

of the young man concerned. Is there a country that has such a shocking record as that? I very much doubt it.

However, it is not my intention to delay the House further. The vote will be taken and it is my intention to have the names recorded by calling for a division. I mentioned earlier that the Government may derive some grim satisfaction out of defeating the Bill, but it knows full well that it is flying in the face of all the evidence, and it knows perfectly well that the abolition of capital punishment will come, whether it be next year, in three years, or five years hence. Very definitely it will arrive, and all that is happening now is that a few more luckless souls, deprived of their senses either at the moment, or over a protracted period, will be hanged. Another one of these shocking procedures was recently exercised in our fair State, and got Western Australia more publicity.

We got a lot of publicity in 1962 with the Commonwealth Games, and we will get further publicity in 1964 because of the hangings that have taken place in this State, this year and in the several years preceding it. That publicity is apparently designed to get Western Australia first place in the Four Corners programme put on by the A.B.C. television section. If the Government is deriving some pleasure from that sort of thing then it is entitled to it, but—

Mr. Court: Before you sit down—and I am sorry I was absent when you first started but I was called from the Chamber—have you explained to the House, seeing you feel so strongly about this matter, why you did not, when you were a Minister for six years during your Government's term of office, do something about this?

Mr. GRAHAM: I have.

Mr. Court: I will read about it.

Mr. GRAHAM: For the edification of the Minister it has been stated on a number of occasions earlier, and I draw his attention to page 1558 of the current series of *Hansard* where he will see a leading article from *The Herald* newspaper, Melbourne, which indicates my thoughts and those of the Opposition. In other words, we erroneously assumed, as they did in the other State concerned, that this was a dead letter on the Statute book and would not be brought into operation again. Unfortunately, we were mistaken; but the Minister can rest assured, as I have already said, that Labor, upon being returned as the Government, will introduce the legislation and, even if it is not the Government, the legislation will still be introduced and that process will continue until Western Australia catches up with the rest of the world in regard to penology.

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

Ayes—20

Mr. Bickerton	Mr. Kelly
Mr. Brady	Mr. D. G. May
Mr. Davies	Mr. Moir
Mr. Evans	Mr. Norton
Mr. Fletcher	Mr. Oldfield
Mr. Graham	Mr. Rhatigan
Mr. Hawke	Mr. Sewell
Mr. Heal	Mr. Toms
Mr. W. Hegney	Mr. Tonkin
Mr. Jameson	Mr. H. May

(Teller.)

Noes—21

Mr. Bovell	Dr. Henn
Mr. Brand	Mr. Hutchinson
Mr. Burt	Mr. Lewis
Mr. Cornell	Mr. Mitchell
Mr. Court	Mr. Nalder
Mr. Craig	Mr. O'Connor
Mr. Crommellin	Mr. Runciman
Mr. Gayfer	Mr. Wild
Mr. Grayden	Mr. Williams
Mr. Guthrie	Mr. O'Neill
Mr. Hart	

(Teller.)

Pairs

Ayes	Noes
Mr. J. Hegney	Mr. I. W. Manning
Mr. Curran	Mr. W. A. Manning
Mr. Hall	Mr. Nimmo
Mr. Rowberry	Mr. Dunn

Majority against—1.

Question thus negatived.

Bill defeated.

House adjourned at 1.33 a.m. (Thursday)

## Legislative Council

Thursday, the 29th October, 1964

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The **PRESIDENT** (The Hon. L. C. Diver) took the Chair at 2.30 p.m., and read prayers.

**BILLS (3): ASSENT**

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

1. Prisons Acts Amendment Bill.
2. Bush Fires Act Amendment Bill.
3. Wills (Formal Validity) Bill.

**QUESTIONS ON NOTICE****HOUSING AT MERREDIN***Tender Prices for Commission Homes*

1. The Hon. R. H. C. STUBBS asked the Minister for Housing:

With reference to the next group of State Housing Commission houses to be built in Merredin, for which tenders have been accepted, will the Minister advise the lowest price for each house in the accepted tender?

The Hon. A. F. GRIFFITH replied:

For the five houses to be erected in Merredin, as part of the contract for 10 houses, which included three at Cunderdin and two at Kellerberrin, the lowest accepted Merredin prices were:—

With terra cotta tiled roofs—

£
3,361
3,243
3,269

With cement tiled roofs—

£
3,255
3,382

**FISHERMEN'S WHARF AT FREMANTLE***Additional Facilities*

2. The Hon. R. THOMPSON asked the Minister for Mines:

In view of the congested conditions which prevail at the original fishmarkets jetty at Fremantle,

will the Minister give consideration to making facilities available on the new fishermen's wharf for—

- (a) mooring and victualling of boats; and
- (b) weighing of crayfish, etc., especially in view of the fact that the existing facilities are totally inadequate?

The Hon. A. F. GRIFFITH replied:

- (a) The new fishermen's wharf is built for the loading, unloading and victualling of fishing boats but will not be available for permanent mooring.
- (b) It will not be possible to have sheds at the back of the wharf for weighing, etc., as it will interfere with road access.

**USED CAR DEALERS BILL***Report*

Report of Committee adopted.

**SUITORS' FUND BILL***Second Reading*

Debate resumed, from the 27th October, on the following motion by The Hon. A. F. Griffith (Minister for Justice):—

That the Bill be now read a second time.

**THE HON. E. M. HEENAN** (North-East) [2.36 p.m.]: The title of the measure is—

**A BILL for AN ACT to make Provision in respect of the Liability for Costs of certain Litigation; to establish a Suitors' Fund to meet that Liability; and for incidental and other purposes.**

The Minister gave the House a clear outline of the proposals contained in the Bill. He was also good enough to give me a copy of his speech, which I have perused very carefully, and there is not a great deal that I can add to what he has already said. Perhaps I should make a few observations, nevertheless.

The Minister informed the House that the proposals in the Bill met with the approval of the Law Society of Western Australia. I can assure honourable members—not that any word in this respect is required from me—that what the Minister said is quite so. In the fairly brief space of time since I got the adjournment of the debate I have conferred with three solicitor friends of mine. I gave them copies of the Bill to peruse, and each one of them considers it is something which will fill a long required want.

The measure seeks, firstly, to establish what is to be known as a suitors' fund. It also proposes that a board to be called the "Appeal Costs Board" shall be established; and this board will largely control

the administration of the fund. The fund is to be financed by adding to, or increasing, the fees payable on Supreme Court writs, local court plaints, and police court summonses.

The amount of the levy is to be 1s. or up to 2s., but not above 2s. So if anyone issues a summons in the Local Court for money that is owing to him, he will pay the normal court fees and the bailiff's fees and there will be an amount up to 2s. added. That will also apply in the Supreme Court. If one issues a writ for damages as a result of being knocked down by a motor car, or against another person for encroaching on one's land or for any of the multifarious circumstances that can arise—even for divorce, I take it—the writ will have a fee of up to 2s. added for the purpose of financing this fund.

Also, in the police courts throughout the country, should anyone desire to take out a complaint or issue a summons he will have to pay an extra 1s. or 2s. for the purpose of this fund. So the fund will not be financed by the Treasury in any way; it will be financed by the various people who issue processes through the courts. In a way it will be an extra tax on those people. I understand the Law Society would prefer to have the fund financed by some other means, and I can imagine the majority of honourable members might share that view. I must confess I am not greatly perturbed about the method of financing the fund, because the charges are relatively small and the good that will result will far outweigh the small degree of hardship imposed on processors.

It is estimated that this fund will raise approximately £5,000 yearly. Its purpose is set out in clauses 10, 11, and so on, and it will work in this way: Where an appeal against the decision of a court in civil but not criminal proceedings to the Supreme Court, to the High Court of Australia, to the Queen in Council from a decision of the High Court of Australia, to the Queen in Council from a decision of the Supreme Court, succeeds on a question of law, the Supreme Court may, upon application made, grant to the respondent to the appeal, or to all or any of the several respondents to the appeal, an indemnity certificate in respect of that appeal.

