Legislative Assembly.

Tuesday, 10th December, 1946.

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

QUESTIONS.

FENCING WIRE.

As to Measures to Increase Supplies.

Mr. WATTS asked the Minister for Agriculture:

1, Is it true that there is a scarcity of fencing wire in Western Australia?

2, Are any types of fencing wire in plentiful supply, and if so, what types, and are the supplies subject to any restrictions?

3, In relation to fencing wire, of which there is a scarcity, can any steps be taken to increase the supplies available in the near future, or is it expected the position will rapidly improve?

The MINISTER replied:

1, Yes.

2, No type of fencing wire is in plentiful supply. Control restrictions have not applied since October, 1945.

3, Enquiries made by the Department of agriculture indicate that a similar shortage exists in the Eastern States and supplies are not available for export to Western Australia. The supply of rods to the local factory is being kept up and full use is being made of the supplies coming to hand. It is expected that the position will considerably improve during the next few months.

WHEAT STABILISATION.

As to Additional Commonwealth Legislation.

Mr. WATTS asked the Minister for Agriculture:

1, As he has stated he was not aware of the intention of the Commonwealth Government to introduce the Wheat Industry Stabilisation Bill (No. 2) at the time when the State Bill was being considered in Committee in this House, was he advised of that intention prior to the introduction of the Bill in the Federal Parliament?

2, If not, does he not regard the failure to supply such information as discourteous?

3, When did he first know of the Bill?

4, Will he give his opinion of its effect on the State Bill and proposals connected therewith?

The MINISTER replied:

1, No.

2, It is customary for the State Government to be advised in such circumstances as those referred to, but in this instance for some reason not at present known advice was not received.

3, Upon reading the report in "The West Australian" newspaper of its introduction in the Federal Parliament.

4, A request has been made to the Department of Commerce for copies of the legislation and a definite opinion will be expressed when the Bills have been received and studied. However, indications from Press reports are that the legislation does not alter the proposals contained in the Bill at present before Parliament in this State.

DAIRY INDUSTRY.

As to Assisting Farmers to Instal Refrigerators.

Mr. McLARTY asked the Minister for Agriculture:

1, Has his attention been drawn to an item in the "Australian Dairy Review," of the 31st October, 1946, headed "Farm Refrigerators," in which it is reported that the Queensland Butter Board has made arrangements with the Commonwealth Bank by which the dairy farmer could be assisted to instal at a cost of £130 a refrigerator large enough to cool milk as well as cream?

2, As the provision of these refrigerators is regarded as a great move towards improving the quality of dairy produce, would he make the necessary inquiries with a view to providing this assistance to dairy farmers in Western Australia?

The MINISTER replied:

1, Yes.

2, The scheme in Queensland appears to conform to normal business practice for securing finance, subject to suitable arrangements with a butter factory for a procuration order being given by the farmer upon his cream cheque. Full details of the scheme in Queensland are being obtained.

BILL—EASTERN GOLDFIELDS TRANSPORT BOARD.

In Committee.

Mr. Rodoreda in the Chair; the Premier in charge of the Bill.

Clauses 1 to 7—agreed to.

Clause 8—Board:

Hon. N. KEENAN: The amendment appearing on the notice paper was put there by me before I had an opportunity to communicate with the local authorities who are promoting this measure. Since then I have received from them a request to move an amendment which differs from that one. I ask your ruling, Sir, as to whether I can do so.

The CHAIRMAN: The putting of an amendment on the notice paper does not necessitate the hon. member's moving it. The hon. member can move any amendment he desires.

Hon. N. KEENAN: The amendment desired by the local authorities is to insert after the word "Governor" in line 3 the words "from names submitted by the local authorities." An objection that may be taken to this suggestion is that the number of names to be submitted should be stipulated. I therefore move an amendment—

> That in line 3 after the word "Governor" the words "from three names submitted by the local authorities" be inserted.

The PREMIER: It was originally thought that the local authorities had in mind the selection of the local magistrate to take the position of chairman. But subsequent to the drafting of the Bill and consultation between their solicitors and the Crown Law Department, I received a wire in similar terms to that mentioned by the member for Nedlands. I have no objection to their suggested amendment or to a restriction of the number of names to be submitted to three.

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

Clauses 9 to 16—agreed to.

Clause 17—Quorum:

Mr. STYANTS: I move an amendment—

> That at the end of the clause the following words be added:—"but if at any meeting of the Board a quorum is not constituted owing to the absence of a representative from each of the local authorities or the ratepayers thereof, such meeting shall be adjourned for one week at the same time and place and if at such adjourned meeting the Chairman and four members at least are present, such members shall constitute a quorum notwithstanding that they do not include one representative of each local authority or the ratepayers thereof."

As the clause stands, it states that four members of the board, with the chairman, shall constitute a quorum at all meetings, provided a representative from each of the local authorities is present. That could be dangerous. Should one of the local bodies represented on the board take umbrage, and its delegates deliberately absent themselves from meetings, that would hold up indefinitely the business of the board. The effect of my amendment would be that for ordinary purposes four members of the board with the chairman would constitute a quorum and, as a general principle, it would be required that at least one representative from each local authority be present, but should one meeting be held and lapse because each of the local authorities was not represented by at least one member, the meeting would be adjourned for a week, to re-assemble at the same time and place. At the subsequent meeting, provided there were four members of the board present, together with the chairman, irrespective of whether they represented each of the local authorities, they should constitute a quorum of the board by which business could be lawfully transacted.

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

Clause 18—agreed to.

Clause 19—Remuneration:

Hon. N. KEENAN: I do not propose to move the amendment standing in my name on the notice paper.

The PREMIER: I move an amendment—

That in line 8 the words "several funds" be struck out and the words "general fund" inserted in lieu.

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

Clauses 20 to 23—agreed to.

Clause 24—Further powers:

Hon. N. KEENAN: I move an amendment—

That paragraph (b) be struck out and a new paragraph inserted as follows:—"(b) For the purpose of carrying on its undertaking to mortgage its undertaking or any part thereof and to sell, exchange, lease, dispose of, turn to account, or otherwise deal with any part of its undertaking, and also with the consent of the Governor to sell, lease, or abandon its undertaking."

The local authorities do not think the paragraph as printed gives sufficient authority to mortgage their assets in the ordinary course of business, and consequently they have asked for this amendment.

The PREMIER: This matter was the subject of discussion between the Solicitor-General and the solicitor for the company. As the member for Nedlands has said, it is necessary to widen the scope in this direction. The safeguard in the proposed new paragraph is in the words "for the purpose of carrying on its undertaking." I support the amendment.

Amendment put and passed.

Hon. N. KEENAN: At one time I held the opinion, personally, that £20,000 was a large figure to allow as an overdraft, as distinct from a loan. The Premier has pointed out reasons which I consider sufficient, and I therefore do not propose to proceed with my next amendment.

Clause, as amended, put and passed.

Clauses 25 to 31—agreed to.

Clause 32—Borrowing powers and limitation of:

Hon. N. KEENAN: This is an amendment which is also an expression of personal opinion. The clause provides that the board may borrow with the consent of the Governor. As local authorities are involved, the usual provisions applicable to borrowing under the local governing Acts should apply. I move an amendment—

That in line 4 the word "Governor" be struck out with a view to inserting in lieu the words "ratepayers of the local authorities voting in respect of the two municipalities as provided for in case of an election of a mayor and in case of the Kalgoorlie Road District as provided for in case of an election of a member thereof."

The PREMIER: I hope the amendment will not be pressed because it would make the matter of obtaining permission to borrow money cumbersome as compared with a decision of the board and a reference to the Governor for his approval. There are many undertakings with similar powers. The board will be representative of the ratepayers.

Amendment put and negatived.

Clause put and passed.

Clauses 33 to 44—agreed to.

Clause 45—Board's duty to take precautions:

Hon. N. KEENAN: I move an amendment—

That at the end of paragraph (a) the words "during and arising from such user" be added.

The paragraph provides that the board shall take all proper precautions to secure the safety of its passengers, and then proceeds—

and of all persons passing along or across any streets or roads upon any routes used in its undertaking.

My amendment would limit the liability to any damage suffered by a person when it arose through the use of such routes by the board.

Amendment put and passed.

Hon. N. KEENAN: I find embarrassment in trying to discover the meaning of part of paragraph (b), which reads—

The board shall be answerable for all accidents, damages and injuries happening through its act or default or through the act or default of any person in its employment—

That is right and proper, but the paragraph continues—

by reason or in consequence of any of its works or undertakings and shall save harmless all local authorities, corporations and bodies collectively and individually and their officers

and servants from all damages claims and costs in respect of such accidents, damages and injuries.

I move an amendment—

That in paragraph (b) the words "by reason or in consequence of any of its works or undertakings" be struck out with a view to inserting the words "arising out of such employment."

Liability arises out of employment while carrying out duties as a servant; not otherwise. The amendment would make the clause quite clear and in accordance with the ordinary provision in such cases.

The PREMIER: There is some satisfaction in the knowledge that private draftsmen sometimes make their meanings obscure, but the satisfaction I get in agreeing to the amendment is that I consider it will make the position stronger and clearer.

Amendment (to strike out words) put and passed.

Hon. N. KEENAN: I move—

That the words proposed to be inserted be inserted.

Amendment (to insert words) put and passed; the clause, as amended, agreed to.

Clause 46—Limitation of actions against the Board:

Hon. N. KEENAN: On this occasion I am on the opposite side. I have been protecting the board by the last two amendments, but here I wish to extend its liability. Paragraph (b) provides that any person intending to bring an action must give a month's notice. Paragraph (a) would restrict the right of action to 11 months, because a month's notice has to be given. Apart from that point, I wish to deal with the word "arisen." It is not only possible, but probable, that if an accident happened the effect of it might not be discovered until the lapse of more than 12 months. There are other matters which would bring about a cause of action, such as subsidence of the road owing to the construction of a tramline or the maintenance of a tramline. Such subsidence might affect a building a considerable time after the actual cause arose. I move an amendment—

That in line 3 of paragraph (a) the word "arisen" be struck out and the words "been ascertained" inserted in lieu.

After that, if the party aggrieved does not assert himself and bring an action he is debarred; but until the cause has been ascertained it would be impossible for the party to be guilty of laches.

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

Clauses 47 to 49—agreed to.

Clause 50—Exclusion of Section 385 of Municipal Corporations Act:

The PREMIER: There is an obvious omission from this clause. The undertaking will pass through two municipalities and one road board district. I move an amendment—

That in line 2 after the figures "1906-1945" the words "and the provisions of Section 227 of the Road Districts Act, 1919-1943" be inserted.

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

First Schedule, Second Schedule—agreed to.

Third Schedule:

The PREMIER: A typographical alteration is necessary in this schedule.

The CHAIRMAN: It will be corrected consequentially.

Third Schedule put and passed.

Preamble, Title—agreed to.

Bill reported with amendments.

BILLS (2)—RETURNED.

1, Stipendiary Magistrates Act Amendment.

With an amendment.

2, City of Perth Scheme for Superannuation (Amendments Authorisation).

Without amendment.

BILL—STATE (WESTERN AUSTRALIAN) ALUNITE INDUSTRY.

Message.

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

Second Reading.

THE MINISTER FOR INDUSTRIAL DEVELOPMENT (Hon. A. R. G. Hawke—Northam) [5.13] in moving the second reading said: The State (Western Australian)

Alunite Industry Partnership Act of 1942 contained the first Parliamentary approval for the establishment of the potash industry at Chandler. The Government later purchased the interests of the private partners in the partnership and consequently that legislation was no longer applicable to the new set-up under which the Government owned the industry completely and, of course, had complete control over its operations. At that time the State Parliament was not in session, nor was it due to re-assemble for a considerable time. The Government therefore made representations to the Commonwealth Government asking that appropriate National Security Regulations might be promulgated to enable this Government to continue the establishment of the industry and operate it. Suitable regulations were framed and made and the industry was carried on under them from that time onwards. The regulations have since expired and it is consequently necessary, and of course desirable, that this Parliament should pass legislation to enable the industry to be carried on legally by the Government. This measure contains the views of the Government in that respect.

Although the Bill itself is of considerable length, most of its provisions are of a machinery character, the important clauses not being many in number. The Bill gives the Government complete legal authority to continue to develop and carry on the industry. It makes provision for the constitution of a board, which is to be subject to the Minister. The board is to consist of three members to be appointed by the Governor, one of such members being nominated by the workers in the industry. There is a board functioning at the present time upon which there is a member nominated by the workers in the industry. The funds required for carrying on the industry are to be in the first place those provided by Parliament, secondly, income derived from the carrying on of the industry, and thirdly, such moneys as may be borrowed for the purpose of the industry. The industry account is to be charged with—

(1) All capital expenditure,

(2) All fees and allowances paid to members of the board,

(3) Salaries and wages of all employees in the industry, and

(4) All expenditure lawfully incurred by the Government in carrying on the industry.

The Bill also provides that the Minister may, with the approval of the Governor, borrow money from the Treasurer for any purpose associated with the industry, and interest is to be payable thereon at such rate as shall be determined from time to time by the Treasurer of the State. The Treasurer is authorised to decide the interest and sinking fund contribution payable in each year in respect of the capital account of the industry. Interest on the daily balance of money provided out of Consolidated Revenue is to be charged, and such daily balance is to be calculated by taking into account, in addition to any other credits, the amount of cash profit paid to the credit of Consolidated Revenue. The Auditor General is to determine the amount of depreciation of the industry's assets from time to time. Annual estimates covering revenue and expenditure are to be submitted to Parliament each year. Any profit made in any year that is available in cash, after making full allowance for interest and sinking fund contribution and depreciation in and maintenance of the plant, and which is not required for the purposes of the industry, is to be paid into Consolidated Revenue.

The financial provisions of the Bill follow largely similar provisions in the Wood Distillation and Charcoal Iron and Steel Industry Act, which was passed in 1943. This industry is not to be subject to the State Trading Concerns Act. It is to be operated as a separate industry and to function entirely under the Act which the Government hopes will develop from this Bill. Those, generally speaking, are the provisions in the measure. It is considered that it will, if it becomes law, establish a set-up that will be suitable to the industry and enable its management to be carried on in the most successful way possible. From time to time members have, by statements made here and in the Press, been told of the hard struggle which took place, and is still taking place, to establish this industry on a payable basis. The decision to establish the industry was made early in the war by the Government partly because we were anxious to develop industries in Western Australia, but mainly because at that time supplies of potash from oversea had been almost completely cut off, and were to be completely cut off in the near future.

As no potash was then produced anywhere in Australia, it was clear to the Government that Australian agriculturists would be without any supplies of potash unless it could be produced somewhere within the Commonwealth. Consequently, after the partnership agreement was finalised with a number of people who had certain claims for leases and the like, attempts were made to establish the industry. Many difficulties were experienced in doing that. In the first place, the Commonwealth Government was not willing to grant the industry a priority, either in regard to manpower or materials. Those two essentials were, at that time, extremely difficult to obtain and they continued to be so during the whole time that endeavours were being made to establish the potash industry at Chandler. The Government was compelled to struggle with those problems as best it could. It was a hard struggle and one that provided many headaches for those directly concerned with the responsibility of trying to establish the industry to the stage where potash could be produced.

Some plant, for instance, had to be imported from oversea, and I want to say that the Commonwealth did assist the State Government in the direction of obtaining priorities in the placing of its orders for this special equipment, both in England and in America. There were long delays in the equipment being landed at Fremantle, but fortunately it was all finally landed and thus became available for use at Chandler. Much of the plant was secondhand because no new stuff was available. Most of the secondhand plant and equipment was obtained from the goldmining industry of this State which at that time was being depressed under the war policy of the Commonwealth Government which reduced substantially the manpower available to it. The necessity to produce potash was the over-riding consideration; if it had not been, the Government might have been inclined to postpone the attempt to produce potash in this State. We might very well have said, with justification and wisdom too, that it would be far better to wait until the war was over before trying to develop the alunite deposits at Chandler, because by that time it would be possible to have a far better choice of manpower and, at the same time, we would be able to obtain new plant and equipment for the industry.

As I have said, however, production was urgent so that local potash should, to the fullest extent, take the place of oversea supplies which had been cut off from Australia owing to war-created conditions. Naturally, under the difficulties that I have referred to, the cost of establishing the industry was very great, and the task of achieving production in the first place, and maintaining it subsequently, was a big one, too. Finally production was achieved, and it was maintained intermittently for a long time because it was discovered, quite early after production was commenced, that substantial modifications of the plant would be required. Those modifications were carried out as quickly as possible, but they took a considerable time. Every effort was being made during that period to continue production, and it was maintained to some extent.

It is easy for members to realise that during such times, costs would be much higher than during a normal period. Ordinarily the plant would be operating continuously and efficiently without the necessity for shouldering the heavy costs entailed in modifying it, or the maintenance costs that were associated with it in the first year or two of its operations. Members will be pleased to know that production at Chandler has now been stabilised at a figure of 385 tons of 30 per cent. K_2O a month. This quantity represents a substantial increase over what was being produced previously, and there is also a welcome increase in the quality, although much has still to be achieved in that regard.

Mr. Doney: How does it compare with your earlier estimates for this date?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: It is well below the original estimates. For the financial year, 1st July, 1946, to 30th June, 1947, it is estimated that 4,600 tons of 30 per cent. K_2O potash will be produced at Chandler. At the beginning of this financial year we had some 900 tons of potash on hand at the plant which, at that time, the board of management had not been able to sell. That will represent, therefore, during the 12 months, an availability of 5,500 tons, 900 tons of which, as I have already explained, will have been carried forward from the previous financial year. The world position, in regard to potash, is still

extremely critical, although I imagine most people, without going into the matter deeply, would be inclined to think that it would be very much as it was in pre-war years seeing that the war in Europe has been over for a considerable time. However, there still operates in Washington, America, a body known as the Combined Food Board. This board represents the major nations of the world, and it controls, among other things, the allocation of potash, no matter where it is produced. It controls, for instance, the allocation of potash to Australia.

The potash which the Government will produce at Chandler this financial year will constitute a quarter of the total amount allocated to Australia during that time by this combined board in Washington. The future plans of the industry are substantial, and it is estimated that their achievement will require a period of four years. The most difficult problem facing the four-year programme is that of sufficiently improving the quality of the product. It is hoped to raise the quality in that period, from 30 per cent. K_2O to 50 per cent. K_2O, and to increase the production from 4,600 tons a year to 12,000 tons a year. The achievement of these targets will assist materially in placing the industry on a fairly solid financial basis.

It might be thought that improving the quality ought not to be a difficult problem, but it is an intensely difficult one. Continuous effort has been concentrated on the task for a long time, but improvement is slow; it can be obtained only by the slow processes which are used in the laboratories by the chemists employed by the Government for that purpose. However, as I said earlier, some improvements have already been obtained, and it is believed that the achievements made in that direction will provide a basis for further improvements as time goes by.

Mr. Doney: What do the initials K_2O stand for?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I am not sufficiently qualified, technically, to give an explanation of what K_2O actually signifies, but it is a term used to indicate the quality of the product. The vital feature in connection with the necessity for improving the quality of the potash is that the more it is improved the more potash there will be in the final product, and the more valuable it will be per ton or per bag, as the case might be, and also there will be less waste going through the final portions of the processing plant, and less waste product going into each bag so that, in turn, the consumer will be getting less waste product and more potash. Consequently it is necessary, from the point of view of everyone concerned including the agriculturists, that the quality of the product should be improved as much and as quickly as possible.

The four-year programme is divided into two sections. The first aims at raising the quality of the product from 30 per cent. K_2O to 39 per cent. K_2O and increasing production as substantially as possible for the 15-month programme. The balance of the programme would be carried out in the following 33 months of the four years. At the end of the four-year period it is expected that the quality will be raised to 50 per cent. K_2O and the annual production to 12,000 tons. A Commonwealth engineer in the person of Mr. Cook visited Chandler a few months ago and examined the plant from end to end. He was very favourably impressed with what he saw and found the industry much more substantial and up to date than he had thought it would be. During the war the Commonwealth Government held potash in Australia at a fixed base price in all capital cities. That form of subsidy was operated by the Commonwealth Government not only in connection wtih potash but with other fertilisers and goods. Under this fixed base price for all capital cities, the Western Australian Government was compelled to sell potash produced at Chandler at the fixed price but did not receive from the Commonwealth Government any subsidy to enable the State to meet the whole or any portion of the loss which was incurred in the production of the potash.

For some time past representations have been made to the appropriate Commonwealth authorities for the purpose of obtaining from the Commonwealth a reasonable amount to enable the State Government to meet at least some of the losses that were incurred during the war in producing potash in this State for use by the agricultural industry. There is some fair amount of reason for believing the Commonwealth will make a decision in this matter that will be beneficial to the State and will have the result of reducing the very heavy losses

which the State Government itself has had to shoulder completely up to this stage. I mentioned that at the end of June, 1946, some 900 tons of potash had been accumulated at Chandler, for which a sale could not be effected. That quantity of potash was not required up to that time by the farmers of Western Australia and at that stage no potash had been exported from here to the other States. Government representatives of the industry visited Adelaide, Melbourne, Sydney and Brisbane for the purpose of ascertaining whether markets for the product could be developed in one or other of the Eastern States.

Members will be pleased to know that during the last two weeks following the sending of a sample shipment to Queensland, an order has been received from that State for 1,500 tons. That order will enable the State to clear the accumulated surplus of potash now at Chandler and also prevent any further accumulation of potash here for some considerable time to come. Of the 1,500 ton order, 500 tons are already in transit between either Chandler and Fremantle or Fremantle and Brisbane.

