of the Bill is the welfare of the natives, the intention being to keep them out of towns and undesirable places. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—COMPANIES ACT AMENDMENT (No. 2).

Second Reading.

Debate resumed from the 19th November.

HON. J. A. DIMMITT (Metropolitan-Suburban) [7.58]: I have no desire to speak at any length on this Bill. I think it has much to recommend it, in that it seeks to delete Subsection (5) of Section 147. I think that the history of the introduction of this subsection is well known to members. It was introduced actually to avoid repetition of a plan for evading taxation that was indulged in by a member of a company some years ago. It was done without any regard to the effect that it would have on a co-operative company or some of the smaller companies of which the directors are only small shareholders. I think the elimination of this provision will have a desirable effect and enable directors to trade with their own companies as they should be allowed to. I am hoping that the Minister will not proceed with his proposed amendment.

The Minister for Mines: I do not intend doing so.

Hon. J. A. DIMMITT: I am glad to hear that. I support the Bill.

Question put and passed.

Bill read a second time.

In Committee.

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

House adjourned at 8.3 p.m.

Legislative Assembly.

Tuesday, 25th November, 1947.

CONTENTS.

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

QUESTIONS.

LAND SETTLEMENT.

As to Esperance District.

Hon. E. NULSEN (on notice) asked the Minister for Lands:

What action toward the extension of land settlement in the Esperance District is in train?

The MINISTER replied:

The Director of Land Settlement has had prepared a plan for the establishment of a demonstration farm on the plains north of Esperance, and this matter is at present under consideration. Soil surveys will be carried out in conjunction with Commonwealth Scientific Industrial Research officers, and the extension of land settlement in the district will depend on the result of these investigations.

TRAFFIC OBSTRUCTION.

As to Charges Laid in Metropolitan Districts.

Mr. GRAHAM (on notice) asked the Minister for Police:

What number of traffic obstruction offences, for which charges have been laid have occurred in each suburb of the metropolitan area respectively during the last 12 months?

The MINISTER replied:

Armadale, 11; Bassendean, 1; Bayswater, 22; Beaconsfield, 14; Belmont, 1; Canning Bridge, 5; Cannington, 3; Carlisle, 8; Claremont, 29; Como, 14; Cottesloe, 15; East Perth, 79; East Fremantle, 8; Fremantle, 30; Guildford, 29; Gosnells, 5; Highgate Hill, 62; Inglewood, 145; Leederville, 62; Maylands, 56; Midland Junction, 169; Mosman Park, 10; Mt. Hawthorn, 5; Nedlands, 39; North Beach, 1; North Fremantle, 7; North Perth, 29; Palmyra, 1; Perth, 67; Queen's Park, 4; Rockingham, 1; Scarborough, 2; Shenton Park, 5; South Perth, 13; Subiaco, 21; Swanbourne, 6; Victoria Park, 11; Wembley, 52; West Perth, 34.

In reply to question asked by Mr. Graham on the 20th instant re number of charges of traffic obstruction laid, the figure shown for Perth Police Court was, through an error in addition, wrongly given as 722, instead of 822.

TRANS. TRAIN BOOKING ARRANGEMENTS.

As to Obviating Public Inconvenience.

Mr. NEEDHAM (without notice) asked the Minister for Railways:

(1) Has his attention been drawn to the Press reports of intending passengers to the Eastern States waiting in queues outside the railway booking office for inordinate periods, in some cases all night.

(2) If the Press reports are correct, what is the cause?

(3) If the supply of accommodation for all desirous of travelling by train to the Eastern States is not equal to the demand, will the Minister write the officers of his department to evolve a scheme which would obviate the necessity of intending passengers undergoing such ordeals and tests of endurance.

The MINISTER replied:

(1) Yes.

(2) The inability of the Commonwealth Railways to supply sufficient accommodation ex Kalgoorlie to meet the present demand, which is brought about by the Commonwealth Government terminating the migrant ship at Fremantle with 1,200 passengers destined for the Eastern States.

(3) Previous experience of schemes to overcome similar complaints have proved that personal application is the only satisfactory means of meeting the position from the point of view of both the travelling public and the department.

The public are advised per medium of the Press when only a limited number of berths is available, also notices are posted outside the door of the booking office to this effect, with a view to obviating people waiting for long periods to obtain bookings.

BILL—IRON AND STEEL INDUSTRY.

Message.

Message from the Lieut.-Governor received and read recommending appropriation for the purposes of the Bill.

BILLS (4)—FIRST READING.

1, Road Districts Act Amendment (No. 3).

Introduced by the Minister for Local Government.

2, Agricultural Areas, Great Southern Towns and Goldfields Water Supply.

3, Country Areas Water Supply.

Introduced by the Minister for Works.

4, Factories and Shops Act Amendment (No. 2).

Introduced by Hon. A. R. G. Hawke.

LEAVE OF ABSENCE.

On motion by Mr. Rodoreda, leave of absence for two weeks granted to Mr. Leahy (Hannans) on the ground of ill-health.

BILL—GAS (STANDARDS).

Third Reading.

Order of the Day read for the third reading of the Bill.

As to Recommittal.

HON. J. T. TONKIN (North-East Fremantle) [4.42]: During the second reading and Committee stages of the Bill I questioned the wisdom of the provision in Clause 9 dealing with the calorific value of gas, and drew attention to the fact that there was a very wide range provided, a minimum of 450 B.T.U. to a maximum of 550 B.T.U. Explanations subsequently given were not entirely satisfactory; and since the Bill passed the second reading Fremantle members have had representations made to them by business people who are large users of gas.

The Deputy Premier: Are you going to move to recommit the Bill?

Hon. J. T. TONKIN: Yes.

The Deputy Premier: What motion are you speaking to now?

Hon. J. T. TONKIN: To the motion that the Bill be read a third time.

The Deputy Premier: But that motion has not been moved.

Hon. J. T. TONKIN: I am not in charge of the Bill.

Mr. SPEAKER: Is the hon. member moving to recommit?

Hon. J. T. TONKIN: That is so.

The Deputy Premier: You should move to recommit the Bill straight away.

Hon. J. T. TONKIN: I have to make out a case. I cannot expect the House to agree to the recommittal of a Government Bill simply because a member on this side of the Chamber moves it.

The Minister for Works: Can you not move your own motion?

Hon. J. T. TONKIN: I prefer to speak first and move afterwards.

Mr. SPEAKER: Is notice of recommittal on the notice paper?

Hon. J. T. TONKIN: Yes. I propose to make out a case for recommittal and then submit the motion to the House, if I am permitted to do so. That is the way I prefer. Since the second reading of the Bill was carried, large gas users have made representations to Fremantle members pointing out that the equipment supplied for industrial undertakings is standardised for a minimum of 500 B.T.U., and that if gas of that calorific value is not supplied then the equipment cannot be used at maximum efficiency and that in some cases, if the deficiency of calorific value is great, then considerable alteration will be required to the equipment. I think that that is a pretty strong argument. Furthermore, we must have regard to the fact that the minimum standard for South Australia is 550 B.T.U. I quote from the Gas Act of 1924, South Australia—

> The quality of gas with respect to its calorific value shall not be less than 550 British thermal units gross.

South Australia is obliged to use for the production of gas coal of a similar quality to that used in Western Australia. South Australia has to import it from New South Wales and therefore is in no better position to produce gas than are the gas producers in Western Australia. If a minimum of 550 B.T.U. can be achieved by the gas companies in South Australia, it can be achieved by the gas companies here, because precisely the same coal is available in both instances. The minimum standard in New South Wales is also 550 B.T.U. The companies here are already supplying in excess of 450 B.T.U., which is the Minister's minimum, so there is no need to go back to that. The Fremantle Gas Company has assured me that it can maintain a standard of 475 B.T.U. with the plant it now has.

As the company proposes very extensive alterations—as a matter of fact, an entirely new plant, because the company plans to remove to another site and expects that its new plant will be the last word so far as gas-producing plants are concerned—then in my opinion it is a wrong step to prescribe so low a minimum, a minimum below that which is anticipated by the people who supply the various items of equipment which will be used by industrial establishments. There is a discretionary clause in the Bill which permits the Minister to allow a gas company to declare a standard other than the minimum if he has reason to believe the circumstances to be such that he should not require the minimum standard.

That being so, there can be no hardship whatever if Parliament prescribes a minimum which is recognised as the correct one and which affords the companies a reasonable opportunity to attain that minimum. But to prescribe for future years a minimum standard which is less than that already achieved has, of course, nothing whatever to recommend it, and I think we would be well advised to aim at a considerable improvement in the heating quality of our gas, not retrogression.

If we permit companies to declare a lower standard than they have already supplied, very little progress will be made in that direction. The big users of gas are genuinely concerned at the fact that the Bill prescribes such a low standard. They have indicated their concern to the Fremantle members. They have also indicated their concern to the Minister and they request that there should be an increase in the minimum standard. I think they are justified in making that request. We should endeavour to prescribe a standard which is better than that which has been supplied by plants that cannot be characterised as being up to date, and the Bill prescribes for a lower standard. If this is to be a step forward with regard to purity and quality, let us make it a step forward so that we can achieve this object and make an alteration to the standard prescribed in the Bill. I move—

That the Bill be recommitted for the purpose of further considering Clause 9.

THE MINISTER FOR WORKS (Hon. V. Doney—Williams-Narrogin) [4.50]: I have no objection to the Bill being recommitted for the purpose of discussion on the points raised by the member for North-East Fremantle, although I am not in agreement with the aims of his amendments. I think the Bill as it stands, if enacted, will confer more material benefits on this State than if it is altered as he suggests, and I naturally do not feel like having it spoilt by his amendments, which would confer no benefits whatever upon either the manufacturers or the users of gas.

Hon. J. T. Tonkin: If you have no objection to recommittal, why not recommit the Bill and let us have the arguments then?

The MINISTER FOR WORKS: I thought the arguments put forward now were on the amendments. If that is not so, I am quite prepared to resume my seat.

Question put and passed; Bill re-committed.

In Committee.

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

Clause 9—Heating power:

Hon. J. T. TONKIN: I move an amendment—

That in line 6 of Subclause (1) the word "four" be struck out with a view to inserting the word "five."

The purpose of this amendment is to prescribe that the minimum standard of heating power shall be 500 B.T.U. instead of the 450 now in the Bill. The range to be provided for would then be 500 to 550 B.T.U. which is what is usually provided in Great Britain and elsewhere in Australia. That is a range of 50 B.T.U. between the minimum and the maximum. A wider fluctuation might cause difficulty in the use of standard equipment. A substantial increase or decrease in the quality of gas could easily have a harmful effect upon equipment supplied for gas of a certain quality. That is why in the British Acts of Parliament it is provided that before a company can make a big departure from its declared standard it has to give consumers reasonable notice. I have already given reasons why the standard should be 500 instead of 450.

The MINISTER FOR WORKS: I agree that high standards are, as a general rule, desirable. But to set standards too high to be reached and to provide for heavy penalties for not attaining those standards is not merely undesirable but appears to be extremely foolish. The member for North-East Fremantle wants 500 B.T.U. to the cubic foot. Would we get that standard merely by agreeing to it? I submit we would not, unless consumers of gas could be coaxed into a mood where they would be prepared to pay much more for their gas than they do at present. It is elementary knowledge that the higher the calorific value the greater the expense entailed, and a correspondingly higher price to the consuming public.

Hon. J. T. Tonkin: Yes, but people will require less gas.

The MINISTER FOR WORKS: Yes, that might be so. We do not boost the quality of gas merely by writing a figure on paper. I would be foolish indeed, merely because of a little pressure from members, if I were to agree to the 500 B.T.U. Nevertheless, the Committee might agree to the amendment. But were I to agree to it it would be merely to find later that in this workaday world, 500 B.T.U. would be quite out of the question. I cannot see why this is as imperative as the hon. member makes out. I cannot see what special advantages would ensue. The chairman of the State Electricity Commission is the official in charge of gas matters in this State. The chairman of the Perth City Council Electricity and Gas Department, Mr. Edmondson, is accepted as the State's expert in all matters appertaining to gas. I do not know of anyone who claims to know more. Mr. Fernie, who is in charge of the Department of Industrial Development, is a very able officer, and Mr. Rowledge is the officer in charge of our technological bureau. Mr. Donnelly, who has newly come here from the Old Country, is our fuel technologist, and might be expected to know more about gas in a technical way, if not in a practical way, than anyone else in the State save only Mr. Edmondson. These gentlemen have united in saying that the proper basis to set in this State in regard to calorific value is that of 450 to 550 B.T.U. I am not particularly fussy as to the 550. If the member for North-East Fremantle cares to move to reduce it by, say, 25 units, I would not greatly mind.

Hon. J. T. Tonkin: I am on the up and up, not the down and down.

The MINISTER FOR WORKS: If I could find sound reasons for agreeing with the hon. member I would do so, but he has not yet impressed me. The gentlemen whose names I have mentioned are surely vastly more qualified than is the hon. member to give advice on gas matters. The hon. member probably knows more about gas than I do, as I have only the information supplied to me by the experts, and he now says there should be a minimum of 500 units.

Hon. J. T. Tonkin: Not 500 units, 500 B.T.U.

The MINISTER FOR WORKS: They are British thermal units. I called them units.

Hon. J. T. Tonkin: The unit of the Perth Gas Company is 3,412 B.T.U.

The MINISTER FOR WORKS: This week the hon. member requires 500 B.T.U. When he brought down his Bill and when speaking on the second reading of my Bill he was content with the range applying in the Old Country. He said over and over again that 80 per cent. of the gas used there was on the 450-500 range.

Hon. J. T. Tonkin: I did not say that.

The MINISTER FOR WORKS: The hon. member should look up what he said, and he will find that what I say is correct. The first argument in opposition to raising the standard to 500 B.T.U. is that the Perth supply has been of a declared calorific value of 478 B.T.U. I do not know of any complaints of consequence from any industrial or domestic user. What added benefits will be derived from a standard of 500 B.T.U.?

Hon. J. T. Tonkin: Did the Minister say he had received no complaints?

The MINISTER FOR WORKS: None of consequence.

Hon. J. T. Tonkin: Did not the biggest gas user in Fremantle make a request to the Minister?

The MINISTER FOR WORKS: I was referring specifically to Perth. I admit that a gentleman at Fremantle saw the ex-Minister, and saw me also. When Fremantle has its new gas works in two or three years' time, its out-turn capacity will have to be demonstrated. If it is above the standard to which it now works we can easily amend the Act. In recent years Western Australia has received highly irregular quantities and qualities of coal from New South Wales. A standard of about 480 B.T.U. has been found by the Perth Electricity & Gas Department to be the most economical at which to generate gas from the raw material available. With the costs of coal and wages constantly tending to rise, every economy should be sought if an increase in the price of gas is to be avoided. All the other States will be using either Newcastle coal or its equivalent for the generation of gas and, being nearer to the source of supply, they will

be advantaged as compared with Western Australia.