All that means is that if there is an appeal from a local court, or the Workers' Compensation Board, and a higher court upholds the appeal on a question of law on which the magistrate, or judge, in the lower court has come to an erroneous decision, the Supreme Court can grant an indemnity certificate. For instance, there might be a case in the workers' compensation court where the board is called upon to decide some point in law. Then follows an appeal against its decision to a judge of the Supreme Court and he rules that the Workers' Compensation Board has made a mistake in law.

The costs of those proceedings have to be paid by someone, and it is very unfortunate for the individual who, perhaps, succeeded before the Workers' Compensation Board, but who, because of an error made by the board in interpreting the law, is forced to go to a higher court where he perhaps loses the case and has to meet a big bill of costs. In such a case an indemnity certificate can be granted and the party concerned then applies to this board which is set up, and it can pay his costs from the fund.

The Hon. A. F. Griffith: Not necessarily all his costs.

The Hon. E. M. HEENAN: No; I think £500 is the limit. The Minister has pointed out that sometimes a judge or magistrate takes sick, or for some other reason cannot continue hearing a case and it has to be heard all over again; and, as a result, there are extra costs and the unfortunate litigants, through no fault of their own, are involved in those extra costs. In such a case who will pay those costs? Application can be made to the fund in these circumstances.

Sometimes we have had judges granting damages, perhaps in a case of a motorist running down a pedestrian. Then follows an appeal to a higher court and the amount of damages is perhaps increased or decreased. One of the unfortunate litigants in those circumstances is called upon to pay heavy costs. There are many similar instances where the fund proposed in the Bill can serve a useful purpose, and I am pleased the Government has seen fit to introduce this legislation. Similar schemes operate in New South Wales and Victoria, and I am glad Western Australia is now embarking upon such a scheme. For those reasons, I support the second reading.

Question put and passed.

Bill read a second time.

*In Committee, etc.*

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

*Third Reading*

Bill read a third time, on motion by The Hon. A. F. Griffith (Minister for Justice), and passed.

## **SUPPLY BILL (No. 2), £23,000,000**

*Receipt and First Reading*

Bill received from the Assembly; and, on motion by The Hon. A. F. Griffith (Minister for Mines), read a first time.

*Second Reading*

**THE HON. A. F. GRIFFITH** (Suburban—Minister for Mines) [2.56 p.m.]: I move—

That the Bill be now read a second time.

Supply of £26,000,000 has already been granted for this current financial year, made up as follows:—

Consolidated Revenue Fund .. .. .	£19,000,000
General Loan Fund .. .. .	£5,000,000
Advance to the Treasurer .. .. .	£2,000,000

During the three months ended the 30th September last, the expenditure incurred on services financed from the Consolidated Revenue Fund was £21,303,000. Of this amount, £16,160,000 was expended under the authority granted by the Supply Act introduced early in the session. The remaining £5,143,000 is represented by payments authorised by appropriations under special Acts. Revenue collected during this period fell some £2,140,000 short of expenditure, and totalled £19,163,000.

Though the quarter's figures did not indicate any variation from the estimated deficit of £796,000 for the current financial year, it should be pointed out that the Budget made no provision for the recent lift in the basic wage. This is estimated to increase costs in respect of the 1964-65 financial year by £207,000. As a consequence, the resultant rise in the anticipated deficit is likely to leave us with a deficit exceeding £1,000,000 this financial year unless there is some unexpected rise in revenues.

Though expenditure from the General Loan Fund for the three months under review totalled not more than £3,052,000, as against the amount of £5,000,000 provided in the earlier Supply Bill, it may be expected that the rate of spending on capital works will increase as projects gather momentum.

The additional supply now sought is required in order that the services of the State may be continued until such time as the Estimates have been passed. They contain the usual complete details of proposed expenditure from both the Consolidated Revenue Fund and the General Loan Fund, and are now under discussion in another place.

I desire to point out, before concluding my brief resume of the purpose of this measure, which has come from another place for our concurrence, that of the £23,000,000 asked for, an amount of £18,000,000 is required to be issued and applied out of the Consolidated Revenue Fund, the balance of £5,000,000 being in respect of General Loan Fund.

I ask that there be granted to Her Majesty on account of the services of the State for the year ending the 30th June, 1965, a further sum not exceeding £23,000,000.

**THE HON. F. J. S. WISE** (North—Leader of the Opposition) [3 p.m.]: I have no objection to the Supply Bill going through all its stages. I regret that I did not have sufficient opportunity to study

one or two matters which appear in the Auditor-General's report which was tabled this week; because there are items to which I wished to draw attention when speaking to the Supply Bill. I confess that I did not anticipate the next Supply Bill would be introduced today. However, I am not at all desirous of holding up the Bill for that particular discussion.

The supply which is being sought will take us through until the Estimates are passed in another place; and we will receive an Appropriation Bill for the whole of the revenue account, and also a Loan Bill. I support the Bill.

**THE HON. H. C. STRICKLAND** (North) [3.1 p.m.]: Whilst supporting the Bill, I have some criticism to offer in respect of expenditure which I consider might be better left to private enterprise rather than allowed to come from the services of the State. I have in mind the recent published report of something like £130,000 to be spent on Rottnest Island as a tourist resort.

I do not know what the previous expenditure has been from the public purse in relation to Rottnest or what the receipts have been to the government for expenditure on that island. I have never seen a balance sheet or a report in respect of expenditure and receipts in connection with Rottnest Island, which is controlled by a board on behalf of the government.

In my opinion, the £130,000 which is to be expended there in unproductive work could be better diverted to reproductive work. If the report is correct—I heard it over the air—the money is to be spent on providing bitumen roads around the island. This seems to be unwarranted expenditure when there are roads in the back country singing out for some bitumen.

As I have pointed out before, there are roads between Carnarvon and Onslow which are impassable every year by the falling of a mere one inch of rain; yet we read of money being earmarked for bitumen roads around Rottnest Island.

I believe there is plenty of private capital which could be spent on Rottnest Island. The Government should be prepared to consider leasing the island to a progressive company which would be prepared to operate the place as a resort for the enjoyment of the public. It would entail no greater cost than the cost already entailed to the public, and the returns might be better. That would save this expenditure for essential purposes such as erection of hospitals and schools, and the construction of roads in the back country, where the roads are now impassable. The wealth of the nation is in our back country.

The notice we have had of this Bill has been too short for us to have an opportunity to prepare some facts and

figures, and therefore one can speak only in broad terms. I hope that this more or less soak in the shape of a tourist resort might be rinsed out so far as this expenditure is concerned. The Government should have another look at the programme and see if there is a company in Australia—I am sure there must be plenty—which would be prepared to take over that responsibility—

The Hon. G. Bennetts: Rottneest Island is only used at certain periods of the year.

The Hon. H. C. STRICKLAND: —and develop the resort into one which the public could enjoy, and perhaps enjoy better than they enjoy it today.

**THE HON. A. F. GRIFFITH** (Suburban—Minister for Mines) [3.6 p.m.]: I agree that notice of this Supply Bill was short.

The Hon. F. R. H. Lavery: I'll say it was!

The Hon. A. F. GRIFFITH: I saw the Sergeant-at-Arms present himself at the Bar of this House possibly at the same moment as did other honourable members. I think it is significant that the Bill must have had a fairly quick passage in another place for it to have arrived here in such short time. I am sure honourable members would not blame me for taking the opportunity of introducing the second reading. However, had any honourable member moved to adjourn the debate, there would not have been any objection on my part.

The Hon. F. R. H. Lavery: You are closing the debate now.

The Hon. A. F. GRIFFITH: But the honourable member could have adjourned it had he wanted to. However, I am glad he did not. This is the second Supply Bill of the year and it gives the Government the completion of supply until the Appropriation Bill arrives here.

I am not going to attempt to comment on the criticism of the honourable Mr. Strickland regarding expenditure on Rottneest Island, except to say that I do not know whether we would get anybody to build roads over there other than by leasing the island to private enterprise. Further, I am not going to pass comment, of a personal nature or otherwise, on the desirability of leasing Rottneest Island.

Rottneest Island is regarded by many people as a holiday resort, and they look forward to going there. Some honourable members in this House enjoy going there.

The Hon. J. Murray: It is a flora and fauna reserve.

The Hon. A. F. GRIFFITH: It is not true to say that the island is used only at certain times of the year. It would be closer to the mark to say that it is used to a greater extent at certain times of

the year than at others. It has been the objective of the Government and the Rottneest Island Board to provide better facilities than were previously available.

