopt any other expedient it cares to do. but it will still have the same railway problems developing from year to year, and it will still have to take all the blame attaching to the Government for weaknesses and deficiencies in the system and its administration. vet neither the Minister nor the Government will have the legal power to insist upon the necessary action being taken to overcome the legitimate grievances of the railway users. However, my chief objection is that this is an irresponsible clause inasmuch as it will, if agreed to, hand over to the members of the directorate, representing outside interests, the legal right and power to put into operation a policy which could be extremely dangerous to the Treasury of this State, and through the Treasury to the people generally. The amendment is certainly preferable to the clause although it is not the solution I desire to see adopted. I have, therefore, no alternative but to support the amendment.

Mr. NEEDHAM: It is because I think this clause is the most important part of the only important Bill brought down by the Government this session—

Mr. Marshall: Say, the important Bill.

Mr. Rodoreda: What about the tortfeasors' Bill?

Mr. NEEDHAM: For the reason I have stated I would like to see the measure leave the Committee in somewhat different shape from what it entered. The member for Irwin-Moore thought he had made a good point when he referred to the State Electricity Commission Act, which passed through this House last session, and which was introduced by a Labour Minister.

Hon. A. R. G. Hawke: That was not a point at all.

Mr. NEEDHAM: It contained provision for a board of seven. I remind the hon. member that the seven commissioners mentioned in that measure are not full-time, but part-time members, and had he read the preamble to that Act he would have seen there was no analogy. That was a measure to take away from the Commissioner of Railways an important part of his work and to lessen his responsibility. Despite that, the present Government proposes to put five men in the place of that one Commissioner. It has been said by members on this side

of the Chamber that sectional interests should not be represented on the directorate, and the member for Irwin-Moore said members on this side were one-eved. Under the amendment of the Leader of the Opposition one representative shall represent the Treasury and have commercial experience. Whichever way we look there is room for amendment. If representatives of sectional interests are to be appointed, why stop at the primary producers? We could include the Chamber of Manufactures and other interests, which would make the directorate still more unwieldy. Under the amendment the Government would be directly represented on the directorate. If this is not agreed to, and the Bill becomes law, the last vestige of ministerial control of the department will disappear. I hope the amendment of the Leader of the Opposition will be agreed to.

Mr. READ: I am not concerned whether there are three or five directors, but I cannot see how an engineer would be an asset to the directorate. Although expert in their own professions, engineers are notoriously had business men. I am concerned at the loss of ministerial control over the railways. The people should have some direct control over a public utility in which £27,000,000 of their money is invested. The member for Pilbara made the splendid suggestion that the Minister should be chairman of directors. That would ensure some personal control. I spent three hours vesterday endeavouring to obtain information from one department and was sent from one officer to another, but each in turn seemed to be absent for some reason. No-one in the department was sufficiently interested supply the information I required. Had I contacted the Minister concerned he could immediately have telephoned one of his officers and obtained the information that I The Committee should do somewanted. thing to rectify the position that exists and ensure personal control on behalf of the That would make the Bill more people. acceptable.

The MINISTER FOR RAILWAYS: The member for Northam wanted to know why the Treasurer should pass the whole of the control of the railway system over to this directorate, and concern has been expressed at a department, in which so much public money is expended, passing out of the hands of the Treasurer and under the control of a

board. No member who has spoken so far has pointed out how that is to happen. Those with a knowledge of the internal management of the railways realise that the Commissioner has to apply to the Minister for expenditure to be sanctioned.

Mr. Marshall: No, he has not.

The MINISTER FOR RAILWAYS: I could take the hon, member to the office and show him applications for the expenditure of £30 or £280,000.

Mr. Marshall: Not for buildings.

The MINISTER FOR RAILWAYS: If the expenditure is beyond a certain amount, it has to go before the Treasurer. What is the use of saying the Government is handing over the financial control? The position will be the same as now when the Commissioner has control over the management of his department. That is where I differ from members who say that the directorate must be subject to the Minister in every respect. Only when it comes to matters of policy and the expenditure of money has control to be exercised by the Minister, and that applies also to the raising of revenue. The railways are dependent upon fares and freights for revenue, and those charges cannot be increased or decreased unless the sanction of the Government is first obtained. Any such proposals have to be published in the "Government Gazette" and laid on the Table of the House.