Ultimately we may have to rely solely on Collie coal, and we do not want to set standards entirely out of reach of that coal. I believe experimental work to ascertain the value of Collie coal as a gas coal is under consideration, and may be in progress, and I am told that its prospects are good. When speaking to the measure now before the Committee the Leader of the Opposition mentioned an amendment, the effect of which would be not merely to lower the 450 B.T.U. standard but to wipe out the minimum, so that the future use of Collie coal for gas production would not be jeopardised. While in the Committee stage on the Gas (Standards) Bill the question of calorific values was pursued throughout and no member raised any objection to the standard laid down in the Bill. It is therefore plain that the matter was considered of no conwas subsequently.

Hon. J. T. Tonkin: How can you say that, when you wrote down a question that I asked you about it?

The MINISTER FOR WORKS: That was subsequently.

Hon. J. T. Tonkin: Then why talk nonsense?

The MINISTER FOR WORKS: I am not talking nonsense. On reading the report of the debate the hon. member will find that no mention was made of the need for increasing the calorific value. During the debate the member for North-East Fremantle said that 80 per cent. of the gas used in Great Britain comes within the 450-500 range, and he gave no indication of being in disagreement with such a range being adopted here. It must not be assumed that the other 20 per cent. of gas used in the Old Country exceeds the 500 B.T.U. mark. The range there is as low as 340 B.T.U., and I doubt whether there would be more than 10 per cent. of the gas above 500 B.T.U. There is a long list of the concerns turning out gas of between 350 and 400 B.T.U.

Mr. Marshall: That gas may be used for special purposes.

The MINISTER FOR WORKS: Possibly, and the gas of exceptionally high calorific value may be generated for special purposes. The member for North-East Fremantle was approached by a Fremantle manufacturer who said he was getting gas of 457 B.T.U., and that for his business he required 500 B.T.U.. He also approached me with what I think was the same plea. On inquiring I found that the gas he was getting was of a calorific value considerably less than 475 B.T.U.. He ascribed his difficulties to the wrong source. It was no fault of the company but just the fault of the actual supply position. Suppose the standard were raised, would it cure the ills referred to? Otherwise it would be useless to proceed with the amendment, and the Fremantle works must continue until, say, the beginning of 1950, when additional plant is installed and it is in a position to demonstrate its capacity. Under the Government measure, power is reserved to the Minister to require the company to improve its position progressively. By raising the standard to 500 B.T.U. we shall do incalculable harm to the Perth City Gasworks. The hon. member apparently thinks that, if his amendment is accepted, he will be disciplining the Fremantle Gas and Coke Company.

Hon. J. T. Tonkin: I do not think anything of the sort.

The MINISTER FOR WORKS: Is the hon. member sure?

Hon. J. T. Tonkin: Yes.

The MINISTER FOR WORKS: I have never known him to be anything but sure. He has no grounds for being so sure in this instance. Actually he is pointing the bone at the Perth City Council without realising it. So far as I am aware no major faults have been alleged. What the hon. member intends to do can only be described as domestic interference. The change required under the amendment would do much harm. The declared calorific value of the Perth works is 478 B.T.U., and I believe that everybody is satisfied with that, except for the stream of little complaints made to any undertaker. The amendment would substantially increase the price of gas in Perth.

Hon. J. T. Tonkin: People would get better gas.

The MINISTER FOR WORKS: They have not been complaining about the quality. In the Old Country, 80 per cent. of the gas consumed is of 450 to 500 B.T.U.,

the same as we have here, so we are not badly served. The standard required in the Old Country, I should have expected, would be higher than elsewhere. The hon. member now wishes us to adopt a standard required in only a few instances.

Hon. J. T. Tonkin: Do you think we are so much inferior to the South Australians?

The MINISTER FOR WORKS: How does that question arise?

Hon. J. T. Tonkin: Because the minimum standard there is 550 with the same coal as we use.

The MINISTER FOR WORKS: What has that to do with the inherent qualities of the people of Western Australia as compared with those in South Australia?

Hon. J. T. Tonkin: You are saying it is hard to produce gas of a minimum of 550 B.T.U. Yet South Australians can produce gas of 550 B.T.U. with the same coal, so they must be more competent than we are.

The MINISTER FOR WORKS: There are standards by which we are judged other than the production of gas. Because we cannot make gas of as high a value as that made in South Australia, the hon. member would have us admit inferiority. What few arguments I have submitted have been against a standard as high as 500 B.T.U. The same arguments would not apply to a rise in the standard to 475 B.T.U. and I am prepared to meet the hon. member halfway. No great harm would then ensue except that later on country gas units qualifying to come under the measure might require the exercise of considerable discretion on the part of the Minister, which I had wished to avoid. Short of that, there is no argument against raising the standard to 475. If the Fremantle manufacturer mentioned was assured that he could get 475 consistently, I think he would be satisfied. Probably not the lack of quality but the extreme variability of the gas has been worrying him. If the hon. member will withdraw his amendment, I will submit one to make the minimum 475.

Mr. READ: I support the amendment. I cannot see any argument against it and cannot understand why there should be any opposition to it. It proposes to fix a high standard for a commodity sold to consumers. If it is impossible at present to produce that standard, the power is in the hands of the Minister to deal with the matter. That is a safeguard against the argument that with local coal a gas of 500 B.T.U. could not be produced. If the Minister realised that the control would be entirely in his hands, he should have no hesitation in fixing the higher minimum. If any body of people approached him to say they were suffering a difficulty on account of the higher standard, it would be in his hands, with the concurrence of the Electricity Commission, to alter it. Other undertakings, started in country towns to produce gas from coal of low quality, would install plant and equipment accordingly.

Hon. J. B. SLEEMAN: The Minister, after listening to the member for Victoria Park, should understand the position. The power is in his hands and, unless he fears to trust himself, he has nothing to be afraid of. When the second reading was being debated, a standard of 450 to 550 seemed reasonable, but we are not gas experts, although we should know quite a lot about the subject by the time we have finished this debate. Evidently industries are going to suffer under the lower calorific value, for they claim that they cannot carry on successfully with gas of less than 500 B.T.U. The Minister is prepared to legislate for obsolete plant that cannot do the job.

The Minister for Works: That is covered by the Bill.

Hon. J. B. SLEEMAN: If there are any obstacles, there is provision in the clause to enable the Minister to overcome them. In face of that, why does the Minister want to argue? He can agree to the 500 B.T.U. and, if there are cases where that cannot be achieved, he can authorise a lesser figure.

Mr. FOX: I hope the Minister will agree to raising the standard to at least 500 B.T.U. We have been told by manufacturers in Fremantle that they cannot carry on efficiently unless they have at least 500 B.T.U. The Government should be prepared to encourage industries. Some manufacturers in Fremantle have ordered larger machines and are looking for extra space in which to install them. One big manufacturer finds it very difficult because the material being baked is on a chain which moves along and there must be a minimum amount of heat to produce a very good article. That company is competing with Eastern States manufacturers and should not be placed at a disadvantage. South Australia is getting coal from New

South Wales the same as Western Australia. I could understand if the Minister's argument had been put up while the war was on, and when there was an extraordinary demand for coal which was in short supply. In that case it may have been necessary to use some of the inferior coal. But I do not see why Western Australia cannot compete with South Australia in producing just as good an article. The Minister said it might be all right when there was a new plant, but they have the same retorts and they should be able to do it now. They do not carry on with bad retorts.

The Minister for Works: Why are they getting new plant?

Mr. FOX: Because they are not able to extend. They have not sufficient ground. There are manufacturers who are producing such things as tinware and they say that unless they have a good heat they are not able to do a really efficient job. The finish is not the same as in those articles manufactured under ideal circumstances. I hope the Committee will insist on the minimum being 500 B.T.U.

Hon. J. T. TONKIN: The object of the Minister's Bill is to set standards for quality and purity where for 50 years we have had no such standards. The Minister spoils his Bill by making the standard a lesser one than that which has already been achieved.

The Minister for Works: You did not object when the measure was at the second reading.

Hon. J. T. TONKIN: I am doing so now. When the second reading stage was under consideration I drew the Minister's attention to the range of 450 to 500, and said that I could see no reason for it and would like the Minister to ascertain the reason. I am not a technical man and do not know the particular virtue in 450, 475 or 500 B.T.U. other than this, that the number of B.T.U. in a cubic foot of gas designates its quality and the more B.T.U to be obtained from the combustion of a cubic foot of gas, the more heating power there is in that gas

People who want this better quality gas say that the gas being supplied at present is of such poor heating quality that it does not permit them to use their appliances to optimum efficiency. In order that they can use their machines, for which they have paid high prices, at optimum efficiency, they want a minimum of 500 B.T.U. which will meet the requirements for which the machines were designed. That is a very sound stand to take up from the consumer's point of view. As to the producer, the Minister wants the Committee to believe that to ask gas producers in Western Australia to produce a minimum of 500 B.T.U., is to impose a terrific strain upon them. In South Australia where they have to bring their coal from New South Wales the same as we do, the minimum is 550 B.T.U. per cubic foot, 50 more than we are asking the Minister to set.

The Minister for Works: And what about Victoria?

Hon. J. T. TONKIN: In Victoria the figure is 500, in New South Wales 550 and in Queensland 500. No other State has 450.

The Attorney General: Have they allowed a latitude in corresponding sections in the South Australian and Victorian measures? Can the Minister allow it to be 450 or 475?

Hon. J. T. TONKIN: Yes.

The Attorney General: Then it might be made 450.

Hon. J. T. TONKIN: It is quite possible; but the idea is that the Bill shall set a standard at which the company must aim.

The Minister for Works: Not at which they must aim. They must declare their standard at that or more.

Hon. J. T. TONKIN: What inducement will there be for them to do better if the Minister's standard prevails? They will say, "All we have to do is to produce 450 B.T.U. and we have been doing that for ten years."

The Minister for Works: You know better than that.

Hon. J. T. TONKIN: They have.

The Minister for Works: It is what they declare, is it not?

Hon. J. T. TONKIN: The Perth Gas Company has declared 478.

The Minister for Works: What about Fremantle?

Hon. J. T. TONKIN: That has 475.

The Minister for Works: No, 480.

Hon. J. T. TONKIN: The manager told me he declared 475.

The Minister for Works: I have the figures. It is 480.

Hon. J. T. TONKIN: That makes the position even better. If the Perth company has already declared 478 and Fremantle has declared 480, why prescribe a standard of 450?

The Minister for Works: I told you the reason. It was to allow the younger suppliers when coming in not to be under a penalty straight away.

Hon. J. T. TONKIN: They do not come under this measure.

The Minister for Works: Not at present, but they will come under the provisions.

Hon. J. T. TONKIN: There is a provision in this Bill which sets out precisely when a new company shall come under the standards. If it is producing sufficient gas to enable it to qualify to come under this standard there will be no reason why it should not comply with that because it would be big enough to do so.

The Minister for Works: That is what you say, but that does not make it so.

Hon. J. T. TONKIN: That seems to me to be logical. The very reason for prescribing a qualifying production of gas is so that small struggling companies will not be bound by law to meet the requirements of the measure. But it is based upon the principle that when they reach a certain size they will be required to comply with the standard. What use is there in prescribing a standard which is considerably lower than that already achieved? What we should do is to say to those companies which can now manufacture gas approaching 480 B.T.U.—

The Minister for Works: No, they cannot.

Hon. J. T. TONKIN: They are doing it.

The Minister for Works: Although the Fremantle declared standard is 480, they do not produce much more than 460 on an average.

Hon. J. T. TONKIN: That shows them up in rather a bad light if they are declaring 480 and producing only 460.

The Minister for Works: I am admitting it. I spoke of the extreme variability of the calorific values.

Hon. J. T. TONKIN: That is another argument. The Fremantle Gas Company has guaranteed a supply to one of the industrial establishments at Fremantle of 475 B.T.U. and to do it has put in a special main. Perth has declared 478. The Minister will know whether they adhere to that standard. I do not.

The Minister for Works: They do.

Hon. J. T. TONKIN: That is in advance of the 450 which is the Minister's minimum standard and is not far away from the 500. If we prescribe 500 as the minimum standard and the Minister is satisfied that under existing conditions the companies cannot attain that, he will not expect them to, but at least they would still know that they were expected to do their utmost to effect improvements and achieve that standard because that is the standard desired. I could understand the Minister's opposition if we were asking the Committee to prescribe for Western Australia a standard greater than that elsewhere; but we are not. We are asking to be brought up to the average standard of 500 B.T.U. and the Minister suggests that we should be content with something less than is the case in any other State. I can see no justification for that. As to the point that we may at some stage use Collie coal, I hope we do. But even if we can get a high calorific value from Collie coal, for many years we will not be in a position to spare any Collie coal for gas-making because we cannot keep pace with requirements for the other uses to which that coal is put. So is it sound commonsense to deny gas users a better quality gas simply because in the future—we do not know exactly when—it might be possible to gasify Collie coal?

We should set a better standard and induce the companies to achieve that standard. Then if in 10 or 15 years' time a process has been evolved that will enable us to use Collie coal, but of a lesser standard than 500 B.T.U., I am sure there would be few people in Parliament who would deny the Minister in charge of the department the

right to allow the standard to be changed so that Collie coal may be used. I cannot conceive that there would be the slightest objection to such a proposal. As that day is some distance off, we would not be justified in prescribing for Western Australia a lower standard than that enjoyed in the other States. The Minister cannot say that the conditions differ here. We have the same coal and the same technical knowledge is available, and yet South Australia has a minimum of 550 and we are asking for 500. There is always the saving clause that if the circumstances are adverse because of the obsolescence of plant or for some other reason it is not possible to achieve the minimum, the Minister can give exemption as no doubt is being given in the other States which have prescribed the higher minimum. Do not let us prescribe a standard that is lower than that which has already been achieved.

The Minister for Works: You are prescribing standards and all the time offering excuses why companies should not comply with them.

Hon. J. T. TONKIN: I am not offering any excuses. I am asking the Minister to lay down a higher standard than is provided in the Bill to serve as an inducement to companies to do better. If he is satisfied that a company is unable for the time being to achieve that standard then he can give it exemption, but he should make it clear that it will be expected to do its utmost to arrive at the better standard as quickly as possible.

Amendment (to strike out word) put and passed.

Hon. J. T. TONKIN: I move an amendment—

That the word proposed to be inserted be inserted.

Amendment (to insert word) put and passed.

Hon. J. T. TONKIN: I move an amendment—

That in line 8 the words "and fifty" be struck out.

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

Bill reported with further amendments.

BILL—GAS UNDERTAKINGS.

Bill read a third time and transmitted to the Council.

BILL—STALLIONS ACT AMENDMENT.

Second Reading.