I will pass on the honourable Mr. Strickland's comments to the Premier in order that he may know the honourable member's point of view. I thank the honourable Mr. Wise and the honourable Mr. Strickland for their support of the Bill.

Question put and passed.

Bill read a second time.

*In Committee, etc.*

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

*Third Reading*

Bill read a third time, on motion by The Hon. A. F. Griffith (Minister for Mines), and passed.

## **TOWN OF CLAREMONT (EXCHANGE OF LAND) BILL**

*Receipt and First Reading*

Bill received from the Assembly; and, on motion by The Hon. H. K. Watson, read a first time.

## **GOLDMINING INDUSTRY: STABILISATION AND EXPANSION**

*Appointment of Parliamentary  
Committee: Assembly's Resolution*

Debate resumed, from the 28th October, on motion by The Hon. G. C. MacKinnon to concur in the Assembly's resolution as follows:—

That in view of the refusal of the International Monetary Fund at its meeting in Tokyo last week to agree to any increase in the world price of gold, and bearing in mind the tremendous importance of the gold mining industry to Western Australia and the difficulties which the industry is facing due to rising costs of production, an all-Party Parliamentary committee be appointed with the object of examining and exploring means by which the industry in Western Australia can be assured of stabilisation and expansion in the future.

The committee shall consist of two members nominated by the Premier and one member nominated by the Leader of the Opposition from the Legislative Assembly; and that the resolution be transmitted to the Legislative Council for its concurrence, and the Legislative Council be requested to appoint a similar number of members to the committee, making a total of six members.

**THE HON. G. BENNETTS** (South-East) [3.14 p.m.]: I am at a bit of a disadvantage in regard to this motion as I was away when it was moved by the honourable Mr. MacKinnon. However, as an old-established goldfielder, and one who has spent a lifetime there, and having a great knowledge of the goldmining industry, I feel I must contribute something towards the debate.

The figures given by the honourable Mr. Stubbs last night were most interesting and, over the years in this House, we have heard figures quoted regarding the amount of gold produced, the number of men in the industry, and so on. I do not think any honourable member in this Chamber would really be able to say what the goldmining industry has been worth to the State of Western Australia and, indeed, to the Commonwealth of Australia as a whole.

A couple of nights ago it was mentioned over the air that Western Australia was the fifth biggest gold producer in the world. The announcer mentioned, first of all, South Africa, and then Russia. He did not mention any other countries, but stated that Western Australia was the fifth biggest producer.

We all know what the goldmining industry has done for this State; we know what it did during the war years and during the days of the depression and, indeed, in the early days of Western Australia. As I have said before in this Chamber, my mother, with five children, went to the goldfields on the 16th January, 1896. For a time we lived in a tent, as my father had done for a year or two before we went there. The hardships suffered by the people on the goldfields in those days had to be seen to be believed.

There was very little water available, and, in fact, everything was hard to get. There were only about 10 to 20 women on the goldfields when my mother first went there, and those people battled hard putting up with considerable hardship. Wages were low and everything was difficult to obtain. As a matter of fact, we all lived on tinned food, and it was nothing to see great heaps of old tins. The butter was tinned, and fruit was supplied in tins, as well as jam and practically everything else. Then the mines became more developed and increased their production.

We have to thank many of the old timers, such as Paddy Hannan, for the establishment of the goldfields. The old dinky-die prospectors must have been able to smell gold in those areas, otherwise they would never have thought of going there. But they found gold and their efforts placed the industry in the position in which it finds itself today.

Last evening the honourable Mr. Stubbs quoted figures regarding the production of the goldmines. But what was not taken

into account for record purposes would approximate the production from one mine—that is, the ore that was taken away. And what did it represent? It assisted everybody who was on the goldfields. It helped the business people; the miner had a few extra bob in his pocket to enable him to buy a noggin when he wanted one; it enabled him to buy clothing for his family; and it meant there was plenty of money in circulation. It was nothing to see a person with a few hundred sovereigns in his pocket.

I do not suppose there would be many people alive today who would know more about the mining industry than I do. In 1912, when I was buried in the Ivanhoe goldmine, conditions were flourishing, as they had been prior to that time. Honourable members might laugh when I tell them about the position in which I was placed on this occasion. I was with a driver at the time and the two of us were working on the job of running out the slimes with a horse and trucks over a bridge going into Boulder. We tipped out the slimes and it was quite a funny thing to see on cleanup day. I recall an occasion when a coffin cart came up loaded with concentrates. The people who saw it imagined there was another death on the mines, not knowing that the cart was filled with the contents from the mills.

Many people became wealthy in those days. But then restrictions were imposed, and it was necessary for men who came to the mines in their suits to enter the changeroom by way of a high ladder, down another ladder and out the other side to get into their working togs. With this inspection it was possible to detect any gold that might have been removed.

**The Hon. J. G. Hislop:** They still got away with it.

**The Hon. G. BENNETTS:** Yes, because they used to place it on various parts of their anatomy; and I have seen the contents of a candle drilled out, and the gold inserted and taken away in the candle. I have seen false bottoms used in billy-cans. It was always necessary to invert one's billy-can and place it on the peg, but this did no good because the billy-cans had false bottoms.

The mining of gold in those days was quite different from what it is today. Today the mines are highly mechanised; the process is so quick that it is not possible to see the stuff. Apart from this the values are not there.

**The Hon. R. H. C. Stubbs:** They are also more honest today.

**The Hon. G. BENNETTS:** Yes, the workmen are more honest today. The work on the mine is, however, very fast, and there is no chance of seeing the stuff, because it is taken away on conveyor belts. Those honourable members who went down the mines with me

a short while ago and saw the mechanisation on the Mt. Charlotte mine would have seen the stone going in and would appreciate how fast the process is. Apart from this, however, even if one were able to get the gold it would not be possible to trade it. The restrictions are too tight.

Then came the slump. The geologists prepared a report and said that the Golden Mile was finished. The Great Boulder mine was closed down and put out on tribute. The tributes were very large, and the amount of money taken out of the mine by tributers was colossal. The company woke up to the fact that something was being put over it and took the necessary action, and we find that today the mine is one of the big gold producers. For a little while the values dropped; and today the company is not getting the values out of what is known as the jeweller's shop that it was some years ago.

We have to thank the late Joe Thorn for starting the Lake View and Star mine. These men brought the goldmining industry back into the limelight, and that mine is a big producer today. I have my family in the gold producing area and all my interests are there. They will always be there; but we are a bit worried about the mining industry today. I cannot see why the government, whether it be the Federal or the State Government, does not come to the assistance of that mining area.

The population of the area is about 22,000 and it would not be possible to transfer that number of people to any other part of the State. The Federal or the State Government must eventually come to the assistance of the goldmining industry, either by subsidies or by increasing the price of gold. We all know that the International Monetary Fund controls the price of gold and that the Americans have a large say in the matter. As things are we must accept the price we get.

At the time I am speaking about the people on the goldfields had plenty of money. That is how Kalgoorlie became so popular. The place had a reputation for being one of the most generous in Australia. One only had to meet somebody to be asked to go in and have a noggin.

The Hon. F. J. S. Wise: Did you drink in those days?

The Hon. G. BENNETTS: I have never had a drink in my life. I have kept to water—the stuff that lions and tigers drink. Many years ago the people who had false teeth had their teeth filled with gold. Some of them would put a few pounds on the whippets. The gold detectives would have to watch out and check the gold teeth and so on. I well recall the Coulter and Treffene affair.

It makes me laugh to think of this motion being introduced. The Labor Party brought this matter up at Kalgoorlie. As we all know, of course, an election is pending and everybody has the right to

grab as much propaganda as possible. It is the prerogative of politicians to get their propaganda into motion. On this occasion our party happened to be a bit slow on the uptake, and the Government members got in first and are now deriving all the glamour from it.

I am, however, prepared to support anything that will assist the goldmining industry. We had some good men in the Chamber of Mines—managers, shareholders, and so on. If some of these big shareholders in the old country were not getting their rake-off they would want to close the mines.