Mr. McDonald: Is there any danger of the demand falling off seriously?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I should say that the possibility is all in the other direction. I pointed out a few moments ago that the world potash position continues to be critical and the board representative of the major nations of the world is still functioning in America and has authority to allocate all potash produced in the world as it deems fit.

Mr. McDonald: Then it seems somewhat strange that there should be an accumulation here.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: That accumulation was experienced because the Commonwealth Government was reserving for the agriculturists of Western Australia the whole of the production of potash at Chandler. However, we reached the stage where the increased production of potash there became so great that the consumers in this State were not able to purchase the whole of the output. As the result of that experience, we saw clearly that we would have to develop markets elsewhere and in pursuance of that decision we sent representatives of the industry to the Eastern States and subsequently we despatched sample shipments of the product. I have already mentioned that during the last two weeks we received an order from Queensland for 1,500 tons. I think it is quite on the cards, seeing that that order was based on the sample shipment, that from time to time we shall receive bigger orders from Queensland and substantial orders from the other States of the Commonwealth.

Mr. Watts: Do you regard the price as profitable?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: It is not profitable at present because, as I pointed out, the price is tied to the fixed figure in all capital cities, and it is tied at the low figure it has been by the Commonwealth in pursuit of its policy of trying to help the primary industries of Australia. The Commonwealth pays a subsidy to all people who import potash into Australia from oversea, but does not pay any to the State Government for the potash it is producing at Chandler. Consequently we are compelled to sell our production at the fixed base price for all capital cities, irrespective of what our production cost is and without the advantage of any subsidy such as that paid to importers to enable them to meet the balance between the fixed price and the amount they have to pay to bring the potash into Australia.

Mr. Leslie: What is the amount of the subsidy?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I think the subsidy paid by the Commonwealth is approximately £6 per ton, but I am depending upon my memory in that regard.

Mr. Leslie: What is the difference in price between ours and the imported article?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I am not in a position to say exactly just what the difference would be, but I think our cost of production at present, taking into account everything that should be considered would be appreciably higher than the price at which potash can be landed in Australia from oversea.

Mr. Leslie: And the percentage in our potash is about 20 less than that of the imported article.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: Yes, our quality is less than that of the imported article. It must be remembered that our industry was established under difficult manpower and other conditions and was expensive from the point of view of capital required. Substantial modifications were found necessary and these, too, were expensive, with the result that the cost of production at Chandler is high.

Mr. Leslie: You are not going to saddle the primary industries with that additional cost, are you?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: In addition, there is a very important industrial necessity at Chandler today in connection with what is known as the first section of that industry and that is the need to triplicate the operations. When that is done it will not involve treble the cost because the major portion of the plant, which is the most expensive of all, will serve the triplicated plant when it is established and the triplication, therefore, will not prove to be nearly as expensive as might be thought at first glance. When the four-year programme that has now been commenced is completed, the production cost per unit will be very much less than it is at present.

Mr. Doney: What is the Commonwealth Government's excuse for not extending the bonus to the Chandler product?

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The industry is overcapitalised.

Mr. Leslie: Yes, and you must get rid of those developmental costs.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: For the reasons I have explained, it will be necessary for the capital cost to be reduced considerably if the industry is to be placed on an economic basis from the financial and book-keeping points of view.

Hon. J. C. Willcock: The Commonwealth takes up the attitude that the State should bear its portion of the loss.

Mr. Leslie: But the capital cost should be debited against the development account.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: The Government has had a lot of worry about the establishment and operation of this industry. Speaking for myself, I can say that the worry has been continuous. As for the Director of Industrial Development, who is chairman of the board of management, I can say that he has had a frightful time, and those directly associated with him on the board of management and those directly charged with the responsibility of operating the industry at Chandler have had a hectic time as well. I think the industry has justified its existence to date because it is producing a commodity which otherwise would not have been available to the agriculturists of Western Australia. During the war period it maintained and still continues to maintain production of a commodity vital to the primary industries and with increased production it will assist in that direction more than one of the Eastern States.

On the basis now established at Chandler with regard to the plant, the production of potash, with an improvement in quality, will provide a basis upon which the industry can be improved and extended. In addition to that, its efficiency can be developed from time to time and as the years go by it will be found that this industry will be valuable and permanent in the interests of the State. Furthermore, a town has been established at Chandler with a fairly large community that is to an extent self-supporting. Some people may say that it would have been better had the Government paid each person there £10 a week and not established the industry at all. That argument has been advanced on more than one occasion when things have been attempted, but to my mind it is a foolish suggestion. Not all of Government expenditure is fully productive from the point of view of revenue return. Every Government spends a great amount of money which never returns a penny directly, and it is very doubtful whether some of it returns a penny indirectly. This, however, is an active industry, a producing industry, which is turning out a class of wealth that is not produced elsewhere in Australia. Parliament would therefore be justified in passing this legislation despite all the difficulties and losses associated with the industry from the time when the first attempt was made to establish it, up to the present. I move—

That the Bill be now read a second time.

Mr. DONEY: I move—

That the debate be adjourned till Thursday.

The MINISTER FOR INDUSTRIAL DEVELOPMENT: I do not like opposing a

motion of this kind, but I would have preferred that the hon. member had moved for the adjournment of the debate until tomorrow. If he finds by tomorrow that he has not had a reasonable chance to study the Bill and speak upon it, I would consider postponing the discussion until Thursday. As members are aware, the Premier is endeavouring to complete the business of Parliament this week. If we do not get the Bill to another place until Thursday, it might possibly adopt the attitude that it has arrived a day too late—I do not know. I hope the member for Williams-Narrogin will withdraw his motion and move another to the effect that the debate be adjourned until tomorrow. I undertake, if he does that and if he finds tomorrow that he needs further time, to give the matter reasonable consideration.

Mr. DONEY: I ask leave to withdraw my motion.

Motion, by leave, withdrawn.

Mr. DONEY: I move—

That the debate be adjourned.

Motion put and passed.

BILL—COAL PRODUCTION.

Message.

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

BILL—ECONOMIC STABILITY.

Second Reading.

Debate resumed from the 5th December.

MR. WATTS (Katanning) [5.50]: When the Premier introduced this Bill, it was clear to most of us that there was need for a continuation of a number of the regulations which were made under the National Security Act and which are referred to in the measure. I think it is equally clear to many of us that there is also grave need for amendment of some of the regulations which have been creating hardship among a number of our people, and which unfortunately this legislation does not enable us, at any rate easily, to amend. We find, for example, that the whole of the Landlord and Tenant Regulations under the National Security Act are to be continued by virtue of State legislation. It is well known that while these regulations have made some contribution towards assisting people in difficult circumstances in obtaining a home during the prevailing housing shortage, they have also inflicted considerable hardship on other people who, in many instances, have been unable to occupy their own homes although their conditions were as pressing as those of the occupants of their dwellings and, in many cases, somewhat worse.

In addition, there has grown up a most undesirable practice under cover of the National Security (Landlord and Tenant) Regulations which has enabled tenants, known in the regulations as lessees, to sublet premises without giving any notice whatever to the landlord or lessor. He has found himself in the unfortunate position, on calling to collect his rent or deal with other aspects of the tenancy, to be faced by a total stranger with whom he had not nor desired to have any contractual relationship whatever. Some of these lessees or tenants have indulged in a type of profiteering which is just as much due for condemnation as any other type of profiteering in that they have, knowing that they can sublet the premises without fear of notice to quit and without notice thereof to their landlord, accepted or demanded a premium from the person to whom they were about to sublet the premises to ensure those persons being allowed to enter them at their behest and not at the behest of the landlord at all.

Under the regulations, there has grown up a state of affairs by which the lessee has virtually become the proprietor of the premises, and has been enabled, very much to the landlord's detriment, to make a profit out of the subletting. I consider, and I think every member of the House will consider, that that state of affairs needs somewhat careful consideration before we allow it to continue. I point out to members that in another portion of the regulations the landlord is compelled to let his premises. He is not enabled to leave them vacant. Moreover, he is not allowed—I think we have agreed on that subject in past discussions—to refuse to let his premises merely because there are children in the family of the proposed tenant.

It is impossible for any landlord lawfully to refuse to let the premises he owns if they are available for letting, or to refuse to accept a tenant because that entrant has a child

or children. He surely is entitled, as between himself and the lessee, to some rights as to the person who shall occupy his premises and not be left entirely at the mercy of the lessee, and that lessee also in a position in respect of the premium or payment for the key—as some people call it—in respect of that subletting. If we accept this Bill in its present form, and we accept, therefore, these National Security Regulations for a further term, we are continuing that state of affairs which cannot be regarded as other than undesirable. I would say, too, there is room for relaxation of some of the other regulations. I will deal with one or two aspects of that question in a moment or two. There is also room for some relaxation of other sections of the landlord and tenant regulations under National Security.

I had brought under my notice today a case which is in close resemblance to many others which have been brought before me in the last six months, where a husband and wife with two children are compelled to live in one room with the use of a kitchen, although they are the owners of a five-roomed dwelling in the metropolitan area. When they were employed in country districts, and before the war, they let their premises, as any reasonable person would do, at a reasonable rental. They had, however, in the course of the same employment, been for three years transferred back to the metropolitan area. Despite the fact that they are, with two children, living under these conditions and have made more than one attempt to obtain re-entry into the premises they own, they have not been allowed to re-occupy them. We propose, so far as this legislation is concerned, to allow that state of affairs to continue, as I understand the position, without any alteration whatever.

Mr. J. Hegney: Was any order issued?

Mr. WATTS: The tenancy started before the war and has continued ever since, but no order has been made. The circumstances are peculiarly difficult, and there seems, so far as these people can ascertain up to the present, to be no redress. That is not the only case that has come before me.

Mr. J. Hegney: There are many cases like that.

Mr. WATTS: I agree. The point is that these regulations were imposed upon us during the war. We gladly accepted them, I believe, because the war was raging. We no doubt felt that at the conclusion of hostilities, or shortly after, some relaxation of them would be possible. I do not suggest, and I do not think anyone else suggests who holds the views I do, that there should be a complete abolition of this type of regulation. We are asked to subscribe now to the retention of these regulations in toto for an indefinite period. I cannot work up any enthusiasm for complete retention of these regulations in the circumstances, while I agree there must be a gradual transition from wartime regulations to no regulations at all.

This Bill does not indicate that gradual transition which ought to have started now that hostilities have ceased for approximately 18 months. On the other hand, the Bill proposes to abandon the regulations under the National Security Act known, I think, as the economic organisation regulations which, on the one hand, permitted the Commonwealth Bank to control interest rates and, on the other, prevented, except in special circumstances specified in the regulations, any alteration in wages or salaries. I am of opinion that the time has arrived, just as I am in regard to other types of regulations to which I have referred, when there should be some relaxation of what are known as the wage-pegging regulations. I feel that a great number of people who have given consideration to this measure, both in and outside this House, must ask themselves how is it practicable to abandon altogether these regulations and the economic organisation regulations which control interest and wage-pegging, and at the same time retain in full force and effect the landlord and tenant capital issues and the prices regulations, as this Bill proposes.

If it is justifiable, and I believe it is, to relax the wage-pegging regulations to some degree, it is equally justifiable to relax to some degree the other regulations, where it can be shown that they are inflicting any hardship upon any substantial number of the people. But that is not the proposition which is in this measure. There may be some regulations or enactment which it is proposed should take the place of the economic organisation wage-pegging regulations and the interest control regulations; but we have not been told that it is so. That may have been because of the very difficult circumstances,

with which we all sympathise, in which the Premier found himself when he introduced this Bill. So I do not propose at this stage to enlarge upon my criticism of that aspect of the matter, because I feel that the hon. gentleman may have reasons to give this House that would lead me to modify the views I at present have on this Bill in regard to that particular aspect. I am asking him to be good enough, if he has those reasons, to expound them fully to us so that we may make our judgment on this measure with a full knowledge of what is proposed.

But in regard to the interest control regulations I am—and I would like the Premier to deal with this aspect in particular—on that subject very concerned as to what may be the effect of interest rates charged on hire purchase agreements in particular if these regulations are cancelled. We know that at present there is a limited number of articles available to the public and a very substantial number of people who desire to have those articles and who apparently have the money to pay for them, not altogether in cash but over a period of time. In other words, the hire purchase business could be in a flourishing condition were the articles available for disposal to the persons who want them. It is quite obvious to me that unless there is something to replace this type of regulation, even if it be in a modified form, which I would think desirable, there is going to be a new kind of black marketing in hire purchase agreements; because the person who will be prepared probably to pay the highest rate for his terms will be the one most likely to secure the article—at least from some vendors—that is available for sale.

I think we want to review this question very carefully in the light of all the circumstances that are known and all the information available before we say we will subscribe to this measure. There is no proposal, either, to relax any of the capital issues regulations, and I would say that the same outlook is reasonable in regard to those regulations as in regard to the interest and wage-pegging regulations. While it may be desirable to have some relaxation, it does not seem desirable to me that the regulations should either, in the one case, stand in their present form; or, in the other, be completely abolished. Would I not be right in saying that the limit of £10,000 placed by the capital issues regulations on the flotation of any new company without the consent of the Federal Treasurer and the limit of £10,000 placed on increase of capital of any existing company without a like consent is too restrictive at present? Is it possible for any new industry to be developed even on a comparatively small scale on a capital of £10,000 or increased capital of £10,000?

Is it necessary at this stage that £10,000 should be the limit without Treasury consent? I am aware I may be told that the Treasury consent has been given, but it has not been given in all instances. In any event, is it desirable at this stage that in respect of an amount as low as, say, £11,000, Treasury consent, and the delays attendant upon it and the other inconveniences attached to it, should be necessary before capital can be invested for the purpose of initiating or carrying on to a greater degree some enterprise in this State? I do not think it is. It has been represented to me that it is impracticable, for example, to start on a goldmining venture with a capital of £10,000. Frequently more than that is spent in investigating and minor developmental works; and no detriment, in my opinion, should be put in the way of ventures of that kind in Western Australia, quite apart from other types of ventures. I can fully understand that, during the war and within 12 months thereafter, there was a grave necessity to prevent capital from being invested in anything that did not make a substantial contribution to the nation's war effort.

These regulations were undoubtedly of great value in assisting to the full subscription to war loans. But while loans will be raised, they will, I take it, be raised less frequently than during the war, and the indications are that they will be raised for lesser amounts in any year. There seems, therefore, ample justification for commerce and enterprise being able without restriction to raise a reasonable amount. It has been suggested to me that if £50,000 were substituted for £10,000 for the time being, these difficulties would be solved. But that is not the approach that is made to the matter by this measure. We are simply to adopt the existing National Security Capital Issues Regulations with all the restrictions that are imposed by them on the issue of new capital or the increase of capital in existing companies without any restriction whatever. I feel that it may be the intention of

the Government to discuss this question with the Prime Minister; and I find, in one section of the Bill, a proposal that enables that discussion to take place, but does not bind the Government of this State, whatever Government it may be, to come to any agreement with the Prime Minister on the points that are discussed.

If after consultation between the Prime Minister and the Premier, the Governor decides to make regulations, he may, by those regulations, apparently amend the National Security Regulations that are being adopted by this State through this Bill if it becomes an Act. The Prime Minister may say, "I do not think you should alter the regulations," and the Premier may say, "I do think so"; and the consultation having got no further than that, as I understand this Bill, the Premier may come back to Western Australia and advise the Governor to issue an amendment to the regulations which immediately has force and effect whether the Prime Minister likes it or not; and that, if I interpret it aright, gives the Premier of this State an excellent opportunity to relax or lighten these regulations at almost any time after the Bill becomes an Act. But it seems to me it would have been a great deal better, or would be a great deal better, if the Parliament of this State were at this stage to determine how much of that relaxation should take place.

I frankly admit, and have said so already, that I would not wish to wipe out these regulations by any means. I would be prepared to give most careful consideration to what relaxation should take place; but this government by regulation, justified probably during the war because of the grave danger in which this country found itself and the obvious necessity to do things quickly in case of emergency, is hardly the type of government we should wish to carry into peacetime. Surely it is about time we restored as substantially as possible the legislative rights of the representatives of the people as opposed to the bureaucratic rights of those gentlemen who advised the Ministers of the Crown in Canberra and caused regulations to be made almost more voluminous than the Acts of Parliament of this State passed in an equivalent period.

Those regulations were turned out during the war in almost uncountable numbers; 500 statutory rules and orders in 12 months were a mere nothing. It is true that under this measure we are going to limit them severely. As I understand the position, after the 31st December next, with a few exceptions, the only regulations under the National Security Act that will have any force or effect in Western Australia will be those that are adopted by this measure; but it does not relieve us from the fact that we are not legislating for the times in which we are now living, for the people whom we are called upon to represent in respect of those matters which are of grave importance and which I think require more attention than merely to adopt in toto regulations which have been in operation during a period of emergency of a character which certainly does not exist now, although there is a type of emergency in some aspects which requires our very careful consideration.

So I find it impossible to commend the decision of the Premiers' Conference, which I understand gave rise to the introduction of this measure and similar measures in other States of the Commonwealth. I do not think the decision to accept the easy way of continuing this type of legislation —because that is what these regulations are —is commendable. It would have been far more desirable had an effort been made to bring into operation legislation of our own, even if that legislation were supplemented, as legislation usually is, by the right of the Governor to make regulations in respect of matters not expressly dealt with by the measure itself. So here again I feel we are not going the right way about dealing with the problem of the day in this regard in having this measure brought before us and no alternative given to us to deal with the problems which are implicit in these regulations.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. WATTS: I now propose to deal with the control of prices, for which provision is made in this Bill by a continuance of the existing National Security Regulations. The control of prices covers more things than those that have been dealt with by Mr. Mathea, the Commonwealth Deputy Prices Commissioner in this State, for we have, in addition, the prices of land and associated dealings with real property, which have been controlled by the Commonwealth sub-Treasury officials.

There was, for a considerable time, a sign that the control of prices of those items in Western Australia was being extremely detrimental to vendors who wished to be reasonable. There was a state of affairs where the prices ruling on the 10th February, 1942, were to be the basis of all rulings by the sub-Treasury, and advantage was so fully taken of that that there was no question but that injustice was being inflicted on certain people, and the price of land in this State was being unduly depressed.

So far from there being any sign of a process of inflation under the administration of that measure, until recent weeks there was every sign of a process of deflation, which was not reacting generally to the interests of the people of this State, especially when one realised that land comparable in its productive capacity in other States of the Commonwealth, little more thickly populated than our own, was being sold at prices as much as three times as high as those allowed in this State, simply because at some boom period in the past, which did not exist here at that time, such prices had risen considerably higher than those for comparable country in Western Australia. It will be remembered that there were strong protests in this House, and indeed they were sympathetically received at that time by the Premier, as to the situation that had arisen under those regulations.

Of recent months there has, I think, been a more reasonable outlook adopted by the sub-Treasury in regard to these matters. At least there have been far fewer complaints brought to my notice, and some instances where I think a reasonable attitude has been taken up by the sub-Treasury, but that does not convince me altogether that the system which has been adopted, and which is still in use, I understand, by the sub-Treasury, is one that is likely to arrive at a fair price in all transactions. I think, too, that possibly the absence of complaints is to some extent due to the fact that people have learned better how to evade these regulations. That aspect of the matter has been put to me in a number of quarters and I feel that there is a distinct possibility that it may have contributed to an abatement of the complaints that used to be made freely in this State.

Mr. Thorn: Perhaps they were advised by the Department.

Mr. WATTS: As the member for Toodyay suggests, they may have been advised by the department of the best method of dealing with the impasse with which they were faced. I doubt whether there is ample justification today for the retention of the full force and effect of those regulations, but as to the control of prices and goods, I am wondering whether it would not be desirable to return to the legislation that was passed in this State in 1939, and that still remains on our statute-book, known as the Profiteering Prevention Act. There is no reason, in my view, why we should not retain the services of Mr. Mathea who, I understand, was an official operating under the State Act prior to the coming into operation of the National Security Regulations.

I find, from looking at the Profiteering Prevention Act of 1939, that the widest possible powers are given to the Commissioner to be appointed by the State to fix and declare for any commodity the maximum price, different maximum prices according to differences in quality or description or in the quantity sold, different maximum prices for different parts of the State, maximum prices on a sliding scale, maximum prices on condition or conditions, maximum prices for cash delivery, credit or time payment, maximum prices on a percentage basis on landed or other cost, maximum prices according to or upon any principle or condition prescribed, and in fixing and declaring any price he is to do so relatively to such standards of measurement, weight, capacity or otherwise howsoever as he thinks proper.

I think it would be more desirable, from the point of view of Western Australia, if we were to return, in the matter of control of prices and conditions, to our own legislation which, following on my observations before tea, has this merit, that it was passed, having been duly considered by the legislature of this State, and may be taken to comply reasonably with the conditions that this legislature thinks ought to apply in Western Australia, whereas I am doubtful whether every aspect of the National Security (Prices) Regulations carries that attribute.

Hon. J. C. Willcock: Has it a time limit?

Mr. WATTS: I believe so, but that may be easily overcome. It says:—

This Act shall continue in force during the continuance of the war in which His Majesty

is at the commencement of this Act engaged and for a period of six months thereafter and no longer.

So far as I know the war, legally, is still continuing, and therefore the Act has not yet expired. I have no hesitation in saying that it would be just as easy, and probably much easier, to induce the legislature of this State to re-enact that law for a period than it would be to get it to accept the National Security Regulations as a continuance measure. I wonder, also, what state we are coming to with the variety of legislation that is upon our statute-books, either inoperative or superseded by Commonwealth regulations.