THE MINISTER FOR AGRICULTURE (Hon. L. Thorn—Toodyay) [5.50] in moving the second reading said: By this Bill it is proposed to amend the Stallions Act in order to lessen the burden on owners by discontinuing the annual fee of one guinea after five consecutive payments have been made in connection with life certificates. That is to say, after five guineas have been paid by owners the registration of the horse shall continue in force for the rest of its life without further payment. This will afford some relief to an industry which is at present on the decline and which breeders seek to re-establish. Owing to the small number of stallions registered at present this concession as to fees will not materially affect the revenue received from this source. At the same time, it will have the effect of encouraging the breeding of these animals throughout the State. I think members will agree that this industry is on the decline and that it is deserving of some consideration by way of relief. I move—

That the Bill be now read a second time.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—GOVERNMENT RAILWAYS ACT AMENDMENT.

In Committee.

Resumed from the 12th November. Mr. Perkins in the Chair; the Minister for Railways in charge of the Bill.

Clause 9—Repeal and new sections (partly considered):

Hon. F. J. S. WISE: I must express my concern that the Government is pressing on with this Bill, continuing to bring it before the Chamber whilst the Railway Royal Commission is sitting. It is a prac-

tice that is quite new in this Parliament. It is also quite improper, and I regret very much that we are put in the position of having to debate this measure, and its principles, from day to day when the Royal Commission is sitting. It is obvious that from day to day matters are being brought before that tribunal for consideration that the Minister and the Government are asking this Chamber to decide. In every day's paper there is ample evidence that this Bill should not be dealt with in this Parliament at this time. Since we are forced to deal with it I do so with great reluctance. In further consideration of Clause 9, the next amendment on the Notice Paper in my name is to add in line 23 after the word "Governor' certain other words.

Point of Order.

Hon. J. B. Sleeman: I rise to a point of order. Will you give your ruling, Mr. Chairman, as to whether we are in order in discussing this Bill. I think it comes under the heading of being "sub judice," seeing that a Royal Commission is sitting. The Premier gave us practical proof the other day that that is the real position. He cannot be right as to one Bill and wrong as to another. The question is, are we in order in discussing this particular Bill at present?

The Chairman: I am afraid the point of order raised by the hon. member cannot be allowed. A Royal Commission is not a court of law. I therefore rule that the Committee is in order in proceeding to discuss the Bill.

Dissent from Chairman's ruling.

Hon. J. B. Sleeman: I am compelled, Mr. Chairman, to move that your ruling be disagreed with.

[*The Speaker resumed the Chair.*]

The Chairman having stated the dissent.

Hon. J. B. Sleeman: I moved that the ruling of the Chairman of Committees be disagreed with because I claim that the subject-matter of the Bill is sub judice, seeing that it is now being dealt with by a Royal Commission, the members of which are considering exactly the matters that we are asked to deal with in the Bill. We have been discussing whether the directorate should consist of one, three or five directors and on the very day that we dealt with that subject the Royal Commissioners were taking evidence on the same question. I contend that the matter is sub judice and that it is most offensive to deal with the subject by way of legislation, seeing that two men of high standing in the engineering world are investigating the State railway system. We do not know what the position will be when the report of the Royal Commission is presented, yet we are asked to go on with the Bill and we ourselves are to decide how many men will be in charge of the railway system and all the other matters mentioned in the legislation. We are not leaving it to these eminent men whom we have brought here to report on these very matters. The other day the Premier confirmed my belief that this matter is sub judice because in answer to a question put to him by the member for East Perth with regard to housing, he replied—

> The matters involved in the hon. member's question during the periods mentioned by him have, as a consequence of charges made by him, been referred to a Royal Commission now sitting, and should therefore be regarded as sub judice. It is felt, therefore, that any requests for the information desired by the hon. member should come from the Royal Commission.

I ask you, Mr. Speaker, how it can be wrong to say that the railway Bill is not sub judice and that matters affecting housing are sub judice, in that both are the subject of investigations by Royal Commissions? A Royal Commission is a Royal Commission whether it is sitting to inquire into the housing problem or into the railway situation of this State. I trust you, Mr. Speaker, will not uphold the ruling of the Chairman of Committees.

The Minister for Railways: I contend that the member for Fremantle cannot reasonably regard the discussion on the Bill now before the Committee on the same plane as the answer to the question in relation to housing. A Royal Commission is investigating certain charges made in connection with the operations of the Housing Commission.

Hon. J. B. Sleeman: That makes no difference! It is a Royal Commission all the same.

The Minister for Railways: It makes a whole lot of difference.

Hon. J. B. Sleeman: But a Royal Commission is a Royal Commission.

The Minister for Railways: In the case of the Housing Commission, charges were made regarding the supply of materials and the granting of permits. That is an entirely different matter. In this instance the Royal Commission is merely inquiring into the workings of the railway system.

Hon. J. B. Sleeman: The inquiry is really into the charges you made against the railways.

The Minister for Railways: It is nothing of the kind.

Hon. J. B. Sleeman: You made plenty of them.

The Minister for Railways: If the hon. member will allow me to proceed—

Hon. J. B. Sleeman: I will give you plenty of that.

Mr. Speaker: Order! Will the member for Fremantle allow the Minister to proceed.

The Minister for Railways: The Bill has been introduced to deal with the matters affecting the administration and control of the railway system, and it was realised that the Royal Commission might bring in recommendations that could affect the position. The point is that the railway situation is such that it cannot be allowed to continue for the next 18 months. If that were done it would mean that we could not deal with the problem until Parliament assembled next year at the earliest; and even so, the necessary legislation might not be passed until towards the end of the year. If by any chance the Royal Commission should make recommendations affecting the management of the railways in direct conflict with the proposals in the Bill, steps would have to be taken by the Government to see that nothing was done in conflict with those findings.

Hon. F. J. S. Wise: Then this is so much waste time.

The Minister for Railways: I have not the faintest idea of what recommendations the Royal Commission will make, nor has anyone else. The Bill is before Parliament so that we may effect some alterations in connection with the management of the railways and one of those alterations is to separate the tramways from the railway administration. There are many other matters in the Bill to which effect could be given and if by any chance—we have no reason to believe that it will be so—the system of management proposed does not clash with any proposal submitted by the Royal Commission, we shall be able to give effect to them without waiting for 12 months. I feel that the Bill is properly before the Committee.

Mr. Speaker: The question raised is as to whether or not the Bill is properly before the Committee in view of the fact that the Royal Commission is investigating the railway system. The first point I would make is that the issue involved is not a question of whether the Government policy is right or wrong. It is not a question of whether the Government would be wiser if it postponed decisions in this matter. The only point at issue, as I see it, is whether a Royal Commission is a court of law. I can find nothing in the definition—I have consulted a few dictionaries and have in mind my study of legal subjects—to indicate that a Royal Commission is a court of law. The argument has been ingeniously raised by the member for Fremantle that recently, in an answer given in this House to a question, the words "sub judice" were used. The adoption of that phrase in the answer to the question was not, in my opinion, well advised. Other words could have been used to make the Premier's answer equally clear. Unless someone can demonstrate to me that a Royal Commission is a court of law, I consider the Chairman's ruling to be correct, and the consideration of the Bill should proceed.

Committee Resumed.

Hon. F. J. S. WISE: The point raised by the member for Fremantle as to whether the Bill is properly before the Committee on the ground of permissibility and that the matter is sub judice, could quite possibly be questioned, but I will certainly say that it is unethically before members.

Hon. J. B. Sleeman: And it is offensive to the men brought here to advise the Government.

Hon. F. J. S. WISE: The suggestion I advance that the directorate should be subject to the Minister is in line with the intentions of the Government as indicated in another Bill that has been before Parliament. I refer to the Gas (Standards) Bill, which sets out in Clause 3 that "Subject to

the Minister, this Act shall be administered by a commission." That is the principle set out in a Government Bill that I wish to have inserted in the Government Bill now under consideration. The principle which I raised during the second reading debate on the Bill is that it is necessary that authority should be taken by the Government in connection with all matters of administration proper to its functions. There will be no doubt whatever in the minds of the majority of members that it is essential for the Government, wherever possible and particularly in connection with an undertaking of such magnitude as the railways, to take to itself the authority it should possess and to ensure that an undertaking that represents such a large proportion of the invested capital in Western Australia should be administered subject to the responsibility of the Government. That should not conflict with the duties of those charged with the management of the undertaking. I move an amendment—

That at the end of Subsection (2) of proposed new Section 7 the following words be added "and shall be subject to the Minister."

The MINISTER FOR RAILWAYS: I am aware that the words proposed to be inserted appear in many Acts but in them there is no opportunity for what might be termed political control that there is applying to an undertaking in which between 8,000 and 9,000 people are employed and in connection with which we employ as Commissioner to manage it a man who is paid upwards of £2,000 a year. It is essential that whoever is in charge of the railways shall be in a position to manage and control the undertaking without undue interference on the part of any Minister. If members peruse the Act they will see that the powers of the Commissioner are directly set out. I would remind the Committee that the sole effect of this Bill is to transfer to the directorate only those powers that are at present enjoyed by the Commissioner and it neither takes away from those powers nor adds to them. Section 22 of the Act sets out 26 matters in respect of which the approval of the Minister must be obtained before action can be taken and in the following provision are set out 27 matters in respect of which the Commissioner can act without the necessity for ministerial approval.

In these circumstances it is not advisable to impose political control on an organisation of this description. If members turn back to the reports in "Hansard" for 1905, they will see that this matter was decided then as to whether the Commissioner for Railways should be subject to political control or otherwise. The decision then was that ministerial control was not advisable. The Leader of the Opposition has expressed the opinion that the Government should not surrender entirely matters of policy to the directorate but should retain some control. If the hon. member will agree to the inclusion of the words "in matters of policy" before the words "be subject to the Minister," I will accept the amendment.

Sitting suspended from 6.15 to 7.30 p.m.

The MINISTER FOR RAILWAYS: I move—

That the amendment be amended by adding after the word "shall" the words "in matters of policy."

Amendment on amendment put and passed.

Mr. MARSHALL: I am convinced the amendment is of no great value, especially having regard to the statement made by the Deputy Premier on another Bill that an amendment to that Bill would neither confer greater powers on the Minister nor remove powers which the Commissioner already had. True, the Minister would retain control over certain matters appertaining to Government policy, but these would have nothing whatever to do with the administration. I refer to the opening of new railways and the acquisition of land and buildings, which are matters of Government policy. That power is already contained in the existing Act and will be continued by this Bill. But those are not the matters which cause discontent and dissatisfaction to railway workers and the people who are compelled by law to patronise the railways. During the short period I was Minister for Railways I was able to ascertain the cause of the discontent. The railway employees occasionally had just cause for complaint, but they could obtain no redress. I am doubtful whether the appointment of this directorate will overcome that difficulty. I point to one instance, the tunnel through the Darling Ranges. It was not until a serious accident occurred and the men re-

fused to take trains through the tunnel that an assurance was given that there would be a deviation.

I point to another instance. There were three modes of transport leaving terminals in this city not separated by more than 150 yards. They radiated from the city for 2½ miles or more and all three services benefited only one section of the community. At the time, petrol was rationed and tyres were scarce; but it took me four to five months to convince the Commissioner that it would be wise to deviate the petrol bus, the only one of the three modes of transport that could be deviated. Even then, I could not direct him to effect the change. Then there was the inadequate lighting of the trams. The only solution the Commissioner could suggest to me was that the Perth City Council should provide better street lighting. I pointed out that other persons taking vehicles on the highways were compelled by law to provide headlights sufficiently powerful for the driver to be able to avoid danger and ensure safety to other users of the road. I asked him if it were fair and just that trams should be allowed to travel on the road in a state of semi-darkness, but it was not until the tramway employees threatened a stoppage of work that an alteration was made. Our tramways are as old and obsolete as the Commissioner himself. In my opinion, the amendment is so much eyewash so far as reference to Government policy is concerned. Will the Minister define Government policy? I have not been able to do so. There has been more discontent and more inefficiency in the Railway Department than in any other Government department.

The Minister is aware that not until a specific case is brought under the notice of a Minister controlling a department is that Minister likely to take action, and that then he will only do so along correct lines having regard to all the prevailing circumstances. Does the Minister for Works tell the Director of Works where his men shall go and what roads they shall attend to? Of course he does not. Nor does any other Minister do that. It is only when troubles arise and injustices appear that a Minister is likely to take any action. I am still dissatisfied. The amendment does not give me any satisfaction. If all had been well over the years during which the Commissioner has had complete control of matters of administration, we would have no case. But none other than the present Minister himself was the most bitter critic of inefficiency—not obsolescence—and lack of business acumen in the years past. He knows that the Minister whom he was constantly attacking could not save the situation. Does the Minister now believe that this directorate will perform its duties in a more efficient way than the Commissioner has in the past? Even if it does—and I hope it will—there is still no harm in the Minister having control. He will not need to interfere.

The Minister for Education has complete control over his department, but does he tell the Director of Education what time the schools shall commence and finish? Of course he does not. He interferes only when some anomaly or injustice is drawn to his attention, and that applies to other Ministers irrespective of whether they are Labour or anti-Labour men. This is my final protest. In a democracy such as this, no Minister should be in the invidious position of being a rubber stamp. Let us assume industrial trouble arises in this system when the directorate is formed. Will the Minister, if he happens to be Minister then, say to the public that he does not propose to interfere because he is powerless? That is the invidious position in which he will be placed. To say that an industrial dispute can be made a matter of Government policy is to stretch the term very far. There should not be, in a democracy, any individual or group of individuals removed from the activities of Parliament.

The Minister for Railways: There are not.

Mr. MARSHALL: We have not even the right to sanction the appointment of two of the members of this directorate. We agree that the others shall be appointed for five years, but I do not believe that even in their case Parliament has any say. Their appointment lies solely with the Government. We should not have to tell the people of this country that there is a board with bureaucratic powers, and that we can do nothing if it fails to fulfil its obligations. Whatever occasion there may have been 40 years ago for such powers being conferred on an individual, it does

not appear today. Members of Parliament were scarcely as diligent then as they are now. It is to the credit of the present Minister that he did, whilst in Opposition, do his best to get results for the people who elected him. We should act in accordance with the principles of democracy rather than tell the people of the State, if they have a just grievance, that they must go to the Commissioner.

Amendment, as amended, agreed to.

Hon. F. J. S. WISE: The last speech was one in entire support of the amendment rather than in opposition to it. I think every reason the hon. member gave showed why the Government should be in a position to determine policy and to insist on implementing it.

The Deputy Premier: That is what I thought.

Hon. F. J. S. WISE: The right to determine what is policy lies with the Government, and it is one which the amendment now passed gives to the Government.

The MINISTER FOR RAILWAYS: I suggest that the two paragraphs of the next amendment of the Leader of the Opposition be taken singly. If he moves his first amendment, and it is defeated, it will preclude the member for Maylands from coming in on the second amendment.

Hon. F. J. S. WISE: I have no objection to that course. I think, however, the difference between my proposal and that of the member for Maylands is Tweedledum and Tweedledee. I am quite prepared, if the Minister is in favour of my amendment in essence, to agree to the amendment of the member for Maylands.