When this committee is formed, the Minister will select two of the members and the Leader of the Opposition will be given the right to select one. The A.W.U. is the biggest mining union in Australia. It has helped all governments in various battles between unions and so on, and I feel one member should come from the mining branch of that organisation.

The Hon. G. C. MacKinnon: This matter has been discussed and voted out by the House.

The Hon. R. Thompson: It is the President's job to tell him that.

The PRESIDENT (The Hon. L. C. Diver): Order!

The Hon. G. BENNETTS: There is also the Prospectors' Association; and these different representatives would make a good committee. The Prospectors' Association is composed of very good men. We want men on this committee who, because of their service in the industry, will have something to contribute in order to make the committee a success. I would not be in favour of a committee comprising members of Parliament who dodged the Chamber of Mines and went to Canberra to put up a case.

The Hon. A. F. Griffith: Neither would I.

The Hon. G. BENNETTS: I think the committee should comprise the representatives I have suggested, as members of the mining companies know what is taking place throughout the world; because this information is forwarded by their representatives. They have their fingertips on the whole situation and obtain information weekly or monthly as to the price of gold throughout the world and the amount that is held in reserve in other countries. Therefore we do not want to bypass these people.

We are only members of Parliament; and because we are elected to Parliament we are supposed to be experts overnight. Some people seem to think we have a greater knowledge than the people I have mentioned. We express opinions, and because we are members of Parliament, the people think we know everything. However, we must not forget these

people. They have the information and we must work in with them. They should be represented on this committee even if it does mean making it bigger; and a representative of the unions should be on it. I support the motion.

**THE HON. J. D. TEAHAN** (North-East) [3.33 p.m.]: This motion seeks to establish an all-party parliamentary committee to be appointed with the object of examining and exploring means by which the gold-mining industry in Western Australia can be assured of stabilisation and expansion in the future. I must say that other honourable members have contributed quite wisely to the debate on this motion, particularly the honourable Mr. Stubbs who gave facts and figures with which, I am certain, this committee would find it well worth while arming itself.

I was surprised when the honourable member read one statement reputed to have been made by the Federal Treasurer to the effect that some of the present decline in the industry was due to a lack of tonnage. I am sure most honourable members know that that is not the case. Perhaps such things as that can be answered when the committee is making its inquiries.

**The Hon. A. F. Griffith:** What do you think closed down Sons of Gwalia?

**The Hon. J. D. TEAHAN:** Values.

**The Hon. A. F. Griffith:** Values, and not reserves?

**The Hon. J. D. TEAHAN:** Values as well as reserves, but it is not tonnage all the time.

**The Hon. A. F. Griffith:** Now you are closer to it than you were before. Big Bell was the same.

**The Hon. J. D. TEAHAN:** It is most remarkable that in all the debates on goldmining in this Chamber over the last 10 years, no charge of mismanagement or lack of efficiency has been made against management or labour in the goldmines. Generally, when an industry is under discussion, some stones are thrown, rightly or wrongly, but never once has anything been said against management or labour on the mines. I regard that as a tribute to them; and it demonstrates that we are dealing with an industry that is worth assisting.

Management has done all that is humanly possible to move ahead with the times. If it had not studied the latest devices and brought its methods up to date, I am afraid the Golden Mile would be now closed, or certainly not in the position it is in today.

**The Hon. G. Bennetts:** The latest increase in the basic wage will be a further hurt to the industry.

**The Hon. J. D. TEAHAN:** Management is still exercising its ingenuity to get the best out of the mines. The Mt. Charlotte mine, which was considered to be down and out, is being revived; and I think honourable members were surprised to find that low-grade ore of 3 dwt. is being worked; and that would have been considered impossible some years ago. If the methods now being used at the Mt. Charlotte mine could have been applied to the Big Bell mine and the Wiluna mine, I do not think they would have had to close.

Big Bell was a tidy town with a population of up to 2,000, and Wiluna was a self-supporting town with all amenities and a big population of 8,000. Those mines may have been able to remain open with the techniques that are now known; and that gives me hope all the time, as it appears that something can be done.

I now wish to refer to a migration scheme which the mines put into effect in conjunction with the Federal Government, as migration is a Federal matter. At the close of the second World War, the mines on the Golden Mile conceived the idea of a migration scheme to obtain labour from Great Britain. To say the best of it, the scheme was not a success, although thousands of pounds were spent on it.

The men who came out were mostly single; and although everything possible was provided to keep them working on the mines, the men stayed only long enough to save up their fares to take them to a capital city, such as Melbourne or Sydney. The bigger the capital city, the better they liked it. The scheme was not a success, although thousands of pounds must have been spent on it.

Some men remained and most of those who stayed are today good citizens—some of the best up there. Unfortunately they are too few. The mines have conceived a similar scheme to bring men out to fill the vacancies which are occurring for want of skilled labour. How successful this will be, I do not know, but so far it does not appear to be too successful. I have watched the situation fairly carefully.

In the early stage we read of one person—how typical this man is, I do not know—who arrived in the morning and was given quite a nice home. However he left in the evening and returned to the immigration hostel. His excuse was that the weather was not very kind and that Kalgoorlie did not seem to be the city he had expected it to be. If these people have such poor excuses, I say that they must be poor types, and it would have been better if they had stayed in the land where they were born.

I am afraid there will be others like the one I just mentioned. I do not think that the scheme is as well conceived as it



might have been or that it has received the attention it should have received. I spoke to one young man by chance and asked him how he liked working at the Lake View mine. He said, "I do not like working anywhere." He also would have been better off if he had stayed home. I inquired of another about his dislike of the goldfields and he said he would not stay very long—probably only a few weeks. That was after he had been brought out at very great cost. Air fares must be paid for a start, plus other expenses.

I asked another what was his bother and he said that he could not find work for his wife because there did not seem to be work around for women. He was more concerned about obtaining work for his wife than for himself. Therefore he did not seem to be the best type of man either.

What I am trying to say is that perhaps a better selection should be made originally. Anyone with experience should be able to tell, after a few moments' conversation with an intending immigrant, what type he is. Also it would be better not to paint the picture too rosy, so that an intending immigrant would really know whether he was better off where he was. The selectors should also endeavour to ascertain whether an intending immigrant is merely seeking an air trip to Australia; because I am afraid that is the situation in a lot of cases. To remedy all this, a better selection should be made of the immigrants.

There is an alternative, too. The mines today are short of skilled labour, and one way of encouraging this labour to the mines would be to provide housing. The immediate reaction to that might be to the effect that it is too costly. However we must remember that the immigration system itself is costly. Thousands of pounds must have been sent down the drain on those who only remained days or weeks after having their expenses paid.

The answer to the problem could be to provide better housing with modern amenities. It is possible that under these circumstances those who might otherwise leave the industry would remain, or others might be attracted to it. A scheme could be devised whereby instead of providing the houses rent free, the mines could offer houses at a cheap rental of, say, £2 a week with a proviso that if such immigrants remain in the industry for at least five years, and they have kept their homes in a reasonable condition, they would have, say, half the rent they paid during that five years returned to them. That would in effect reduce the rental of the house to £1 a week. They would, in addition, know that at the end of the five-year period there would be a kind of trust fund which would be returned to them. In that way we would be more likely to retain our skilled labour.

In discussions I have had I have ascertained that one of the problems is housing. If families can be made a little more contented they will think twice before going from the mines to, say, Bunbury, or the metropolitan area. Too many of them seek work in the metropolitan area. However, if they had homes at reasonable rentals, I am certain that the industry would be stabilised to a certain extent.

*Sitting suspended from 3.45 to 4.2 p.m.*

The Hon. J. D. TEAHAN: Summarised, I would say, firstly, that the immigration policy of the mining companies in their desire to seek more skilled labour should be to ensure that those whom they send abroad will be more selective in their choice and will endeavour to see that the men who come to this country intend to remain here and intend to stay for some time in the industry which has spent so much on them. Secondly, I say that the mining companies should also give some thought to housing in order to provide an incentive to miners and skilled labour to stay in their positions.

Finally, I hope that when this committee goes to Canberra, or goes on whatever mission it seeks to carry out, it will be armed with all possible arguments and that the Federal Treasurer or the Federal Government will see fit to assist the industry further by a subsidy or by some other method that it considers suitable.