When the Profiteering Prevention Act was being passed the Bill took up a long time in this House, not to mention another place, before it was finally agreed on in the terms in which it apears on the statute-book. Last year we passed an Act known as the Commonwealth Powers Act, 1945, to refer to the Commonwealth Parliament power to make laws as to the control of prices in Western Australia. Apparently that Act has remained inoperative. In my view, if we are to pass these regulations in the Bill now before us, that Act should be repealed, because I can see no earthly reason why we should accept the regulations set forth in this blue book of National Security legislation and at the same time have on our statute-book provision for the reference of the power to fix prices in Western Australia to the Commonwealth in general terms.

If I had had the opportunity I would have placed on the notice paper an amendment to repeal the 1945 Act, but I found that such an amendment would have to be passed by an absolute majority of both Houses, at the second and third readings, and as I could only introduce an amendment to this Bill in the Committee stage it was obvious that that amendment could not be discussed prior to the second reading and therefore, as far as I could discover, could not be successfully moved to this Bill because of the provisions of the 1945 Act. I would like the Government to give consideration to the variety of legislation that is on the statute-book regarding price control, and to advise me why that legislation in its entirety is allowed to remain there, and what objection there really is to the repeal of the 1945 statute and to the acceptance of the 1939 statute as the basis for price control in this State, as part of the maintenance of economic stability in this country.

I have covered, generally, the various provisions of this Bill and I sum up my views on it by first asking the Premier to explain in greater detail the reasons for the complete extinction, as far as Western Australia is concerned, of the National Security (Economic Organisation) Regulations as they affect interest and wage-pegging, again expressing the view that I think there might be some relaxation of those regulations and that it does not seem to me at this stage compatible either with the views of the Prime Minister or of the Premier from his seat in this House that there should be immediately a complete extinction of those regulations. I contend that the landlord and tenant regulations inflicted injustices and are in need of review, and ought to be reviewed as early as possible, although they should be maintained to a great degree because of the difficulties with which we are faced. I believe that the same remarks apply to the capital issues regulations and in regard to the prices regulations I think, as I have said, that there is ample room at least for the consideration of the question of whether we would not be better served by West Australian legislation. I will leave it at that.

MR. McDONALD (West Perth) [7.42]: Though the Premier is not to blame for the undesirable features of this Bill, it is a most unprepossessing offspring for any Parliament to bring forward. It has a number of the worst features that any Bill can have. That does not mean that in the circumstances Parliament can, in my opinion, do otherwise than support the second reading. I think a measure of this description or of a like description is necessary to meet the circumstances that exist at present. The Bill is undesirable, because it is one to legislate by regulation. I do not think any parliamentarian with a feeling for democratic principles will pretend to defend government by regulation regarding major matters, and this Bill provides for matters that are major in an extreme degree. Although government by regulation has been unavoidable in time of war when speed of action was necessary, now that peace has come the

sooner we see the end of that feature the better it will be for the government of the country.

The Bill proposes to continue controls, and I confess that some degree of control is unavoidable for the time being, but I think Parliament sooner or later will have to ask itself to balance up controls with the disadvantages that follow in their wake. The Leader of the Opposition referred very truly to the fact that, with regard to some of the controls, we hear less about them now than we did formerly, for the simple reason that they are being evaded, I believe, on a fairly wide scale. When people think that controls are unjust and unfair, they have no compunction in adopting any means to evade them. If a man feels that his motor-car is worth £300 and he can sell it for no more than £150, and that if he sells at the fixed price he puts £150 into the pocket of the purchaser, he feels no compunction in seeking by devious means to break the regulation. So it goes on with regard to a variety of controls. I cannot say how widespread these evasions are, but I am told they are very general, and it is the view that a man who observes them is nothing more or less than a fool.

Controls, unfortunately, can bring about a large and serious deterioration of the ethical standards of the whole community. How far-reaching this may be is a matter on which members can form their own opinions. So, while controls for the time being must be a feature, and justifiably so, with regard to a number of matters, I think the more we can safely relax them and the speedier that relaxation takes place, the better it will be for the community as a whole, looking at the matter in the broadest possible light.

The Bill, further, contains this undesirable feature that it accepts and continues a measure of Federal control of matters which constitutionally should be under the control of the State. This is a principle that makes those of us who feel there should be State control in regard to State or domestic affairs view the measure with a certain amount of distaste, and if the Bill's objects could have been procured by other means, I would have felt happier. As it is, the Bill accepts to a certain extent a kind of political suzerainty on the part of the Commonwealth which I think might be used as a precedent to extend Commonwealth influence or control over State affairs and thus get the people accustomed to the idea that they can be governed from Canberra, because the State Parliament is not able to assume control of these things except by some left-handed process such as that in this Bill, whereby we confer on the Commonwealth the right to pass regulations to govern us in matters, a number of which might be normally domestic affairs.

However, I propose to support the second reading, which is unavoidable through a failure on the part of the Commonwealth Government to face up to realities. The Commonwealth felt so much diffidence about deciding whether the war had ended or when it had ended or when it will end that it has come to no clear ideas on the subject, except just recently. All of a sudden we found that the National Security Act and its accompanying regulations are to terminate on the 31st December. This situation, namely, the doubtful legality of these regulations, should have been cured by prompt action long ago, but the Commonwealth Attorney General has been living so long in the rarified atmosphere of international politics that these domestic matters, I suppose, have escaped his attention, in addition to which there appears to be great reluctance on the part of the Commonwealth to relinquish the control which it obtained during wartime and which it should return to the Parliaments of the States in peacetime. So, any blame for this belated legislation under which we are called upon to pass an extremely important measure with very limited consideration rests mainly at the door of the Commonwealth Government.

But we have to take things as they are and we have this measure before us. The situation has now reached the stage when the Commonwealth National Security Regulations covering several important fields are so doubtful constitutionally that the aid of the States with regard to their own sovereign powers has to be invoked to buttress the regulations as legal instruments of government. For this purpose the Commonwealth Government has recently introduced a Defence (Provisional Powers) Bill, though, so far as I am aware, it has not yet been passed. That Bill accepts the termination of the National Security Regulations on the 31st of this month and it proposes to con-

tinue some of those regulations for a further year, so far as they can be validly continued.

On the 2nd September, 1945, there were 157 sets of Commonwealth National Security Regulations and of that number, the Commonwealth, under the Defence (Provisional Powers) Bill now before the Commonwealth Parliament, proposes to continue, in whole or in part, 61 of them. We have the satisfaction of knowing that, of the 157 in operation at the end of last year, the majority will go by the board, but 61 are to be retained, wholly or partially, for the year 1947. It is interesting to note that the Attorney General says the Bill I have referred to is to operate until the 31st December, 1947, and no longer. In his speech before the Commonwealth Parliament, as reported in the Press, the Attorney General said that, with regard to some of the matters covered by National Security Regulations, namely, control of prices, control of capital issues, landlord and tenant regulations and economic organisation, these matters, or parts of them, would be the subject of legislation to be brought before the Commonwealth Parliament next year with the idea of continuing controls under those headings for a period beyond the 31st December, 1947.

In the meantime, the Commonwealth is seeking by the Bill before the Commonwealth Parliament to continue 61 sets of National Security Regulations for the year 1947. The Bill now before us is complementary to the measure now before the Commonwealth Parliament, and declares that Commonwealth regulations shall have force in this State in the same manner as if they were regulations made by an Act of this Parliament. The situation will be somewhat anomalous, and in any proceedings which may occur in connection with matters covered by the regulations that are the subject of this Bill, I take it that the lawyers would need to entitle their proceedings in the names of both the Commonwealth regulations and the Commonwealth regulations as enacted by the State Parliament. Nobody can say at any particular moment whether the Commonwealth regulations are valid or not, and should they turn out to be invalid, the proceedings would be able to succeed on the strength of the State regulations. On the other hand, if the Commonwealth regulations remain valid, it may be that they would supersede the State regulations and if proceedings went forward they would be based upon the regulations as regulations of the Commonwealth. That is rather a technical matter and I do not want to delay the House on that subject, but from the point of view of practical proceedings, it is going to exercise the minds of courts and judges and legal advisers as to exactly the ground upon which they stand.

I proceed now to deal with the various regulations that are referred to in this Bill. The first refers to prices, and it is proposed to continue by virtue of State legislation the operation in this State of the National Security Regulations referring to prices. I think, with great respect to the Leader of the Opposition, that this is correct. All my advices are that if there is to be price control in this State, it should be under Commonwealth regulations. All my advices by merchants and traders is that it is a distinct advantage to have Commonwealth regulations, because they are Australia-wide in their effect and by means of them prices can be controlled in respect of interstate commerce and trade in a way that might be difficult or impossible under a purely State Act. At all events my advices are that, if we are to continue price control, it should be as provided by Commonwealth regulations and should remain as far as possible under Commonwealth legislation. The prices regulations are agreed by all to be necessary for the time being, but there are certain features about their administration that have given some concern to a number of people.

I hope that when this matter comes to some extent under the control of the Premier and his Government, they will use their influence to tighten up a number of features in the administration of prices control. One feature that disturbs people considerably, I understand, is that an officer of the Prices Branch was able to set out and buy a business that had been subject to control as to prices by the branch in which he worked. I think, as a matter of principle and without reflecting on this particular officer at all —I do not know the circumstances—officers in such a highly important and confidential position as that involved by employment in the Prices Branch should have some restriction placed upon their being able to buy out or take over businesses which have been under the control of the office in which they worked.

I would also like to say that I am informed by those who are in a position to know, that price control is operating to create monopolies. It is said—and said to me by men who are concerned with large business in this State—that price control, as administered in this State and throughout Australia, is all for the protection of the big established business and is weighted against the man who wants to start and against the small man who wants to expand.

Those of us who believe that business opportunity should be widened as much as possible feel that administration of prices legislation, which makes it hard for the small man to start but which can be accepted by the big business, is something that needs to be carefully scrutinised, so that if possible we may ensure that there will be no handicap on the small man or the man who desires to start, as against the people who are well established with going concerns and who are able to cope so much more easily with the many exacting and expensive demands which are involved by price control, and some of which I admit are inescapable from price control. I mention these features because if we, in a State which peculiarly wishes to encourage new people to start and new people to come here to enter into industry of all kinds, think that the administration of price control militates against those things, that is something we should inquire into.

Regarding landlord and tenant regulations, I notice we are to have operating in this State those parts of the Commonwealth regulations which we have not appropriated in our legislation; that is to say, we exclude the Fair Rents Court, as that part of landlord and tenant control is dealt with under our State Act—the Increase of Rent (War Restrictions) Act. I agree with that view. I think we should not for the moment alter the incidence between Federal control and State legislation regarding landlord and tenant. I do not propose to spend much time on this particular heading, beyond saying that I think the Premier might well give consideration to bringing the whole of the landlord and tenant affairs back under our State Act. The Increase of Rent (War Restrictions) Act was designed to cover the whole field of landlord and tenant regulation; and I see no reason why we should not arrange as soon as possible that that field of control should revert to the State, which has a much better understanding of local conditions and where the control would be much more flexible than it is when directed from Canberra. Whether we had that or not, I would like to say to the Government that, under the power contained in this Bill to repeal or amend parts of the regulation, I hope at the earliest possible moment there will be some review of the field of landlord and tenant regulations, because after six years of war and one year after the war, conditions have changed so completely that there is exploitation by a great many people under these regulations and a substantial measure of injustice, hardship and suffering. The sooner we examine these regulations the better it will be for the people who are affected by them.

I turn now to capital issues. It has been urged on me with some force, and I think some justification, that the whole of the Capital Issues Regulations have outlived their value and usefulness and that they are now a clog on industry and a vexation and should be done away with. I have not felt able to take the responsibility of advocating that view myself here, because the time at my disposal has not been sufficient to enable me to examine the position or to consult with those who are better able to form an opinion than I am. But it has to be borne in mind that the Capital Issues Regulations are administered from Canberra. There is no representative of the Commonwealth Government in Western Australia to deal with the Capital Issues Regulations and every petty consent—and there are many petty consents—has to travel all the way to Canberra before it can be dealt with; and the degree of vexation which is occasioned here in commercial and financial circles over this is very considerable.

If this particular provision is retained in the measure now before the House, then I hope early consideration will be given by the Premier to some arrangement to secure more promptitude and to eliminate some of the Capital Issues Regulations which are petty in their nature and which I think no longer serve any useful purpose. They are certainly sources of irritation and have no corresponding value. Under the powers contained in this Bill their deletion from the regulations might well receive the attention of the Premier.

On the matter of the Economic Organisation Regulations, which it is proposed by the Premier in this Bill to make applicable here by virtue of State legislation, as to those parts of the regulations which refer to transfers and leases of land and to transfers and leases of what are called residential businesses, but are really boarding and lodging-houses, there are differences of opinion as to how far this control is necessary, but for the time being I do not propose to dispute that it might be continued for some time at all events, although I hope a number of aspects will be reviewed at the earliest possible moment, particularly those which relate to the basis upon which valuations of land are made for the purpose of consents and the basis upon which rents are appraised for the purpose of leases. But I notice that when the Attorney General of the Commonwealth introduced the Defence (Transitional Provisions) Bill a few days ago in the House of Representatives, he retained as operative for the year 1947 the whole of the Economic Organisation Regulations. In fact, in his introductory speech he declared that a measure of control over wages and interest was essential to be continued; and he further declared to the House of Representatives that wage control was the corollary of price control. In that statement I think he had some measure of justification, because if we are to have controls, then we have to survey the whole field of controls, for controls act and react on each other and the abolition of one field of control might create very grave injustice and might affect the position of people in other fields which remain controlled.

It is therefore not clear to me why we should have omitted from this Bill those parts of the Economic Organisation Regulations which refer to the control of interest and to the control of wages, especially when we find that the Attorney General of the Commonwealth has them included in his Bill, and expressly declared that their continuation is necessary. If there may be a doubt as to the constitutionality of the Economic Organisation Regulations, then it would seem that the inclusion of the parts relating to wage-pegging and interest control should be a feature of the measure which is now before this Parliament. I associate myself with the remarks of the Leader of the Opposition in saying that I am not dogmatic about wage control. There may be a case for some easement of control in view of the cost of living; but I am extremely dogmatic about this: That if we are to have one control then we must retain the associated controls, and if we lift the control for prices we cannot keep pegging wages; if we lift all control over wages we cannot keep pegging prices.

I am going to refer somewhat briefly to one or two amendments that I have put on the notice paper, merely to state for the information of members that I consider this Bill should operate for one year, in the same way as the Commonwealth Bill, with a similar purpose, has been limited to the year 1947. I believe that any regulations made under this Bill should be clearly regulations within the meaning of the Interpretation Act and that they should be laid on the Table of the House and be subject to discussion and disallowance, wholly or in part, in the same manner as any other regulations made under the authority of an Act passed by this Parliament. I believe, without being able to assert it absolutely, that the Attorney General, Dr. Evatt, in the Commonwealth Parliament, amended his Bill to eliminate Regulation 7 of the Economic Organisation Regulations dealing with shares, and thereby provided that control over shares should cease entirely at the end of this year. I propose to move that Regulation 7 also should not form part of the regulations which are applicable to this State by virtue of this Bill.

I am also suggesting that this Bill should make it clear, with regard to prices, that there is to be no power on the part of the Commonwealth to control the prices of goods or services supplied by the State or by any local governing or semi-Governmental institution. I am going to suggest an amendment which is verbatim with the saving clause that this Parliament put in the Commonwealth Powers Act of last year, when we referred prices to the Commonwealth Government. This would remove any doubt as to that aspect. The last suggestion is that in a matter of this importance, and in relation to legislation which I can only regard as extraordinary for the reasons I have previously mentioned, and justifiable only on account of the circumstances that have arisen, the Government should at the earliest moment associate itself with a competent committee appointed for the purpose

of examining and advising it on the whole of these regulations.

That suggestion is quite apart from an amendment I propose to move that, as Parliament usually does not sit for the first seven months of the year and there would be no opportunity until perhaps next August to review any regulations, there should be a consultative committee representative of members of this House with whom the Premier should confer before amending or repealing any regulations. That committee would be only consultative and could not bind the Premier. But by the appointment of such a committee there would be an opportunity for representative members of this House to express views which might be of value and to which the Premier could give consideration. With these limitations, and in the circumstances prevailing, I support the second reading.

MR. ABBOTT (North Perth) [8.17]: I only want to stress one point mentioned by the member for West Perth, and that is the difficulty that the community of Western Australia experiences, as compared with the Eastern States, in getting in touch with the people who administer these measures. For some reason, the Commonwealth Government or the administration at Canberra, seems loth to give any really authoritative representation in Western Australia. So, on many petty matters, the local people have no authority or no representation. When this Parliament is confirming a Commonwealth authority, it should make sure that there are local representatives authorised to administer the Act to a degree, at any rate, which does not involve policy. As the member for West Perth said, in some instances there has been no Commonwealtth representative here, so it has been necessary, in minor matters, to refer to Canberra with the result that a delay of not only days but weeks has occurred. For some reason, possibly because Western Australia does not much interest those in Canberra, they are very tardy in replying to matters put forward by their local administration.

Sometimes matters of material importance to local traders are delayed for days when the answers must be known at Canberra. Why that is so I do not know. Wires are sent by the local officers of the Price Fixing Commission to get confirmation of certain matter, and days elapse before a reply is received, when it must be well known to the authorities there that the decision on what is asked has already been made. To whom can complaints be made? No-one! There is no Minister locally. The average trader cannot afford to telephone Canberra and, if he has to make a trip, it is at great expense.

Mr. Needham: Would the appointment of the proposed consultative committee improve the position?

Mr. ABBOTT: I think it might, because the committee could at least investigate the complaints and, if warranted, exert some pressure. As it is, I am not blaming the local administration. In many cases the Commonwealth officers are very apologetic but, because they are so far from their chiefs, they have not that intimate association which would enable them to take the responsibility that people occupying like positions in the Eastern States assume. Most administrators in the Eastern States capitals know the senior officers at Canberra very well, and are closely associated with them, and so feel able to give decisions when a man occupying a similar position in this State would not dare to do so. I had a good deal of Service experience, and I know what occurs in these matters. If one happened to be occupying a position in Melbourne, he knew the senior officers and would get a decision, informally or formally, very quickly indeed. But if occupying a similar position here, such matters would have to be reduced to writing, and a decision would take a long time to arrive. I hope the Premier will see that authoritative representation is given to the officials who are going to administer these regulations in the name of the Commonwealth and in the name of the State.

HON. N. KEENAN (Nedlands) [8.21]: I do not intend to offer criticism of the Bill on the ground of errors in administration, but on matters of much greater import; matters of high principle. This Bill is designed to fill in the gap of doubtful authority in the Commonwealth Parliament in certain matters of legislation which have depended for their authority on what is known as the defence power. In the Commonwealth Constitution, the powers of the Commonwealth Parliament are extremely limited and are all

to be found in one section—Section 51. There is, however, in that section the power to exercise all the legislative ability of Parliament for the purpose of securing defence, and that is a wide power when a war is on. It is so wide that one would find great difficulty in attempting to fix its limits. It has been exercised by the Commonwealth Parliament for the last six years and, under that power, it has passed many laws, all of which undoubtedly were valid for as long as the war continued and, in some cases, for a period after the war, but they have no validity otherwise. If this Bill passes, it will simply continue that doubtful authority under the defence power.

The most important factor to bear in mind is that this Parliament possesses all these powers as a matter of prerogative because we are not restrained in the sense that the Commonwealth Parliament is. Therefore, if there be—and I shall presently comment on the fact that there is—necessity for action being taken in certain directions, we can take that action without any question in the exercise of our undoubted authority as a Parliament. So it is not a matter of abandoning unsolved certain questions, because of a refusal to pass a Bill to authorise the Commonwealth Parliament to do what it would otherwise have no right to do. We can do that ourselves, and we should do it. The first matter of importance is to recognise the meanings, as defined in this Bill, of National Security Regulations, because it may be—and I have no doubt a large majority in this House would think it is actually well established—proper to continue Commonwealth powers in a limited direction; as, for instance, price-fixing.

The reason why I would be prepared, notwithstanding the authority that the State has to fix prices itself, to continue the right in the Commonwealth Parliament to go on fixing prices, by an organisation carrying out all these laws, is because such an organisation has been created. It has been in existence for a number of years and is, I dare say, now a more or less perfect machine notwithstanding the abuse of it to which the member for West Perth referred when he said that a member of the organisation took advantage of the knowledge he had acquired to purchase a business. That is a detail and it should have been guarded against. But undoubtedly an organisation has been created which is valuable for the purpose of enforcing the provisions of an Act governing prices. It might well be that notwithstanding our own legislation, which we passed in 1939 and which has been referred to by the Leader of the Opposition, but simply because of this organisation being in existence and having well-trained officers, we should continue the law of the Commonwealth to administer prices. But this does not apply to other powers that are included in Commonwealth regulations. It is important to remember that if we pass the Bill and it becomes an Act every Commonwealth officer who is in existence today in any office under the various Commonwealth regulations dealt with by the Bill, will be continued in that office and continued in all the powers of that office.

Thus we become a validating agency. We do not govern; we do not prescribe rules; we simply validate what a Commonwealth officer does or has been doing or has had the power to do at the time when this Act becomes law. Under the Commonwealth regulations, which this Bill will validate, are those dealing with the relations of landlord and tenant. I do not think I am exaggerating when I say that the administration of those regulations has brought about a most iniquitous state of affairs. They are designed, as was our Act, to restrict the increase of rent and to protect the public against the rapacity of landlords. But what do they do? They do not protect the public at all. It is true that the landlord is strictly governed, but the tenant can do what he likes.

