Legislative Assembly

Thursday, the 17th April, 1969

The SPEAKER (Mr. Guthrie) took the Chair at 2.15 p.m., and read prayers.

BILLS (3): INTRODUCTION AND FIRST READING

1. Traffic Act Amendment Bill, 1969.
   Bill introduced, on motion by Mr. Craig (Minister for Traffic), and read a first time.
2. Main Roads Act Amendment Bill.
3. Traffic Act Amendment Bill (No. 2), 1969.

   Bills introduced, on motions by Mr. Ross Hutchinson (Minister for Works), and read a first time.

QUESTIONS (40): ON NOTICE

SEWERAGE

Albany Area

1. Mr. HALL asked the Minister for Water Supplies:

   (1) Can he give the priority listing and the names of the streets to be serviced by deep sewerage in the Albany area for the year 1969-70?

   (2) What amount of finance will he made available for deep sewerage in the Albany area for the year 1969-70?

   Mr. ROSS HUTCHINSON replied:

   (1) In order of priority, sewerage works planned in Albany for the year 1969-70 are as follows:—

   Normal minor sewerage extensions—

   State Housing Commission development area in Spencer Park bounded by Lindfield Crescent, Hardie Road, and Dickson Street.

   Areas in Middleton Beach bounded by—

   Wollaston Road, Flinders Parade, Beach and Golf Links Road.

   Beach Road, Marine Terrace, Golf Links Road, and Seppings Street.

   Middleton Road, Wittenoom Street, Hare Street, and McKenzie Street

   (2) To finance the above works an amount of $110,000 has been listed for consideration in the 1969-70 draft loan programme. The actual programme will be finalised during the first quarter of 1969-70.

EDNEY ROAD EXTENSION

Connection with Maida Vale Road

2. Mr. DUNN asked the Minister for Works:

   In view of the increased volume of traffic, the frequency of loading and the heavy axle loads experienced as a result of the increasing use of Edney Road following replanning for the construction of the marshalling yards, and because Edney Road was constructed for limited rural traffic and is in part only sealed to a width of 12 feet, can he advise—

   (1) Which department is responsible for the extension of the road on its east side of the marshalling yards to link Edney Road with Maida Vale Road?

   (2) Why have not the various letters on the subject addressed by the Kalamunda Shire to the Main Roads Department been acknowledged?

   (3) If the responsibility lies with the Main Roads Department, will he have the matter investigated and advise—

   (a) what are the reasons for the delay in proceeding with the project;

   (b) when the work is put in hand who will be undertaking it?

   (4) If there is likely to be any extended delay, would it be possible to make the Kalamunda Shire a grant to upgrade Edney Road?

   Mr. ROSS HUTCHINSON replied:

   (1) The extension of the road on the east side of the marshalling yards is jointly being planned by the W.A. Government Railways, Metropolitan Region Planning Authority, and the Main Roads Department.

   (2) Owing to an oversight in the Main Roads Department, the letters addressed by the Kalamunda Shire Council have not been acknowledged. However, the subject matter referred to in those letters is being dealt with and a reply will be forwarded to the council in the next few days.

   (3) (a) The necessary land resumption has not yet been finalised. Some delay was occasioned by the need to amend the resumption to minimise property disruption.

(b) Main Roads Department.

(4) It is unlikely that any extended delay will occur in finalising the property acquisitions.

KALAMUNDA ROAD

Widening

3. Mr. DUNN asked the Minister for Works:

(1) Are there any plans to widen Kalamunda Road to handle the ever-growing traffic flow?

(2) If "Yes," can he advise what stage the planning has reached and when it is anticipated work could commence?

(3) Is there any likelihood of another main route to the city being developed through the "Whistlepipe Gully" area, to Hale Road?

(4) If so, what is the approximate time such a development could be anticipated to take place?

Mr. ROSS HUTCHINSON replied:

(1) Yes. Plans are being developed to widen Kalamunda Road between Priory Road and Watson Road.

(2) Negotiations are in progress with the Kalamunda Shire Council. Work will commence on completion of negotiations and when land acquisitions are finalised by the council.

(3) It is not considered that an additional route to the city from Kalamunda is warranted at this stage.

(4) Answered by (3).

MOTOR VEHICLE DRIVERS

License Re-examination

4. Mr. GRAHAM asked the Minister for Police:

(1) Is he aware that in the United States of America all drivers will soon have to submit to a license re-examination every four years as a safety precaution, and that any State not conforming will be denied Federal highway safety funds?