THE HON. F. D. WILLMOTT (South-West) [4.3 p.m.]: In spite of the opinion expressed by the honourable Mr. Dellar that honourable members other than those who represent goldfields areas should stay out of this debate, I feel impelled to say something; and partly I am impelled to speak because of some of the comments made by the honourable Mr. Dellar during his speech. He was very inclined to take the honourable Mr. MacKinnon to task for introducing the motion into this House.

As all honourable members are aware, the honourable Mr. MacKinnon, in the first place, is handling the motion for an honourable member in another place; but I feel that has nothing whatever to do with the fact that he, or any other honourable member in this Chamber, has the right to speak on any subject, regardless of whether it is something dealing with his electorate or any other electorate, and regardless also of whether he is considered an expert in the particular field.

The honourable Mr. Dellar said he would not dare to enter into a debate dealing with milk. I can assure the honourable member, and every other honourable member in this Chamber, that members from the south-west would welcome any honourable member getting up and speaking on any industry carried on in the south-west.

The Hon. D. F. Dellar: I stated that he criticised other honourable members.

The Hon. F. D. WILLMOTT: That is not what the honourable Mr. Dellar stated. He took the honourable Mr. MacKinnon to task for having the temerity—

The Hon. D. P. Dellar: To criticise.

The Hon. F. D. WILLMOTT: Not only to criticise, but to handle the matter at all. Suppose the honourable Mr. Wise confined his remarks or his criticisms to matters appertaining to his own electorate. How absurd that would be! I am sure every honourable member would agree that in that event this House would be the loser, and very much the loser. Some valuable contributions to the debates in this Chamber would, in those circumstances, be lost; and what I am saying applies to all members. We are here to study matters other than those which concern just our own electorates.

I was also surprised to note that the honourable Mr. Dellar was inclined to berate the Minister for ringing Mr. Elvey in regard to the motion. The honourable member said the Minister should have got in touch officially with the Chamber of Mines. That observation coming just after the question without notice on Tuesday in regard to this motion, really set me back; because the Minister was, by innuendo, accused of holding up the motion.

I am quite sure that had the Minister got in touch with the Chamber of Mines through the post and waited for an official reply, he would have been taken to task for doing so. I am certain of that. There would have been a claim made then that his action in writing was to hold up the motion.

The Hon. A. F. Griffith: The honourable Mr. Dellar said by interjection that he appreciated I was not trying to hold it up.

The Hon. F. D. WILLMOTT: Yes; perhaps he did, but that is the impression I was left with. Another thing that surprised me was that in this Chamber I have heard, time and again, the most eulogistic remarks made by goldfields members about Mr. Elvey. I would have inferred from what has been said that those honourable members place great reliance on Mr. Elvey. So I cannot understand those remarks.

In the matter of delay in dealing with the motion—

The Hon. A. F. Griffith: What delay?

The Hon. F. D. WILLMOTT: It has been suggested the motion has been delayed and that it should have been dealt with more quickly. When it did come before the House, the surprising part to me was that there seemed to be no hurry at all. We had one speech and the motion was adjourned until the next day; and we do not seem to be in any hurry now to get on with it.

The Hon. F. J. S. Wise: Could not that have been to suit the Minister's desires, or those of the House?

The Hon. F. D. WILLMOTT: Possibly. I am just remarking on what has occurred.

The Hon. A. F. Griffith: On one occasion that was so.

The Hon. F. D. WILLMOTT: It could quite easily be so. Another matter I have heard mentioned is that some people are accused of trying to steal the thunder of the Labor Party. I do not think that would be quite correct. Anyway, following on what I said just now, I feel that the speed at which we are thundering, the thief would get a pretty poor haul.

The Hon. A. F. Griffith: This committee cannot possibly expect to get its work under way while the House is sitting.

The Hon. F. D. WILLMOTT: I quite realise that. The honourable Mr. Dellar made some reference to a motion which was rejected by this Chamber last year—a motion brought forward by the honourable Mr. Heenan. The honourable Mr. Dellar implied, or said straight out, that the motion then was to all intents and purposes the same as the present one. I am afraid I cannot agree with that. I do not intend to read the whole of the motion on the notice paper, but only the relevant portion which says—

an all-Party Parliamentary committee be appointed with the object of examining and exploring means by which the industry in Western Australia can be assured of stabilisation and expansion in the future.

Those words surely visualise the whole industry being dealt with—the goldmining industry in all its facets. But the motion which was dealt with last year was, I think, entirely different, because this was the motion—

That a Select Committee be appointed to inquire into all aspects of the prospecting industry with a view to making recommendations which would bring about a revival in the search for gold.

The Hon. D. P. Dellar: It is the same thing.

The Hon. F. D. WILLMOTT: It certainly is not. That motion deals entirely with prospecting—nothing else.

The Hon. D. P. Dellar: No.

The Hon. F. D. WILLMOTT: It certainly does. Read it. There is no mention of anything else in it but prospecting.

The Hon. D. P. Dellar: That surely is mixed up with the price of gold.

The Hon. F. D. WILLMOTT: Certainly it is, but it is only a small part—admittedly an important part—of the industry. An inquiry into prospecting is surely not an inquiry into the goldmining industry and its difficulties; and I cannot see how it can be so construed even by the wildest

imagination. So I submit that the motion dealt with by the House last year is related in only a small way to the one we are dealing with now. I am afraid I will take a great deal of convincing that that is not so.

The Hon. F. J. S. Wise: I do not think you could be convinced.

The Hon. F. D. WILLMOTT: I quite agree with the honourable Mr. Wise; I could not be convinced.

The Hon. R. Thompson: Are you going to tell us something about the motion? You have not mentioned it yet.

The Hon. F. D. WILLMOTT: I do not know that I have heard such a tremendous amount about the motion during the debate. I have heard a lot about the gold-mining industry in other forms, but not much about the motion. I shall have a little to say about it in a moment.

The Hon. J. Dolan: You do not want to tell the mover that.

The Hon. F. D. WILLMOTT: I address my remarks to the mover just as much as to any other honourable member in the House. Some honourable members have said quite genuinely that they think this committee should include experts from the goldmining industry and other persons who are "full bottles," shall I say, on the industry. My opinion is that I do not think that is necessary. Furthermore, I do not think it is wise, because, after all, what is the committee going to do? It is going to seek evidence from the experts and from the companies and from any other interested persons.

The Hon. R. H. C. Stubbs: Didn't I say that?

The Hon. F. D. WILLMOTT: I did not say the honourable member did not. The point is this that if on a committee there are only people who are closely associated with, and interested in, the industry, and no others, who can take a disinterested and unbiased view? Very often such a committee will not achieve as good a result as if it were a committee taking evidence from experts and looking dispassionately at the subject into which it is inquiring; because, as honourable members know, if there are six experts on any committee there will be quite a difference of opinion. That occurs because those people, instead of weighing evidence dispassionately, tend to consider the evidence in the light of their own knowledge.

The Hon. F. R. H. Lavery: Did you think along the same lines in regard to the War Service Land Settlement Select Committee of which you were a member?

The Hon. F. D. WILLMOTT: There was only one member of that committee who was a farmer. The only member of the honourable member's party who served on the committee was certainly not a farmer, but he was a valuable member of the committee just the same. I do not say there

should not be anyone on the committee who does know anything about gold and the industry generally, but there will be. It would be a mistake to have the whole committee composed of such men.

The Hon. A. F. Griffith: You will have to start with goldmining.

The Hon. F. D. WILLMOTT: Yes. My remarks apply to all committees, and I think we will get a better result from a committee which is not completely made up of people who are closely connected with the industry. We will get a better result by appointing to it various people who have no connection with it. I am sure of that.

I am fully in accord with the motion. With other honourable members of this House I realise that the goldmining industry is in a parlous state and I also realise the importance of the industry to Australia, and, in particular, to Western Australia. I can only hope that this committee will serve some useful purpose. It will not have an easy task to perform, because many avenues have already been probed. Nevertheless, we should try again, and I can do no more than support the motion and sincerely hope it will achieve something towards a revival of our goldmining industry. To the honourable Mr. Dellar I can say that is why I feel the committee should deal not only with prospecting, but also with the problems of the whole industry.

The Hon. D. P. Dellar: Nobody said anything about prospectors.