It is within the knowledge of everyone that tenants who are paying landlords just a moderate rental are letting out the rooms, that constitute the building they have leased, at colossal rentals, because they are not restrained. Therefore that regulation is in no sense a protection for those who require it, but only creates a state of affairs by which a certain section of the community, which has no sense of decency or honour, and no hesitation in exploiting the position to the utmost, is doing so. That regulation I am certainly not prepared to hand over for further administration by the Commonwealth authorities. If we refuse to allow the Commonwealth to carry on these regulations as between landlord and tenant and if the regulations are to expire on the 31st December—

as apparently Dr. Evatt thinks they will or he would not have sought this power; and he has more or less definitely declared for that date—then we have our own Increase of Rent (War Restrictions) Act, which was introduced by the present Minister for Works in 1939. Our own restraint on the use of rent as a means of collecting an undue proportion of reward from the public by landlords is available. If our own rent restriction legislation is not sufficient to control the position, we have power to amend it and provide it with sufficient authority to deal with abuses of that character. Therefore if this Bill is not amended in certain directions, of which one is the complete removal from the Commonwealth of its power as between landlord and tenants, then I am not prepared to pass the Bill and so make it an Act.

Another power of the Commonwealth is under the name of "capital issues." Let us think for one moment what it would mean if we passed the Bill in its present form and we authorised the control of capital issues to remain indefinitely, as I shall point out in a few moments, with the power to amend it, in the hands of the Commonwealth. The member for West Perth was slightly in error when he indicated that we have the power of amendment. Under the Bill the only power of amendment lies with the Commonwealth. The Governor referred to means the Governor-General of the Commonwealth acting on the advice of the Commonwealth Government. It is with him that the power of amendment lies. Moreover, that same Governor has the power to terminate the operations of this Bill. It must continue to be the law of the land so long as he, on the advice of the Prime Minister of the Commonwealth, directs that it shall continue in force.

I am perfectly certain there are no members of this House more enthusiastic in their desire to forward industrial matters in this State than the present Minister for Works and the Premier of the State. Both are most anxious to invite capital to Western Australia for investment in any venture that offers some prospect of success. No man could be more anxious to achieve that end than they are, but what would be the position if this legislation became the law of the land? The person who has to decide whether we shall be able to secure that capital will not be the Premier or the Government or the Parliament of this State but the Federal authority which is not conversant with our affairs, which does not know what we want, which perhaps to a certain extent—and only to a limited extent—is interested but which has no real knowledge whatever of the possibilities of Western Australia as compared with what is possessed by ourselves or the Government of the State. Yet that Federal authority is to have the sole power to say that no sum exceeding £10,000—they might just as well say 10,000 pence—shall be set aside for investment in this State. To talk of a limitation of £10,000 for expenditure in connection with industrial development in this State is to talk so much nonsense.

If this Bill becomes an Act, therefore, the industrial history of Western Australia will not be written as this Parliament would desire it to be, nor yet as the Government would wish it to be, but will be written as the Minister in Canberra directs it to be compiled. I said that the power of amendment, which inadvertently is supposed by the member for West Perth to lie with the Premier of this State, does not lie in his hands at all. I say that because every officer referred to in the Bill is a Commonwealth official and therefore when the word "Governor" appears in the Bill it does not refer to the Governor or the Executive Council of this State but to the Governor-General and the Executive Council of the Commonwealth, advised by the Prime Minister of the Commonwealth. Furthermore in the duration clause it says—

> This Act shall continue in operation to be fixed by proclamation by the Governor—

That is to say, by the Governor-General of the Commonwealth—

> —and shall be deemed to be repealed on that day.

It will be seen that in the preceding clause the Bill sets out that the Governor—that is the Governor-General of the Commonwealth—may after consultation has taken place between the Premier of this State and the Prime Minister of the Commonwealth do certain things. The Premier is to be allowed graciously to make suggestions! That is the position in which this Parliament is to be placed. This amounts to absolutely repeating the war days by conferring all the rights and powers and authorities that the Commonwealth enjoyed by reason of the war—and we are repeating them without

any restraint whatever. I say very definitely that the day has come, if it has not already passed, when restraints imposed by war conditions have no longer justification for extension except in a few instances, and certainly not in the manner this Bill would continue them. I have no hesitation in saying that if the Bill passes the Committee stage in the form it is now printed, I shall vote against it at the third reading, and ask every member who has any regard for Western Australia and the future of its people to join with me in rejecting it.

THE PREMIER (Hon. F. J. S. Wise—Gascoyne—in reply) [8.38]: With the exception of the member for Nedlands, it is obvious that the consensus of opinion of members opposite is in support of a continuation of reasonable controls and it has to be acknowledged, I think, that the opinions of the member for Nedlands are tinged with his undeviating bias against anything that savours of the Commonwealth. The points that have been raised by the Leader of the Opposition and the member for West Perth, I think, take into account very fully the vital necessity to assist this nation through the transition period. I believe, in contra-distinction to the remarks of the member for Nedlands, it is very necessary for us to contemplate the position in other countries and of other nations where controls have been absolutely relaxed, and any play appears to be fair play. If we take the reason for the Bill, which is because of the doubtful validity and authority of the controls now exercised by the Commonwealth and the extension of that authority into a period following what may be the determined date when this jurisdiction shall cease, there is an obligation upon all Parliaments of Australia to endeavour to keep the affairs of this nation on as stable a footing as possible.

The Commonwealth Government has, I submit, quite properly asked the States, because of that doubt and because of the necessity, gently and safely to relax controls. In order that the nation may revert to an even keel surely and safely, those responsibilities have been accepted by the States with a view to assisting in that change-over period. What would be the effect if we followed the course suggested by the member for Nedlands? The effect would be not only upon these rapacious landlords he referred to but on the inflationary tendencies that would hamper us in assisting to bring back stability for this nation. There is no question about that. Members opposite, in dealing specifically with the points embodied in the Bill, spoke, in my view, very temperately in criticism of the disabilities associated with controls.

All controls are irksome in any form and in any walk of life. It does not matter whether they are imposed in times of peace or in the days of war. As surely as control is exercised in any particular, those most affected are the ones that are most busy in attempts to evade it. So it has been with the controls exercised under the authority of the Commonwealth. There is doubtless room for relaxation in many forms of the control under the National Security Act. There is no doubt that at this moment there is great necessity for a tapering-off of many regulations that this Bill will assist either in perpetuating in the present form or adjusting those regulations to meet the tapering-off conditions. I submit it is quite idle for the member for Nedlands to argue that the authority this Bill forces upon the State will be overwhelming and the powers it desires to exercise with the authority of the Commonwealth will react to our detriment.

The point made by the Leader of the Opposition with regard to wage-pegging was, I think, very properly raised. It is one omitted because of the attention being given to the matter by the several States and the Commonwealth in an approach to the Federal Arbitration Court. The consideration of the case will involve the lifting in many respects of the wagepegging controls. If, as anticipated, the Commonwealth court does arrive at a decision which will cause the relaxation of the controls, it will mean that the authority that has acted in this and other States will then become the authority to determine what shall take place in all States where the exercise of the decisions of the Commonwealth court is not affected. So if the Commonwealth orders in regard to wages do not apply, I think it will follow as a natural sequence of events that the State Arbitration Courts will have their own authority once more in operation and will have, as they have always had, the authority to peg wages, even in peacetime.

Mr. Watts: That will do away with uniformity in the transition period, will it not?

The PREMIER: It will, to the degree that we have had lack of uniformity even with all these controls, according to the circumstances of all States. That must be admitted. So we cannot say what may be the effect of the lifting of wage-pegging not only by the action of the Commonwealth Government, but by the action of the Commonwealth Arbitration Court. Therefore, simply because some of the States had considerable doubt as to how much wage-pegging should be lifted or eased, those aspects of the economic organisation regulations have been left out of this Bill. In regard to the limit of £10,000 affecting the capital issues sections of the regulations, this point was touched upon by all speakers. I think that if we take the lid off controls to the extent that anybody is to have the opportunity, without control, of capital investments up to £50,000, the multiplicity of transactions will mean chaos with respect to the control of large investments to such a degree that inflation of a startling nature will be inevitable.

I think that those of whom the member for West Perth spoke, who find some diffidence in continuing to respect the necessity of a £10,000 limit; those people of whom he spoke, who have large sums of money to invest, would, with unrestricted control over the spending of money, soon find a serious boomerang effect with regard to the value of that money, even though they might think it was amply protected and wisely invested. While I agree to a considerable extent with the point of view that as quickly as possible, these controls, wherever possible, should revert to the State and the State Legislatures should, of themselves, take the authority for the States, there is, in fact, an organisation set up and a control that I think all fair-minded people will admit has been in the best interests of this nation; and it would be very unwise to knock away all that legislation, especially at this stage when we hope that controls will last for only a matter of a few more months and that almost all of them will have disappeared by the end of next year; so that the wide differences between values and prices will disappear and the necessity for controls in peace time will automatically vanish with the proper tapering-off process.

The member for West Perth said that the sooner we see the end of government by regulation the better it will be for this country. But I think no-one will deny that the imposing of the rigid regulations and strictures that Section 51 of the Constitution permitted in wartime assisted greatly in placing this nation on the stable footing on which it stands today. Unless we are prepared to admit that, I think we are foolishly burying our heads in the sand. So if it has been a good thing for this country to have such controls, even though many features of our economic life are out of balance, then it is a very good thing to abide by those controls and to continue them by passing this legislation. It is very necessary to take stock, to balance up controls, and to examine them, as suggested by the member for West Perth, so that as relaxation is permitted, in spite of this period of doubtful legality, we will have an opportunity to see just how far the State Legislature is prepared to go to keep in existence for the time being the regulations now imposed upon us.

I believe that the speedier we can relax certain controls, the better it will be not only for this State but for the whole nation. Is it not significant, from the figures used by the member for West Perth, that whereas in September 1939, 157 sets of National Security Regulations were in force only 61 remain? I submit that the retention by the Commonwealth of that authority is not on the lines suggested by the last part of the speech by the member for Nedlands. I differ entirely from him that the word "Governor" means the Governor of the Commonwealth. The Interpretation Act will show that the passing of this legislation by the State House will mean that the Governor referred to will be the Governor of the State.

Since we have had evidence already this evening in the speeches of the member for Nedlands and the member for West Perth of a difference of opinion on legal points, I think we should accept the majority legal view, which is without doubt in support of the passing of this legislation. Certain amendments have been suggested, and they appear as an addendum to the notice paper, to which my attention was drawn only when I came to the House this afternoon. I think

that in the main the amendments are set out clearly; and while I do not intend to suggest that the House should agree to all of them, I think that some of them will improve this legislation. I quite agree that the legislation should contain a specific date and am quite prepared to have it amended to that end.

In regard to the point raised by the Leader of the Opposition, which may affect hire purchase agreements in which the economic organisation regulations are involved, I am advised that all the points that require to be covered in regard to the borrowing and lending at particular rates of interest are covered in the capital issues section of this Bill and are still held in the capital issues sections of the National Security Regulations. If the Leader of the Opposition cares to examine that point of view, he will find that all the provisions necessary in such matters as mortgages, and the lending of money on any goods are covered in Part III and Clause 10 of the capital issues regulations; so there appears to be no doubt that he need have no fears on that point.

There is a vast difference between wage-pegging or prices-pegging and controls. The control of prices has not meant static prices. The application of these regulations has resulted in elasticity in administration where the case has warranted an alteration. So it has been in regard to an application for the borrowing of moneys within that section of the capital issues regulations which deals with transactions exceeding £10,000. I have not heard of difficulties in this State associated with the applications for an increase in capital for valid concerns. I admit there have been delays because, I suppose, of the accumulation of business and the number of applications that have to be so carefully scrutinised. But I know of several cases in this State where the applications have been successful to the limit applied for in connection with the issuance of shares and the raising of capital in excess of £10,000. So I feel quite confident that for the time being the continuance of that provision can be got over if the case is a good one; and I submit it is vitally necessary for the stability of finance and the operation of controls in this country to perpetuate that system for the time being.

Question put and passed.

Bill read a second time.

In Committee.

Mr. J. Hegney in the Chair; the Premier in charge of the Bill.

Clause 1—agreed to.

Clause 2—Interpretation:

Hon. N. KEENAN: I move an amendment—

That in the definition of "Commonwealth Regulations" the words "The National Security (Landlord and Tenant) Regulations" be struck out.

My reason for moving this amendment is that we have on our Statute Book a provision dealing with fair rents which was passed by this Parliament; and if it is not sufficient for this purpose, it can be amended. There is no necessity to seek any Commonwealth intervention. We have allowed Commonwealth regulations to prevail because it has been impossible to do otherwise under the Commonwealth Constitution Act. If a Commonwealth law is valid, it over-rides any State law. So long as Commonwealth regulations governing landlords and tenants are valid and remain so, they over-rule our State Act. But the moment they cease to be valid, our own Act again becomes of full force and effect.

Amendment put and negatived.

Mr. McDONALD: I move an amendment—

That in line 11 of Subclause (1) after the numeral "4" the word and numeral "and 7" be inserted.

Regulation 7 deals with restrictions on transfers of shares and covers the ceiling price for shares that has been in operation. From remarks of the Attorney General, Dr. Evatt, I understood that he is either going to eliminate this regulation or amend it greatly. I caused a wire to be sent to a Federal member in Canberra, who replied that the control over shares is to cease entirely at the end of the year.

Hon. J. C. Willcock: I think that appeared in the Press.

Mr. McDONALD: I believe it did. The Premier may wish to verify the position regarding shares, but if the Commonwealth believes shares should now be dealt with in the ordinary way, should we not follow that course here?

The PREMIER: As I said earlier, it is necessary both under the economic organisation regulations and the capital issues

regulations to be careful to see that the tapering-off effect will ensure the continuance of stability, not only in the transactions concerned but in the whole financial structure of the Commonwealth. This amendment would lift the lid entirely from dealings in stocks and shares that have been rigidly controlled for some years. Recently some relaxation of ceilings has been allowed in specific instances, but I know of no definite relaxation or withdrawal of Part 7 of the economic organisation regulations. There would be a total relaxation if this amendment were carried. I am sure the member for West Perth would be anxious to avoid the chaos and disability associated with a threatening of the economic fabric, such as would be caused by wholesale dealings in shares in the State. I would like the opportunity to verify the intention of the Commonwealth. Otherwise, if the amendment were passed, this might be the only State where such transactions could be made, and that would cause confusion throughout the Commonwealth.

Hon. N. Keenan: Is there a similar Bill before any other State Parliament?

The PREMIER: Yes, and it has been passed by South Australia. I will verify the position tomorrow.

Mr. McDONALD: I also am anxious to avoid inflation, but I think the Premier may find the share market able to take care of itself as regards inflation.

The Premier: It is those associated with it that cause the worry.

Mr. McDONALD: I will be interested to know, if what I have suggested is the case, that the Commonwealth Attorney General and Government have decided that the ending of share controls will cause no danger.

Amendment put and negatived.

Clause put and passed.

Clause 3—Operation of certain regulations:

Mr. McDONALD: I move an amendment—

> That in line 1 of Subclause (1) after the numeral "(1)" the words "Subject as hereinafter mentioned" be inserted.

This amendment will insert in the Bill the saving clause that Parliament inserted in the Commonwealth Powers Act of 1945 when it referred prices to the Commonwealth as a subject on which it should have power to legislate. There we gave the Commonwealth no power to legislate on prices for goods and services charged by the State or any governmental or semi-governmental instrumentality, or by local governing authorities, including all those omnibus operators whose fares were fixed by the Western Australian Transport Board, and therefore by governmental agency.

The Premier: Will it be similar to the wording of the 1945 measure?

Mr. McDONALD: Yes, it is the same limitation as this Parliament inserted in the Commonwealth Powers Act, 1945, when referring prices to the Commonwealth. If this amendment is carried I will move for a new Subclause (4), as appears on the notice paper.

Amendment put and passed.

Mr. WATTS: I have one amendment in two parts. I move an amendment—

> That at the end of Subclause (2) the following provisos be added:—
>
> Provided that no commencing day shall be fixed in respect of Regulation 58 of Part III. of the National Security (Landlord and Tenant) Regulations unless and until such regulation contains an additional prescribed ground for notice to quit, viz., that the person or persons occupying or in possession of the premises entered into possession thereof without the consent of the lessor.
>
> Provided further, that no commencing day shall be fixed in respect of Regulations 6 and 7 of the National Security (Capital Issues) Regulations unless and until the amounts of ten thousand pounds wherever mentioned in such Regulations 6 and 7 are increased to fifty thousand pounds.

If the Premier disputes one and accepts the other he can move to have one struck out. On the second reading I referred to the profiteering that takes place by lessees subletting, and the position in which a landlord finds himself when there is a stranger in possession, with whom he has had no contractual relationship. He is obliged to let the premises to persons with children, without complaint, but I think he is entitled to some say in determining which of a number of possible tenants should occupy the premises, and that he should not have strangers foisted on him by a person who is a lessee with no proprietorial rights. I do not think the National Security (Landlord and Tenant) Regulations should be proclaimed to continue in operation in this State unless that

aspect has been considered. It can have nothing to do with inflation. The regulations that enable persons to hang on to premises even though the lessor is in dire straits should not be continued.

For approximately seven years the development of Western Australia has undoubtedly been retarded. Its retardation during hostilities could not be avoided, but in a State crying out for development and the expenditure of money we should not perpetuate regulations that limit the amount of capital that can be raised for any venture to £10,000, 18 months after hostilities have ceased. It is possible, although I am not prepared to say definitely, that in other States whose development before the war proceeded apace to a much greater degree than was practicable in Western Australia, this limitation may be desirable, but I venture to say it is not desirable in this State, which contains approximately one-third of the continent. While we have been obliged to subscribe to this severe limitation, and make application to Canberra for decision as to whether we might raise or spend more than £10,000 for legitimate enterprise, I do not think it can fairly be asked that this should continue. It cannot in my view contribute to inflation in Western Austraila and the money, if raised to the extent of £50,000, would be spent in this State. It could contribute what in my view is very necessary to the speedy development of such facilities and resources as are available in this State without restriction or interference of an unnecessary character by the authorities at Canberra. Because I believe this, I am moving the amendment.

Could I in any circumstances convince myself that such action by Western Australia would result in the inflation suggested by the Premier, I would not move this part of my amendment, but as I can only see that the development of Western Australia is retarded and will continue to be retarded in a manner not justified in view of its comparatively undeveloped condition, we should make this gesture to those interested in fostering enterprise in this State by the investment of their money and should induce the Commonwealth to increase the limit from £10,000 to £50,000.

The PREMIER: The Leader of the Opposition has joined together two provisos and is moving them as one. If that is his desire, I ask the Committee to reject both of them.

Mr. Watts: I said you could amend them by striking out one.

The PREMIER: I think the hon. member will find that his first proviso to Subclause (2) might impose on the landlord he is seeking to protect conditions that would be more serious than those now obtaining. Under the appropriate regulations dealing with landlord and tenant, there are various provisions with regard to notice to quit and there is also protection extended to different types of occupants. So the hon. member might make it much harder for the landlord and permit protected persons to occupy such properties to the detriment of the landlord. I suggest, therefore, that if he wishes to include a proviso along the lines he has mentioned, he should add the words, "and thereby adversely affects the landlord's rights in regard to such premises." Then a notice to quit might have for the protection of the landlord a right to approve, instead of keys being exchanged or sold.

Regarding the second part of the amendment, to limit the advance to £50,000 might prejudice all Australia. The better way to cope with the likely requirements would be to approach Commonwealth and States in the matter and get a regulation made to have a variation put into effect. In spite of the submission made earlier by the member for Nedlands, it is quite competent for the State to adopt that course. There still remains authority to vary that sum if the position in the State so warrants. I suggest that that part of the proviso be deleted, but first of all I should like to hear the hon. member's views on my suggested addendum to the first part of his amendment.

Mr. WATTS: I have given considerable study to Regulation 58 and I am not quite sure that the Premier and I are reasoning along the same lines. Regulation 58, which deals with the recovery of possession of premises, provides that a lessor may take proceedings for an order for the recovery of premises or for the ejectment of a tenant therefrom if the lessor, before taking the proceedings, has given the lessee, upon one or more of the prescribed grounds but upon no other ground, notice to quit in writing. Therefore he cannot take proceedings unless he has given notice to quit upon one or more

of the prescribed grounds, but upon no other ground. The prescribed grounds are set out in paragraph (5) of the regulations, and I remind members that leases under these regulations refer not only to written documents, but also include tenancies by word of mouth.

It is mostly tenancies of this sort with which we are dealing. Unless the landlord can give notice to quit on one of those grounds and on no other ground, he cannot take proceedings in a court for the ejectment of a tenant or the termination of the tenancy. It has been strongly represented to me that the only way to permit the landlord to take proceedings would be to allow him to give notice to quit on another ground, namely, that the lessee has sub-let the premises without his consent. If the Premier considers the first amendment from that aspect, he will realise it is necessary for the reasonable protection of the landlord to enable the court to adjudicate on cases where possession has been given by the outgoing tenant to some stranger, possibly to the landlord's detriment and certainly without his approval. Hence I adhere to my amendment.

The PREMIER: I think there is something in the case developed by the Leader of the Opposition. That, however, affects the first part of his amendment only, and therefore I move —

That the amendment be amended by striking out all the words after the word "lessor" at the end of the first proviso.