(2) In view of the obvious importance attached to periodical re-examination of drivers in the U.S.A., what are the administrative, financial, and practical difficulties which he states would be encountered here?

Mr. CRAIG replied:

(1) No.

(2) There are approximately 400,000 drivers in Western Australia, of whom almost two-thirds are in the metropolitan area. To test each driver every fourth year would require three times the existing manpower and facilities being provided for this purpose by the Commissioner of Police.

The commissioner is experiencing some difficulties in recruiting sufficient men to maintain the Police Force at the approved strength. Accommodation at the headquarters building and branch traffic offices is now so overtaxed that facilities could not be made available for drivers to answer any written test on traffic laws. Whilst the idea of regular retesting of drivers is commendable, it could not be introduced at present.

UREA

Price

5. Mr. GAYFER asked the Minister for Agriculture:

(1) Is he aware that a distributor of urea in Western Australia is compiling his invoices as such:—

Unit Price	$73.50
Less Special Discount ..	$10.00
	$63.50?

(2) Is it not a fact that the price of imported urea was reduced throughout Australia by $10 a ton by direction of the Minister for Customs and Excise as from the 1st February?

(3) Would it then be fair and correct to say that the unit price for urea in Western Australia is $63.50 per ton and that the invoice at present sent out by this company is misleading the public into thinking the $10 reduction is an act of benevolence on the part of this company?

(4) What action can he take in respect of this matter?

Mr. NALDER replied:

(1) I am aware that advertising for urea fertiliser has in some instances quoted prices which include a discount.

(2) As a result of discussions undertaken at the direction of the Minister for Customs and Excise, distributors agreed on a selling price of $63.50 per ton for urea as from the 1st February.

(3) The selling price of urea is $63.50 per ton.

I am not aware of the objective or the effects of any decision to forward invoices which include a discount.

(4) I cannot take any action in this matter.

HOUSING

Avon Electorate

6. Mr. GAYFER asked the Minister for Housing:

What are the State Housing Commission construction plans for the remainder of this financial year in each of the towns of—

Quairading,
York,
Bruce Rock,
Corrigin,
Beverley,
Brookton?

Mr. O'NEIL replied:

Quairading—2 units.
York—Nil.
Bruce Rock—Nil.
Corrigin—2 units.
Beverley—Nil.
Brookton—Nil.

FEDERAL WATER GRANTS

Meeting between Commonwealth and State Representatives

7. Mr. GAYFER asked the Minister for Water Supplies:

I refer to his Press announcement of the 21st May, 1968 (*The West Australian* page 10), under the heading of "Federal Water Grants"—

(1) Is he able to inform the House if the meeting referred to between Commonwealth officers and State representatives for further discussions on the details of the submission as rejected has taken place?

(2) If so, could an outline of the result of this meeting be given?

Mr. ROSS HUTCHINSON replied:

(1) The meeting referred to took place and recently there have been further discussions between respective officers.

(2) Having dealt with the six water conservation projects mentioned in the Press announcement, the Commonwealth is actively considering the State's application for financial assistance in extending farmland water reticulation in the York-Greenhills and Corrigin-Bullaring districts.

COURTHOUSE

Brookton

8. Mr. GAYFER asked the Minister representing the Minister for Justice:

When is it anticipated building will commence on the new courthouse and facilities at Brookton?

Mr. COURT replied:

The project has been included in the draft Loan Estimates for the 1970-71 year. Commencement will depend on the availability of funds.

9. *This question was postponed.*

NEW STATE IN WESTERN AUSTRALIA

Appointment of Royal Commissioner

10. Mr. HALL asked the Premier:

Would he agree to receive a properly-constituted body and discuss with it the appointment of a Royal Commissioner to study boundaries, desirability, and feasibility of a new State in Western Australia?

Mr. BRAND replied:

As I do not consider anything worth while will be achieved by the establishment of a new State, the answer is no.

RAILWAY STAFF QUARTERS

Resiting

11. Mr. HALL asked the Minister for Railways:

(1) How many staff barracks or quarters are situated adjacent to main lines, marshalling yards, and shunting lines under the control of the W.A.G.R.?

(2) Has consideration been given to resiting of staff accommodation away from the place of work?