The Hon. F. D. WILLMOTT: It will deal with the closure of various mines, because we do not want to see any more mines being closed in this State. Far too many of them have gone out of production.

The Hon. L. A. Logan: If they run out of ore, what can you do?

The Hon. F. D. WILLMOTT: Running out of ore is not always the reason for a mine closing down. It is more a matter of running out of ore of a low grade which makes it uneconomical to continue operating.

The Hon. A. F. Griffith: Running out of ore of a high grade.

The Hon. F. D. WILLMOTT: Yes, perhaps I should have said running out of high-grade ore. In any industry, if a producer can lower his costs and handle the product more economically than it can otherwise be handled, he will always be able to continue in production, and this is an aspect of the goldmining industry that could be investigated. I do not want to delay the Council any longer, because I know some honourable members are anxious to get away. I give the motion my wholehearted support, and again I say I sincerely hope it will be able to do something towards assisting the goldmining industry.

**THE HON. F. R. H. LAVERY (West)** [4.18 p.m.]: I wish to say only a few words in support of the motion. I am a product of the goldfields, and in my earlier years I worked on the mines. More recently I paid a visit to the goldfields and went down one of the mines, and the principal point I have in mind is that if the Commonwealth Government will do what it can—as it has been doing for other industries—to subsidise the goldmining industry for the purposes of keeping in balance the economy of the State, especially in regard to employment and decentralisation, it will greatly assist in putting the goldmining industry on the road to recovery.

This is a good opportunity for the committee to place a sound case before the Commonwealth Treasury for assistance, because the Commonwealth should be in a position to grant a reasonable increase in subsidy to ensure that the goldmining industry in Western Australia will continue to produce for many years to come. I do not want to join in any debate on tonnage, costs, etc., but I know there are means available at the moment which, if put into operation, would extend the life of many of our goldmines for several years. This could be done if the cost of production was subsidised by the Commonwealth Treasurer.

I support the motion with all the support I can offer. I support it, having in mind that the ultimate result will be that the Commonwealth Treasury will, in fact, make available an increased subsidy to the goldmining industry in view of the many subsidies it is already allocating to primary and secondary industry throughout the Commonwealth.

Debate adjourned, on motion by **The Hon. A. F. Griffith (Minister for Mines)**.

## **POLICE ASSISTANCE COMPENSATION BILL**

### *Receipt and First Reading*

Bill received from the Assembly: and, on motion by **The Hon. A. F. Griffith (Minister for Justice)**, read a first time.

### *Second Reading*

**THE HON. A. F. GRIFFITH (Suburban—Minister for Justice)** [4.22 p.m.]: I move—

That the Bill be now read a second time.

This Bill has been passed in another place, having been introduced there on my behalf by the Minister for Police, who will be closely associated with its administration when it has been passed. I believe the principles outlined in this measure will be generally acceptable to honourable members and because of his interest in the matter, the Leader of the Opposition was kept informed of our intention to introduce a Bill of this nature.

While there is a natural inclination on the part of most decent-minded people to go to the assistance of a police officer if he is being manhandled in a crowd, or in other circumstances which indicate that assistance is obviously needed—and it is an offence to refuse to give assistance to the police when requested to do so—a person may not, however, render assistance unless it is actually requested by the officer concerned.

This Bill, amongst other things, and apart from the benefits which its title implies, clarifies certain matters connected with giving assistance to a police officer in the execution of his duties in circumstances which prevent his requesting assistance when, from those circumstances, a person may reasonably infer that had the police officer been aware of the particular circumstances as they had developed, he would have requested outsiders to assist him.

In other words, in the case of a policeman being unexpectedly knocked unconscious, he would be unaware of that happening or the likelihood of its occurrence and quite unable to request assistance though, had he maintained consciousness, he would almost certainly have called for assistance in order to avoid the circumstances which rendered him unconscious.

In other circumstances, a person could reasonably infer that he had been requested to give assistance to the police, though the officer, because of the manner in which he was being held in a scuffle, might be quite unable to use his voice. In that case, he might well sign for assistance and a person standing by should reasonably infer that help was being sought.

In the circumstances previously referred to, as well as at all times when requested to do so by a police officer, a person standing by should render such assistance as he is able. This Bill provides that, in the course of assisting or attempting to assist a police officer in arresting another person, or in preserving the peace, or in any manner while acting in the execution of his duty, the person coming to the aid of the police will be entitled to compensation should he suffer personal injury arising out of the course of his actions. Should he be killed under those circumstances, his dependants, of course, would be entitled to be paid compensation. The compensation to which a person would be entitled is to be made in accordance with this Bill subject to the provisions of the Workers' Compensation Act and the rules and regulations under it.

It should be explained here that the person giving assistance would claim for compensation as though he were a worker employed by the Crown and his average weekly earnings were not less than the

basic wage. Compensation will be payable as though he suffered the personal injury by accident arising out of, or in the course of, employment with the Crown.

The Bill furthermore empowers the Governor to make compensation for loss of, or damage to, property. The property covered by the Act would be property belonging to the person assisting the police or in his possession or under his control, if the damage or destruction arose out of his response to the police call or the inference that assistance was necessary as provided in the Bill. The amount of compensation for damage or destruction of property shall be as prescribed by regulation. Perhaps I should say here that this will not necessarily be a right, but compensation for damage to property may be paid in circumstances to the extent the Minister for Police, in his discretion, considers desirable.

There is no intention, nevertheless, through introducing this legislation to permit a person to receive dual recompense for personal injury. He will have to elect whether he claims compensation under this legislation or sues for damages in common law against his assailant. He is not entitled to claim both compensation and damages; and in the event of his doing so, it will be competent for the Minister for Police, whose responsibility it is to meet compensation payments, to recover the compensation paid in a court of appropriate jurisdiction. It would be recoverable as a debt due by that person to the Crown.

Clause 8 of the Bill in effect amends the State Government Insurance Office Act, because it permits that office to enter into an new class of assurance to cover the Minister for Police in his liability to pay compensation for personal injury or death.

The costs of administering the Act will be chargeable to Consolidated Revenue; such costs include insurance premium payments and any compensation paid, except where the Minister for Police has been paid the amount under a policy of insurance. A penalty is provided against a person convicted of wilfully making any false or misleading statements in any claim for compensation.

There is nothing in this measure to prevent the police taking proceedings against any person liable for causing personal injury to a claimant or damage or destruction to property. Clause 7, indeed, makes specific provision for such remedy against a wrongdoer, so facilitating proceedings for recovery by the Minister for Police.

Finally, the Bill provides that any question relating to claims for compensation shall be dealt with by the Workers' Compensation Board. The board will have

exclusive jurisdiction to examine and determine questions and matters provided for in this Bill.

In commending this Bill to honourable members, I desire to say it has been drafted with a view to setting out in proper order and sequence the law as affecting persons being injured or suffering loss of property when responding to a call by the police for assistance in the execution of their duties. Up to the present time, each case has been dealt with individually in accordance with its merits, successive governments making *ex gratia* payments when considered warranted.

The Bill sets out explicitly the obligations both of the general public, and the Commissioner of Police and his officers; and, of course, it does not alter the existing law one whit in respect of persons refusing to give assistance to the police when requested. Such persons have up to the present rendered themselves liable to a charge of committing a misdemeanour, and that condition will still prevail if this measure is passed. The measure gives a clearer guide to the community in interpreting their obligations in respect of the maintenance of law and order, and assures them and their dependants of some reasonable financial coverage in the event of loss of property, injury, or death.

I think this Bill will, and should be, well received. It is another one of those measures which I referred to as a social reform. It will give people, in accordance with the terms I have outlined, some compensation in the event of their being called to assist the police in their duties.

Debate adjourned, on motion by The Hon. F. J. S. Wise (Leader of the Opposition).

## JUDGES' SALARIES AND PENSIONS ACT AMENDMENT BILL

### *Receipt and First Reading*

Bill received from the Assembly; and, on motion by The Hon. A. F. Griffith (Minister for Justice), read a first time.

### *Second Reading*

**THE HON. A. F. GRIFFITH** (Suburban—Minister for Justice [4.33 p.m.]: I move—

That the Bill be now read a second time.