Mr. SHEARN: In a large measure, I agree with what the Leader of the Opposition has said, but I draw the Committee's attention to the fact that his proposed amendment states that one shall be a person having a wide knowledge and experience in the transport section or the administrative branch of the department. I have no pre-conceived ideas about any officer of the department. I desire to assist the Government in its idea that it or the Minister shall be free and untrammelled in choosing a suitable man. An officer of the department may be appointed to this position.

The CHAIRMAN: The member for Maylands has handed up an amendment to amend the amendment of the Leader of the Opposition. Does it suit the member for Maylands to handle it that way?

Mr. SHEARN: I want my amendment submitted, and I leave how it is to be done to the courtesy of the Leader of the Opposition.

Hon. F. J. S. WISE: The amendment on the notice paper and that handed up by the member for Maylands, conflict. To enable the hon. member to move his new amendment I move an amendment—

That subparagraphs (i) and (ii) of paragraph (a) of Subclause (2) be struck out, with a view to inserting other words.

The DEPUTY PREMIER: I do not want the Committee to become confused. If the amendment moved by the Leader of the Opposition is defeated, the member for Maylands cannot move an amendment to subparagraph (ii), because the Committee will have decided that subparagraphs (i) and (ii) shall stand. If the Committee agrees to strike out the words suggested by the Leader of the Opposition, the member for Maylands will still not be able to move his amendment.

Hon F. J. S. Wise: He can move to amend my amendment.

The DEPUTY PREMIER: I suggest that we take them separately, and then a conflict cannot arise.

Hon. F. J. S. WISE: I draw the attention of the Deputy Premier to the fact that subparagraph (i) that I propose to move to insert is almost identical with subparagraph (ii). If I follow the course suggested by the Minister there will be two subparagraphs almost identical with one another, with two similar persons occupying positions on the railway directorate. That is not what I want to achieve.

The DEPUTY PREMIER: If you deal with them separately you can go straight ahead.

Hon. F. J. S. WISE: I ask leave to withdraw the amendment

Amendment, by leave, withdrawn.

Hon. F. J. S. WISE: I move an amendment—

That subparagraph (i) be struck out.

The MINISTER FOR RAILWAYS: I oppose the amendment. It is the opinion of the Government that there should be two qualified railway men on the directorate, one being an engineer and one drawn from either the transport or the administrative branch of the department.

Hon. F. J. S. Wise: Are you insisting on an engineer?

The MINISTER FOR RAILWAYS: Yes. I regard it as essential to have two practical railway men on the board of five. Depending on the experience of the men selected, the employees' representative might be a third experienced railway man on the board. If the subsequent amendment of the Leader of the Opposition were agreed to, it would weaken the board from the railway point of view.

Hon. F. J. S. Wise: It would strengthen it.

The MINISTER FOR RAILWAYS: I am not concerned whether the engineer is a mechanical or civil engineer, and whether or not he is chairman will depend on his experience and ability as an administrator. I ask the Committee not to agree to the amendment.

Hon. F. J. S. WISE: If my amendment or that standing in the name of the member for Maylands were agreed to, there is no reason why the Minister would not have the choice of one with a knowledge of engineering. If he insists on the clause standing as printed, for all time—and not just to meet the present situation—the man to take administrative control of the railways must be an engineer, because it will be implicit in the Act, if the Bill becomes law, that one shall be a qualified engineer.

The Minister for Railways: He need not be the chairman.

Hon. F. J. S. WISE: It will limit the choice of efficient men experienced in railway administration and management, if it is laid down that one shall be an engineer. The amendment is designed to broaden the choice.

Hon. A. R. G. HAWKE: By sticking to this subparagraph the Minister will limit the choice of the Government in filling this position. If we substituted the words "qualified fitter" for "qualified engineer" they would still be restrictive and eliminate from the possibility of appointment a large number of men. The amendment would not prevent the Government from appointing an experienced man who was an engineer if, in its opinion, he was the best man available. If, however, a better man who was not a qualified engineer were available, the Government, under its proposal, could not appoint him.

The Minister for Railways: I want three of them.

Hon. A. R. G. HAWKE: I know, but why should not the Minister have the wording as unrestricted as possible so that his choice in making a recommendation and the Government's choice in making the appointment may be as wide as possible? Why narrow the choice in any instance? The Minister will gain nothing at all by including those words but will lose something, because the Government will be restricted to those persons who, in addition to having a wide experience and comprehensive knowledge of the management, maintenance and control of railways, must be a qualified engineer. The omission of the words would not prevent the Minister from recommending a person of that experience if he were an engineer, but if a more competent person were available who was not an engineer, the Minister could recommend him.

The Minister for Railways: You might have two engineers or transport men, and I do not want them.

Hon. A. R. G. HAWKE: Surely the Minister would make the recommendation that he thought most suitable. I want the Minister and the Government to be unrestricted in their choice, but they will not be unrestricted if they insist upon this qualification. The Minister should keep his hands untied in order that he might make the best possible choice.

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

Ayes	17
Noes	21
Majority against ..	4

Ayes.	
Mr. Coverley	Mr. Panton
Mr. Graham	Mr. Reynolds
Mr. Hawke	Mr. Sleeman
Mr. Hoar	Mr. Smith
Mr. Kelly	Mr. Styants
Mr. Marshall	Mr. Tonkin
Mr. May	Mr. Triat
Mr. Needham	Mr. Rodoreda
Mr. Nulsen	*(Teller.)*

NOES.

Mr. Abbott	Mr. Nimmo
Mr. Ackland	Mr. Perkins
Mr. Bovell	Mr. Read
Mrs. Cardell-Oliver	Mr. Seward
Mr. Cornell	Mr. Shearn
Mr. Doney	Mr. Thorn
Mr. Grayden	Mr. Watts
Mr. Leslie	Mr. Wild
Mr. McDonald	Mr. Yates
Mr. Murray	Mr. Brand
Mr. Nalder	*(Teller.)*

Amendment thus negatived.

Hon. F. J. S. WISE: Since we cannot now deal further with subparagraph (i), and as I consider that the Government ought to be protected, I move an amendment—

That in subparagraph (ii) of Subclause (3) the words "be referred to as the departmental member, shall be employed in and have a knowledge of and experience in the transport branch or the administrative branch of the department" be struck out with a view to inserting the words "represent the Treasury and have had some commercial experience."

I regret that the Minister has restricted his first choice, which makes the moving of my second amendment rather difficult. It is necessary that the strongest possible board be appointed. While I do not hold with the necessity for a directorate or a board of five, I am of opinion that the Government should have the opportunity to get the best advice possible.

Mr. SHEARN: Mr. Chairman, I point out that I have an amendment on the Notice Paper and I would like to know if the amendment of the Leader of the Opposition is agreed to or negatived, whether my amendment will be excluded.

The CHAIRMAN: I am afraid so. There will be no opportunity for the member for Maylands to move his amendment if the amendment now before the Chair is agreed to or negatived.

The MINISTER FOR RAILWAYS: Of the two amendments, I prefer that of the member for Maylands. Would it not be competent, if the amendment of the Leader of the Opposition to strike out certain words were agreed to, for the member for Maylands to move his amendment?

Hon. F. J. S. WISE: I prefer to withdraw my amendment and adhere to the wording in the Bill rather than accept the proposed amendment of the member for Maylands. The task of a Minister is to get his Bill through unaltered, if he can. I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Mr. STYANTS: Does the proposed amendment of the member for Maylands appear on the Notice Paper?

Hon. F. J. S. Wise: Yes.

Mr. SHEARN: In view of what has happened I am not nearly so concerned as I was at the outset and I therefore do not propose to move the amendment of which I have given notice.

Mr. READ: The clause as it stands provides for appointees to be chosen from within the department. I notice that it is proposed to select men from the railway unions.

Hon. F. J. S. WISE: The appointees now being dealt with would not belong to any organisation. We have not yet reached the part of the Bill to which the member for Victoria Park is referring.

The MINISTER FOR RAILWAYS: I move an amendment —

That in line 6 of subparagraph (ii) of paragraph (a) of Subclause (3) the word "Branch" be struck out with a view to inserting the word "Branches."

Mr. MARSHALL: I want some information on Subparagraph (ii) because the Minister has not revealed what is in his mind with regard to this matter. The Minister has not explained whether the departmental member referred to in the subparagraph will on one day be employed in some particular department of the railway system and then on the day of a meeting of the directorate will join in the administration and direct policy.

The CHAIRMAN: I think the hon. member is getting away from the amendment, which only proposes to change the word "Branch" in line 6, to "Branches."

Mr. MARSHALL: It does not matter in what branch the man is employed. Let us assume that he is employed in two or three different administrative branches. Does the Minister propose that he shall be an employee of the directorate and a director at the one time?

The MINISTER FOR RAILWAYS: That is a matter for the directorate to decide. I do not know what they are going to do. All I am concerned about is that this man shall have experience in one of these particular branches. He represents

that branch. If the directorate decides that the work is such that he must devote the whole of his time to the directorate, he will do so. If the directorate decides he can control some branches in addition, he will do that. I do not know the exact functions the directorate will lay down for its various members.

Mr. Marshall: Is he to fill a dual position?

The MINISTER FOR RAILWAYS: If the directorate decides he must, then he will. How can anybody here lay down the functions of the various members of the directorate?

Hon. F. J. S. WISE: To overcome the point raised by the member for Kalgoorlie it is necessary to have this paragraph defined clearly before the word "Branches" is inserted. I wish to insert words in line 5.

The CHAIRMAN: Does the Minister temporarily withdraw his amendment?

The Minister for Railways: Yes.

Amendment, by leave, withdrawn.

Hon. F. J. S. WISE: I move an amendment—

That in line 5 of Subparagraph (ii) after the word "or" the words "one of" be inserted.

That will make it clear that it will be necessary for the person appointed to have experience in one of the administrative branches.

Mr. STYANTS: Unless this amendment is made it will mean that the person to be chosen for this particular position will need to have had experience in every administrative branch.

Amendment put and passed.

The MINISTER FOR RAILWAYS: I move an amendment—

That in line 6 of Subparagraph (ii) the word "Branch" be struck out and the word "Branches" inserted in lieu.

Amendment put and passed.

Hon. F. J. S. WISE: I have an amendment to subparagraph (ii) of paragraph (b) of Subsection (3) of proposed new Section 7. The clause specifies that one of the three representative members shall be referred to as the industrial representative and shall be selected from three persons nominated by the industrial unions of workers registered under the Industrial Arbitration Act in connection with the industries involved in the management, maintenance and control of the Government Railways. There are unions other than those registered under the Arbitration Act and one is the Railway Officers' Union which would thus have no choice in this matter, no opportunity to nominate one of its members. I move an amendment—

That in line 1 of subparagraph (ii) of paragraph (b) of Subclause (3) all the words after the word "one" be struck out with a view to inserting the following words:—"shall be selected from twelve persons comprising three persons nominated by each of the following industrial unions of workers namely, The Railway Officers' Union, The West Australian Amalgamated Society of Railway Employees' Union, and the Locomotive Engine Drivers, Firemen and Cleaners' Union, and three persons nominated by the Metal Trades group of Unions connected with the Government Railways."

Amendment (to strike out words) put and passed.

The CHAIRMAN: The question is that the words proposed to be inserted be inserted.

The MINISTER FOR RAILWAYS: I am prepared to accept the amendment but I think it is advisable to preserve the words "who shall be referred to as the industrial representative"; and, also, it is unnecessary to repeat the words "shall be selected" which appear at the commencement of the paragraph. I move—

That the amendment be amended by striking out the words "shall be selected" and inserting the words "who shall be referred to as the industrial representative" in lieu.

Amendment on amendment put and passed.

Hon. A. H. PANTON: I am interested in the question raised by the member for Murchison. Will the Minister tell us whether the industrial representative will be a permanent member of the directorate, or will the two who are to represent the Government be the only two men permanently on the directorate? If an engine-driver is chosen to be the industrial representative, is he to be called in from his engine to attend a meeting of the directorate when the two Government representatives think there should be a meeting, or are there to be five people who will conduct the railways? If there are to be two permanent directors and three part-time, it

will be a farce. Surely the Minister can give us an indication of what is in the mind of the Government. He told the member for Murchison he did not know.

The MINISTER FOR RAILWAYS: It is obvious that a man who is to fill the position of director would not be working as a cleaner for four or five days a week. He would be given duties commensurate with his position.

Hon. A. H. Panton: He would be a permanent director.

The MINISTER FOR RAILWAYS: Certainly he would.

Mr. MARSHALL: I have come to the conclusion that this legislation is merely to pander to all sections of the community and not for the purpose of producing any real improvement in the administration of our railways. If the directors, outside of the Government appointees, are to be part-time men, it will mean that the representatives of the industrial organisations will be drawn from those who have retired and practically outlived their usefulness. We cannot place any person in the invidious position of being an employee of the directorate today, and a director tomorrow.

Hon. F. J. S. Wise: We can adjust that by amending the clause later.

Mr. MARSHALL: Does the Minister contend that that is the type of directorate—

The Minister for Railways: I did not contend that.

Mr. MARSHALL: The representative of the Chamber of Commerce will be all right because he will have an independent income, and will have time at his disposal. He will at all times be able to look after the interests of those he represents. We are to have two Government employees who are to be permanent men, the same as they are today in their administrative capacity. They will simply be transferred to the directorate. If any of the directors are employees they might be in the position of making mistakes one day, as employees, and the next day sitting in judgment, as directors, on their own misdemeanours. That would simply mean an appeal from Caesar unto Caesar. The Minister should look at the file dealing with the mistakes made on VE Day, and the attitude adopted by the Commissioner on that occasion. The directors should be from outside the railway system, in order that they might be independent enough to do what they consider right and proper. The Minister himself is none too proud of the present railway system, and I believe new blood is required in it—men with experience of other countries and other railway systems, who could bring us new ideas on railway management.

The MINISTER FOR RAILWAYS: I could not follow what the member for Murchison was talking about. The duties of the directors will be laid down when the directorate is formed.

Hon. F. J. S. Wise: Laid down by the Government?

The MINISTER FOR RAILWAYS: By the directorate. None of the members will be in the position of having to act as an employee for five days and as a director on the sixth day. I expect the directorate will place the employee director in charge of employees as a fulltime job. The duties of the outside directors will also be specified by the directorate, but they will not be fulltime employees. They will be occupied as directors for whatever time is necessary. I do not visualise them as fulltime members. The three railway employees will be employed in the department in high administrative jobs, in keeping with their positions as directors. I take it the employees' representative will be in charge of employee matters, just as the employees' nominated representative on the Arbitration Court Bench has a fulltime occupation.

Hon. A. H. Panton: The other night you said you could not indicate his duties.

The MINISTER FOR RAILWAYS: His duties will be allocated by the directorate.

Amendment (to insert words), as amended, agreed to.

Mr. MURRAY: I move an amendment—

That in line four of subparagraph (iii) of paragraph (b) of Subclause (3) the word "Perth" be struck out and the word "Federated" inserted in lieu.

The DEPUTY PREMIER: What is the Federated Chambers of Commerce? Where does it exist and what is its incorporated name?