(3) If "No," would he have the matter investigated, bearing in mind that through dieselisation of the railways, W.A.G.R. staff now travel faster and over longer distances, thereby requiring periods of unbroken rest?

Mr. O'CONNOR replied:

(1) The majority of trainmen's barracks are located adjacent to main and shunting lines, and marshalling yards, but distances vary considerably.

(2) Yes. When new barracks are provided, action is taken to locate them far enough away to ensure that rest is not disturbed by noise, and also that staff are within walking distance.

(3) Answered by (2).

WEEBO STATION

Protection of Sacred Grounds

12. Mr. GRAYDEN asked the Minister for Native Welfare:

(1) What steps have been taken to establish the validity or otherwise of fears that the recently-granted

prospecting area on Weebo Station violates an area sacred to aborigines?

(2) Is it believed that all of the particular type of distinctly marked stone prevalent on Weebo Station has tribal significance, or is it only the stone in a particular area or areas that is of importance?

Mr. NALDER (for Mr. Lewis) replied:

(1) and (2) As announced by the Premier in the House last night, a committee of three will visit the area to obtain further information on this matter, including that raised by the honourable member.

UNIFORM BUILDING BY-LAWS

Reprinting

13. Mr. BURT asked the Minister representing the Minister for Local Government:

(1) Will the Uniform Building By-laws be reprinted this year?

(2) If not, when can such action be expected?

Mr. NALDER replied:

(1) Yes.

(2) Answered by (1).

PHYTOPHTHORA CINNAMOMI

Combating: Commonwealth Assistance

14. Mr. H. D. EVANS asked the Minister for Forests:

(1) Has any special assistance been received from the Commonwealth Government to help combat the increased spread of *phytophthora cinnamomi* in the jarrah forests of the South West of this State?

(2) If so, what is the extent of such assistance, and in what form has it been given?

Mr. BOVELL replied:

(1) Yes.

(2) (a) Since 1948 the Commonwealth Forestry and Timber Bureau has assisted intermittently through the research station at Dwellingup.

(b) In 1959 a permanent officer was appointed by the Commonwealth Forest Research Institute to carry out investigations on this problem. The Commonwealth established a research station at Kelmscott in 1964. Workers at this station were largely responsible for the identification of *phytophthora cinnamomi* as the cause of the disorder. The staff now comprise two professional officers and four technical assistants. The activities of this station are directed solely to the study of *phytophthora cinnamomi*.

(c) In 1968 the Commonwealth arranged and financed visits to Western Australia by Professor G. A. Zentmyer of the U.S.A. and Professor F. J. Newhook of New Zealand, both world authorities on this pathogen.

For the information of members *phytophthora cinnamomi* is the germ responsible for dieback in our hardwoods.

SCHOOL DENTAL SERVICE

University Graduates

15. Mr. DAVIES asked the Minister representing the Minister for Health:

(1) Is the reported "intermittent and inefficient" state of the school dental service (*The West Australian*, of the 15th April, 1969, page 7) related to the W.A. University's failure to graduate enough students?

(2) If so, what action is being taken in this regard?

Mr. ROSS HUTCHINSON replied:

(1) The "intermittent and inefficient" state referred to was a reference not to the calibre of the school dental service, but of its relationship to the school children of the State in regard to their dental health. The question is perhaps best answered by the following paragraph in the report, which reads: "This is not the fault of the people concerned. It is because of insufficient dentists, travelling costs and the time taken in travelling." These are not related to the W.A. University's failure to graduate enough students.

(2) The action proposed to be taken has already been reported upon on several occasions and was again reported upon briefly in the same Press report from which the honourable member quoted.

LAND IN WANNEROO

Rezoning

16. Mr. BURKE asked the Minister representing the Minister for Town Planning:

Is he aware of any imminent rezoning of land to "urban" in Wanneroo, or adjacent areas?

Mr. NALDER replied:

There is a statutory procedure for rezoning which involves public notification and exhibition of proposed zonings by a planning

authority. While I am sometimes aware, ahead of its formal decisions, of an authority's intention either to initiate rezonings or to reject submissions made to it for rezonings, it would be obviously improper for me to disclose such information through an answer to a parliamentary question.

PERTH RAILWAY STATION: LOWERING

Display Model

17. Mr. BURKE asked the Minister for Railways:

(1) Is there likely to be any radical departure from the model of the W.A.D.C. project displayed in a Hay Street shop window?