The directorate will take control of those matters of which the Commissioner of Railways is at present in charge. In the circumstances, why say that the Treasurer is handing over control? The Commissioner of Railways has to furnish his estimates and if the Treasurer desires the proposed expenditure to be reduced, he has power to do it and has already exercised it. It is all very well to make the general statement that the Government is handing over the whole of the control to the directorate, but it is doing The position that nothing of the kind. obtained in the past will continue to operate. That should now be clear to the Committee.

Mr. MARSHALL: One of the greatest difficulties I find in dealing with legislation piloted by the Minister for Railways, is to get him definitely to fix in his mind what his attitude really is. One could scarcely believe that the Minister could make a statement, and yet, before the echoes had died away, say something absolutely contradic-

tory. It is very difficult to arrive at premises upon which to argue with him. It is true that the Minister has very limited control, and what control he has might be said to be confined to matters of Government policy only, to the acquiring of land, the construction of new railways, the excising or the creation of reserves for railway purposes and such-like matters. Those are the phases of railway administration where the Minister has some slight control—but there it finishes.

I challenge the Minister to place before the Committee the rulings that appear on the files from the Crown Law Department with regard to the authority he possesses. are three or four such rulings spread over a period of 35 or 40 years, and they do not differ. Each of the lawyers concerned ruled that the Minister's powers were insignificant compared with the full power involved in the management and control of the railway system. The Bill seeks to take further authority from the Minister, the Government and Parliament-yet the Minister did not say a word about it. I shall quote what he said on the second reading when he introduced this Bill and mentioned the powers of the Ministe:.

The CHAIRMAN: That is rather apart from the amendment.

The Minister for Railways: And quite useless.

Mr. MARSHALL: I desire to link it up with the directorate, which will have more power than the Commissioner at present possesses.

The Minister for Railways: Then show us how.

Mr. MARSHALL: This is what the Minister said-

That then is the position; and while certain matters have to be submitted to the Minister for his approval, that is as far as the Minister's authority extends.

Later on in reply to an interjection by the member for Leederville, the Minister said—
The Minister has no control whatever.

Hon. F. J. S. Wise: That is what he said all right.

Mr. MARSHALL: That is on record in "Hansard." Why does not the Minister get down to some definite premises and arrive at a decision on the point? When he does so, then for goodness sake let him stick to it, and members will know where they are. The

Minister said that he did not want authority to interfere with the Commissioner of Railways. I will have something more to say on that point when we consider a later amendment. In dealing with the one submitted by the Leader of the Opposition this evening, the Minister said he was not criticising the present management of the railway system; but if he is not doing that, why is the Bill before the Committee?

The Minister for Railways: I did not say that.

Mr. MARSHALL: That is what the Minister said this evening, and if he refers to the "Hansard" report, he will find that my statement is correct.

The Minister for Railways: I said the management could not be criticised for the financial position of the railways, which was the responsibility of the Government.

Mr. MARSHALL: Then I refer the Minister to "Hansard." I listened attentively and without doubt the Minister said he was not criticising the present management of the railway system. If there is no room for such criticism, why is the Bill here at all? If the present railway system is giving the desired results—

Hon. F. J. S. Wise: Why is the Royal Commission sitting?

Mr. MARSHALL: That is so. As a matter of fact, the Bill should not be here. I repeat the imputation I conveyed during my second reading speech on the Bill when I referred to the directorate, that the Bill was conceived in the Railway Department. I challenge the Minister to say where he will get an engineer with the prescribed qualifications outside the present Commis-No such engineer is available in Australia, and so it would be impossible for the Government to appoint anybody but the present Commissioner. There is no stipulation as to the sort of engineer who is to be appointed. Where this Bill was conceived is too obvious for anyone to miss. member for Northam expressed my views precisely on the proposed directorate. The Farmers' Union alone will have the right to suggest the primary producers' representative, but that organisation does not represent 100 per cent, of the primary producers of the State.

The Minister for Railways: Is there another organisation that does?

Mr. MARSHALL: Why should the Farmers' Union be singled out to submit a nomination?