This Bill, which has been passed in another place, has as its purpose the amendment of the Judges' Salaries and Pensions Act in order to bring judicial salaries in this State into line with the average of the salaries paid by all the States.

Successive governments in Western Australia have been inclined when reviewing the salaries paid to our judges to have regard for the average of the salaries paid by all the States to their judges. In conformity with this practice, a recent assessment showed that an amount of £7,000 per annum would be a proper

salary for the Chief Justice of Western Australia. Comparative salaries for other judges would be £6,350 per annum for the Senior Puisne Judge and £6,200 per annum for the puisne judges.

Substantial increases were granted in other States about two years earlier than the 1962 legislation enacted here which increased judges' salaries in Western Australia as from the 1st July, 1962. That legislation took into account the average salaries then applying throughout the Commonwealth, though its introduction to bring the salaries here more into line with those payable in the other States was somewhat delayed.

It transpired that almost immediately following the 1962 rise in judicial salaries here, increases were made in New South Wales retrospective to the 1st January, 1962; in Victoria, Queensland, and South Australia, retrospective to the 1st July, 1963, and also in Tasmania last year.

The review of Australia-wide judicial salaries in respect of the salaries payable here was made last March. This disclosed that the Chief Justice in Victoria was being paid a salary of £7,800. In New South Wales the salary was £7,750. In Queensland and South Australia, the Chief Justice was being paid £7,000, and in Tasmania and Western Australia, £6,400. Comparative salaries paid to puisne judges were £7,050, £7,000, £6,400, and £6,250, with Tasmania and Western Australia standing at £5,600.

These salaries represented an increase consequent to 1960 legislation of £550 in Victoria for the Chief Justice and £575 for the puisne judges. New South Wales increased the Chief Justice's salary by £500 per annum and Queensland by £600 per annum, with salary increases of £500 in both cases for the puisne judges. The salary of the Chief Justice in South Australia was increased by £750, and in Tasmania by £1,200 per annum, with increases of £1,000 per annum for the puisne judges respectively.

As a consequence of these increases, the salaries of the Supreme Court judges in this State are now, with those in Tasmania, the lowest in Australia; and the purpose of this Bill is to rectify the position to the extent of bringing the salaries here up to the average of the salaries paid by all the States to their judges.

The Bill contains another amendment, the purpose of which is to remove judges' salaries from the category of salaries adjustable in accordance with basic wage variations. Under the Act as it stands at present, there is provision for adjustments to salary rates by multiples of £20, as and when the basic wage varies to that extent. The judges have requested that these variations be not applied in future, and the amendment in this Bill conforms with their request.

Debate adjourned, on motion by The Hon. F. J. S. Wise (Leader of the Opposition).

## OFFENDERS PROBATION AND PAROLE ACT AMENDMENT BILL

*Returned*

Bill returned from the Assembly without amendment.

## COMPANIES ACT AMENDMENT BILL

*Second Reading*

Debate resumed, from the 27th October, on the following motion by The Hon. A. F. Griffith (Minister for Justice):—

That the Bill be now read a second time.

**THE HON. A. L. LOTON** (South) [4.39 p.m.]: I thank the Minister for giving me the opportunity to say a few words on this Bill this evening; because, as he is to attend a conference of Attorneys-General over the weekend, he might be able to bring back some information and make it available to this House. I appreciate the courtesy of the Minister in doing what he has done.

In looking through the speech made by the Minister during the introduction of the Bill, I notice he said—

The Bill had its genesis in the many business lessons to be learned and the disclosures in the huge company failures which have been unfortunately the dominant feature of corporate business in Australia in the last few years.

He went on to mention several of the companies which had gone to the wall. Then further he had this to say—

The alterations are designed to meet some trenchant, though not widespread, criticism that was offered in relation to the Victorian Act.

When the Minister referred to the Victorian Act I thought he was dealing with the amending Bill which was passed by the Victorian Parliament shortly after uniform company legislation had been adopted. I have before me a copy of the amending Act of Victoria which was assented to on the 30th April, 1963. The most important feature in it is that its provisions were made retrospective to the 1st July, 1962. One amendment sought to alter the figure "170" to the figure "173," dealing with the section under which an inspector is empowered to make investigations. The other two amendments in that Bill dealt with the schedule, but they were of no consequence.

The Minister must have been referring to the original Victorian Act and to the disagreement in certain quarters with the original Companies Bill which became uniform legislation, with minor amendments. This House introduced an amendment which was not in line with the uniform legislation, and Parliament agreed to it.

The Hon. A. F. Griffith: That is not quite right. This Bill deals with public companies. It was introduced in Victoria about 12 months ago.

The Hon. A. L. LOTON: I asked for a copy of the latest amendment from Victoria.

The Hon. A. F. Griffith: Some trenchant criticism of the provisions in the Victorian Bill was made, and it was agreed that variations of that Bill should be included in the Bill before us.

The Hon. A. L. LOTON: I thank the Minister for that explanation. For some time there have been the thoughts in the minds of some people—I include myself in that group—that there should be some type of public companies Act, particularly as it applies to directors of public companies. I refer especially to public companies which elect or appoint sharebrokers as members of their directorate.

From the text of the articles which I shall read to the House it will be evident how this could apply to the disadvantage of the public. I refer, firstly, to an article by C. Horsfall, which appears in the *Bulletin* of the 10th October, as follows:—

#### Share Dealers

Should brokers be directors of public companies?

Melbourne finance editors raised a likely-looking hare when on a search of the share register of Second Century Corporation Ltd., a finance offshoot of Wm. Noall and Son, Melbourne stockbrokers, they discovered the managing director Mr. R. W. Carroll and his wife had disposed of some large parcels of the company's shares between the issue of a favourable interim report and the ultimate revelation of a loss for the year.

Some companies including the "Melbourne Herald," strongly opposed to the compulsory interim reports now required under the Stock Exchange's new listing rules, immediately got on the bandwagon, pointing out interim reports could often be misleading and were only food for share traders and speculators "who want to see new life pumped into the market all the time."

Politicians were also aroused and one of them, Mr. Baron Snider, M.L.C., challenged, as I have been doing for years, whether members of the Stock Exchange should be permitted also to be directors of public companies. Speaking in the Legislative Council, Mr. Snider said some stockbrokers who were company directors had to sit on a board making vital decisions affecting the future of the company and which could affect the value of the company's shares on the Stock Exchange. Next day, "under another cloak," the broker was consulted by

a client on the desirability of buying shares in the same company. "I do not know how he cuts himself in half, and shuts out of his mind the knowledge he acquired the day before as a director and then advises clients to the best of his ability, and with the best intents of impartiality, on the question of their share purchases."

In my view the only way the conflict of interests can be resolved is by legislation. As so many brokers are involved it is unlikely the Stock Exchange will do it itself.

In the same publication—and this deals with one of those companies which the Minister did not list, but which is very much akin to them—there is an article headed "The Second Century Affair." The heading underneath that is "Sharebrokers and Their Directorships." It reads as follows:—

The generous space which the Melbourne dailies devoted to the Second Century affair last week (at the expense, we might add, of shadowing more important news such as the terms and name of the unsuccessful National Bag bidder) served only one really useful purpose. Once again the controversial question of whether sharebrokers should also be directors of listed companies, especially ones they have floated, was brought to the fore.

This problem has, in fact, been the core of the whole business. Yet those writers who did not see fit to point it out mentioned it only as a mere afterthought.

Second Century's directors cannot be criticised for the wide discrepancy between their encouraging interim report and their dismal final 1963-64 results. True, they may not have been keeping a close enough eye on the firm's factoring activities. The year's loss may thus have surprised them as much as it did shareholders. But can they be criticised for this? Such mistakes can be made even in the best run companies. It is a risk which every shareholder takes.

Nor does criticism appear warranted for their withholding news of the company's state of affairs from August 12 (when they first discovered the position) to September 2 (when the results were released to the Press and the Stock Exchange). As Mr. D. M. Ferguson, chairman, explained in a letter to the Exchange: "It was realised that if publication of these figures caused a run on our call and deposit moneys and or a calling up of our overdrafts the company could be in serious difficulties."