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

Ayes	22
Noes	14
Majority for	8

AYES.

Mr. Coverley	Mr. Nulsen
Mr. Cross	Mr. Panton
Mr. Fox	Mr. Rodoreda
Mr. Hawke	Mr. Smith
Mr. W. Hegney	Mr. Styants
Mr. Hoar	Mr. Telfer
Mr. Kelly	Mr. Triat
Mr. Leahy	Mr. Willcock
Mr. Marshall	Mr. Wise
Mr. Millington	Mr. Withers
Mr. Needham	Mr. Wilson
	(*Teller.*)

NOES.

Mr. Abbott	Mr. McLarty
Mrs. Cardell-Oliver	Mr. North
Mr. Doney	Mr. Seward
Mr. Hill	Mr. Thorn
Mr. Keenan	Mr. Watts
Mr. Leslie	Mr. Willmott
Mr. McDonald	Mr. Owen
	(*Teller.*)

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

Mr. McDONALD: I move an amendment—

That a new subclause be added as follows:—(4) Any regulations relating to prices shall not include or affect prices or rates charged by the State or semi-governmental or local governing bodies for goods or services. For the purposes of this subsection the term "semi-governmental or local governing bodies" shall include and be deemed to include all road passenger transport operators whose omnibuses are operated under licenses granted by the Western Australian Transport Board.

As I said, the new subclause is similar to Section 3 of the Commonwealth Powers Act.

Mr. WATTS: I support the amendment, as it seems to me to be entirely of a piece with my own point of view as to the desirability of maintaining, as much as possible, State control over these matters. I thought I held that view in complete accord with the member for West Perth, but I was somewhat disappointed to hear from him this morning that he had departed from his former belief, which was to the effect that in peacetime the control of prices, both in the interests of the commercial community and of the State, was best handled by State legislation. It was not long before that I had expressed the opinion on which he made some comment a while ago. I had perused our joint minority recommendation on the Commonwealth Powers Bill, 1942, in which the member for West Perth subscribed with me to that point of view. The amendment is one we ought to accept.

Mr. McDONALD: I merely rise to acknowledge the soft impeachment and to say that my sentiments are unaltered. I believe that there should be rendered to the State those things which are the State's; but I have to confess that my advisers in the field of commerce have represented to me that experience has shown them that Commonwealth control of prices is best suited to present conditions, at all events. To any charges by the Leader of the Opposition I will plead guilty.

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

Clauses 4 to 9—agreed to.

Clause 10—Duration of Act:

Mr. McDONALD: The Leader of the Opposition has on the notice paper an amend-

ment somewhat similar to my own, which I will submit to the Committee. I move an amendment—

> That the words "a date to be fixed by proclamation by the Governor and shall be deemed to be repealed on that day" be struck out with a view to inserting the words "the thirty-first day of December, 1947, and no longer."

That means that the Bill will operate until the end of next year, and no longer, unless this Parliament sees fit to amend it. That is in line with the Commonwealth complementary Bill, the Defence (Transitional Provisions) Bill, in which the Commonwealth Attorney General, with meticulous care, has provided that his legislation shall remain in force until midnight on the 31st December, 1947, and no longer.

Mr. WATTS: This is a departure from the intention of the measure, which could have been terminated before the 31st day of December, 1947, under the clause as it stands.

The Premier: Because a doubt has been expressed about the intention to continue the legislation longer, I will accept the amendment.

Mr. WATTS: I will not press the matter. In my opinion, it would have been better had there been a limit date up to which the Government could have proclaimed the end of the measure.

The PREMIER: I think the amendment of the Leader of the Opposition, which appears on the notice paper, is preferable, because then the legislation could be made to terminate at a date earlier than the 31st December, 1947. I suggest that the member for West Perth withdraw his amendment and that the Leader of the Opposition move his.

Mr. McDONALD: I am prepared to leave it to the judgment of the Premier. The matter is not of very great importance; but I would like to say that, while appreciating to the full the observations of the Leader of the Opposition, there is a clause which enables the Government, by regulation, to repeal the Act in the meantime. Each piece of legislation contains a provision for repeal of any regulations in operation by virtue of the Act, so it would be within the power of the Commonwealth Government or the State Government, by virtue of that provision, to cause any regulation to cease to operate before the end of 1947.

Hon. N. KEENAN: The clause, as printed, illustrates clearly the argument I submitted that the term "Governor" used in the Bill means the Governor of the Commonwealth.

The Premier: No, the Governor of the State.

Hon. N. KEENAN: If that is so, then the Governor of this State could repeal this legislation the day after it is passed.

The Premier: We must abide by the Interpretation Act.

Hon. N. KEENAN: Quite true. Clause 3 of the Bill refers to officers, which expression means officers of the Commonwealth. The Governor is an officer, and therefore the Governor named in the Bill is the Governor of the Commonwealth.

The Premier: The Governor is not an officer.

Hon. N. KEENAN: The Governor of the State of course means the Executive Council. The Executive Council could end the Bill the day after it became law, notwithstanding what the wishes of the Commonwealth might be. I mention this merely to justify my contention, which I feel certain is correct, that the word "Governor" is used in a special manner in the Bill, and has not the meaning which it has in the Interpretation Act. The view taken by the Premier is undoubtedly correct; while limiting the operation of the Act to some fixed date, power should still be left to the Governor to determine it at an earlier date. If we provide that the Bill is to remain in force up to a certain date, it must so remain in force, notwithstanding that it might be entirely useless and entirely unwarranted. Therefore, what the Premier suggests, if I understand him aright, is that the amendment should be so framed as to give power to the Governor, by proclamation, to determine the operation of the Act, but that in any event the Act should not remain in force beyond the 31st December, 1947. That can be put in order without difficulty, if it is the intention of the Premier to reach that end. One way to do that would be to add after the word "day" the words "shall not continue in force longer than the 31st December, in any event."

Mr. McDONALD: The view taken by the Leader of the Opposition will meet the situa-

tion, so, I ask leave to withdraw my amendment in favour of his,

Amendment, by leave, withdrawn.

Mr. WATTS: I move an amendment—

That in line 1 after the word "day" the words "being not later than the thirty-first day of December, one thousand nine hundred and forty-seven" be inserted.

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

New Clause:

Mr. McDONALD: I move—

That a new clause be inserted as follows:—

"10. For the purposes of this Act there shall be a Committee to be known as the Consultative Committee. Such committee shall consist of the Premier of the State, the Leader of the Opposition in the State Parliament and two members of the State Parliament, of whom one shall be nominated by the Premier and the other by the Leader of the Opposition. The powers conferred by Section 9 of this Act or any of them shall not be exercised until after a consultation has taken place between the Premier and the Consultative Committee."

Members will see that by Clause 9 the Governor may, after a consultation has taken place between the Premier of the State and the Prime Minister of the Commonwealth make regulations for repealing or amending any regulations in operation by virtue of this measure. That means that before the State Government can repeal or amend any regulation operating under this Bill, if it becomes an Act, there shall be a consultation with the Prime Minister, although the Premier and his Government are not bound to accept the views of the Prime Minister. The same courtesy or precaution might fairly be extended to representative members of this Parliament. I later suggest that it shall be made clear that the regulations to be made under this Act shall come within Section 36 of the Interpretation Act. But this Parliament is usually in recess for seven months of the year during which times amendments or repeals or regulations might be made without there being any opportunity of discussion by Parliament. I therefore suggest this consultative committee as outlined in the amendment. The members of this committee would have an opportunity of advancing their views and possibly assisting the Premier in deciding what repeals or amendments might be made. If it is good enough for the Prime Minister to be consulted by the Premier it is good enough for the members of his own Parliament to be consulted.

Mr. WATTS: There seems to be a pretty considerable responsibility involved in this amendment, and as I see the Premier is about to make no comment I thought I would like to say that I am not opposed to this because it is only confined to the provisions of Clause 9.

New clause put and passed.

New clause:

Mr. McDONALD: I move—

That a new clause be inserted as follows:—

"11. All regulations referred to in Section 3 and Section 9 of this Act shall be deemed to be regulations within the meaning of Section 4 and Section 36 of the Interpretation Act, 1918, and subject to the provisions of Section 36 of the Interpretation Act, 1918."

In accordance with the usual procedure it should be made clear that the regulations made under this Act will be subject to scrutiny by this Parliament in the same way as are regulations made under any other Act. Section 4 of the Interpretation Act defines the interpretation of "regulation," and Section 36 is the one under which the regulations are laid on the Table of the House and become subject to discussion and, if thought fit, disallowance by Parliament. Parliament should have the privilege of reviewing these regulations.

New clause put and passed.

Title—agreed to.

Bill reported with amendments.

BILL—GOVERNMENT RAILWAYS ACT AMENDMENT.

Second reading.

Debate resumed from the 5th December.

MR. SEWARD (Pingelly) [9.55]: When the Minister introduced the Bill he advanced a strong condemnation of our railway system. He stated that "it represented the absolute negation of democratic principles," and much more to that effect, which members will find if they consult his remarks. I wish to refer to one statement made by him, and it is, "Just why the present form of management was established under the existing Act is most difficult for anyone to understand;

it is equally difficult to justify it." I am going to ask the House to allow me to read the remarks of a previous Minister for Railways—a relative of mine I am pleased to note—who, when dealing with a proposed amendment of the Railway Bill on the 23rd October, 1907, said this—

I am of course aware that there are among members those who believe it would be wiser to have political control of our railways. To a certain extent we have always political control; but there are those who believe that the interests of the State would be better served by appointing a general manager, and placing the whole railway system under the direct care and control of a Minister, in opposition to what is known as the commissioner system. In the early days of railways in Western Australia they were under the control of a commissioner. In 1878 a commissioner was appointed, who subsequently became the political head of the railways. A general manager was then appointed, and that system prevailed until 1902; and from the latter date we have had commissioner control. In considering this question of Ministerial versus commissioner control, I would put it to members whether it is fair to ask a Minister to undertake the whole administrative control of the railways, seeing that you cannot give the same statutory power to a general manager that can be given to a commissioner. By adopting Ministerial control we are compelled to throw the whole of the responsibility for the administration of the department on the Minister; and I ask is the Minister for the time being ever selected because of special knowledge in regard to railway administration? During Mr. George's term of office as commissioner, five years, we have had as Minister successively Mr. Kingsmill, Mr. Rason, Mr. Holman, Mr. Johnson, now myself; I take it that in no one instance was the Minister selected on account of any peculiar knowledge he had of railway administration. Each of them, I take it, was at liberty to create his own policy, or to follow the policy of his predecessor. It is easy for a Minister to fix his own line of policy in connection with the administration of the railways, and he is not bound to follow the policy of his predecessor. But when it comes to a question of railway administration, and when, as I have pointed out, we may have as many as five Ministers in five years, then to place the entire responsibility for the working of the railways on the Minister is placing on his shoulders a responsibility you have no right to put upon him, and if the Minister be given administrative power, I am quite satisfied that chaos will follow. That is if we had a strong Minister. If we had a Minister who felt inclined to adopt any recommendation which came before him and was controlled in a sense by the general manager, he would follow the policy which was carried out previously; but if we had three or four strong Ministers following one another I am sure the Ministerial policy would be a very bad one, more especially if the Minister had had no training for work of that sort. I think members will agree with me when I say if we place the control of the railways under a Minister we are bound to have more political influence in connection with the working of the department than if the railways were controlled by a commissioner.

He had more to say, but I do not intend to weary members with it all. That, however, will give the Minister a clear indication as to how the present system of administering the railways came into being.

Mrs. Cardell-Oliver interjected.

Mr. SPEAKER: Order! The hon. member must not interject out of her seat.

Mrs. Cardell-Oliver: I am sorry.

Mr. SEWARD: In dealing with this matter we must remember that in every State of Australia there is a State instrumentality in our railways. Consequently it is only natural that we should look at the various Acts controlling those systems—not, of course, that I suggest that we should slavishly follow them.

Mr. Watts: The Minister for Justice always wants to.

The Minister for Justice: Not always.

Mr. SEWARD: We want to see whether those systems are successful, and I do not think all those State railway organisations are hopeless failures. There must be some amongst them that are successful. In looking through the various Acts I find that they are, with the exception of the Western Australian Act, very similar to each other in most things. In Queensland, Victoria, New South Wales and South Australia the Minister is given a certain amount of control. There the Commissioner cannot, for instance, sell any railway land without the approval of the Minister.

The Minister for Justice: He cannot do that here, either.

Mr. SEWARD: I know that. He cannot lease any railway land unless the Minister's approval is obtained. He cannot enter into any contract without the Minister's approval. Generally speaking, these are the only points in the Acts which give the Minister any control over the railways. As I indicated, the Western Australian Act is not exactly the same. I propose to give members some instances to indicate where our Act differs from the Railway Acts of other States. Under all these Acts the Commissioner of Railways is appointed by Par-

liament, and can be removed only by the vote of both Houses of Parliament. Of course, there are other reasons that would enable him to be dismissed from his office but, generally speaking, he can be removed only by a vote of both Houses of Parliament.

Under the Western Australian Act we find that the Commissioner has to secure the approval of the Minister before any government railway shall be declared open for traffic. No additions or improvements to existing railways can be made unless the Minister approves. No system of electric traction can be installed in addition to, or in substitution of, any other tractive power except with the approval of the Minister. The Commissioner must have the Minister's consent before he can fix the charges to be paid on 13 different kinds of services, such as passengers' fares, goods freight, demurrage on rollingstock, carriage of mails, purchasing of locomotives, passengers failing to take out a ticket or failing to produce one on demand. With regard to fixing special charges for special goods, produce or merchandise, for fixing special charges for the carriage of storage of specified classes of goods which, in his opinion, are of a nature liable to loss or injury or for imposing any conditions and regulations with respect to any of the preceding matters, the Commissioner must first have the Minister's approval.

The Premier: And of Parliament, too.

Mr. SEWARD: Yes, that is so. Then, again, the Commissioner of Railways may issue by-laws in regard to 27 different matters but these have to be approved by the Governor and be laid before Parliament. Before the Commissioner can lease any land, the Minister's approval must be obtained. Before granting the use of any works, buildings, wharves or jetties he must secure the approval of the Minister. Ministerial control is also necessary before the Commissioner can grant any easement in, upon, through, over or under any railway land. Then, again, the Minister for Works has power to delegate all the powers possessed by him with regard to reconstruction of railways to the Commissioner who, subject to the approval of his Minister, has authority to exercise all or any of the powers of that Minister.

The Act also authorises the Minister to declare portion of an uncompleted railway proceed along the lines set out in the Act. open to traffic and the Commissioner, subject to the approval of the Minister, may Again, no deputation of which any member of Parliament is one, can interview the Commissioner and such a deputation must proceed to the Minister. In all these circumstances, we can see that under the Western Australian Railways Act the Minister has immeasurably more power over the Commissioner of Railways than is possessed by the Minister for Railways in any other State of Australia. If, therefore, the Minister fails to see why the present form of railway management was established under the existing Act, as he said, I can only come to the conclusion that he fails to understand why the Minister was given such wide powers as in this State. Apart from this, the various railway Acts are remarkably similar.

During the course of his speech, the Minister laid great stress on the need for the Railway Department falling into line with other government departments; but the Minister surely overlooks the fact that the Commissioner is one of the highest paid officials in the State. Speaking subject to correction, I think the only person receiving a higher salary is the Chief Justice, but the other members of the judiciary receive less than does the Commissioner. To place that officer on the same level as an under secretary of a government department is not right. As a matter of fact, the Commissioner can appoint officers receiving larger salaries than under secretaries and having duties involving a great sense of responsibility—

The Minister for Justice: Subject to the Minister.

Mr. SEWARD: —equal to that of any under secretary.

The Minister for Lands: Some of his officers receive more than under secretaries.

Mr. SEWARD: Despite all that, if we were to accept the proposals in the Bill, it would reduce the Commissioner to little better than the Minister's office boy. For instance, we find that the Commissioner—

shall obey and observe such directions as the Minister, pursuant to this Act, may from time to time give him regarding the management, maintenance or control of or in connection with any Government railway or the use or exercise of any one or more of his powers, discretions and authorities relating to such management, maintenance or control.

If the Bill be passed, we would, as I mentioned, reduce the status of a commissioner to that of office boy to the Minister. It would be a hopeless position. In fact, I cannot imagine that we would induce any individual with sufficient ability to carry out the duties of the Commissioner, to apply for such an appointment. It would certainly reduce the status of the Commissioner and would place the Minister in control with the Commissioner merely a manager to operate the railways, subject to his direction. It is strange that during his remarks the Minister made a statement—I agree with him, too—that the position at present held by the Commissioner of Railways is too colossal for any one man to hold—so under the Bill the Minister proposes to transfer the position to himself!

I would remind the Minister that members sitting on the Opposition side of the House for the last three or four years have urged continually the appointment of a commission of inquiry into the railway system with a view to seeing whether the department could not be more efficiently controlled by a board, believing, as we do, that the job has become too big for any one man. The job is too big for one man, so the Minister proposes to transfer it from the Commissioner to himself! In addition to his other duties and the departments he has to administer, the Minister himself is to undertake the work of controlling the railways. We, on this side of the House, have been telling the Government and members generally for some years that the whole position should be inquired into, yet the same state of affairs has dragged on for the last nine years. In 1937 a motion for the appointment of a Royal Commission to inquire into the management and working of the railways was moved from the Opposition side of the House. It was strongly opposed by the then Minister speaking for the Government, and during his remarks he said—

> Personally, I do not think a case has been made out and there is no necessity for a Royal Commission or any other form of inquiry into the management of the railways. I have every confidence in the Commissioner of Railways. He is the best Commissioner this State has ever had.

In 1944 we opposed the proposal for the reappointment of the present Commissioner of Railways and asked that a different system of control should be introduced. Speaking against it, the then Premier, who for many years was Minister for Railways, said—

> I frankly admit that the Government is not satisfied with the administration of the railways. This House should confirm the appointment of Mr. Ellis. I think there will be an improvement in the administration when these highly placed officers will be back doing their job.

That was two years ago. Yet no inquiry has been undertaken.

Mr. Watts: And they are back on their job.

Mr. SEWARD: Yes, but the Minister says the position is intolerable and we must have some alteration. Here we have two diametrically opposite opinions expressed by two successive Ministers for Railways. One wants the commissioner made subservient to the Minister and the other sees nothing wrong and opposes any form of inquiry. There can be no argument as to the necessity for a full investigation into these matters; and if any support were needed for that, we have these two divergent opinions.

The Premier: You will be interested when I quote some of your comments.

The Minister for Railways: There has never been a more persistent or greater critic of the present Commissioner.

Mr. SEWARD: I do not say that I have not been critical.

The Minister for Railways: You have castigated him in the most unseemly manner.

Mr. SEWARD: I do not agree with that at all.

The Minister for Railways: You have never had a kind word for him.

Mr. SPEAKER: Order!

The Minister for Railways: This is rank hypocrisy.

Mr. SEWARD: We should have some inquiry before we condemn the Commissioner of Railways. We should get to know the facts. The Minister has talked about democratic principles and surely there is need for further inquiry before we condemn this man. That should be done before we agree to taking away the powers from the Commissioner and transferring them to the Minister. That is what the Minister wants us to do without giving the Commissioner of Railways an opportunity to be heard. Is that demo-

cratic? I say it is not. I certainly have criticised the Commissioner but we, on this side of the House, have always said that we want an inquiry to be held so that all sections of the community will be able to present their case. The Commissioner of Railways will be able to appear before the commission and be heard regarding any complaints that are made. Then when the matter came before the House and members were asked to decide whether a commissioner should be appointed or a board set up to control the railways, the House would have the evidence before it.

What evidence has the House at the present time regarding the powers of the Commissioner and the manner in which they have been exercised? The Commissioner has exercised those powers under the present Act and what have we before us to indicate that we would be justified in taking those powers from him at the present juncture? What right would we have to say, without having an inquiry, "No, you are not fit to carry on but we will put you under the Minister who will direct you." We have not the information upon which we could base that action, and we certainly need to have an inquiry. Surely it would be fair to adopt that course.

Mr. Cross: You have said so much that nobody takes any notice of you.

Mr. Watts: That applies to you.

Mr. SEWARD: That is the first proposal in the Bill. It seeks to make a radical alteration in the position of the Commissioner and, as I have pointed out, we have no evidence to indicate that the change will effect any improvement in the administration of the railways if we instal the Minister in charge and expect him to carry on the duties attached to the control of the railway system plus his other duties. Personally, I cannot see how he could do all that. The second proposal in the Bill is to bring the railway accounts under the control of the Auditor General. To that proposal no-one could take any exception. I think all government departments should be under the control of the Auditor General who is the officer appointed by Parliament and has to report to Parliament. As far as I can recollect the Minister did not quote Subsection (3) of Section 84 of the Government Railways Act which sets out that the Commissioner—

> shall also prepare estimates, in such form as the Minister may from time to time direct, of the receipts and expenditure for each period of twelve months ending on the thirtieth day of June in every year.