Mr. Rodoreda: What about the pastora-

Mr. MARSHALL: Scores of primary producers are not associated with the Farmers' Union, and I think I shall be right in saying that the wealth produced by those outside the organisation is much greater than that produced by its members.

The Premier: I should very much doubt that.

Mr. MARSHALL: When the P.P.A. was formed, it had the temerity to include gold-mining as a primary industry. If the gold-mining, timber and other primary industries were included, the wealth produced by them would be mighty close to the volume produced by members of the Farmers' Union. Why should members of the Farmers' Union be recognised to the exclusion of the people engaged in those industries? Let us have a nomination from all concerned in primary production and not limit it to one section.

In the past this Parliament has always been consulted regarding the appointment of the Commissioner of Railways. privilege is now to be denied us. The Government will be able to appoint its representatives without any reference to Parliament and, consequently, if this measure becomes law, Parliament will have less power than it has at present. The Minister, when referring to the second reading debate, asked what right had he to tell the Commissioner of Railways whom he would appoint. Evidently the Minister does not know the provisions of his own Bill because he proposes to take from the Commissioner the power to appoint, punish or dismiss officials. There again we cannot pin the Minister down to anything.

The CHAIRMAN: I think the hon. member is getting away from the amendment.

Mr. MARSHALL: I think I am. Will the Minister inform us what are to be the functions of the directorate?

Hon. F. J. S. Wise: We asked him for that information on the second reading.

Mr. MARSHALL: Does he suggest that the representative of the farmers will be busily engaged listening to the many com-

plaints patrons have to make against the administration of the railways? This proposed directorate will function in the office. The employees' representative, knowing the whole of the ramifications of the railway system, will be able to make valuable contributions to the management. The same may be said of the representative of the primary producers. But the point is that the representative of the primary producers and the representative of the Chamber of Commerce will be representing sectional interests. What would the life of the primary producers' representative be worth if he failed to give favourable consideration to every request made by his own organisation? What would the life of the representative of the commercial interests be worth if he did likewise? They would feel obliged to concede the demands made by the sections which they represented.

Once the members of the directorate are appointed the Minister will have no control over them; they will be appointed for five years and, provided they commit no misdemeanour, will continue in office for that period. Nor will Parliament have any say whatever in the appointment of any member of the directorate. That is wrong, Power and authority were vested in the Commissioner of Railways some 43 years ago when there may have been some justification for it, but time has proved that to be wrong. No Minister would interfere with the running of the railways if everything was going well with them; it is only when something out of the ordinary arose that the Minister would be called upon to make a decision and . then he should take the opportunity to do

Hon. F. J. S. WISE: I am surprised at the Minister's attitude to the financial responsibility of both the present and the proposed administration. This very serious matter I am hoping to correct by the amendment now before the Committee and by a subsequent one dealing with the alteration of the personnel. I have no desire to adopt the attitude of an elder statesman nor do I desire to lecture the Government on the point, but I have had much experience in administration in this State and I venture the view that the construction of this Bill, however it was conceived, definitely suggests that it was not examined by men of such importance and responsibility as the Under Treasurer, because otherwise a Bill of this character could never have emerged. No opinion is recorded of a Treasury investigation into or comment upon the Bill. I am astounded that the attitude of the Treasurer is that this Bill will do, and that the Minister in charge of it is able to say that the Government is not losing any of the control over the railways which it now has. That is an entirely erroneous opinion,

There is no check by the Treasury and no check by the Treasurer on the expenditure made from revenue by the Commissioner and no check on the present Administration if it is desired to expend revenue on the railways. Reference is not made to the Treasurer. Therefore, in this amendment I am attempting to make sure that there is a direct link between the Government and the railways in the appointment of a Treasury representative, one with business experience, to be a member of the directorate. But it appears that the Treasurer is not interested. However, I suggest to him that he is going to be. I suggest to him that if there is to be a further relaxation of control of the accounts of the railways so far as be can direct through the Treasury how they shall be controlled, he may be, with a set-up of this sort, in a very serious plight insofar as railway finances are concerned. It is undeniable that it is the right, by virtue of the authority vested in him, of the Commissioner to expend from his revenue, and that authority is to continue with this directorate composed of people responsible to sectional interests, people whose main purpose will be to please and to serve those interests, disregarding entirely the attitude or the will of either the Government or the Minister.