Mr. MURRAY: I understand it includes all the Chambers of Commerce in Western Australia.

Hon. A. H. Panton: Does it not take in the whole of Australia?

Mr. MURRAY: The bare mention of the Perth Chamber of Commerce is narrowing the scope too greatly.

Hon. A. R. G. HAWKE: I think the principle of the amendment is quite a good one.

The Deputy Premier: So do I.

Hon. A. R. G. HAWKE: Inquiry should be made as to the exact title of the organisation. The full name, I understand, is the Federated Chambers of Commerce of W.A. and it consists of a number of Chambers of Commerce in the State.

The MINISTER FOR RAILWAYS: I accept the amendment conditionally on being assured that the name is correct, but suggest that we pass the subparagraph as printed pending inquiries, and later I will undertake to recommit the Bill in order that the amendment may be made.

Amendment put and negatived.

Mr. SHEARN: I move an amendment—

That after the word "Incorporated" in line 5 of subparagraph (iii) the words "and the West Australian Chamber of Manufactures Incorporated" be inserted.

If it is desired that there shall be a representative of the commercial interests, nobody could be more entitled to representation than the Chamber of Manufactures.

Mr. STYANTS: I support the amendment. Confusion might arise in that we would be providing for a representative to be chosen from three nominees selected by two different organisations. There is no justification for a representative of the Chamber of Commerce on the directorate, but if we are to have three non-railway men, there is reason for one being a representative of the Chamber of Manufactures, because it produces something, and I have yet to learn that the Chamber of Commerce produces anything but confusion. I regard the Chamber of Commerce as being a body representing the middlemen to get all the profits possible in a rake-off between the producer and the consumer.

The MINISTER FOR RAILWAYS: I have no objection to the amendment. The difficulty of two bodies nominating three people could be overcome by their holding a combined meeting. The Chamber of Commerce may not be manufacturing goods, but it consigns much freight over the system and is vitally interested in the running of the organisation. Therefore I am not inclined to delete the Chamber of Commerce.

Amendment put and passed.

Hon. F. J. S. WISE: I have several amendments on the notice paper which, owing to the clause dealing with the directorate having been passed as printed, will not now be moved.

The CHAIRMAN: The member for Maylands has an amendment on the notice paper. Does he intend to proceed with it?

Mr. SHEARN: Yes. I move an amendment—

That in line 1 of paragraph (a) of Subclause (4) after the word "nominated" the words "by notice in writing given to the Minister within twenty-one days of the commencement of this Act" be inserted.

There may be many reasons why the representative bodies may not be aware of the situation and, in my opinion, they should receive notice.

Hon. A. R. G. HAWKE: I rise because the Minister does not appear to be inclined to say anything about the amendment.

The Minister for Railways: I would like to have some indication from the member for Northam as to the time within which the notice must be given to the union representatives.

Hon. A. R. G. HAWKE: I think the time is too short, not only as regards the union representative but also as regards the other representatives, especially if the amendment of the member for Bunbury is later included in the Bill. There will be some difficulty in getting the nominations in the hands of the Minister within 21 days of the commencement of the Act.

The Deputy Premier: It will be after the proclamation of the Act.

Hon. A. R. G. HAWKE: That is so, but will everybody concerned know the date on which the Act will be proclaimed?

The Minister for Railways: The persons concerned will be notified.

Hon. A. R. G. HAWKE: I would like the period to be extended. I would prefer that the words "twenty-one" be struck out, and that in lieu thereof the words "twenty-eight" or "thirty" be inserted.

The organisations concerned should receive a written request from the Minister to forward nominations within such extended period. Consideration should be given to amending the amendment accordingly.

The MINISTER FOR RAILWAYS: I agree with the principle that notice in writing should be given by the Minister, but I was somewhat worried about the period, as I consider 21 days is too short. Would the member for Maylands agree to the period being extended?

Mr. SHEARN: I am in agreement with what the member for Northam has said. Every care should be taken to ensure that the bodies concerned shall have ample opportunity to appoint their representatives. The period of 21 days seemed to me to be sufficient, but the alteration suggested by the member for Northam is even more reasonable and ensures that no injustice will be done to any of the persons concerned. I am therefore in agreement with the proposed alteration.

The MINISTER FOR RAILWAYS: I move—

That the amendment be amended by striking out the words "twenty-one days of the commencement of this Act" and inserting the words "thirty days of receiving notice from the Minister to select a nominee" in lieu.

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

Hon. F. J. S. WISE: I would draw the Minister's attention to paragraph (b) which provides that the two nominee members when appointed may hold office for any period. They may still hold office at 75 years of age. The appointment is to be quite different from that provided for in Part II of the parent Act. There is no suggestion that any review of the appointments is to be made by Parliament. In the subsequent paragraph it is provided that the representative members shall hold office for five years, the same as the Commissioner at present, and be eligible for reappointment. I wish to make sure that the three representative members shall be permanent members and that the nominee members shall retire at an appropriate age. I want the condition applying to the representative members—that is, the appointment for a period of five years—to apply to the nominee members. It will be necessary to delete paragraph (b) and amend paragraph (c) by deleting the word "representative" and inserting "all." Since the Act was instituted, it has contained a provision that the Commissioner, the principal administrator, shall hold office not for the period of the Governor's pleasure but for five years, and be eligible for re-appointment.

The Deputy Premier: The Governor's pleasure may be six months.

Hon. F. J. S. WISE: It never is with such a wording as this. I draw the attention of the Deputy Premier to another weakness. Section 16 of the principal Act has been entirely ignored. That section deals with the appointment of the Commissioner. Certain conditions are not to apply now to him but are to apply under paragraph (g) to the representative members only. I move an amendment—

That paragraph (b) be struck out.

The MINISTER FOR RAILWAYS: I cannot accept the amendment. I fully appreciate the need for a provision regarding the retiring age. I think that was an omission and suggest an amendment to provide for the inserting after the word "pleasure" of the words "but not after attaining the age of 65 years." I cannot agree to the other proposal. The assertion has been made that we are going to hand this business completely over to somebody else. This is the clause that is going to obviate that. If the directorate is not giving satisfaction, there will be a remedy.

Hon. F. J. S. Wise: You know how difficult it is to dispense with a Government servant.

The MINISTER FOR RAILWAYS: If a man is appointed for five years and it is desired to dispense with his services, then we are in for trouble; but under this provision a man will know that he must give pleasure by the satisfactory running of the organisation as, if not, the Government has power to remove him.

Hon. F. J. S. Wise: It never works that way.

The MINISTER FOR RAILWAYS: That is the control we want. A man may be a success or an abject failure. If he has been appointed for five years and it is desired to dismiss him it is necessary to compensate him by paying him 4½ years'

salary. I do not think that is as good a provision as this one.

Hon. F. J. S Wise: You are deliberately omitting the section of the present Act whereby his services may be dispensed with if he is incompetent or misbehaves.

The MINISTER FOR RAILWAYS: We say he shall hold office during the Governor's pleasure and, if he does not give satisfaction, he may be dismissed.

Mr. SHEARN: I have an amendment on the notice paper dealing with this matter. It is indefensible that one section of the directorate should be subject to a retiring age while another is not. As 65 years has been accepted as the retiring age in the Public Service it should be applicable here. There is divergence of opinion between the Minister and the Leader of the Opposition as to control. Here again we are to a great extent in the hands of the Minister. He accepts responsibility and it appears to me that the Government will closely watch the activities of this directorate and take such action as may be necessary. I am prepared to leave the Minister and the Government to see that the directorate operates in the interests of the public, and carries out the wishes of Parliament as conveyed by the Bill.

The DEPUTY PREMIER: The member for Maylands, I presume, will move the first of his three amendments appearing on the notice paper and subsequently the remaining two. I therefore express the hope that the Leader of the Opposition will withdraw his amendment. The amendments of the member for Maylands, which I feel should be agreed to, will mean that the provisions of paragraph (b) will become subject to the Act which will provide that the office of any nominee member shall become vacant on his attaining the age of 65 years.

Hon. F. J. S. Wise: Will the Minister for Railways accept that amendment?

The Minister for Railways: Yes.

The DEPUTY PREMIER: In these circumstances the life of the nominee members shall be at the pleasure of the Governor, subject to paragraph (g). The Leader of the Opposition views the question of the Governor's pleasure as a means of giving a man a Kathleen Mavoureen appointment. I have viewed it as being the contrary. Once we appoint a man for five years, it is extremely difficult to terminate the appointment, without compensation, no matter how unsatisfactory he may be. "At the pleasure of the Governor" means that if the Governor in Executive Council finds that a position is being unsatisfactorily filled he can, by order of the Executive Council, discontinue the services of the person concerned.

Hon. F. J. S. Wise: Like the chaps in gaol or in the asylum at the Governor's pleasure; they never get out.

The DEPUTY PREMIER: It is never the Governor's pleasure to let them out. If the appointee were a bad one, the Governor's pleasure would be made known pretty quickly. I hope we shall be able to compromise this matter as I have suggested.

Hon. F J. S. WISE: I do not want to be an obstructionist. As the Minister has indicated he intends that paragraph (g) shall bind all members, and since it is obvious I cannot succeed in the deletion of paragraph (b), I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Mr. SHEARN: A later amendment I propose to move will deal with the aspect mentioned by the Leader of the Opposition. I move an amendment—

That in line 1 of paragraph (b) of Subclause (4) before the word "the" the words "Subject to this Act" be inserted.

Amendment put and passed.

Hon. F. J. S. WISE: I draw attention to paragraph (d) which provides that if any representative member or acting representative member is unable to be present, the Minister may appoint anybody to act in the same interests. So, after receiving a panel of names and selecting a representative, the Minister may, if the person so selected cannot attend, appoint someone as an acting representative without consulting any of the authorities or bodies concerned. That is a strange arrangement. I would like the Minister to explain how that will work.

The MINISTER FOR RAILWAYS: It is only an emergency measure. Obviously the Minister in choosing a deputy will choose

a man representing the same interests as the absent director represents.

Hon. F. J. S. WISE: My proposed amendment to line 13 is to strike out the words "representative member" and insert in lieu the words "all members." The amendment of the member for Maylands is to add the words "nominee or."

Mr. SHEARN: I am content to withhold my amendment in favour of that of the Leader of the Opposition.

Hon. F. J. S. WISE: I move an amendment—

That in line 1 of paragraph (g) the word "representative" be struck out.

Amendment put and passed.

Mr. SHEARN: I move an amendment—

That in line 2 of subparagraph (v) the words "unless the Governor otherwise directs" be struck out.

This amendment will make clear what shall happen to any member of the directorate in the case of absence or other shortcomings or on his attaining the age of 65 years. If the amendment is agreed to, all members of the directorate will be subject to the common rule laid down in paragraph (g) of this clause.

Mr. HEGNEY: The Committee should have regard to consistency. As I interpret the Bill there will be two directors, employees of the Government, and three recommended by outside interests, and those three will be on a part-time basis.

Hon. F. J. S. Wise: That has been cleared up. They will be full-time employees of the Government.

Mr. HEGNEY: Then I am satisfied.

Amendment put and passed.

Hon. J. T. TONKIN: The Leader of the Opposition has an amendment on the notice paper to follow almost immediately, but I ask the Committee to agree to the insertion of a further condition here under which members of the directorate shall vacate office. Such members could gain considerable advantage from entering into contracts for the purchase of large quantities of machinery or the like, and in such cases it is usual to provide a disqualification clause. I move an amendment—

That a new subparagraph be inserted as follows:—(vi)his becoming concerned or interested in any written contract made by or on behalf of the directorate, or participating or claiming to be entitled to participate in the profits thereof or any benefit or emolument arising therefrom. Provided that this subsection shall not extend to an interest as a shareholder in any incorporated company of at least 20 members."

Similar provision has been made in the Fremantle Harbour Trust Act.

The MINISTER FOR RAILWAYS: I am in agreement with the motive, but would like the opinion of the Attorney General.

The ATTORNEY GENERAL: I have not had time to examine the amendment with any particularity, but am in sympathy with the objective. The State Electricity Commission Act contains a section dealing with disqualification of members of the Commission in respect of certain contracts. I suggest that the amendment be accepted with a view to later examination.

Amendment put and passed.

Hon. F. J. S. WISE: I move an amendment—

That in line 3 of subparagraph (v) the word "representative" be struck out.

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

Clause 10—Amendment of Section 14:

Hon. J. T. TONKIN: The Bill provides for a directorate of five to take over the responsibilities and obligations of the Commissioner. In such cases it is usual to include a validating provision so that, in the event of there being an unfilled vacancy, it shall not invalidate any act of the directorate. Are legal members of the Government satisfied with the Bill, or do they consider that a clause to the effect indicated should be included?

The CHAIRMAN: This question cannot be discussed under Clause 10, which contains no reference whatsoever to the matter. The hon. member will be in order in moving a new clause later.

Hon. J. T. TONKIN: If the Government is satisfied I do not propose to take any action.

The Attorney General: I will examine the point.

Clause put and passed.

Clauses 11 to 20—agreed to.

Clause 21—Amendment of Section 68:

Mr. STYANTS: I move an amendment—

That in line 5 of paragraph (b) after the word "punished" the words "or against whom a charge is pending" be inserted.

This provision has been inserted in the Bill in pursuance of a promise made by the Minister when we were dealing with an amendment of the Traffic Act. So far as the amendment goes, it is suitable, but I consider it does not go quite far enough. A man may have a charge pending against him and be remanded for a period of eight days. Without my amendment, it would be possible for the Railway Department to punish him for the offence before the case is heard in the court. I wish to safeguard that position by providing that no punishment shall be inflicted by the department until such time as his case has been dealt with by the court.

The MINISTER FOR RAILWAYS: While I do not object to the amendment, I point out that the case might be pending in the court for months and might eventually be dropped. In the meantime, necessary witnesses might have dispersed and consequently his case could never be dealt with. If the charge is laid against a man under the Traffic Act, the case would probably be heard without delay.

Mr. STYANTS: Then I suggest that the amendment be altered by striking out the words "is pending" and inserting in lieu the words "has been laid." Would the Minister move accordingly?

The MINISTER FOR RAILWAYS: I move—

That the amendment be amended by striking out the words "is pending" and inserting the words "has been laid" in lieu.

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

Hon. F. J. S. WISE: I move an amendment—

That a new subclause be added as follows:—"(c) Provided that the Directorate shall not inflict on any such officer or servant more than one form of punishment for the same offence."

The Minister for Railways: Does the amendment mean that the directorate will inflict both penalties?

Hon. F. J. S. WISE: Yes. The wording makes it quite clear.

The Minister for Railways: In that case, I agree.

Amendment put and passed.