So while I agree with the Minister's contention that the railway accounts should be subject to inspection and report by the Auditor General, I cannot agree with his suggestion that the Commissioner of Railways spend the money without interference by Parliament and to the same degree is quite outside ministerial control. If the returns were not in the form that the Minister required, he has the power already to insist that proper returns be prepared. I thoroughly agree with the suggestion that the railway accounts should be under the control of the Auditor General, and I take no exception to that part of the Bill. With the other portion I cannot agree. For many years we have asked for an inquiry into the administration of the railway system. The Minister in his reply to a question a few nights ago intimated that the Government had decided to appoint a Royal Commission. Does not that savour of putting the cart before the horse? The Government arrives at the decision embodied in the Bill, and proposes to strip the Commissioner of Railways of his powers and transfer them to the Minister, and after doing that to appoint a Royal Commission to investigate the administration of the railways. Would it not be more logical to appoint the Royal Commission to conduct a thorough investigation enabling its report and findings to be placed on the Table of the House so that members could deal with the matter next session? I contend that that is the logical course to adopt, and consequently I move an amendment—

> That all the words after the word "that" in the first line be struck out and the following words inserted in lieu:—"the Bill be not proceeded with until a Royal Commission has
>
> (a) inquired into the management and control of the Western Australian Government Railways, and
>
> (b) Parliament has the evidence collected by such Royal Commission together with its recommendations to guide it in determining what, if any, alterations are required in the Government Railways Act to enable that department to function more efficiently.

THE PREMIER (Hon. F. J. S. Wise—Gascoyne—on amendment) [10.15]: I think the amendment must be in conflict with Item No. 19 of today's notice paper, which deals

with a motion moved by the member for Pingelly with the object of having a searching inquiry into the affairs of the Railway Department. I doubt whether he can move such an amendment and I suggest there is no reason for its acceptance. We have had the spectacle of the greatest critic the railways have had in this State for 30 years—one who has railed at and bemoaned all the actions and the attitude of the railway administration—supporting that administration tonight in a qualified way and urging its continuance in its present form.

Mr. Cross: It is an obsession.

The PREMIER: Yes, he has had an obsession in this matter; and on many occasions I have agreed with him in his having it; but I cannot understand the complete somersault he has made when an opportunity has been afforded by this Bill for certain action to be taken, not to give to the Government the responsibility of administration as outlined by the hon. member—

The Minister for Railways: He does not understand the Bill.

The PREMIER: —not to convert the Commissioner into an office boy, but to provide for the responsibility to remain with the Commissioner for the administration and conduct of the railways—with this difference: that he shall be, as is the case with all highly-placed governmental officers, subject at least to the application of Governmental policy in regard to administration. The Government Railways Act of this State is over 42 years old, and in its age it has perhaps a sort of piety that the hon. member at this stage applauds. In foreshadowing what might happen in regard to an inquiry by a Royal Commission, I suggest to the hon. member that what has been stated by the Minister for Railways is what the Government intends to do, not in any way necessarily along the lines of the motion standing in the name of the hon. member, but in a way that will afford the widest investigation into all transport matters and their correlation with the railway systems of this State—the railway systems, of this State, I repeat, both privately-owned concerns and the State Government Railways—and in addition all forms of transport which can be in any way linked with existing forms; and to what extent control should be exercised, if recommended.

The Government is prepared to go so far as to ask such a commission, on which will be members from both sides of this House, what sort of Bill—and a Bill will be submitted for its consideration—should be introduced to embrace all the controls I have mentioned. So there will be an opportunity for members of this House to give voice to their opinions before such a Royal Commission and to assist in guiding this Government and future Governments in deciding what should be done to co-ordinate all forms of transport in Western Australia. As to whether this Bill should be referred to a Select Committee, as suggested, I cannot understand the hon. member's sudden timidity in facing up to what are realities in railway administration in this State. I mentioned that the Government Railways Act is over 42 years old. The Estimates presented to Parliament each year and affecting railway finances, cover approximately one-third of the State's revenue and expenditure, and over the revenue and expenditure of the Commissioner of Railways the Minister has no control. Is it right, quite distinct from the requirements of audit which the hon. member did support, that that form of administration, affecting as it does the State Budget to the extent of £1,000,000 in any one year—last year there was a deficit of that amount—should be removed entirely from the control of the Government when the Government has the responsibility of financing such deficits?

The Minister for Railways: And answering to the people.

The PREMIER: The Commissioner spends money made available to him practically as he sees fit, and the deficiencies are made good by the taxpayers. Surely in the control of such an enormous organisation as the railways the Government can be likened to the directors of a company responsible, in this case, to all the people of the State, who are kindred, surely, to the shareholders of a private company! Had the Chairman of Directors of the Midland Railway Company, who is in this State, been asked to assist the leader writer of "The West Australian" who has been endeavouring to guide the opinions of another place very recently; if that leader writer had been guided by the Chairman of Directors of the Midland Railway Company, instead of perhaps the Acting Secretary of

the Railway Department of this State, there might have been a very different leading article.

Mr. SPEAKER: The Premier is not in order in discussing an article in a newspaper on this Bill.

The PREMIER: I suggest that as the article in the newspaper may have an effect, as it sometimes does—

Mr. SPEAKER: Order! The Premier is not in order in discussing an article in a newspaper when speaking to this Bill.

The PREMIER: The written comment in connection with this Bill, which has appeared in the Press—

Mr. SPEAKER: Order! I must draw the Premier's attention to Standing Order 128 which reads:

> No member shall read extracts from newspapers or other documents referring to debates in the House during the same session.

The PREMIER: I am making no attempt to read them.

Mr. SPEAKER: The Premier is quoting from a newspaper article.

The PREMIER: I am simply commenting on something presented to the public and referring to this Bill.

Mr. SPEAKER: The Premier is not in order in discussing an article in a newspaper on this Bill.

The PREMIER: I am disposed to disagree with your ruling, Mr. Speaker, because there is no connection whatever between what I am doing and reading or quoting from a leading article. I am merely interpreting the impression that must be made on public opinion by the comment made in the newspaper. I contend that in the Standing Order you have quoted there is no limit to the point that—

Mr. SPEAKER: Order! The Premier cannot discuss my ruling unless he wishes to disagree with it.

The PREMIER: Then I will continue to comment on the operations of the administration of the railways in this State and to say how ridiculous it is for any opinion to assert that under Ministerial control there is likely to be a form of dictatorship set up, when quite the contrary is the position. What is the situation obtaining in the other big spending departments of this State? Would it be said that the Director of Education is the office boy of the Minister? Would it be said that the Director of Works, Mr. Dumas, is foolishly subservient to his Minister in the very responsible position he holds? All that is being attempted by this Bill is to place in its proper perspective the responsibility of the administration to have some direction on matters of policy by the Government which has the duty of financing this gigantic undertaking.

Mr. Rodoreda: It should have been done 25 years ago!

The PREMIER: The strange thing is that the member for Pingelly has been loudest in his pressure and claim that that should be the position. There can be no direction in the present set-up with the exception of those very wide and to some extent vague matters quoted by the hon. member from the Government Railways Act. But would the hon. member applaud the construction of two or three suburban trains with all their appurtenances to the detriment of the rollingstock necessary to cart wheat and other commodities? And in that matter the Minister has no authority.

The Minister for Railways: But he squeals about it.

The PREMIER: All that is required and all that is asked for in this Bill is to give responsibility to the appropriate authority, which is the Government, instead of an attitude of self-satisfaction and of optimism, on a scale that cannot be lived up to, continuing to the detriment of the adminstration of the Government. The responsibility of administration will attach to the office and will remain with the Commissioner. That is what is intended and it is exactly what this Bill provides for. The Commissioner will be in the same position as the Director of Works who has responsibility but is subject to the Minister in regard to matters of policy, upon which he welcomes and obtains directions. Both in and out of Parliament there is very much criticism of our railways; but when it comes to a serious set of circumstances such as those involved in the recent strike, what authority is assumed by the Commissioner who has responsibility but is not answerable to the Minister? The Government then has the task of sorting out a difficult situation.

The Government does not deny that it should stand up to its responsibilities and that it should have within its Ministerial control some say as to how revenues and expenditure should be earned and spent, since this has such an impact on the State budget. I suggest to the hon. member who has stated there is no reason for the proposed change that he spend a day or two in the perusal of his own speeches on that point. I do not intend to weary the House or to embarrass the hon. member with direct statements so contrary to his expressed impressions to the House this evening. The fact remains it is plain nonsense to suggest that the Government wishes to interfere in any way with the minor details of administration that will remain with the Commissioner just as they do with under secretaries of various other departments.

In connection with audit matters, the Government Railways Act at present does not provide for any scrutiny or any report by any person other than those associated with the Controller of Accounts in the railway system. Is that fair either to the Treasurer or to the Government of the State? After all, the Government is answerable to the whole community. In view of the many millions of pounds invested in this enterprise, the Government has the responsibility of doing its best with the whole concern. To that end, not only will the matter not be handled with undue haste, but it will be handled, I hope, quite dispassionately, quite authoritatively, by a commission that will include responsible members opposite, who will understand and undertake in that understanding a position which will mean that a general review and an appropriate control will be exercised in future by the statutes that can be brought up to date. I suggest that the amendment, as moved, is in conflict with one that is on the notice paper in the name of the hon. member and, secondly, that there is to be opportunity afforded for this Parliament and members of it not only to review the whole situation but perhaps to obviate the many things that the member for Pingelly and other hon. members opposite have justifiably complained of in the past.

Mr. SPEAKER: I think the point taken by the Premier is fatal to the amendment. The member for Pingelly has already a motion on the notice paper dealing with the efficiency of the administration, and so on, and asking for a searching inquiry into the administration of the railways. The amendment moved by the member for Pingelly is similar and I must therefore rule that it is not in order.

Amendment ruled out.

MR. WATTS (Katanning) [10.32]: Addressing myself to the second reading of this measure, I fail to see the blatant inconsistency, that seems to be in the mind of the Premier and to some extent in the mind of the Minister for Railways, between the remarks of the member for Pingelly on this occasion and on certain other occasions to which reference has been made. I have never yet known the hon. gentleman—and I have followed his remarks on the subject of the railways as closely as have most people—to suggest that he wanted provision for the Commissioner to obey and observe such directions as the Minister, pursuant to the Act, may from time to time give him regarding the management, maintenance, control and so on of the railways. I do not think any member of this House has ever heard the member for Pingelly suggest that he wanted any Commissioner of Railways—irrespective of the present incumbent—to be placed exactly in that position. I have personally, on more than one occasion, expressed my disappointment and—on one occasion particularly—my resentment at the attitude taken by the Commissioner, as evidenced to me, in respect of his Minister, and I am not going behind any doors to say that, so far as I am concerned, I think there should be a fairly strong corrective administered to the Commissioner of Railways who at present occupies that position or, if not to him, to the immediately subordinate officers who are responsible for certain states of affairs that have been mentioned here.

Mr. Rodoreda: How would you correct the Commissioner?

Mr. WATTS: One very satisfactory way in which to correct him, if he be the person responsible for the things to which I refer, would be to bring down a joint resolution of both Houses of Parliament to have him removed. If the state to which the railways have declined is such as not only I deem it to be, but as members opposite have just now, and recently, announced it to be, then I doubt if we are justified in allowing the present

occupant or occupants of high offices in the railways to remain there. This Bill will not remedy the position, because unless those gentlemen are reduced to the position of office boys, as the member for Pingelly suggested they will be capable still of doing a considerable amount of poor work on behalf of or on the part of the railway system, and so my idea of the situation is that, if it is necessary regarding the present occupants of office that they should be reduced to the level contemplated in the subclause that I read, I doubt very much whether we should not have a joint resolution of both Houses, and get someone else to take their places.

When I understood this Bill was coming before the Legislature I imagined that we were to have a measure that would in some detail prescribe the various activities of the Commissioner and his department in which we might all agree there should be a substantial measure of Ministerial control, especially in view of the peculiar circumstances that appear to exist in Western Australia, but here we have a clause, of a very few lines, which first of all hands over to the Minister the management of the railways with the Commissioner as second string, and then proceeds to say that the Commissioner shall obey and observe the Minister's directions. I have already said that what I think would be preferable to that state of affairs if the position is as bad as to warrant it, but I have also in mind that it is not to be presumed that the present Commissioner will be the only Commissioner who could be affected by this resolution, and unless and until we determine what type of management we should have, by virtue of the Royal Commissions that are to be appointed, I think no harm would be done by leaving the position as it is for a little longer or, alternatively, by specifying by way of statute the particular places or instances where the Commissioner ought to be put in a position where he shall receive directions from the Minister.

The Minister knows perfectly well that I have seen and in one case read to this House a communication to which I took the strongest exception, not because I am a believer that the Minister, as a controller of railways, would be in any way miraculous, but because I believed that, holding the office that he held by virtue of his position in this Parliament, he was entitled to greater respect than he was receiving, and I still think that the Commissioner cannot be held blameless and is entitled to be given a little direction as to how he should conduct his affairs, but in the absence of the inquiries and of any opportunity for members of this House to get at first hand a true picture of the position, I do not think we should accept the whole of the clauses to which I have referred. The line that the member for Pingelly has consistently taken is that another type of management is required.

When a resolution came before this House to reappoint the present Commissioner, if I remember rightly, the member for Pingelly moved an amendment that instead of a period of five years the appointment should be limited to one year or two years—I am not sure which—and that in the meantime steps should be taken to appoint a board of directors on which there would be a railway expert, a representative of the Government, a representative of the primary producers, a representative of the trade unions concerned in the industry, and a representative of commercial interests. I think that was the amendment moved to the motion for the re-appointment of the Railway Commissioner for a further period of five years. It was not suggested that the board, if appointed, should be obliged to observe and obey such directions as the Minister might care to give, though that board would be taking the place of the Commissioner. If I remember the hon. member's intent aright, it would have given the Minister a different position in railway management, if the board had been created and the legislation suitably amended to conform with that type of management, but in this case there has been no inquiry. It has been refused on more than one occasion and in the dying hours of the session we are brought a Bill which, however much we may think the Commissioner requires some direction and curtailment of his present overweening authority, is difficult for us to subscribe to in its entirety, in the absence of an inquiry and the absence of any alternative sort of management for which we have pressed and for which we believe there are strong grounds.

I will conclude my remarks by saying two things; unfortunately, you, Mr. Speaker, were obliged to rule out of order the amendment of the member for Pingelly, to which I referred, two years ago, because the Act provided that the appointment should be for five years or not at all. Secondly, I do not

want the Minister to misunderstand me in this matter. I sympathise very much with him in the position in which he at present finds himself. I agree there are instances where the ministerial position and control ought to be improved. I say, however, that they should be specifically set out, in this statute. The considered opinion of the Government and its advisers on this question should have been given in the statute itself, as to what were the present aspects that required alteration of the position. I find it extremely difficult to agree with the provisions of the clauses that appear early in the Bill, although I will vote for the second reading and endeavour to effect some improvement in the Committee stage.

MR. McDONALD (West Perth) [10.44]: This is a Bill to take away from the Commissioner of Railways a substantial measure of the independence and authority in the control of the railways which he and his predecessors in office have enjoyed for some 40 years. The intention is to transfer that power to the hands of the Minister and to convert the Commissioner of Railways from an independent officer with substantial power into a subordinate of the Minister. The Commissioner is something more than a high officer of the Crown with a large measure of independence and authority. He is one of those few officers that cannot be removed without an address from Parliament. This change is regarded by the Minister and by the Government as one of very great importance, and certainly it is of very great importance. It is a drastic and fundamental alteration of the basis of railway control in this State and as compared to railway control in other States of Australia, and is based upon suggestions that the admittedly deplorable condition of our railway system is the sole responsibility, so far as it can be humanly dealt with, of the Commissioner and of his senior officers.

This Bill is one that not merely reflects on the Commissioner but also reflects on his senior officers. I am not going to enter upon any inquiry or form any judgment as to whether Commissioner or Ministerial control is the better. All I say is that they are two entirely different forms of control, and it is a big responsibility to change from Commissioner control to Ministerial control, or vice versa. To do that requires full and ample reasons for such a fundamental change in what has been described as the largest and most important spending department in the State. I express no opinion as to whether Commissioner or Ministerial control is the better. I propose to await the report of the Royal Commission, which the Minister told us two or three days ago the Government is about to appoint, a Royal Commission which he said would be a State-wide inquiry into all transport matters, and if there was any matter which was essentially a subject for inquiry by the Royal Commission, it was whether Commissioner or Ministerial control would be the better thing for our railways.

By this Bill we are asked to judge the matter now and wait for the evidence afterwards. I fail to see any logic or good sense in such a proposition. Obviously, any prudent people—and I venture to attribute that quality to this House—when about to have an inquiry on a specific matter, would determine to hold the inquiry first and take action after hearing the recommendations of the body appointed to make the inquiry.

There is another aspect of the matter. If we look at any of our laws, we find that members of the Civil Service and often those outside the Public Service of what might be called the lowliest degree, though I do not like using that term, have this in common that if there is a case against them likely to involve them in loss of position, or degree of position, they are entitled to be heard in defence or explanation. I have heard in this House no word of the Commissioner's having been called upon to show cause why he should not be relieved of his position as an officer with a marked degree of independence of authority. Had he been so called upon, I presume he would have replied, and that the reply would have been read to the House. It would have been proper and essential on a Bill such as this that the reply should have been read had such an inquiry been made or had the Commissioner made a defence on his part. I presume that no such inquiry has been made and that no opportunity has been given to the Commissioner to make a defence to charges that are implied in this Bill, that, in spite of war conditions, he has failed to run the railways as efficiently as was expected of him. If there had been any such defence, I am sure the Minister, with his usual candour, would have put it before the House. Therefore I assume that the Com-

missioner has not been called upon or afforded an opportunity to make any defence, and I think he should be given that opportunity.

The Commissioner may conceivably have a very different story to tell. The Government cannot appoint a man, keep him for 12 or 15 years in an office demanding great ability, renew his appointment only two or three years ago for a further term of five years, and then suddenly find he is unable to discharge his duties, that a mistake was made in first appointing him and in maintaining him in office ever since. To do that would be merely reflecting upon oneself. If the Commissioner was good enough to be appointed in the first place by the present Government or its predecessor, maintained in office all these years, and re-appointed a few years ago for a further term of five years, then I should like to know in definite terms what has happened in the intervening two or three years to cause the Government to form an entirely different opinion about an officer whose work it had known for so many years.

So I pass no judgment. The Minister might be right; the Commissioner might be right. All I say is that the Government is about to hold an inquiry by Royal Commission. Let the Government have it, and let the Commissioner have a chance of saying whatever he has to say about his administration of the railways, and let the Commission determine how far he is to be blamed. This comprehensive inquiry, I understand, will be held very soon. If the matter is as urgent as the Minister claims, no doubt he will inaugurate this inquiry within two or three months; at all events, after the elections early in the New Year.

Much evidence and a great many facts may be put before the inquiry, including what the Commissioner and his senior officers have to say about the Railway Department, possibly about the Government in relation to the Railway Department, and possibly what they think about the shortcomings of the Government in relation to the department, and the Treasurer in relation to his financing of the department.

The Minister for Justice: That applies to all departments.

Mr. McDONALD: It applies in this case and has been brought up by the Minister himself. All those things might be very informative. When all those facts have been given by the Commissioner and his officers, and possibly by other railway experts, and no doubt by representatives of the Minister, then we should have a body of information that will fit this House much better to decide questions like Commissioner versus Ministerial control, instead of being asked—and I say this with great respect—to judge the case without any evidence at all worth a tinker's dam on either side, beyond this fact that admittedly the railways are in a very bad state.

I am not going to pass what in effect would be a vote of no confidence in a senior and trusted servant of the Government who has held office for many years without his first having an opportunity of being heard. If there were a motion submitted, or a suggestion made, to remove him from office, I have no doubt that he would be heard at the bar of the House. It would be unthinkable that such action should be taken against any high officer without his being heard in his own defence and in explanation at the bar of the House. We would not go so far as that. By this Bill, however, we are asked to say, in effect, "You have forfeited the confidence of the Government. The railways are in a deplorable state, and we consider you are no longer suited to exercise the independence and authority that hitherto you have had under the Act." That is a reflection on his professional capacity and on his administration. I claim to have no obsession about the railways, either for or against, but I have this obsession that I will not for one moment entertain passing a Bill of this description without the high officer concerned having an opportunity to put forward his case.

As far as the accounts system of the railways is concerned, that proposal is a minor matter. It appears to have a possibility of good in it, but it is not so important that it also cannot be left to the Royal Commission that is to inquire into the whole matter of the railways. It would be slightly ridiculous if we in this Parliament in December decided on a major change of control and, six months later, a Royal Commission decided that we were entirely wrong. The Royal Commission might decide in favour of a board of control. The Minister has introduced a Bill under which he will become solely responsible for the coalmining industry and he is also to become solely respon-

sible, Ministerially, for the railways. Much as I admit his capacity, there are limits beyond which any individual man may go, especially when he is neither a coalminer nor a railway man.

Mr. Triat: He is a very good bit of machinery.

Mr. McDONALD: No doubt he is. If we are going to set up a Royal Commission to advise us what sort of administration and legislation we should have for our State railways, then leave the lot to the Commission, especially the important question of Commissioner or Ministerial control!

Mr. Hoar: Is it not a fact that nearly all other Government departments are under the control of a Minister?

Mr. McDONALD: I think nearly all are, but in this matter, which is a trading corporation, throughout Australia, as the member for Pingelly said, there is a certain measure of additional control allowed to Commissioners of Railways, and Parliament saw fit originally to adopt that principle here. I should want some reason before we abandon it. Above all, I cannot vote for this Bill until the Commissioner has had an opportunity to say what he thinks about the matter.