So I plead with the Treasurer to have that part of the Bill we are debating theroughly examined by those who are competent to advise him, and I am certain that the result will be a serious criticism of the provisions in this clause, which will further weaken the position. It will be noticed that following this amendment I have another in which I propose that the directorate of three shall include one with a knowledge of and experience in the Transport Branch or Administrative Branch of the department, and one who shall represent the Treasury and have some commercial experience; and if the full Cabinet will, under the guidance

of the Minister, analyse what that means compared with the Bill as it stands, there is no doubt in my mind what decision the Government will reach. If, apart from that, it is previously referred to those who have the great responsibility under the Treasurer himself of keeping an even keel on the finances of the State, I am sure their report and recommendations will be absolutely opposed to this clause. I am certain that if we could see the papers that have been built up in the creation of this Bill, we would find there has been no reference at all to these officers.

I hope the Treasurer will realise the significance of the remarks I made in that connection on the second reading, and that at this stage he himself will thoroughly examine the implications of setting up, in the Minister's own words, this unwieldy directorate. I do not care to refer to the seriousness of this measure in view of the fact that a Royal Commission is inquiring into the administration of the railways, but that also is involved in this clause. Just what set-up will the Commissioners recommend? It is futile to suggest that all the problems and difficulties assowith the handling ciated this year's harvest, or with railway transport in general, are going to be overcome by the appointment of this directorate. not even be a panacea for those ills. It will not even assist in any material way in having another truck of wheat forwarded to the port, for the reason that this directorate of new blood will have to leave to those at present responsible for those arrangements all the responsibility in that connection, because the members of the directorate will have to spend at least some month's acquainting themselves with their responsibilities and with the internal workings of the organisation. They will be worried about the very points raised by the member for Irwin-Moore, and how to rectify them and how to avoid all the congestion and shortages to which he referred. Therefore, I hope in all seriousness that the Treasurer will realise what the implication of measure will be from the Treasury angle.

Mr. TRIAT: I think the Government realises I have always been in favour of a Bill that would provide for a board of management to control the railways. I can remember that, some years ago, when the

member for Geraldton was Premier, he decided to re-appoint the present Commissioner for a further period of five years. It was through an effort of mine that he agreed from the floor of the House to give consideration to the appointment of a board of management. At that period I decided I would vote in opposition to my own Premier because I did not favour the appointment of the Commissioner for another five years. I am prepared to support a Bill for a board of management but, much as I desire that, I cannot agree to a measure of this nature because I am not prepared, as a member of Parliament, to give away the right of Parliament to any body of men to handle the affairs of State without any check on them. We are proposing to appoint five men. They may be five good men: I do not know who they will be. surmise that two will be administrative officers in the railways, and in my opinion they will be men who have reached the age at which it is considered that public servants should be retired. Those men are going to be appointed to positions carrying no retiring age. They will be there for the balance of their lives unless they commit some misdemeanour or become weak in the intellect. But not many do that, on jobs of £1,000 to £1,500 a year. On the contrary, their intellect seems to be sharpened. other members of the directorate are to be appointed for only five years. They will represent sectional interests.

The man who is selected from the primary producers will be a wheat farmer; and, as I have said before in this Chamber, I suppose that no body of men has caused the railway administration more trouble than the wheat farmers of Western Australia. For many years, especially when seasons have been unfavourable or prices low, the State railways have been considered fair game by the wheat farmers, who have desired their produce to be carted at a very low cost. Even today, with a reasonably good harvest and a record price for wheat, farmers want super carted at less than cost. The sectional representative of that class will not be able to depart from the old idea. If he desires to put the railways on a decent footing and suggests an increase freight on wheat or super, his life will not be worth living. He will not be there long.

I do not know whether there is any power of recall of their representatives by any of these sections; but the life of this particular representative, if he made such a suggestion, would not be very happy.

Then take the representative of Chamber of Commerce, another gentleman whose interests are concerned with the favtransport of commodities ourable priority for commercial goods to be carted over the railways. He may be a very excellent man, but he will have a certain axe to grind. His job is to look after the interests of the people he represents. I do not know why any particular class of producer or customer should be singled out. What is wrong with the goldmining interests being represented? The goldmines produce 25 per cent. of the wealth of Western Australia, and have done for years past. They have been considered to have saved the State when things have been bad at different times.