Mr. MARSHALL: The clause, as amended, has a humorous aspect to me. One could laugh if one followed the Minister's attitude to the Bill and the parent Act. I want to know why the Minister wants this power. Under Section 68 of the Act if the Commissioner wishes to appoint, suspend, dismiss, fine or reduce to a lower grade any servant in receipt of a salary over £400, he has to do so by Order-in-Council or go to the Minister. But he could appoint, suspend, dismiss, fine or reduce to a lower grade anyone earning under £400. Now it is proposed to remove from the section the words "and where the salary or wages of any such officer or servant shall not exceed the rate of £400 a year, such powers shall be deemed to have been so delegated." So these appointments, suspensions, fines or dismissals must be made through the Minister.

The Minister for Railways: That is something new, is it?

Mr. MARSHALL: Did not the Minister tell me the other evening that he did not want that power, when I made reference to the appointment of an inspector of the refreshment-rooms? Did he not say that if he had the power he would not use it? What is wrong with the Minister? Can we not pin him down to anything definite at all? Why does the Minister want this power if he will not use it? Was there ever any better opportunity for the Minister than in this case? Though he did not have the power, he saw the file where I took a stand and the Government took a stand against the appointment of an incompetent individual because we knew his record in the Public Works Department and knew that he had no experience.

The Minister for Railways: I know nothing of anybody you are talking about. I told you that before.

Mr. MARSHALL: The Minister said that if he had the power he would not interfere. Why does the Minister want this power, if he does not propose to interfere in cases of the kind I have mentioned; where an individual was appointed without the slightest experience to take charge as an inspector of our refreshment-rooms, a job

requiring an up-to-date and efficient man; a man to go around telling people who have spent a lifetime in the catering world what they should do and should not do? Of course this man could not tell them, and the whole position became a laughing-stock. The Minister made that appointment because he said he would not interfere, anyhow, if he had the power. The file came to him after I made reference to it.

The Minister for Railways: What file?

Mr. MARSHALL: The file in regard to the appointment of a certain individual as an inspector of the railway refreshment-rooms.

The Minister for Railways: The file did not come to me.

Mr. MARSHALL: The Minister argued the other evening that even if he had the power he would not interfere with the Commissioner. Why does he want this power if he does not propose to interfere? All through the discussion on this Bill the Minister has argued that there should not be ministerial interference at all, but that matters should be left to the directorate and the Commissioner. If that is the Minister's attitude why have this clause in the Bill under which he proposes to appoint, dismiss and fine even those on the lowest income rung? The Minister will not stand firm anywhere. He will take ministerial control in regard to these matters, and at the same time will declare that we have no right to interfere with the Commissioner or the directorate and that we do not want political control. For 40 years this provision has been in the Act and the Minister has not been able to interfere with the Commissioner of Railways in regard to the appointment, dismissal and so on of those on an income or salary under £400; but now he says he wants the power.

Why does he want to interfere with the directorate in this particular way? I would not mind what attitude he adopted so long as he stood firm, because then we would know where we were. But the Minister all along has argued that there should not be power to interfere with the directorate or the Commissioner, yet he now has a provision which enables him to have the right to appoint a call-boy at the East Perth running yards! The directorate cannot do it. I would have no argument with the Minister if he would stand firm on anything, but he departs from the premises he stood on today to something different tomorrow. I myself think the Minister should have complete power and control but should use it only when necessary. Why he wants this particular power and no other I do not know.

The MINISTER FOR RAILWAYS: The provision sets out to delete the last three lines of Section 8 of the Act. One of the matters taken in hand, when introducing a Bill like this, is to cut out the dead-wood in the parent Act. The Government Railways Act was passed in 1904. Those who were drawing £400 a year then are not the ones now drawing that amount. There were exactly 15 people, out of 6,738, in the employ of the Government Railways in 1904, who were getting more than £400 a year. From time to time the section has been altered by Executive Council. It was last altered in that way in 1930 when this minute was sent to the Commissioner—

> To the Commissioner of Railways, under Section 68 of the "Government Railways Act" the power to appoint, suspend, dismiss, fine or reduce to a lower class or grade, any officer or servant of the department, irrespective of the amount of their annual salary or wage, except such officers as come within the definition of the "head of branch" or "sub-head of branch."

Hon. F. J. S. Wise: That was subsequently taken away.

The MINISTER FOR RAILWAYS: No, that is the last one.

Hon. F. J. S. Wise: It was subsequently altered, as I think you will see if you look at the records for 1940.

The MINISTER FOR RAILWAYS: I think I am right in saying it applies to heads and sub-heads.

Hon. F. J. S. Wise: No, the salaries are specified, and I think £400 is the figure.

The MINISTER FOR RAILWAYS: Then I have been wrongly advised. I bow to the knowledge of the ex-Premier who would know far more about this than I do. Actually, the provision appearing in the Act in 1904 meant that the Commissioner's powers enabled him to deal with everyone except the heads and sub-heads of branches and that, according to my advice, is the position today. Consequently, we have sought to delete the particular provision because it would be senseless for the Executive

Council to grant the new directorate power to deal with people receiving £400 a year.

Hon. F. J. S. Wise: We support the clause, as amended.

Clause, as amended, agreed to.

Clause 22—agreed to.

Clause 23—Amendment of Section 69:

Hon. F. J. S. WISE: This section deals with the right of permanently employed men who have been fined or reduced to a lower grade, or dismissed, to appeal to an appeal board. My amendment is to delete the word "permanently" so that any person shall have this right. The organisations connected with the service are very concerned about this. One of them, which has many members who do not come within the category of being permanently employed, considers there is a serious injustice as a result of the provision in the parent Act. I move an amendment—

That in line 1 after the word "amended" the words "by deleting from line one the word 'permanently'" be inserted.

The MINISTER FOR RAILWAYS: I cannot agree to the amendment. There may be hard cases, such as have been indicated by the Leader of the Opposition, but there should be other means of rectifying them. The Railway Department employs a large number of men and women, and many casuals. If we removed the word "permanently" from this section, it would mean that men who were on for only a week and were dismissed, could appeal. The result would be that the Appeal Board would be sitting not for 12 months in the year but 24, if that were possible. It would be hopelessly blocked. I have heard that people have been on for more than 12 months but are not permanently employed. Perhaps we should take steps to overcome that position.

Mr. STYANTS: I hope the Minister will change his mind. What does it matter if the Appeal Board is worked a bit harder, so long as justice is meted out to both permanent and casual employees? The Minister has mentioned an extreme case, but I know of men who have been for nine or 10 months in the Service and have then been dismissed for misdemeanours of which they claimed to be innocent. That some employees are innocent of the faults for which they are punished is proved by the number of appeals upheld by the Appeal Board, and in many cases also the punishment imposed by the department is reduced. Where an employee considers he has been unjustly dismissed he should be given the right of appeal to the board. Unless they had had three months' continuous service and believed they had been unjustly dismissed, I do not think many employees would appeal.

At one time it was the accepted practice of the Railway Department—and other departments—to keep men on for perhaps 11½ months and then dismiss them for a few weeks. There was provision that after 12 months' continuous service an employee was to be regarded as permanent, so the department used to put them off for a few weeks to break the period of service. The department does not now adopt such tactics and I understand that after 12 months' service employees are now given permanent status. No matter what his length of service an employee should have the right of appeal to the board where he thinks he has been unjustly dismissed.

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

Ayes	20
Noes	20
A tie	0

Ayes	
Mr. Coverley	Mr. Nulsen
Mr. Fox	Mr. Panton
Mr. Graham	Mr. Read
Mr. Hawke	Mr. Reynolds
Mr. Hegney	Mr. Sleeman
Mr. Honr	Mr. Smith
Mr. Kelly	Mr. Styants
Mr. Marshall	Mr. Tonkin
Mr. May	Mr. Triat
Mr. Needham	Mr. Rodoreda (*Teller.*)

Noes	
Mr. Abbott	Mr. Murray
Mr. Ackland	Mr. Nalder
Mr. Bovell	Mr. Nimmo
Mrs. Cardell-Oliver	Mr. North
Mr. Cornell	Mr. Seward
Mr. Doney	Mr. Thorn
Mr. Grayden	Mr. Watts
Mr. Hill	Mr. Wild
Mr. Leslie	Mr. Yates
Mr. McDonald	Mr. Brand (*Teller.*)

The CHAIRMAN: The voting being equal, I give my casting vote with the noes.

Amendment thus negatived.

Hon. F. J. S. WISE: I move an amendment—

That at the end of the clause the following words to be added, "or (5) transferred by way

of punishment involving loss of transfer expenses.''

The MINISTER FOR RAILWAYS: If we agree to the amendment it will clash with the industrial award of the W.A. Amalgamated Society of Railway Employees. I refer to the portion where it deals with the loss of transfer expenses as a part of the punishment.

Hon. F. J. S. Wise: Is that in the Arbitration Court award with the union?

The MINISTER FOR RAILWAYS: Yes, I have an extract from the award dealing with the point. If we include the amendment I am afraid it will clash with the award in that respect, and I must oppose it.

Mr. STYANTS: I am not quite clear as to the first portion of the Minister's remarks because there were three speakers at the time although only the Minister was on his feet! Did I understand the Minister to say that it was not permissible for the Railway Department to transfer a man by way of punishment and not to grant him his expenses?

The MINISTER FOR RAILWAYS: No. What I said was that the railway authorities could transfer a man by way of punishment, and that such a man would not be entitled to the privileges accorded an employee who was transferred in normal circumstances but would be merely entitled to free passes for himself, his family and dependants and to the transfer of his furniture.

Mr. STYANTS: I do not think that would warrant the observation of the Minister that the amendment would clash with the Arbitration Court award. The section of the Act proposed to be amended sets out the reasons for which an employee may appeal to the court. All we seek is to add an additional ground for appeal. I cannot see that that would amount to a breach of the Arbitration Court award under which the Commissioner has the right to transfer a man without the payment of full expenses by way of punishment. There is nothing revolutionary in the proposal.

Hon. F. J. S. WISE: I think the Minister has been arguing on wrong premises in asserting that a clash would be involved with the Arbitration Court award. If that were so, his own amendment would have the same effect because it applied to the suspension of an employee by the department in circumstances involving loss of pay.

The MINISTER FOR RAILWAYS: I do not think the comparison with the amendment I moved is applicable, because the former was placed before the Committee as the result of one or more cases where a man had been suspended and reinstated but was subsequently suspended again. His case was held over for some days before it was dealt with and he was then again reinstated. The circumstances were such that he was deprived of the right of appeal and the amendment was included so that the right would be retained to him. After discussing the point now at issue with the legal members of the Cabinet, I am advised that the amendment would not involve any clash with the Arbitration Court award and consequently I shall not press my opposition.

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

Clauses 24 to 30, Title—agreed to.
Bill reported with amendments.

BILLS (4)—RETURNED.

1, Royal Style and Titles.

2, Fisheries Act Amendment.

3, University of Western Australia Act Amendment.

4, Factories and Shops Act Amendment (No. 1).

Without amendment.

BILL—IRON AND STEEL INDUSTRY.

Second Reading.

Debate resumed from the 18th November.

HON. A. R. G. HAWKE (Northam) [10.53]: This is a very important measure and it is important on two main grounds. The first is that it aims at giving legal authority to the Government to promote or assist in the promotion of a company to develop an iron industry or a steel industry, or a combination of both. It is important in the second place because it seeks the approval of Parliament for an agreement already made between the Government and H. A. Brassert & Co. Ltd., covering certain deposits of iron-ore at Koolan Island.

The Bill will give the Government, in any effort it cares to make to establish or assist in establishing a company for anyone of the purposes I have mentioned, authority to subscribe and pay for or acquire and hold shares in the company where the company is not entirely a Government one, provided the holding of the Government in any such assisted company does not exceed one-half of the issued capital of the company. I would prefer to see the Government given authority to take a majority holding of the shares, provided it had the discretion, as it would need to have, to take any number of shares up to say 51 or 55 per cent. I see no valid reason why the Government should be limited by law to taking not more than 50 per cent. of the shares in any company which it plays a part in assisting to establish.

The Minister for Industrial Development: I do not mind increasing it by a couple of per cent., either.

Hon. A. R. G. HAWKE: There cannot be any objection to the Government subscribing more than 50 per cent. of the share capital required by a company to establish an iron industry, a steel industry, or a combination of both. There could, in fact, be advantages to the State in the Government having the right, provided it was convinced of the wisdom of so doing, to take shares over and above 50 per cent. in order that it might have the controlling interest in the concern.

Mr. Rodoreda called attention to the state of the House.

Bells rung and a quorum formed.

Hon. A. R. G. HAWKE: I was pleased to have the assurance of the Minister to the effect that he would have no objection to raising the maximum of the holding which the Government could at any time take in a company which it was assisting to establish, and I trust the necessary amendment will be made in Committee. The Bill gives the Minister for Industrial Development authority to contract or arrange for the development and mining of any iron-ore, coal, or limestone resources of the State. I am wondering whether we should limit the Bill in that way. It might easily happen, with the passing of time that the Minister will require authority to contract or arrange for the development and mining of other materials which might be required in connection with iron or steel, or an integrated iron and steel industry. It seems to me, therefore, that the authority to be given to the Minister under this heading should not be limited to the extent it is in the Bill. I ask the Minister to give consideration to the question whether it might not be advisable in Committee to cut away the limitation which this part of the measure would impose upon him.

I see no objection at all to giving the Minister an unrestricted right to contract or arrange for the development of the mining of any material which might be required for the establishment and carrying on of any one of the suggested industries. As a result of consideration of that point, I hope the Minister will in the Committee stage have a suitable amendment made to that part of the Bill. When introducing the measure, the Minister gave the House to understand that a company would be established in this State, to be known as Western Steel Enterprises, Ltd., with a nominal capital of £250,000 and a subscribed capital of £125,000. Of the subscribed capital the Government would contribute £25,000 and in addition would make available £25,000 to the company by way of loan. In other words, the Government would make available £50,000 of the £125,000 subscribed capital. The Minister did not make it clear why the Government would subscribe only £25,000 of the £50,000 by way of share capital and I should be pleased if he would, when replying, explain to the House why the Government would subscribe only £25,000 of the £50,000 available to the company by way of subscription to share capital and the other half by way of loan.

I can understand the Government feeling, in the early stages at any rate, that it might be a safe course for it to subscribe only £25,000 by way of share capital and to have its other £25,000 secured on whatever assets the company might have at the time the Government makes its loan available. If, however, the Government has any degree of confidence in the ability of the company to establish an iron and steel industry in Western Australia I think it would be justified at the proper time in subscribing the whole of its

£50,000 by way of share capital, instead of subscribing only half of it through that channel. The proposed company is expected to establish early in its existence an industry for the fabrication of steel products. In addition, it will carry out a good deal of investigation and I understand will make experiments and tests for the purpose of ascertaining whether it is economically possible to establish an integrated iron and steel industry on a successful basis.

It is easy to understand that the company will require a considerable amount of money to establish the proposed industry for the fabrication of steel products and for the further purpose of carrying out the investigations and tests that will be essential to enable it to reach the stage when it will be able to say that it is in possession of all the knowledge, information and experience needed to justify its going ahead to establish an iron and steel industry on a fairly substantial basis. The Minister told the House that the Government is to have one director on the board of this company so long as the Government is in possession of shares to the value of £100,000, or so long as the company is indebted to the Government to that extent. I am rather surprised to find that the person or persons who will be responsible for the establishment of the company are willing to give the Government one director for the measly—if I might use the word—sum of £1,000.