MR. TRIAT (Mt. Magnet) [10.59]: I support the second reading of the Bill, but greatly regret that it does not go far enough. I totally disagree with the member for West Perth, who is of opinion that a Royal Commission will be appointed in the near future, probably in the next six months, and will bring in a finding that may be in favour of the Commissioner. I think if the Government were really active and desired to make a strong move, it would have done so when the Royal Commissioner made his report on the Garratt engines. There is quite sufficient evidence in that report to condemn not only the Commissioner of Railways, but also the superior officers associated with him in the running of the railways. A terrific amount of money was spent to purchase the Garratt engines which in the opinion of the Royal Commissioner required extensive repairs.

If anybody states that the inquiry held by the Royal Commissioner was in any way favourable to the Commissioner of Railways or to his senior officers, I am prepared to say they are wrong. As a result of that very extensive inquiry, the Garratt engines were absolutely condemned, as were the Chief Traffic Manager and the Chief Mechanical Engineer. And the engines were purchased with taxpayers' money! Personally, I do not condemn the Commissioner of Railways as a man, but as a commissioner. Ever since I have been a member, I have spoken unfavourably of the activities of the Railway Department; but when one speaks in that way, one is not speaking against the Commissioner and the men controlling the department. I am strongly opposed to the way in which the Railway Department is managed, to the bad service it gives and to the running cost.

At the opening of Parliament, I drew the attention of the House to the fact that the Railway Department was able to spend £1,000,000 without any control; and I am glad that the Minister has at last taken the opportunity—even at this late stage of the session—to say that no longer shall the Commissioner of Railways have power to spend so much money without any say by the Government. I am also of the opinion that the Minister has no possibility of carrying out the duties of a Commissioner of Railways or an observer of the Commissioner of Railways. He has no knowledge of railways. He is not an administrator, but I presume he has officers who can guide him. Up to the present, he has met with scant success, because I remember his making this remark—

Mr. Styants: That his position had become intolerable.

Mr. TRIAT: The remark I was referring to was worse than that. If I remember rightly, he said, "The Minister takes the place of a buffer between the disgruntled people and the all-powerful railway heads." The Minister for Railways is expected by the people of Western Australia to accept the responsibility for the department. They call upon him for rectification of any trouble. I remember travelling through the electorates of Yilgarn-Coolgardie, Kalgoorlie, Mount Magnet and Murchison in company with the Minister after he had been appointed. He received many deputations of influential business people and listened to their grouches and arguments. They were strong in their condemnation of the whole railway system, including its administration. The Leader of the Opposition drew the attention of the House some time ago to a statement made by the Commissioner of

Railways that the Minister was an absolute fool; this statement was made as the result of a report of a deputation that had been sent on to the Commissioner, who referred to the Minister as an inexperienced Minister. It was a stupid remark which carried no weight, but it showed that the Minister's suggestions to the department were taken lightly. I think the Minister at that time would have been well advised to call the attention of Parliament to the remark, with the object of securing a reduction in the Commissioner's status. That, however, has gone by the board and we are now dealing with something new. The Minister went on to say—

> The policy of passive resistance against the judgment of the Minister cannot continue.

What does he mean? Passive resistance by whom? By the heads of the various Government departments?

Mr. Abbott: Or the railway unions?

Mr. TRIAT: No, not the railway unions; passive resistance by those in charge of the Government railways. The railway unions are not in charge.

Mr. Abbott: They were just now.

Mr. TRIAT: Had they been in charge, the people would have had more service from the railways than they are getting today.

Mr. Abbott: I doubt that.

Mr. TRIAT: I sincerely hope the time is not far distant when some of the men will be on a board of management of the railways.

Mr. Abbott: I know you want socialisation.

Mr. TRIAT: I will support any motion to improve the position of the railways. I support the Bill on the grounds I have mentioned. During the coming recess of Parliament nothing can be done. An election is pending and until it is over, which will probably be after the first quarter of the coming year, we shall be in recess for a further period and nothing can be done, as I said. The Commissioner will still have power to expend public revenue at the rate of £1,000,000 per year and we shall have no redress. I am surprised at members of the Opposition opposing any step that would take away, temporarily, some of the Commissioner's powers. No member can stand up and say that he is satisfied with the administration of the railways.

Mrs. Cardell-Oliver: We are not doing that, but why condemn a man unheard?

Mr. TRIAT: We are condemning a system that is shockingly bad, and has been so over a long period of years.

Mr. Abbott: I can suggest a few reasons.

Mr. TRIAT: The member for North Perth will have the opportunity to do so. He will probably be called as a witness before the commission. He will attend not as a member of Parliament, but will be giving evidence as a witness on oath and will tell the truth. I sincerely hope the House will pass the Bill for the period that Parliament will be in recess. We will get some result. The Commissioner's authority will be permanently clipped. A board will be appointed to control the activities of the department and that board will be subject to the Government. I support the second reading.

MR. ABBOTT (North Perth) [11.7]: I am not sure whether the member for Mt. Magnet was speaking as a member of the House or as a member of the commission.

Mrs. Cardell-Oliver: Or as a member of a union!

Mr. ABBOTT: Or merely as a supporter of some union he hopes to appease very shortly.

Mr. Triat: I do not appease any union.

Mr. ABBOTT: In my opinion, the hon. member made a very narrow-minded speech, which is something he does not usually do. However, that is by the way. We have criticised the administration of the railways, but we have not given any reasons for doing so. One of the reasons is, as everyone knows, that the Commissioner has no control over the men, because the Commissioner has to prove any charge against a worker right up to the hilt, and the evidence in support is given by the man's companions. Everyone knows that is impossible. It would be impossible to prove whether any member in this House was fully performing his duties.

Mr. Rodoreda: Or whether the Commissioner of Railways was not.

Mr. ABBOTT: I say that to condemn a man when we are comparing systems is all "*bolony*." No-one believes it.

Mr. Hoar: Yes, we do.

Mr. ABBOTT: The present administration of the railways is being condemned and at the same time the Commissioner is being condemned without an opportunity being given him to be heard. Was he consulted in any way during the last strike? Did he have anything to do with it? I understand he was not even consulted.

Mr. Styants: He recommended the purchase of the engines that brought about the trouble.

Mr. ABBOTT: He was not even there, although he was responsible for the administration of the railways. He was never approached by the Government or by the union, which went over his head, as did the Government of the day. Was that fair? Of course it was not.

Mr. Triat: Of course, you are quite sure of that.

Mr. ABBOTT: Of course I am not. I said, "I understand." That is the sort of thing that happens when a person is not given an opportunity to put his side of the case. Everyone admits there should be an inquiry, and everyone knows from his own personal experience that some railwaymen are the very best servants and others do not care two hoots for the railways, and make no effort to push them forward. That applies from the bottom to the top, and is why we want this inquiry. When we have a tremendous concern like this, and wish to attract men with the highest qualifications to it, we are more likely to be successful where they do not come under the irritating practices that some Ministers necessarily employ on occasions. Everyone knows that the Government is put in its place by the important industrial unions. How would it get on if the Minister did not pay attention to what they say?

Mr. Triat: You are only guessing.

Mr. ABBOTT: Everyone knows that. The Government is put there by the highly-paid industrial unionists; not by the unfortunate basic wage-earner, but by the highly-paid enginedrivers—the aristocrats of the trades. They call the tune, and the Minister hops, and that is why the Minister wants to get complete control. It is so that he can implement the policy of the enginedrivers' union, and the others, irrespective of the justice of the case and the interests of the State. I shall vote wholeheartedly against the Bill.

MR. STYANTS (Kalgoorlie) [11.11]: I congratulate the Minister on having brought down this measure; it is long overdue. I have always contended that it was the intention of the original framers of the Government Railways Act that the Commissioner should be under the direction of the Minister, just as is a departmental head, in any other Government department, under the direction of some Minister. I know that for many years it became almost legendary that the Minister had no control over the Commissioner. Section 16 of the Act was always quoted, but it refers to only a few of the functions of the Railway Department, and there are many other sections which put the Commissioner definitely under the direction of the Minister. Section 16 provides—

> Subject to the provisions of this Act, the Commissioner shall have the management, maintenance and control of every Government railway.

If it were not for the proviso "subject to the provisions of this Act," one would come to the conclusion that the interpretation that has been placed on this section for years is correct but, when one takes those words into consideration and has a glance through the Act to see what it provides, the illusion that the Minister has no control over the Commissioner is dispelled. I will briefly run through the Act. Section 4 provides that the railways are vested in the Minister. Sections 5 and 6 state that no railway is to be declared open for traffic until decided by the Minister, and also that before a new railway can be opened an officer, authorised by the Minister, must declare it fit for traffic. The Minister gives the authority to the Commissioner to declare the railway open.

Section 7 provides that the Commissioner shall be appointed by Parliament upon the recommendation of the Governor. We all know that the Governor means the Cabinet, of which the Minister for Railways is a member. Section 13 deals with the suspension and removal of the Commissioner, and provides that he can be suspended by the Governor, and, if the House is in session, the reasons for his suspension must be laid upon the Table of the House and if, within a period of 40 days, each House has not passed a resolution to say the suspension

shall be withdrawn, then the Commissioner can be dismissed. So the Commissioner is appointed by Parliament and his services are dispensed with by Parliament. Section 17 provides that the Commissioner may, with the approval of the Minister, make additions and improvements. It is clearly the intention that, if he wants to add to or improve his railways, he must first get the Minister's approval. Section 21 states that the Commissioner must have the approval of the Minister to use electric or any other form of traction.

If the Commissioner desired to have the suburban railways electrified, he would have to get the permission of the Minister before being able to do it. Before the Commissioner could put Diesel coaches on traffic—they are actually electrically-driven—he should get the approval of the Minister. Section 22 is most important. It deals with the fixing of charges and stipulates that a schedule of the Commissioner may be displaced by one issued by the Minister. That is, I suppose, the most important section in the Act. The duty of providing a schedule of fares and freights is one of the most important functions of the Commissioner, and yet the Act clearly sets out that if he issues a schedule of fares and freights that does not meet with the approval of the Minister for Railways, the Minister may replace it with one of his own. In spite of this, we have people who say the Commissioner is not under the direction of the Minister. Section 24 provides that all by-laws made by the Commissioner must have the approval of the Governor.

Section 57 states that the Governor's consent must be obtained before any portion of the railways, or any buildings attached to the railways, can be leased. Section 58 provides that the Minister's consent to lease buildings or land must be obtained, and Section 60 provides that the Minister's approval is necessary for the Commissioner to have the use of railways, wharves, cranes, hoists, weighing and other machines. He must get the permission of the Minister before he can operate any of these things. Section 62 states that the Minister's approval must be obtained before any right or grant of easement can be given by the Commissioner in regard to a right-of-way or a passage over a railway, as was required by the Kurrawang Woodline Co. when it wished to cross the Government line at a place called Calooli, about five miles this side of Coolgardie. The Commissioner had not authority to grant that right without the permission of the Minister. The Minister's approval must also be obtained before the Commissioner can give right of access to any railway by gateway or otherwise.

Mr. Doney: It makes the Bill look entirely unnecessary.

Mr. STYANTS: His approval must also be obtained for the right to use water from railway schemes and the right to cross any railway with cables for electric lighting power; the right to take away timber, earth, clay, rock, ballast, gravel or sand. The Commissioner must get the Minister's approval before he can give permission for the removal of any of these things. Section 80 is the one which affects members of Parliament, and it provides—

> Any deputation in which a member of Parliament takes part, or at which he is present, shall interview the Minister and not the Commissioner.

If the original framers of the Act had not intended that the Minister should have control over the Commissioner, what would be the use of a member of Parliament going with a deputation to the Minister? It would be so much waste of time. Section 83, which I think was referred to in connection with the quarterly returns to be submitted to the Minister—

Mr. McLarty: What additional powers does the Bill give the Minister?

Mr. STYANTS: In my opinion it would give powers in the direction of the expenditure of certain money. From the Minister's point of view I think there are many pitfalls attached to the powers and authority to be given to him. Certain people will probably expect the Minister to short circuit the decisions of the Arbitration Court, and he may be called upon to settle many petty industrial disputes if he is foolish enough to allow himself to be placed in that position. If he is not very careful I think the additional power will lead the Minister into many pitfalls. The measure will definitely clarify the situation. There has always been doubt as to exactly what are the functions of the Minister and his powers over the Commissioner. This should clarify the position.

I disassociate myself from any reflection on the Commissioner for Railways. I have a fairly intimate knowledge of the present Commissioner, having met him on many occasions in connection with railway work when I was a union official. I have had many talks with him on official matters since I have been a member of Parliament, and have always found him to be a most courteous officer and a man open to conviction. I expressed my opinion as to the efficiency of the railway staff when speaking on the motion a couple of weeks ago—the motion of the member for Pingelly asking for an inquiry into railway affairs. I reiterate that it is not lack of efficiency on the part of railway officers, but the obsolescence of the plant with which they are doing their job, that is to blame. Were they given up-to-date plant I think they would do a much better job, with satisfaction to all concerned. I disassociate myself from any reflection on the efficiency of the Commissioner or his staff.

I think the position is a condemnation of the system, which is wrong. The railways are a huge industrial undertaking, with £27,000,000 of capital assets, on which to a great extent depends the financial prosperity of the State, in that the deficit of the railways in most cases approximates the deficit of the State. The railway system has capital assets valued at £27,000,000, on which £1,000,000 is paid in interest every year. The capital sum has paid £34,000,000 in interest, and that will obtain to a still greater degree in future, because we have reached the position where 25 per cent. of the earnings of the department goes in interest owing to our unorthodox system of handling railway finance. The department's earnings last year amounted to a fraction over £4,000,000, but it will be seen, from the financial return, that it paid about £1,036,000 in interest. More than 25 per cent. of the gross earnings was swallowed up in interest charges. It is no wonder that the railways do not show a good financial return. A system with which the prosperity of the State is so bound up should be under ministerial direction.

There is nothing democratic in the present set-up when the Commissioner of Railways is responsible to no-one. As head of the largest industrial organisation and employer of the greatest number of employees in any undertaking in the State, the Commissioner should be responsible to the Minister, just as the Minister is responsible to Parliament, which in turn is responsible to the people. If it is necessary for the Minister to have greater control over the Commissioner, I am prepared to support the Bill, but there are many pitfalls for him. The member for North Perth said the Commissioner could not discipline his employees, but evidently the hon. member was talking of something to which he has not given great study. If he inquired at the railway offices he would know that every day of the week men are being punished for misdemeanours, great and small. I think he had on the tip of his tongue to say that the Commissioner was not able to discipline his employees because they had the right of appeal. He said, "the right of" and I think he was going to say "appeal," but as a legal man he could not bind himself to a proposition that would not give men the right of appeal.

Having worked in the railways for nearly a quarter of a century, and having left the department with a clean sheet and an unblemished record, I say that the appeal board is one thing that enables men to retain their self respect and independence while remaining in the department. A man who thinks he has been unjustly punished can appeal, and that ensures industrial peace to a great extent. If a man commits a misdemeanour he can be punished, but if he thinks he has been unjustly punished he can appeal to a board consisting of a police magistrate, a union representative and a representative of the department. That board passes judgment on him, and its decision is final. If I regarded the measure as a reflection on the ability of the Railway Commissioner or his officers I would vote against it, but I think it is a condemnation of a system that was never justified and that should not be continued.

MR. McLARTY (Murray-Wellington) [11.28]: I am not satisfied with the present condition of the railways, and I believe some improvement could be made. In many respects the passenger service today is not as good as it was 40 years ago, and I think something should be done about it. I believe the public demand will be such that something will have to be done, but I am not convinced that the Bill will improve

matters. When introducing the measure the Minister told us he had met with passive resistance and that the position was intolerable, but he gave no indication at all of the form the passive resistance had taken. He simply made the wide statement, and he did not enlarge on what he said was an intolerable position. So we have to draw our own conclusions in that regard. I agree with previous speakers that the Commissioner should be given an opportunity to state his case. He has come in for a lot of criticism and I think it quite likely he would be able to give an answer to much of that criticism. We must not forget that we have passed through six years of war and that for a good deal of the time the Commissioner was absent from the State and so we cannot fix on him the responsibility for some of the happenings during the war period. The member for Mt. Magnet said that this Bill would deprive the Commissioner of some of his powers temporarily. Of course that is not the position. This is a measure that will be of a permanent nature.

The Minister proposes to take power to direct and instruct the Commissioner; in fact, any orders the Minister gives to the Commissioner must be carried out. The Minister did not tell us where he was going to get advice to enable him to instruct the Commissioner or what particular knowledge he may have of railway working. It would be interesting to hear from him on what authority, expert advice or advice of any kind he is going to instruct the Commissioner.

Mr. Withers: Is there nobody in the Railway Department but the Commissioner?

The Minister for Railways: What qualifications have you for a member of Parliament?

Mr. McLARTY: I leave that to my electors, just as other members do; the electors decide whether we are qualified or not to represent them. We should be informed by the Minister where he is going to get the expert advice to enable him to instruct the Commissioner. There is no desperate need for the Bill. The member for Pingelly has been criticised by the Premier and, by way of interjection, by the Minister for Railways. The member for Pingelly is well able to look after himself, but in his remarks he was not inconsistent.

The Minister for Railways: Not a little bit.

Mr. McLARTY: I listened to him intently and did not detect any inconsistency in his speech. For many years he has strongly advocated reform of our railway system, but this does not mean that the reform should be in the nature of handing over the railways to ministerial control. I believe that the job is too big and the responsibility also is too great for one man, but I am prepared to leave that question to the Royal Commission. The commission will make a thorough investigation into the working of the railways generally and on its recommendations we should be able to frame a satisfactory Bill.

At this late stage of the session, the Minister would be well advised to drop the Bill and have an inquiry made, and then members should be given the fullest opportunity to examine the report and see what has been said from the Government's side and from the Commissioner's side. I repeat that I believe the Commissioner would be able to put up an effective answer to some of the criticism that has been indulged in. I do not believe for a moment that he has had all his own way in administering the railways and I believe that an inquiry would convince us of that fact. The member for Kalgoorlie and the member for Pingelly read to us details of the power the Minister already has, and though it may not be wise to show my ignorance of the Act, I must confess I was not aware that the Minister had such power as is given to him by the existing Act. I need not say anything more. Having listened to the arguments from both sides of the House, I consider that I should vote against the second reading and intend to do so.

MR. SMITH (Brown Hill-Ivanhoe) [11.35]: I was the Minister who was referred to as having said that the present Commissioner was one of the best the railways in this State have ever had. Of that there is confirmation in the fact that he was not only appointed Commissioner of Railways but on two subsequent occasions was reappointed, and on both those occasions the reappointment was confirmed by both Houses of Parliament. I think the member for Kalgoorlie has made the Minister's position in relation to the administration of the railways fairly clear. When I was Minister, I experienced no difficulty with the Com-

missioner. It was generally understood by the Government of which I was a Minister that on matters of policy the wishes of the Government prevailed. It may be that on matters of management the opinion of the Commissioner prevailed, but it was a very difficult matter to place a correct interpretation on what was policy and what was management. In fact, I would defy anyone to do so.

I agree with the statement of the member for Kalgoorlie that the Railway Department cannot be expected to run a very efficient service with out-of-date equipment. A fried fish shop could not be run successfully without the proper facilities for frying fish. Away back in 1915, the Labour Government in this State was defeated, but on going out of office left the railways in fairly good condition. When Labour returned to office in 1924, it discovered that the National-Country Party Coalition Government had neglected and starved the railways.

Mr. McDonald: There had been a war in the meantime, too.

Mr. SMITH: That is so, but there had not been a war during the whole of the period from 1919 to 1924. The first world war came to an end in 1918. When Labour returned to office, the Collier Government spent four times as much money in its first two years of office as the previous Government had spent in the preceding four years. During the term of the Collier Labour Government, 10 locomotives were imported from England and 15 more of the same type were built at Midland Junction Workshops, having been found suitable for requirements in this State.

Mr. Styants: They were good engines, too.

Mr. SMITH: During the Collier Government's term of office also, the Midland Junction Workshops were extended. Those were not years of great prosperity; they were years in which the country was recovering from the effects of the war. In 1930, the Collier Government was defeated and a National-Country Party Government took office again. During the three years of the Coalition Government, the Railway Department was again starved and neglected.

Mr. McLarty: Was not there a depression during those years?

Mr. SMITH: Of course there was, but that does not disprove my statement that, during those three years, the Railway Department was starved and neglected, so much so that even the value of the asset was not maintained. When the Collier Government again took office, it was faced with a huge bill for belated repairs to bring the asset back to its normal value. A sum of £500,000 was placed on the Estimates, not for renewals or replacements, but for belated repairs—work that had been allowed to fall into arrears and had permitted the value of the asset to decline. During the whole of that time—from 1933 to 1939—this State was recovering from a depression. We had many workers on part-time work, and the Government's policy was to give them as much work as possible. It was also the Government's policy to give them that class of work in which there was as much labour as possible and as little material as possible. So it was very difficult for a Government in those circumstances to provide money for renewals and replacements.

The Commonwealth Government, or the Commonwealth Bank, was in such a position that it could not find any money for replacements and renewals on railways. The Commonwealth Bank was at the time controlled by a board, the members of which were appointed by the Bruce-Page Government. Very little money in the way of loans was available for the purpose of remedying the effects of the depression. Therefore, the Railway Department in 1939 entered on the war period very badly equipped for the task which confronted it during the following six years. If the railway equipment and stock were as bad as they are now represented to be, then the department during the war must have done a wonderful job from the Commissioner down to the billy boy. If the Bill is supposed to be a reflection upon the Commissioner, I say there is no justification whatever for the reflection.