Hon. J. B. Sleeman: They are the salt of the earth.

Mr. TRIAT: I do not know about that. When wheat fell to 1s. 10d. a bushel, gold retained its price and we did not have to seek markets for it. But no-one has suggested that the goldmining interests should he represented, and they pay top rates for There are no concessions for everything. those people, and they are good business I do not say that they should be represented. The people who should be on the board are a business man well versed in traffic, a representative of the Treasury, who can see to the country's cash, and a I would representative of the employees. subscribe to such a board. Would the financial expert of the House-the member for Sussex-be prepared to place the affairs of Western Australia in the control of five men and allow them to bring about a deficit of £2,000,000 in 12 months?

Mr. Bovell: I did not say that.

Mr. Marshail: He would have to find the deficit out of his own private banking account.

Mr. TRIAT: Is there anything in the Bill to prevent the directorate from committing this Government to a deficit of two or three million pounds? The Minister for Railways: There may be if you wait until we come to the appropriate part of the measure.

Mr. TRIAT: First of all the Minister wants to appoint two men for life.

The Minister for Railways: That is another amendment.

Mr. TRIAT: There is no safeguard to say that if these men bring about a deficit exceeding £900,000, we can dismiss them.

The Minister for Education: Why do not we dismiss the present Commissioner? There is a deficit of more than £900,000 now.

Mr. TRIAT: And we are going to perpetuate it by retaining the same man.

The Minister for Education: There is nothing about that in the Bill; it exists only in the imagination of certain members.

The CHAIRMAN: I think that is outside the amendment.

Mr. TRIAT: The amendment deals with the appointment of the directorate and, of the five members, three are to be appointed for five years and two for life. There is grave danger in that I am prepared to support the amendment. I hope we will get a board of management for the railways. It will not be able to do everything in the first 12 months, or may be even in the second or third 12 months, but I believe it will do a better job than the single commissioner has done in the past.

Mr. STYANTS: The Bill proposes that one member of the directorate shall be an engineer. I point out that there is no necessity for a qualified engineer to be a member of the board. As one who knows the set-up of the Ruilway Department, I want to explain just what an impossible suggestion has been made by certain members on the Government side, by the proposal that the appointment of a farmers' representative or someone to represent the Chamber of Com-

merce will overcome the insufficiency of trucks, or the fact that certain wool has not been shifted from a particular district. The matter of shifting traffic and dealing with passengers is vested in the Chief Traffic Manager's Department. He is the administrative head or sub-head controlling the whole of the traffic arrangements throughout the length and breadth of the State. Under him there is in each district a district traffic superintendent who superintends the traffic by means of telephonic communication with other district traffic superintendents throughout the State. He is in control of the movement of traffic in his particular district, and these districts extend over large areas. He has station masters at different points, and they act as agents and notify him of the traffic that has to be shifted from various stations. In addition to the station masters, we have, in the larger districts, goods agents.

All that set-up is responsible to the C.T.M. in Perth. If we put both the proposed representatives on the board, they will not be able to supply any further information to the C.T.M. than he now gets. To say because the district traffic superintendent has not given the notification, that the farmers' representative could tell the C.T.M. that he has half a dozen trucks of wool at Kojonup or a rake of wheat trucks to be picked up at Narrogin, is ridiculous. At any given moment of day or night the man in charge of the Train Control Office at the Perth railway station can tell, to within one mile, where any train in the State is. Of course, neither a representative of the farmers nor of the Chamber of Commerce could improve on that set-up. To appoint a board of three or five directors would involve considerable cost, as competent men could not be retained for £700 or £800 per year. The chairman would require at least the same salary as the present Commissioner, and the directors would require at least £1500 per annum, which is the salary paid to the Chief Civil Engineer and the Chief Mechanical Engin-The Secretary for Railways receives I would not about £1,450 per annum. object to the expense involved if I thought such a directorate would add anything to the efficiency of the present set-up. I say that there is at present perfect control in the railway system and that it is only lack of up-to-date plant that is responsible for the poor service at present being rendered.