The Minister for Industrial Development: The understanding is £25,000 of course.

Hon. A. R. G. HAWKE: That seems to me to be getting a director at a bargain price.

The Minister for Industrial Development: The understanding is £25,000, of course.

Hon. A. R. G. HAWKE: If that is so, it seems to me to be slightly misleading to say that the Government will be entitled to a director on the board of the company so long as it holds shares to the value of £1,000, or so long as the company is indebted to the Government to the extent of £1,000. However, if the clear understanding between the Government and the promoter of the company is that the Government will subscribe £25,000 by way of share capital and will continue to hold shares to at least that value, then it becomes evident that the Government will have one director because of the amount of £25,000 that it proposes to subscribe by that method. I think that is a more reasonable basis upon which the Government might claim the right to one director of the three directors who will control the activities of the company.

The Minister was good enough to tell us that Mr. Conrow had been the moving spirit in this proposed company. The House was informed on a previous occasion that Mr. Conrow had been advised by the previous Government to make special inquiries and investigations in America towards the end of 1946 and early in 1947 for the purpose of trying to advance the possibility of this State's securing an iron and steel industry of some magnitude. On the occasion of his visit to America last year, Mr. Conrow carried a letter of authority from the Government of this State under the terms of which he was enabled to contact suitable iron and steel companies in America with a view to interesting one or another of them in the possibility of developing an iron and steel industry in Western Australia. Mr. Conrow, because of his previous contacts with American iron and steel companies and because of his high standing with them, was able to make the progress our Government at that time hoped he would make, and when he returned to Western Australia early this year—I think towards the end of March or early in April—he was able to make available to the new Government a very valuable report of his contacts in America and of the probabilities he had been able to line up regarding the question of American interests taking steps in co-operation with the Government of Western Australia to develop the iron and steel industry in this State.

I was pleased to hear from the Minister that Mr. Conrow was to be the movin spirit in connection with the proposed Western Steel Enterprises Ltd. I think Western Australia could not have obtained the services of a more experienced or more capable man to guide a company of this description. He is pro-Western Australian, though he has never lived here, and is specially keen to develop in Western Australia an iron and steel industry on a scale suitable, not only to the needs of this State, but also to

such oversea trade as an industry of this kind might be able to develop in the future.

Before discussing the schedule to the Bill, or some of it, I want to say that I was interested in the statement the Minister gave to us regarding the progress at Wundowie since the publication of the Royal Commissioner's report in connection with the industries being established at that centre. The Minister told us that considerable progress had been made with those industries since that time and also, unfortunately, that the industry was still up against a number of difficulties, including shortages of essential plant and equipment, with the result that the completion of some sections of the industry was being further delayed and consequently the industries would not be able to go into production until some time in 1948. There is nothing we can do about this situation. It is one that has prevailed, I suppose, in every State of Australia since 1939.

Although the war has now been over for more than two years, it seems likely the situation will continue for another year or so despite all the efforts of those in authority to overcome the problem. I know that all the difficulties do not exist alone in this State because some of the specialised plant and equipment required for the Wundowie industries have to come from other States of Australia. In connection with what the Minister had to say about the Wundowie industries, he gave us some significant information regarding his hope that a large scale chemical industry may be established in Western Australia in the not very distant future. He told us that the main raw materials required for this industry were coal, limestone, acetic acid and methanol. Coal and limestone existed in Western Australia before the Wundowie industries were established, but methanol and acetic acid are not yet produced in this State, nor will they be until the industries at Wundowie go into production. This adds very little to the value which the Wundowie industries will confer upon Western Australia, because it indicates that the by-products of acetic acid and methanol may play a very important part in convincing the company which is considering establishing a large-scale chemical industry in Western Australia of the advisability of acting in that manner.

It is practically certain that had the Wundowie industries not been in process of establishment and had there not been a certainty that large quantities of acetic acid and methanol would be available in this State, those now thinking of establishing a large-scale chemical industry here would not have given the matter one single second's thought except for the important fact that these vital raw materials for their industry will be produced in Western Australia commencing from early next year. Therefore, I am sure every member of this House and I should hope every member of the public, will be gratified at learning from the Minister that the by-products of acetic acid and methanol from the Wundowie industries may be responsible for bringing to Western Australia this very important large-scale chemical industry to which the Minister referred.

There are some points in the schedule about which I am not very happy. As members are aware, the schedule is actually the agreement already made by the Government with H. A. Brassert & Co. Ltd. of England for the working of certain of the iron-ore deposits at Koolan Island. This company controlled seven leases covering large-scale iron-ore deposits on that island. So far as I am aware, the company has never produced any iron-ore at Koolan Island. It might have done that before the war had it shown sufficient initiative. It could not have done so during the war because of the operations of Commonwealth regulations, and I think it is fair to say that the company has had little or no chance since the war ended to produce any iron-ore at Koolan Island. If it had cared to do so, the Government could have cancelled these leases and the company could have taken no legal action against it. Under this agreement the Government has chosen not to cancel the leases but it has agreed with the company that it shall surrender them to the Government. In return the Government is to make some leases available again to the company.

I understand that the Government will make in all about half of the seven leases surrendered available again to the company That will give the company control over half the deposits at Koolan Island for a period of 21 years, with the right of renewal for a further period of 21 years. In other words the company is to be given leases

covering approximately half the iron-ore deposits for a period of 42 years from the date on which the agreement was made provided, of course, the company carries out the conditions set out in the agreement. We could argue about the advisability of the Government going as far as it has gone in this agreement in making half of the iron-ore deposits at Koolan Island available to the company. However, I think that would avail us nothing, and in all the circumstances, the Government has some justification, if not complete justification, for acting as it has done.

The Minister for Industrial Development: Our principal justification was the resolution of this House.

Hon. A. R. G. HAWKE: That was one justification. I think another was the fact that because of the war and because of the unsettled post-war conditions, the company was prejudiced in connection with the leases it took up in fairly good faith, although quite an amount of information has been spread around, in different ways, as to just what were the reasons which caused this company to take up the original leases.

One part of the agreement which worries me considerably is that by which the Government is to grant to the company complete exemption from work and labour conditions on the said leases for an initial period of four years from the date of the agreement. I am not at all happy to think the Government is granting the company that exemption, as it appears to me to be absolute and without qualification or condition of any kind. It gives the company the absolute legal right to tie up the iron-ore deposits at Koolan Island for four years. Just why the Government saw its way clear to giving the company that exemption is something the Minister did not explain in his second reading speech, but something which I hope he will clearly explain when he is replying to the debate. I do not think this company or any other is entitled to a complete and unrestricted exemption for as long as four years.

The Minister for Industrial Development: It is hardly that, if you read the whole paragraph.

Hon. A. R. G. HAWKE: The other part of this portion of the agreement reads—

> And the Government shall have the right forthwith at the end of the said period of four years to forfeit the said leases if it is not satisfied with the progress achieved by the company.

The Minister for Industrial Development: It really amounts to this, that if the company has not done enough work to justify its existence, you can cut it off with a knife.

Hon. A. R. G. HAWKE: That is so, but my argument is that the company has the absolute legal right to tie up these deposits for four years. The Government is not in a position to take any action against the company during the currency of that period.

The Minister for Industrial Development: I will try to explain why.

Hon. A. R. G. HAWKE: I think the Minister should explain why the Government has agreed to such a condition, because it seems to me it is unreasonable, from the point of view of the Government, and greatly favours the company. I have a strong feeling that this company will not develop any of the deposits at Koolan Island.

The Minister for Industrial Development: We have a strong feeling to the contrary now.

Hon. A. R. G. HAWKE: If the Minister has some good grounds upon which to base his opinion I hope he will, as far as it is possible for him to do so, state them to the House later. I can quite understand that some of the information which the company has made available to him might be confidential at this stage, but nevertheless I hope he will, as far as possible, inform us of the prospects which this company has, not only of starting to develop the deposits in the reasonably near future, but also of exploiting them on a fairly large scale long before the four-year period to which I have been referring has elapsed.

There has, over the years, been a good deal of doubt expressed as to the standing of this company, especially on the technical side. If the Minister is in possession of reliable information regarding its technical standing, I hope he will give us as much of that information as he can. The opinion about the company, fairly widely held by people in Western Australia, is that it was financed, in most of its operations, by a certain country the name of which I need not mention, and that it was depending very largely for technical advice and assistance upon that country. Whether that was so, or whether the company has in recent years

developed a technical organisation of its own, to enable it not only to mine iron-ore economically at Koolan Island but also subsequently to assist in processing the iron-ore in this State into iron and steel products, is a point upon which every member would be pleased to have whatever information the Minister is in a position to make available.

Another part of the agreement deals with the right that the Government will have to obtain up to a maximum quantity of 1,000,000 tons of iron-ore each year from the total quantity produced annually by the company. Under the agreement the Government is to have first call on the iron-ore that the company produces, and its first call on that product may go to as high as 1,000,000 tons per year, according to the desire of the Government. No-one will quarrel with that part of the agreement. There is room for serious difference of opinion as to the price to be paid by the Government to the company for any iron-ore supplied. That is a vital part of the agreement. The price that the Government will be called upon to pay for any iron-ore that it buys from the company will be either the cost of producing such ore—in estimating which there shall be included depreciation, and interest on capital, including the original cost not exceeding £35,000 on the leases to be surrendered, as well as all overhead charges properly taken into account in arriving at the net profits, plus five per cent.—or the lowest f.o.b. price, Koolan Island, at which iron-ore is being supplied to other customers of the company at the time notice to supply is given by the Government.

The first basis upon which the Government may purchase iron-ore from the company is therefore the cost-plus system. Members who investigated the cost-plus system that the Commonwealth operated during the war, know that it was a system under which the purchaser could be grossly exploited unless he was extremely careful. The Commonwealth Government was robbed in all States of Australia during the war through the operation of that cost-plus system. Owing to the pressure of war the Commonwealth Government may not have had any option in the matter, as it had to obtain munitions and weapons of war as quickly as possible, wherever they could be manufactured. To that extent it was at the mercy of those who were in a position to meet its urgent orders for munitions and weapons of war. Those conditions do not apply in this instance. The State Government is not under urgent pressure to obtain iron-ore from any company irrespective of the price that the company might wish to charge.

Not only is the company given the right to charge on the cost-plus basis under the first alternative as to price, but in the agreement it is given the right to include depreciation, and interest on any new capital that it may use to carry on the production of iron-ore at Koolan Island, and also on the sum of £35,000, which the company no doubt has claimed that it expended in past years on its previous activities relating to the seven leases that it surrenders to the Government under this agreement.

The Minister for Industrial Development: The company said it was about £250,000, but £35,000 was allowed.

Hon. A. R. G. HAWKE: I would not be surprised if the company's representatives claimed that the amount expended on its Koolan Island activities was £250,000 or £500,000. The fact that the representatives of the company made such an extravagant claim would immediately have the effect of putting the Minister for Industrial Development well on his guard.

The Minister for Industrial Development: Hence £35,000 was allowed.

Hon. A. R. G. HAWKE: Even though the Minister succeeded in beating down the company's representatives from £250,000 to £35,000, I still express grave doubt as to whether the company or its directors expended 35,000 shillings of their own money on Koolan Island. They may have expended £35,000 of the money of some other country that was interested in financing Brasserts Limited in the exploitation of the Koolan Island iron-ore deposits before the war.

The Attorney General: Thirty-five thousand pounds is the maximum. They have to prove they spent it.

Hon. A. R. G. HAWKE: As I read the agreement, set down in the schedule to the Bill, they do not have to prove anything of the kind.

Hon. F. J. S. Wise: It is allowed as a charge.

Hon. A. R. G. HAWKE: Apparently they have already proved it to the satisfaction of the Minister and the Government, because the agreement, as set down in the schedule, clearly states that if the Government buys on this basis the company is to be given the right to charge a price that will include the cost of producing the ore, in the estimating of which there shall be included depreciation, and interest on capital including the original cost, not exceeding £35,000, of the leases to be surrendered, as well as all overhead charges, etc., plus five per cent.

The Attorney General: That is so.

The Minister for Industrial Development: It can be less than £35,000.

Hon. A. R. G. HAWKE: Who is to be the judge of whether—if iron-ore is bought by the Government on the first mentioned basis—the company is to be allowed to charge into the price depreciation and interest upon the original capital of £35,000, or a lesser sum?

The Minister for Industrial Development: I think it should be allowed on £35,000, to be quite fair.

Hon. A. R. G. HAWKE: I am anxious to know, either now or when the Minister is replying, who will decide whether the sum is to be £35,000—which is the maximum allowed in the agreement—or a lesser sum that might be decided upon. As I read the agreement, the maximum of £35,000, as set out in the document, must apply unless both parties mutually agree upon a lesser sum. Surely this agreement will not give to the Minister alone the right to say that the depreciation and interest to be allowed on the original capital will apply not to £35,000 but, say, to half of that amount! I cannot imagine that the agreement could be interpreted in that way by the Minister or by the Government. As I understand it, although the words "not exceeding £35,000" are in the agreement, the Government will be bound, if it purchases iron-ore upon that basis, to allow interest and depreciation upon the amount of £35,000 and not upon any lesser amount.

The Attorney General: No.

Hon. A. R. G. HAWKE: If the Attorney General is able to read something different into this part of the agreement, and is able to assure us at a later stage of the debate that the Minister or the Government has an absolute right to decide that the depreciation to be paid upon the original capital may be paid at their discretion upon a much lesser amount than £35,000, I shall feel much happier than I do at the moment. I consider the agreement, as worded, requires the Government, if it buys upon that basis, to allow in the price to be paid to the company for its iron-ore, interest and depreciation upon the original capital amount, which would be the £35,000 mentioned in the agreement and the schedule. My hope on this point is that the Government will not have to buy under this system, because it is one very much open to exploitation so far as the purchaser is concerned.

The Minister for Industrial Development: It provides a good check on the lowest f.o.b. price to other customers.

Hon. A. R. G. HAWKE: I am coming to that point, which is the second basis on which the Government may decide to purchase. The alternative basis on which the Government may procure ore from the company is the lowest f.o.b. price, Koolan Island, at which iron-ore is being supplied by the company to customers at the time notice is given by the Government. At first glance that does appear to give the Government the protection it would certainly need against the company if it showed any indication that it was out to exploit the State under the first mentioned basis of purchase. However, this alternative, which appears to afford adequate protection to the Government, might not, in fact, exist at the time the Government is anxious to purchase iron-ore from the company, because at that stage the company might not be selling iron-ore to any other customer. It is quite conceivable that Western Enterprises Ltd. might require all the iron-ore Brasserts Ltd. will be capable of producing in the first five or even the first 10 years of the company's operations at Koolan Island. If that be so, the company will have no other customers and there will be no lowest f.o.b. price, Koolan Island, at which it is supplying customers other than the Government. In that event, it seems to me the Government will be compelled to purchase from Brasserts Ltd.

upon the cost—plus basis, and that is a basis of which I am very much afraid. I suppose it is too late to include——

The Minister for Industrial Development: Not a bit.