That is fair enough, because certain measures had to be taken to prevent such a position. This was done by

September 2 and the report was released immediately. To date, the chairman told the Exchange, there has been "no run on our call or deposit moneys. Our liquid position is satisfactory and all commitments are being met as they fall due." This being so, one respects Mr. Ferguson's further statement that "the responsibilities of directors extend beyond compliance with the listing requirements of the Stock Exchange. In our particular case I and my co-directors acted in what they believed to be the best interests of all parties—creditors, shareholders and investors."

The company itself seems to have acted properly. This is not to say that the affair doesn't throw a poor light on the practice of sharebrokers being directors of public companies. In this case, it was found that fully paid 10s. shares fell from 12s. 6d. on August 12, when directors first knew of the company's troubles, to 7s. 6d. on September 2. They have fallen further since. Similarly, the partly paid units came back from 6s. 6d. to 2s. 3d., now firm.

It was discovered that William Noall Nominees Pty. Ltd.—

The name comes up again. Continuing—had been selling partly paid shares over this period—shares which had been transferred to it in June from Mr. R. W. Carroll (managing director of Second Century) and his wife.

Again, the same name comes up. Continuing—

The sharebroking firm of William Noall & Son did most of the selling during this time. Mr. G. Noall and Mr. R. G. Noall, Stock Exchange members, are also directors of Second Century.

There may be room for criticism somewhere in all this, even if it is granted that Noalls have always been the main operators in this market. So, not being satisfied with any explanation so far received regarding William Noall and Son's and Mr. and Mrs. Carroll's sales, the Exchange is inquiring into "certain aspects of member firms' selling operations." One hopes, if nothing else, that the reappraisal of the stockbroker-director and his loyalties is brought closer.

We then come to the issue of *The Bulletin* dated the 24th October. An article is contained therein written by "Croesus." It is headed, "Purifying the Stockbroker?" and reads as follows:—

To an Australian business audience it might sound academic to suggest that stockbroking here should be purified, that stockbrokers be made by law to confine their commercial activities

strictly to the performance of the broking function, give their ancillary business functions away and become brokers pure and simple.

Academic or not, public and brokers alike have been alerted to the suggestion often enough as criticism has been made of the incongruity of stockbrokers, in their role of chairmen of listed companies, addressing shareholders on share market prospects, and others having to explain their innocence of reasons for contrary price movements in the shares of companies of which they are directors.

That is taking place all the time. Continuing—

The stock answer of brokers with fingers in a variety of financial pies outside their broking firms is that they are men of integrity, who can be expected never to take pecuniary advantage of privileged information in their possession. This, however, completely begs the main issue. Mr. Baron Snider, M.L.C., amply illustrated this recently in the Victorian Parliament in questioning how stockbroker-directors cut themselves in half, shutting out of their minds the knowledge they acquire about companies as directors when to the best of their ability and with the best intentions of impartiality they are advising clients on the merits of a company's shares.

Even if stock exchange members are in my experience invariably men of integrity, consideration has also to be given to the staffs serving them. Anybody with an inside into the workings of a broker's office will know that, careful though principals may be in cloaking inside information from the staff, it is virtually impossible to keep the cat in the bag all the time. There are too many chances it will get up to the hot tin roof. In some guise or other it is more often than not on the cards that dealings in the market will be inspired by it ahead of the general public. The bone is not being pointed at anybody in saying this, only stating what is fairly obvious. Stockbrokers' staffs don't have to take the pledge. Ideally, then, brokers, like the general public, should not have access to privileged information.

Opinions differ on whether broker-directorships provide the main scope for abuse. This depends a good deal on the degree of intimacy between the company and the broking firms. Usually brokers are taken on to company boards mainly for their ability to open doors to channels of finance, including underwriting as well as capital raising. Their general expertise in finance is thrown in for good measure. They thus have access to



the fullest information about a company, particularly when their underwriting of an issue is involved. Perhaps it's harder to get much closer to the facts about a company at the particular time of an issue.

On a term basis, however, the closest tie-ups would be those between brokers and their own financial offshoots. There are any number of such relationships, most of them being between the biggest brokers in Melbourne and Sydney and finance and investment companies, including short-term money market, underwriting, commercial discounting, factoring and so on.

Admittedly the number of listed companies in this area is fairly small and the markets in their shares are not habitually sensitive. This is not to say that they don't have spasms—for instance, the slide in the shares of Australian United Corporation, the holding company of a complex of Ian Potter & Co.'s finance offshoots, after the debacle in Australian Factors in which it had a big interest; and Second Century Corporation—

The names keep cropping up. Continuing—

—a finance (mainly factoring) creation of Wm. Noall and Son, whose shares tumbled recently ahead of the disclosure of a loss by the company. Both these listed companies involve broker-directorships.

A straight-out debarment of brokers from being directors of their finance offshoots is not the answer. The reason is that the operations (and probably the success) of most of these offshoots depend to a large extent on their close gearing with the stockbroking firms concerned. Nearly all of them owe their origin to the inspiration of the principals of their stockbroking associates. They have grown to impressive stature in many cases largely as a result of that association. Even their day-to-day working usually involves a close tie-up. It is not so much a matter of legal form as ensuring a *modus vivendi*. Personalities come into it strongly.

The brokers behind most of these finance offshoots are rare birds of the likes of Sir Ian Potter and Mr. Staniforth Ricketson. You simply can't just pull finance eagles of this type out of the air. Maybe they can now give away more money than the big figures they make. Yet we owe a debt to them for the development of sophisticated finance facilities here which now rivals those in the financial centres overseas and without which the country would be a lot poorer. To cut them off from directing their finance offshoots, particularly their money market and underwriting companies, would be cutting

off our noses. In any case, to debar stockbrokers from their boards would not necessarily close the channels of information to them. Whether as directors or merely as associates they would be bound to be intimately conversant with the activities of such companies.

If something needs to be done to purify stockbroking in this direction a possible solution could be to eliminate public participation—even indirectly through listed holding companies—in the finance offshoots of broking firms. A good many of them, in fact a majority of the short-term money market companies, already conform to this. But a large number don't.

It will be said, of course, that such a step would not eliminate the main avenue through which brokers acquire intimate information about companies, that is through underwriting. This raises the question whether brokers should be debarred from underwriting and a further one, who would take their place? This brings us up against the hard fact that in present circumstances there is no fully-grown alternative, such as there is in London, say, where underwriting is the preserve of the merchant banks and similar investment finance houses.

In recent years a good start has been made in the development of merchant banks here with, say, the Development Finance Corporation in Sydney as the leader of the independents. Some independents like Anglo-Australian have already thrown in their lot with big broker-sponsored brothers, like Australian United Corporation. Indeed, the trend in underwriting looks to be towards closer links with brokers' offshoots and thus with brokers, rather than the other way round. This throws us back to what Mr. C. T. Looker, a broker-director of Australian United Corporation, told *The Bulletin* last week, reliance on the integrity of brokers—even if this does not quite resolve Mr. Snider's problem of how a broker-director cuts himself in half.

I believe those points are most interesting. It is fairly evident that some people are being put up against the wall by the activities of certain brokers. Mr. A is a broker and his friend has a large parcel of shares in a show of which Mr. A is a director. During the course of business a person comes in to see Mr. A, the share-broker, and says that he has £10,000 or £20,000 which he wishes to invest. People are being encouraged to go to their share-brokers to discuss financial arrangements and investments. Mr. A might not know the man who wants to invest, but he might feel he has an alliance or allegiance

to his friend of long standing. He therefore advises the person who has walked into his office that he should acquire the shares possessed by his friend. He explains that they are a good buy. When the man leaves his office, Mr. A telephones his friend and says, "I have sold those shares for you". When his friend asks why, he replies, "I have inside information."

That is the true position. It is happening every day. I do not think it happens very much in this State, if at all; but we are just getting caught up in this business of share dealing and its ramifications, and now is the time to do something. We have this legislation before us and it would be possible, even at this stage, to deal with the definition of "broker." Clause 33 could also be tidied up, if necessary. I hope the Minister will discuss the matter with the Attorneys-General in the Eastern States and give us a full report on what they and the Minister think. I support the Bill.

Debate adjourned, on motion by The Hon. J. Murray.

*House adjourned at 5 p.m.*

## Legislative Assembly

Thursday, the 29th October, 1964

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