On the engineering side there is C.M.E. in charge of the Midland Junction Workshops, with a salary of £1,500 per annum. He has complete control over the manufacture and repair of locomotives and the construction of rollingstock. He has an assistant who receives about £1,200 per annum. In addition to the C.M.E. there is that assistant engineer and then a workshops manager, who has charge, generally, of the workshops. That set-up is efficient and the appointment of a directorate would not produce one extra locomotive, truck or passenger coach. The C.M.E. realises that there is a shortage of locomotives and that 85 per cent. of those we have are beyond the economic life of 30 years. The attention of the Government has been drawn to the position by the Commissioner, who received the information from the C.M.E. The railway system has been starved financially for a number of years and now that the financial poverty has been remedied there is so great a call for manpower and materials in other avenues that the railways cannot get either the tradesmen or the material to carry out the necessary work. The present administration cannot justly be blamed for the condition that exists. The PR class engines that were built in 1936 and 1937 are now eight or nine years old, and it would be unreasonable to say there have been no advances in locomotive construction during that period.

It has been said that representatives of the farmers or of the Chamber of Commerce would have parochial views. Even so, if they could add to the efficiency of the service I would advocate the appointment of the full directorate proposed by the Minis-I believe an employees' representative would be in an invidious position. I think the Minister is sincere in saying that he would like to see amenities provided for the workers, and he knows that in most instances the amenities that exist are of the crudest possible order. The appointment of a directorate would not provide any extra amenities and we would still be faced with the position that now exists. When we view the entire magnitude of the Western Australian railway system, we must admit that it is small when compared with other railway systems in Australia.

One has only to notice the activities in the suburban areas in Victoria and South Australia to realise that the railway systems there are controlled by one-man managements. When some years ago the South Australian Government decided on a rehabilitation programme for its railway system, Mr. Webb was brought from America and provided with £7,500,000 or £8,000,000 for the task. It was a one-man job and he did it excellently, although many people thought at the time that he was spending too much money. Results have proved him to have been right, and today South Australia has an up-to-date railway system. To accomplish that a directorate of five was not required. When we view it in the proper perspective, we must appreciate that the Western Australian Government railway system is a small concern. We cannot do better, no matter how many we may appoint to the directorate, than is accomplished at present by the Commissioner and his heads of departments, with their efficient arrangements for the securing of information from the very limits of the system throughout the State.

Mr. HEGNEY: On two occasions I have asked the Minister to outline what the general powers of the directors will be. I would also like to know whether the five members of the proposed directorate are to be engaged on a full-time basis, or whether one of the five is to act as a manager and the others are to meet from time to time, deal with certain matters and then adjourn until the next meeting. The Bill contains no definite indication as to whether the directors are to be employed full-time or whether some are to be engaged part-time. It does not indicate whether the representative of the unions concerned is to continue as an employce of the Railway Department although selected as a director. No mention is made as to the salaries or allowances to be paid, although I would not expect that to be definitely stated. Some indication should given to the Committee as to the Government's intentions regarding these matters.

The MINISTER FOR RAILWAYS: It is proposed later on in the Bill that the Governor shall fix the remuneration for the directors. It is intended that the two railway men will be on a full-time basis and the others will be engaged on part-time duty.

Hon. F. J. S. WISE: I think the admission of the Minister makes it clear that the proposed directorate of five will be much

more unworkable than we anticipated. The Minister has not attempted to show how the advice of these people will improve the serious conditions that from time to time he himself has outlined. Now we have from him that, in spite of the board being unwieldy, which he admits, he insists upon its consisting of five members, two to be full-time members and three part-time.

Mr. Triat: There is nothing in the Bill about that.