Hon. A. R. G. HAWKE: —in this part of the agreement the protection that the Government should have.

The Attorney General: It can be put there with the utmost ease. There is nothing to prevent us throwing it out.

Hon. F. J. S. Wise: Do you not think it is a very strong point?

Hon. A. R. G. HAWKE: The safeguard I have in mind is that there should be added to this particular part of the agreement some provision that would allow the question of price to be adjudicated upon whenever there was any disagreement between the Government and the company. In other words, there should be in the agreement provision for the setting up of some system of arbitration or adjudication as to price whenever the Government feels that the amount demanded of it by the company is greater than the Government should be charged for its iron-ore requirements.

A similar provision is to be found in other legislation of like character, and I cannot imagine that the company could offer any serious objection to this agreement having a provision of that kind included in it—unless the company is anxious to exploit the Government regarding the price it will have to pay for its essential iron-ore requirements in the future. This is all the more important because this company, if it does, in fact, reach the stage at Koolan Island when it mines iron-ore, will be the only company operating in Western Australia that will be in a position to sell iron-ore to the Government, unless the Government could possibly arrange to purchase the ore from the Broken Hill Proprietary Co.'s subsidiary concern, which is mining iron-ore at Cockatoo Island.

Whether that is a possibility is beyond my knowledge, but I certainly think, in view of the fact that the alternative basis of arriving at a fair price might prove to be completely empty because the company might not be supplying any other customers, the Government should give very serious consideration to this part of the agreement for the purchase of ore, and try to have included in it a provision that would allow the question of price to go to arbitration in the event of the company and the Government disagreeing as to a fair price to be charged. I think that is a protection the Government and the State should have, and if it is not too late to attempt to include a protection of that kind in the agreement, the Government should try, as soon as possible, to have something done along those lines.

The Minister will realise that the cost of producing iron-ore at Koolan Island might be very high. Labour costs and living costs will certainly be high in that part of the State. I do not know how extravagant the ideas of the company may be in regard to the charges to be debited against the industry that will operate Koolan Island. However, I do know that some large modern companies have very expensive and extravagant ideas as to how money should be expended and the purposes for which it should be expended, and the whole of the expenditure is charged up against the company's production, which, in this case, will be at Koolan Island.

Therefore, the Government might find itself called upon to pay a very high price, even an exorbitant price, for the iron-ore which it will require for a vital State industry covering the production of iron and steel products, in which industry the Government itself will have capital invested. Therefore I stress very strongly to the Minister and the Government, the necessity for putting the microscope on that part of the agreement for the purpose of trying to include a provision to safeguard the Government against possible exploitation.

The company could not possibly object to a provision being included in the agreement stating that, where the Government and the company disagree as to price, under basis No. 1 or even under basis No. 2, the question be referred to an adjudicator, and the decision of the adjudicator be accepted by both parties. That seems to be the weakest part of the agreement; in fact I would say that it is the only really weak spot in the agreement. It is so weak that this House should take steps to strengthen it, unless the agreement already made by the

Government and the company is binding to an extent that any action on our part would imperil the whole proposal. However, I understand from the Minister that that is not so. I know that the agreement includes a provision that it shall not be final and binding upon the parties until it has been approved by Parliament. Although that is in the agreement, the practical aspect could easily be that, unless this agreement be approved by Parliament, the whole thing would fall to pieces—

The Attorney General: That is very possible.

Hon. A. R. G. HAWKE: —and the possibility of the company's going on with the agreement in some amended form would be very poor indeed. There is the theoretical side that the agreement does not become operative until approved by Parliament, but there is also the practical side which might be that the company is not prepared to have the agreement amended to any substantial extent. Nevertheless, I cannot imagine that the company could have any valid objection to a provision being added to the agreement to enable an independent adjudicator to fix the price whenever the company and the Government disagreed as to the price to be charged. If the company would not agree to a provision of that kind being put in the agreement, I should say that it would be of a type that the Government and the State might well be rid of, because such a refusal would indicate that the company was out to exploit the Government and the State in regard to the price to be charged for the iron-ore that it hopes in future to sell to the Government.

There are several other queries that I have in connection with this Bill. They are all of a minor character, and I will not put them forward now but will hold them over for the Committee stage. There is, however, one query that I should like to mention, and it has to do with the designation the Minister gives to himself in the agreement. The schedule begins—

> This agreement made the 27th day of October, One thousand nine hundred and forty-seven, between the Honourable Arthur Frederick Watts, Minister for Industries and Deputy-Premier of the State, etc.

I do not know whether the Minister included in the agreement "Deputy-Premier of the State" because he was a bit doubtful about the validity of the term "Minister for Industries." However, I have studied carefully the notification in the "Government Gazette" as to the disposition of departments and Votes under the control of the various Ministers and I have not been able to find any Minister who is Minister for Industries.

The Minister for Industrial Development: It is Industrial Development.

Hon. A. R. G. HAWKE: I take it, then, that the Minister should be described in the agreement and therefore in the schedule, as the Minister for Industrial Development and not as the Minister for Industries. I consider the point is of some importance, because this is quite a vital agreement to the Government and the State.

The Minister for Industrial Development: I think that point is covered now by Clause 3.

The Attorney General: He could easily be identified.

Hon. A. R. G. HAWKE: Even if it is covered by Clause 3, I suggest that the right title should be included, more especially as there is no provision at all in the disposition of departments and Votes for a Minister for Industries. Though not of great importance, this point is of sufficient importance to justify an alteration being made in Committee, including an alteration to the agreement.

The Minister for Industrial Development: I do not want to send the agreement back to England for that.

Hon. A. R. G. HAWKE: I support the second reading because I consider the Bill to be of very great importance, and I am sure it will provide the basis in the future for the establishment of iron and steel industries which we are very anxious to see established in this State as soon as possible.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT (Hon. A. F. Watts—Katanning—in reply) [11.59]: I do not intend to keep members very long, but there are one or two points raised by the member for Northam to which he is entitled to some reply. In regard to the question of the £25,000 subscription to capital and the £25,000 loan to the proposed company, I would like to inform the hon. member

that there was no peculiar reason why the amounts were so arranged. That was the suggestion made, in amounts, by the promoter of the company, the gentleman who has been discussed here, and it was readily accepted by the Government. I think the underlying idea was that outside capital should be brought into the venture to a considerable degree in the preliminary stages, as it were, because it is obvious that the Government will have to consider further subscriptions to capital when the subscribed capital of the company is increased to the nominal capital, or perhaps further. Therefore, the £25,000 would, for the time being at least, be secured against the assets of the company as originally constituted, and expended primarily in investigatory work.

The member for Northam also made reference to the necessity for directing or arranging for the development of the mining of other resources of the State. I quite agree with him that it would probably be desirable at some future time for such development to take place on terms similar to those proposed in this measure, but I do not think that now is the time to consider including in the measure any other particular things that are not concerned with the manufacture of iron or steel products. We can wait until we have some definite proposals to bring before the House in relation to them.

It will then be easy, if necessary, to come to the House and ask for some amendment of the measure in order to include other minerals and other resources and explain at that time to the Chamber exactly what is intended, so that both the House and the company may be informed of the proposals. That has been the underlying desire in the debates which have so far taken place on this matter. We have not the slightest wish that anything that can be explained to the House should not be explained to it. We have introduced a measure to enable the carrying out of all that we have suggested should be done, perhaps a little more. We ought not to include in the measure, as yet, the substance of any proposals which we have no immediate prospect of carrying into effect.

I would like to refer to the agreement with Messrs Brasserts for a moment or two. The member for Northam made some reference to the four years' exemption. He appeared to regard this agreement, in the two or three aspects on which he offered some mild criticism, as being particularly favourable to Messrs Brasserts. If he had had anything to do with the negotiations with Messrs Brasserts he would have been impressed by quite a contrary opinion, because not only did they express the opinion that the agreement, as insisted upon, was exceedingly hard upon them, but even our own law advisers expressed the view that they would have been reluctant to advise any client in the opposite position to sign the whole of it in its present form, because they said that it is quite restrictive in character. Be that as it may, the fact remains that it was not arrived at in its present form until after considerable negotiation and argument and a very firm stand being taken by the Government.

The four years' exemption I think is a very reasonable provision. I mentioned in the course of the earlier debate that a reasonable time would have to be granted to the company and I suggested that four years would probably be reasonable. One must realise that in these days development of this nature takes a lot longer than it would have taken in pre-war times. One cannot now lay hands on machinery at one's beck and call; 18 months or two years must pass before one can obtain an order for which one has pressed for delivery. We know that only too well in Western Australia. Shipping has to be acquired for a proposition of this nature. Plans have to be laid and capital subscribed, so I venture to say that it would be extremely unreasonable not to have given Messrs Brasserts between two and three years in order that they might have a bare chance, under modern conditions, to undertake any important developmental work.

When it came to a question of tossing up between three and four years, and it is impressed upon one that the eventualities might quite likely be such that it will not be three but four years, and when one looks around at one or two of our own ventures where we have been waiting for two or three years to get things done which are not, it would appear, nearly so involved as this, it seems quite reasonable to give Messrs. Brasserts four years' exemption with a provision in the agreement, as I pointed out by way of interjection to the member for

Northam, that if at the end of that time the Government is not satisfied with the progress made the whole arrangement can be forfeited, and the agreement—as I said—cut off with a knife. I therefore think that that is a perfectly fair proposition. We are satisfied that the bona fides of the company are excellent, that it intends to do its utmost for the development of these leases and that it will make every effort to carry out the terms of the agreement which it has made. We have no reason to believe the contrary and we therefore intend to give the company time within which to do it. If the company cannot make a do of it then it rests with the Government of the day and this House—if it so desires—to insist that forfeiture ensue.

With regard to the price question, very much the same considerations apply. These clauses were the subject of much negotiation and discussion. In fact, at one stage, after the matter had been discussed by the House and the Government felt that it was authorised and indeed, encouraged to proceed with this arrangement, it was quite possible that the negotiations would have fallen down had we insisted on anything more stringent than we did. But I say this quite frankly, we are not pressing for this agreement to be accepted by the House. We feel it will be for the good of Western Australia if it is. If the House feels the contrary, it can amend the agreement or reject it. The Bill and the agreement itself make provision for that contingency. If the Bill is rejected, we notify the company that Parliament will not ratify it. Then we shall have to start all over again to find some other way, perhaps, to do this developmental work.

While the matter of cost may to some small extent be open to question—I mean small extent in regard to the cost-plus part of the paragraph—I venture to say that on a comparison of what it might cost the State were the State compelled to provide its own plant, machinery, investments and working staff and accept the responsibility for the development of this area in order to secure 1,000,000 tons of ore per annum the price will, I think, be a very cheap one. What call upon our other resources the development of these leases might make in capital, what diminution of the possibilities of developing the State in other aspects might ensue if the State should undertake or have to undertake the whole of the responsibility, I do not know. But it would, I think, involve us in very many hundreds of thousands of pounds all of which I hope will be avoided as the net result of this agreement. Consequently, even if we should pay a penny or twopence a ton, which is the most it could possibly amount to, as members will find if they made a calculation—and I think it would be far less than even one penny if the calculation were carefully made—I think we can say it would be still a very reasonable price.

The member for Northam took some exception to the second proposal regarding the lowest f.o.b. price at Koolan Island at which iron-ore is being supplied to the company's other customers, on the assumption that there would be no other customers and therefore the provision could not apply. That is an eventuality I do not envisage. It would not require customers for any particular quantity. So long as there were other customers the price at which they bought would be the figure on which this calculation would be made. However, I leave that question of altering the agreement, and having to re-submit it to London for ratification or rejection there, entirely to the Committee stage. At this stage I feel that we should either make up our minds to accept the agreement as it stands or reject it and inform the company. I hope the latter course will not be taken.

The agreement follows closely the proposals that were outlined to this House when the motion and the amendment moved by the member for Northam and myself respectively were discussed. Had it not been for the tenor of that discussion and the result thereof, I think I am safe in saying that negotiations with Brasserts would not have proceeded. They did proceed on the lines laid down in the agreement. Brasserts Ltd. have ratified the agreement and left it to this Parliament to ratify it or not. My view is that it should be ratified but the agreement is in possession of the House and members can decide the matter. Generally speaking, I wish to thank the member for Northam for the very clear, concise and friendly spirit in which he addressed himself to this mea-

sure. Much of the information he gave was of value to me and I was very glad to have it. I thank him again for the manner in which he received the measure.

Question put and passed.

Bill read a second time.

In Committee.

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

Clauses 1 and 2—agreed to.

Clause 3—Administration:

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I move an amendment—

That in line 4 the words "shall be" be struck out.

This is a misprint.

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

Clause 4—Powers of Minister:

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I move an amendment—

That in line 4 of paragraph (c) of Subclause (1) after the word "fifty" the word "two" be inserted.

The member for Northam thought it would be advantageous for the Government to have a majority shareholding, to which I said I had no objection.

Amendment put and passed.

Hon. A. R. G. HAWKE: At this late hour I hesitate to draw the Minister's attentoin to the word "wharfs" in subparagraph (iii) of para. (f). I understand there is such a word in the dictionary but the one commonly used is "wharves." I move an amendment—

That in line 2 of subparagraph (iii) of paragraph (f) of Subclause (1) the word "wharfs" be struck out and the word "wharves" inserted in lieu.

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

Clause 5—agreed to.

Schedule:

Hon. A. R. G. HAWKE: I do not desire to move an amendment that might possibly have the effect of upsetting the agreement made between the Government and the company, but I suggest that the Minister might agree to report progress now so that he and the other members of the Government could give consideration to the point I raised in connection with including provision to enable an adjudicator to be appointed for the purpose of deciding the price to be paid by the Government to the company for iron-ore whenever the Government and the company disagree as to price. If the Government comes to the conclusion that any attempt so to alter the agreement at this stage would imperil the situation, I would be prepared to accept the explanation.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: So as not to hold up the Bill here, I suggest to the hon. member that I send a cable tomorrow to Brasserts Ltd. suggesting that they be agreeable to a clause, such as he proposes, being inserted in the agreement. If their reply is in the affirmative, such a clause could be inserted when the Bill is in another place. If the reply is in the negative, we had better leave the agreement alone.

Hon. A. R. G. Hawke: That will do me.

Mr. Marshall: Why is there provision in the schedule for the exemption of labour conditions for a period of four years?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I explained, when replying to the second reading debate, that it was regarded as a reasonable time during which the company might, in the light of modern conditions, and the difficulties of supply and so forth, be expected to undertake development. The company would have liked a longer period and the Government a shorter one.

Schedule put and passed.

Title—agreed to.

Bill reported with amendments.

House adjourned at 12.25 a.m.
(Wednesday)