I know that during my term of office—and I am sure the ex-Premier would bear me out if he were present—we had no difficulty with respect to the administration of the railways, nor did any other Minister for Railways who might subsequently have occupied the position until the present Minister took it over. I feel there is no necessity for the Bill at present. It is most ill-advised and ill-timed to make the suggestion that we are to have a Royal Commission to inquire into transport generally and then

seek to alter the Government Railway Act in respect of one section, a section referring to the question of simple management. When I say "simple management," I mean those things that are obviously questions of management—looking after the staff, appointing this officer or that officer. The member for Kalgoorlie has shown that the powers of the Minister in respect of administration are most wide; and if the Minister intends to answer all of the contentions that have been put forward against the Bill, I hope he will not neglect the contentions of the member for Kalgoorlie.

Mrs. Cardell-Oliver: Hear, hear!

Mr. LESLIE: I move—

That the debate be adjourned.

Motion put and negatived.

Mrs. Cardell-Oliver: It is time to go home.

Mr. Cross: Go home.

MR. LESLIE (Mt. Marshall) [11.46]: After listening to the remarks on this Bill by members on the other side of the House, I am more than ever confirmed in my opinion that its introduction is not a wise move at the present stage, and until such time as the promised inquiry has been made no further action should be taken in connection with it. It seems evident to me, after listening to the member for Kalgoorlie and the member for Brown Hill-Ivanhoe, that there is a wide difference of opinion as to who is actually responsible for the present position of the railways, whether the responsibility or the blame lies at the feet of the Government and the Minister, or the Ministers who have been in charge, or whether the blame lies with the Commissioner of Railways. I am wondering whether Ministers are fully aware of the powers contained in the Government Railways Act of 1904, and whether the present Minister is fully aware of the power which he is seeking under the present Bill. The Bill will place in the hands of the Minister the management, maintenance and control of the railways.

The power of management, maintenance and control is the only power now held by the Commissioner; and, as I interpret the Premier's remarks, that power means the power of administration. That is what the Minister is seeking. He seeks to carry on the administration as it is carried on by the heads of the departments. He is seeking power to control the staff. Is the Minister to be the person to decide an appeal by a shunter against a transfer from Geraldton to Merredin? Is it power of that nature which the Minister is seeking under the Bill, because he cannot get on with the Commissioner? Does he seek power to alter the positions of some of his senior officers in the railway service?

Mr. Cross: It is about time there was a change, anyway.

Mr. LESLIE: I am not saying whether there is or is not. It is possible there may have been a conflict of opinion between the Minister and the Commissioner as to who should occupy some of the high positions in the department. If that is so, let us have the facts. Let us know what it is that the Minister is seeking in this regard.

Mr. J. Hegney: That did not happen during the present Minister's term of office.

Mr. LESLIE: Did it not?

Mr. J. Hegney: It happened previously.

Mr. LESLIE: If it is necessary for the Minister to have these powers in his department, let us say so. I do not think they are exercised in any other department. By that I mean that, while the question of replacement of higher officers in the Department of Education may be the concern of the Minister, I do not think he is aware of whether Miss Brown is teaching at Wongan Hills or Dowerin. That is a matter for the administration. But if that is what the Minister is seeking, I think it is a very unwise power; because the Minister, surely, is concerned with a big enough problem in other respects rather than with these minor points. Surely, as the member for Kalgoorlie pointed out, he is concerned with matters that may even involve him in the adjustment of industrial disputes, and which may not of necessity be questions merely of policy but of administration.

The Minister for Education: If the railways fall down in any direction, who gets the blame?

Mr. LESLIE: Up to now, the Commissioner.

The Minister for Education: No; the Government gets the blame.

Mr. LESLIE: The Government must get the blame if it does not handle the Commissioner correctly.

The Minister for Education: If there is not enough stock feed available, who gets the blame?

Mr. LESLIE: I am not going to agree with the Minister that either the Minister for Railways or the Commissioner gets the blame in this regard. If there is insufficient stock feed, an appeal is made to the Government to do something.

The Minister for Education: Yes; why not the Commissioner?

Mr. SPEAKER: Order!

Mr. LESLIE: An appeal has been made to the Government to do something. If it cannot do anything, let that be said. Assume that the Minister has power to direct the Commissioner what should or should not be done. Let us say that the Government has decided that the Commissioner should work the railways in such a manner, as a matter of policy, but that the Commissioner will not see eye to eye with him. Is it intended that the Minister shall be the one who is going to say what trains shall run, and how and when? I am aware that much of the railway administration and railway policy is not even in the hands of the Commissioner of Railways. I was asked to try to obtain an alteration in a train service. I approached the heads of the department, and was informed that if I could get the train crew operating along the line to agree to the alteration it would be made.

The Minister for Lands. A poor old answer!

Mr. LESLIE: That was a fact. Evidently neither the Commissioner nor the Minister operates the railways! If the Minister desires to obtain control that will remove that sort of thing, let him say so straight out to the House. I am not satisfied that the passive resistance of which he has spoken is going to be removed, even if he takes power from the Commissioner, as proposed under the Bill. That passive resistance will remain if the railway operatives want it. There should be a complete alteration in the set-up. When the question of the appointment of the Commissioner of Railways was before the Chamber, I said, with all due regard to the Commissioner's personal qualifications and capabilities, that I did not approve of the appointment because I considered it was not the right appointment for the right job. I contended that a businessman should be chosen who would be out to do his best for the railways as a business concern.

The Minister for Justice: I think we shall have to get somebody from Mars!

Mr. LESLIE: We do not need that. At that time, the then Premier, the member for Geraldton, confirmed my argument by pointing out that the man who was made manager in New South Wales was previously manager of a brewery. I said then that because a man was a brewer, that did not mean he could manage a brewery and because a man was a good engineer, that did not mean he could manage a railway. The member for Geraldton said that a brewery manager had been appointed head of the railways in New South Wales because he was a manager and not a technician. That is the trouble here today. What we want is not people with a knowledge of what makes the wheels of an engine go round, but somebody with a knowledge of how to make the whole railways go. After hearing remarks from members on the other side of the House, I cannot but feel that the Commissioner has been and is being made a scapegoat. That is unjust. I will grant that I have condemned the Commissioner, too; not, however, because he was the Commissioner but because of the present set-up: because we seem to be able to get nowhere. We went to the Government, and appeared to be able to do nothing; and we went to the Commissioner, with the same result. It is the set-up at which criticism has been aimed.

The Minister for Education: Who went to the Commissioner?

Mr. LESLIE: I went to departmental officers. They would go to the Commissioner. In every instance, when I have communicated with the Minister for Railways, the matter has been referred to departmental officers and the Commissioner, and the Minister has acted on their report. Is this Bill going to change that? Is the Minister going to act off his own bat? If adverse reports come from the Commissioner and depart-

mental officers in connection with requests submitted by people in the country, is the Minister going to over-ride them and say "No. In my opinion, this or that should be done"? If somebody wants an overhead bridge, or a footpath, or an extra train or an alteration in a train service, and the matter is put to the departmental officers, who turn it down, is the Minister then going to say, "I think the member for Mt. Marshall is not a bad old stick. We will make the necessary alteration," or is he going to say, "The people up there are a jolly good crowd. We will do this"? It might be very well if I were friendly with the Minister for Railways. I hope, as a matter of fact, that I am not otherwise. But I see immense possibilities in a thing like this.

At the present stage, I cannot for the life of me find any justification for a complete alteration in the set-up as proposed in this Bill. I was pleased to hear the Premier say that a full investigation is going to be made. I hope when that is done there will be an inquiry into the question of railway finance. I spoke on that question previously, and I have gone to some trouble to ascertain exactly what the capital position of the railways is at present. I have analysed the figures of capital expenditure on the railways from 1879, when they were started, till 1945. At the end of last year, the capital value was £26,808,000, on which we were paying interest which was borrowed money. During the period, a very small amount of money—a very small proportion of the capital amount—has been written off. The life of everything on the railways must be limited. Engines do not last for ever.

The Minister for Lands: They do in this country!

Mr. LESLIE: Under the present policy, it appears they have to.

The Minister for Lands: Or under any other Government.

Mr. LESLIE: Nor does rollingstock last for ever. The expenditure on the railways in the first year, 1879, was £152,741.

Mr. Styants: The railways would still be paying interest on that.

Mr. LESLIE: I know. They have paid £100,809.

The Minister for Lands: Interest is still being paid on the money for the battle of Waterloo.

Mr. LESLIE: Many articles covered are gone. In any business undertaking an amount would be set aside for depreciation and used to purchase replacements, but with our peculiar system of railway finance more money has to be borrowed every time a replacement is required. Although an engine might be scrapped, it is still left on the books and another £25,000 is borrowed, so leaving the second engine at a cost of £50,000.

Mr. Cross: The trouble is that we have not written many off.

Mr. LESLIE: Only a very small amount has been written off. If we had given the railways a life of 100 years and written off depreciation from 1879 to 1945, at 1 per cent., we would have accounted for an amount of £8,897,554. The capital of the railways would then have been reduced below £20,000,000.

The Minister for Lands: We would still be paying interest on the £8,000,000, though.

Mr. LESLIE: Yes, but at present the whole of the £26,000,000 has been charged against the Commissioner of Railways, and the Commissioner is expected to pay interest on it and to repay the amount. Naturally he must try to run the system in accordance with the costs imposed on him and he, perhaps, cheesepares in certain directions where, if he were running a business concern, he would not be justified in doing so.

The Minister for Lands: He would have to put up the freights and fares.

Mr. LESLIE: He has no justification for doing that.

The Minister for Lands: Rats!

Mr. SPEAKER: Order!

The Minister for Lands: A private firm would have shoved them up years ago, and you know it!

Mr. SPEAKER: Order!

Mr. LESLIE: I point out to the Minister for Lands that had this been a private concern, the profit on the total capital invested over all the years would have returned 5.10 per cent. to the investors for 60 years; and that is not a bad investment.

The Minister for Lands: It would not have done so at the present freights.

Mr. LESLIE: The average return to investors, on the rates for the past 60 years, would have been 5.10 per cent.

The Minister for Justice: I question those remarks.

Mr. LESLIE: I have taken them from this report.

The Minister for Justice: I do not care where you got them from.

Mr. LESLIE: In that case, I can only suggest that the ex-Minister for Railways has submitted to this Parliament returns which are not true, because my figures are taken from the report of 1945.

The Minister for Railways: It takes a competent person to work them out.

Mr. LESLIE: I have had them worked out by a competent authority.

Mr. Triat: A cousin Jack mathematician.

Mr. LESLIE: My figures can be taken to any accountant members wish and it will be found that they are correct. They are not averaged, except in the final analysis, for the 60 years. If we give the equipment of the railways a life of 50 years it would mean that for the 60 years during which the railways have been functioning we would have written off £17,790,232.90. Let us write £17,000,000 off the £26,000,000 and see what difference it makes to the Commissioner's interest earnings, and then try to justify the claim for an increase in freights. If the railways were put on a business footing the Government would have no excuse to resist a claim for reduction in rail freights and fares.

The Minister for Lands: We would not be running them if they were put on a business basis.

Mr. LESLIE: A considerable portion of the capital, however, would be required to put the railways on a decent standard. I repeat—

The Minister for Lands: Don't, for heaven's sake!

Mr. LESLIE: What is going to happen in the course of the next few years if the present system of finance is continued? It will cost several million pounds to put the railway system into a reasonable state of usefulness, and the whole of the expenditure will be added to the capital with the inevitable result that freights and fares will have to be doubled, and more than doubled, if the railways are to pay.

The Minister for Lands: What does the Bill say?

Mr. LESLIE: The Bill deals with the Auditor General's report on finance. If he does his job—and I am quite in favour of that portion of the Bill; but it does not mean to say that even if there is a sugar coating on the pill I have to swallow it when the pill is going to give me a stomach ache—and carries out an investigation into these finances he can do nothing else than submit a report on the lines I have suggested, namely, that the capital charge on the railways must be written down because the equipment is not there, and one cannot earn with what one has not got.

Mr. Styants: Who pays the interest on the amount written off?

Mr. LESLIE: The taxpayer, but in this same report the Commissioner mentions that the one alternative he was faced with was an increase in freights and fares in order to meet the interest charge.

Mr. Cross: They should have been raised long ago.

Mr. LESLIE: If the hon. member had the opportunity he would place an absolutely inequitable burden upon the people who make the greatest use of the system and contribute the most—the country people.

Mr. Cross: That is a ridiculous statement.

Mr. LESLIE: It is a fact. My figures have been prepared as a result of the rather limited debate on the Railway Estimates last year. I said then that I would go completely into the figures. I was concerned because the Commissioner was suggesting that the only way that he could make ends meet was to increase freights and fares. Now I am more than ever concerned that it might be possible that, with this absolute control going into the hands of the Minister, and the Commissioner becoming merely a rubber-stamp, the freights and fares increase might come off. I am assuming that the Commissioner has resisted a temptation to make a definite recommendation along these lines.

The Minister for Justice: I never in my life heard such a diarrhoea of words and such a constipation of thought.

Mr. LESLIE: The Minister has been waiting a long time for that.

Mr. Triat: He got it in, anyway!

Mr. LESLIE: I would recommend to the member for Brown Hill-Ivanhoe, for his

perusal of the following figures, which he will find do not conform to the facts he mentioned here tonight. Up to 1915 the capital expenditure of our railways was £16,980,000. In 1916 the capital was £17,118,000. In 1917 it increased by £300,000; in 1918 by £360,000; and it also increased in 1919. Those are the years when a National-Country Party Government was in power and starved the railways, he said. The increase continued from 1920 until 1925, when a Labour Government, was again in office. Let us look at the enormous increase in the expenditure on the railways that the member for Brown Hill-Ivanhoe told us took place when a Labour Government was in office. In 1925 the increase was £700,000, and in 1926 it was the same. In 1927 it was £500,000, in 1928 £600,000, and in 1929, the boom year, it was £1,000,000. That was at the height of Australia's prosperity.

Mr. J. Hegney: The best year was 1929, the year of the record wheat yield.

Mr. LESLIE: That is so. In 1930, expenditure dropped to £500,000 and in 1931 it was £400,000.

Mr. Cross: They got a 20 per cent. cut in wages.

Mr. LESLIE: In 1932 it was £400,000, and in 1933, £500,000. In 1934, the capital expenditure on the railways, that had been starved—starved by a National-Country Party Government according to the member for Brown Hill-Ivanhoe—rose from £25,500,000 to £26,800,000, or £1,300,000 in 11 years. Before the member for Brown Hill-Ivanhoe makes further statements as to who allowed the railways to depreciate, the extent to which they depreciated, and who provided the money to build them up again, he should examine the figures submitted by the Government, when he will find that what he stated tonight was not correct. I cannot see the necessity for this Bill at the present stage, if the inquiry is to take place and if the Government is to give effect to the recommendations of the Royal Commissioner. I think the most the Bill can do is to give the Minister a headache, and it will set up an unsatisfactory position.

I cannot see the Railway Commissioner knuckling down to being deprived of power to act on his own initiative. The Bill would completely remove his right to exercise his own discretion in any matter and would give the Minister power to direct and control him in respect of management, right down to the affairs of the cleaner and shunter. The Minister has not told us what he wants in addition to the powers he already has under the Act, in order to improve the position of the railways which, it is admitted, is unsatisfactory at present. The present debate must leave everybody in the dark as to who is responsible for this position. If we can say that Government policy has been wrong or that the Commissioner for Railways has not played ball with the Government, then I feel that the Government and the Minister can justifiably demand from the House that some alteration be made in the set-up.

MR. CROSS (Canning) [12.15]: The member for Mt. Marshall would infer that we in the metropolitan area should not be considered at all in the running of the railways. For years past the people of the greater metropolitan area have contributed largely to meet the losses on the railways. The profits made on the electricity supply and the tramway system have gone to meet and help reduce railway losses, and tramway fares have been adjusted to meet the rise in costs and the increases in wages paid over the years. Years ago the workers' tickets and the transfer system were abolished, and people using the trams in Perth have to pay nearly double the fares they paid previously. For years there has been no increase in railway fares or freights and there are still concession rates for fertiliser and so on, which were enjoyed 30 years ago when wages were 7s. or 8s. per day. Wages have more than doubled since then, but freights have not been increased and the loss on the railways has been borne by the people as a whole.

I agree that the railways should not make enormous profits, because they exist to give service to people in the country and to develop the State, but when the farming community and residents in country areas are prosperous they should contribute something to meet the losses. In the last few years there have been sharp increases in the returns received by farmers and others in the country for their produce. I can recall when wheat returned 2s. per bushel, and the freight today has not increased, though

the price of wheat has more than doubled. In every other country in the world, with increased wages freights have been increased, and in Great Britain passenger fares were increased by law a couple of years ago, by 1d. per mile, yet in this State we still pay the same old fares.

How can any Government or Commissioner of Railways have money to spare when the railway system is run at a loss of nearly £1,000,000 per year? It is imperative that changes be effected, because other factors have also contributed to the position. I do not necessarily blame the Railway Commissioner for the state of affairs that exists, but I blame some of the high officers working under him. I will give the House one illustration. Two or three years ago, a large party of members of Parliament went to Midland Junction to see a demonstration of the gasification of Collie coal. We were promised by an engineer who is still in the service that we should have a report on the results within a month or so but, although years have passed, the report has not materialised. Later on another party, of which I was a member and which included several visitors from the Eastern States, attended a further demonstration and I came away with one impression and one only. The visitors were taken by the engineer to see something else, and the demonstration they had gone to see lasted only three minutes.

If the gasification of Collie coal has not been sabotaged by the same engineer, I will change my name. The same engineer is sabotaging quite a lot more things. We must have a change, and the only way to get it is as proposed by the Bill.

Mr. Leslie: Is that engineer still there?

Mr. CROSS: Yes.

Mr. Leslie: Who is he?

Mr. CROSS: It would not be Mr. Mills, would it? That is the man. If anyone can tell me that he is co-operating with the Commissioner of Railways or the Government, I have two more "thinks" coming. He might consider himself an expert on Garratt engines, but a lot of people do not. I do not know that he has done too much co-operating in the matter of Garratts, either. Later on when a full inquiry is held, he should be given an opportunity to state his side of the case. There has been a lack of co-operation with the Commissioner by him and by others, and the only way to effect a change is by passing the Bill. Why should not the Government of the day and people have a say in the control of the railways? I consider that they should. Everyone is disgusted at the present state of affairs and it is imperative that drastic changes be made. I support the second reading of the Bill because it represents an attempt to effect a change in the right direction.

Question put and passed.

Bill read a second time.

In Committee.

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

Clause 1—agreed to.

Clause 2—Amendment of Section 16:

Mr. SEWARD: I move an amendment—

That proposed new Subsection (2) be struck out.

The proposed new Subsection (1) provides that, for the purposes of the Act, the Minister, and subject to the Minister and the provisions of the Act, the Commissioner shall have the management, maintenance and control of railways. This would make the Commissioner subservient and give the Minister the desired control without including a provision requiring the Commissioner to obey and observe such directions as the Minister may give him. If, after the Royal Commission inquiry further powers are deemed to be desirable, the Minister can ask for them.

Amendment put and negatived.

Clause put and passed.

Clauses 3 to 5, Title—agreed to.

Bill reported without amendment and the report adopted.

Third Reading.

Bill read a third time and transmitted to the Council.

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

Council's Message.

Message from the Council received and read notifying that it had agreed to the Assembly's amendment subject to a fur-

ther amendment in which it desired the concurrence of the Assembly.

ADJOURNMENT—SPECIAL.

THE PREMIER (Hon. F. J. S. Wise—Gascoyne): I move—

That the House at its rising adjourn till 3 p.m. today (Wednesday).

Question put and passed.

House adjourned at 12.28 a.m. (Wednesday).

Legislative Council.

Wednesday, 11th December, 1946.

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The PRESIDENT took the Chair at 2.30 p.m., and read prayers.

OBITUARY—LETTER IN REPLY.

The PRESIDENT: I have received the following letter from Mrs. Cornell:—

Would you please convey to the members of the House the sincere thanks of myself and Mr. George Cornell for the messages of sympathy in our loss, and also my gratitude and thanks for the many tributes expressed by members.

MOTION—STANDING ORDERS SUSPENSION.

On motion by the Chief Secretary, resolved:

That during the remainder of the session, so much of the Standing Orders be suspended as is necessary to enable Bills to be put through all stages at the one sitting, and all messages from the Legislative Assembly to be taken into consideration forthwith.

QUESTION.

STIPENDIARY MAGISTRATES ACT.

As to Revoking Proclamation.

Hon. H. S. W. PARKER asked the Chief Secretary:

1, As there is no authority under the Stipendiary Magistrates Act, 1930, to revoke a proclamation made thereunder, by what authority did the Minister for Justice publish in the "Government Gazette" on the 22nd November, 1946, a proclamation revoking a proclamation, made under that Act, and published in the "Government Gazette" on the 8th November, 1940?

2, Has a magistrate other than a stipendiary magistrate any power or authority to act as a resident or police magistrate at Bunbury in view of the aforesaid proclamation published on the 22nd November, 1946?

The CHIEF SECRETARY replied:

1, Authority is given by necessary implication in Section 1 of the Stipendiary Magistrates Act, 1930.

2, Yes.

BILLS (6)—THIRD READING.

1, Legislative Council (War Time) Electoral Act Amendment.

2, Lotteries (Control) Act Amendment. Transmitted to the Assembly.

3, Timber Industry Regulation Act Amendment.

4, Government Employees (Promotions Appeal Board) Act Amendment.

5, State Forest Access.

6, Canning District Sanitary Site.

Passed.

BILL—COAL MINES REGULATION.

Report of Committee adopted.