Hon. F. J. S. WISE: Not a word. The clause under discussion and succeeding clauses as well are delightfully vague as to how their provisions may be applied. hope that my appeal to the Treasurer himself has not fallen on deaf ears and that he will scrutinise thoroughly the implications in the clause if the set-up is to be akin to the present one. As a matter of fact, there is very little difference between a director acting as the Commissioner does now and another acting as his general adviser, as the Chief Traffic Manager does now, the remaining three directors coming in from time to time to clog, I suggest, rather than to ease In introducing this legislathe machine. tion the Government has overlooked the very serious aspects raised by the conditions that are to be set up. From the angle of the Treasurer himself, he seems to have ceased worrying about it at all. There is a vital and crucial principle involved that is to be set aside unless this amendment. which is the first of a series, is accepted. I refer to the link between governmental administration and railway administration. submit to the Minister that the interpretation of his own words shows that there is to be little or no alteration in the set-up regarding the management of the system. If there is, where will it come from? It has taken us a long time to get from him any information as to the Government's intentions as to whether the directors are to be engaged full-time or part-time.

Mr. Rodoreda: That should be indicated in the Bill.

Hon. F. J. S. WISE: Yes. How is it to be done? By executive council action? I suppose it will not be a matter of days, but of months, and certainly well after the harvest is garnered, before the nominee members will be selected and appointed. Is that not so? How ridiculous it is. Hon. A. R. G. Hawke: The Attorney General told us that the Act might not be proclaimed.

Hon. F. J. S. WISE: How ridiculous it is to suggest that this directorate is to improve the situation! We are told this is to overcome all the difficulties now apparent and now developing. We are to have two full-time members, obviously two of the existing administra-I would not cavil at that provided the Government insisted upon retaining the fullest possible authority over this under-I cannot stress too strongly the importance of the link between the Treasury and the department. I hope the Premier will consider the clause seriously and get his Treasury officials to advise him and his Minister upon it. If he can show that he has the fullest concurrence of the Treasury, I shall be satisfied.

The Minister for Railways: That does not come under this amendment.

Hon. F. J. S. WISE: It is vital to the amendment.

The Minister for Railways: A subsequent amendment.

Hon. F. J. S. WISE: The proposal is to have three commissioners, one to be a representative of the Treasury. The Premier ought to rush that amendment with open arms.

Hon. J. B. SLEEMAN: The proposal to have two full-time members and three part-time members is foolish.

The Chief Secretary: Have you not heard of a board of directors?

Hon. J. B. SLEEMAN: The representative of the workers is to be a sort of hanger-on. I suppose he will be called off his train and be told that he is wanted to confer with the two commissioners. I would not agree to the worker's representative being attached to the hoard in that manner. He should be a full-time representative, one of the commissioners, and not merely a hanger-on. The trade unions will not agree to their representative being a hanger-on; they will insist upon his being a full time commissioner.

Amendment put and negatived.

Progress reported.

House adjourned at 11.15 p.m.

Begislative Assembly.

Thursday, 13th November, 1947.

PAGE	Bills: Redistribution of Legislative Assembly Seats.
	leave to introduce, amendment, Speaker's
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1916	Native Administration Act Amendment, 2R
1917	Royal Style and Titles, 2R., Com., report
1918	Licensing (Provisional Certificate), 2R
	Gas (Standards), Com., dissent from Chairman's
1921	ruling, dissent from Speaker's ruling

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

BILL—REDISTRIBUTION OF LEGIS-LATIVE ASSEMBLY SEATS.

Leave to Introduce. .

THE ATTORNEY GENERAL (Hon. R. R. McDonald—West Perth) [4.33]: I move—

That leave be given to introduce a Bill for "An Act to make provision for the better representation of the people of the State in the Legislative Assembly of the Parliament of Western Australia."

HON. F. J. S. WISE (Gascoyne) [4.34]: This Order of Leave makes it obvious that the Act, which is commonly known as the Electoral Districts Act, is to be repealed and a Rill introduced to become an Act in substitution therefor. The Electoral Distriets Act will be found at page 222 of the Standing Orders. Its long Title is similar to, but not the same as, the Title of the Bill for which the Order of Leave is sought, the difference being that the Title to the Electoral Districts Act, which provides the formula for the quotas of seats is, "An Act to make provision for the Better Representation of the People of Western Australia in Parliament." The Order of Leave for this Bill states that it is a Bill to make provision for the better representation of the people of the State in the Legislative Assembly of the Parliament of Western That is vastly different from the Act now in existence, as it circumscribes anything that may be done under the Bill, the contents of which we do not know.

The contents of the Bill are circumscribed to the provisions of the electoral law applying to the Legislative Assembly. It will be