(2) If "Yes,"

(a) will he arrange to indicate, on the display, that the model at present being shown is not necessarily representative of the proposed development;

(b) when is a new model likely to be displayed?

Mr. O'CONNOR replied:

(1) The original submission by the company was not acceptable to the Government and the company has until the 31st May to submit a firm proposal.

Until this is received, alterations to the original proposal are not known.

(2) (a) A suitable notice indicating this has been provided with the model.

(b) This would be contingent on the company's 31st May submission.

18. *This question was postponed.*

KWINANA FREEWAY

Damage to Light Posts

19. Mr. FLETCHER asked the Minister for Electricity:

(1) Adverting to my questions of the 31st July, 1968, the 7th August, 1968, and the 16th October, 1968, regarding damage to light poles situated on the left rather than in the median strip of Kwinana Freeway—

(a) what additional number of poles have been damaged or replaced on the freeway and southern roundabout since the 100 mentioned in reply to my first question; and

(b) what is the total cost of replacement or repair since original installation?

(2) In view of the progressive casualty rate in light poles, vehicles, and passengers, is he and/or the commission yet considering halving the number of poles in danger by placing them in the median strip and in so doing saving loss of working time through casualties and time, labour, and finance associated with repair to poles and vehicles?

Mr. NALDER replied:

(1) (a) 9.

(b) $7,800 approximately.

(2) There is no established pattern of progressive increase, nor is there any indication that placing the poles in the median strip would reduce the number being struck.

20. *This question was postponed.*

BAUXITE

Reserves in the South-West

21. Mr. JONES asked the Minister representing the Minister for Mines:

What are the proved reserves of bauxite in the south-west portion of the State, and what areas are involved?

Mr. BOVELL replied:

The inferred reserves of bauxite in the Darling Range area of the south-west mineral field are 650,000,000 tons. Results to date indicate that the inferred reserves are proving reliable. Exploration is continuing.

22. *This question was postponed.*

RAILWAYS

Goods: Truck Lots

23. Mr. DAVIES asked the Minister for Railways:

(1) Is it intended that the handling of truck lots of goods will be restricted or discontinued at some metropolitan stations in the near future?

(2) If so, what is intended in this regard?

Mr. O'CONNOR replied:

(1) Yes, except in the case of private siding holders.

(2) It is intended to consolidate all wagon load traffic previously handled at various metropolitan stations at the new freight terminal at Kewdale.

MASSEY BAY, CARNARVON

Agreement Details

24. Mr. NORTON asked the Minister for Lands:

As the Massey Bay area at Carnarvon was not included in the

Pickles Point project, can it be assumed that it is included in a subsequent agreement and, if so, will he give full details of any agreement which has been entered into?

Mr. BOVELL replied:

The Massey Bay area was included in a recent request by the Shire of Carnarvon to be part of the Pickles Point scheme.

The proposal is being examined.

25. *This question was postponed.*

PERTH AIRPORT EXTENSIONS

Tabling of File

26. Mr. JAMIESON asked the Minister for Housing:

Would he lay on the Table of the House the State Housing Commission file dealing with the extensions to the Perth Airport?

Mr. O'NEIL replied:

Yes, volumes 1 and 2 of file 2281/59 are submitted for tabling.

The papers were tabled.

27. *This question was postponed.*

COLLIE COAL

Reserves: Re-assessment

28. Mr. JONES asked the Premier:

In view of the fact that he advised Parliament on the 23rd September, 1965, in answer to a question, that the reserves of both open-cut and deep mine coal are well known following geological and geophysical examination, drilling, and the mining operations conducted over the years, will he advise the reason for bringing Eastern States' mining experts to Collie recently to reassess the reserves of coal?

Mr. BRAND replied:

Eastern States' coalmining experts have been asked to carry out a survey and report on the economics of the Collie coal field. They will be concerned mainly with the economics, engineering, and transport problems involved in increasing Collie's coal output.

INSURANCE

Tabling of Contracts

29. Mr. DAVIES asked the Premier:

(1) Does any agreement or contract exist between the Government and insurance companies regarding administrative charges on fire and accident insurances which will double from the 1st May, 1969?

(2) If so, will he table such agreements or contracts?

Mr. BRAND replied:

(1) No.

(2) See answer to (1).

30. and 31. *These questions were postponed.*

KWINANA INDUSTRIAL COMPLEX

Employment, and Value of Development

32. Mr. RUSHTON asked the Minister for Industrial Development:

(1) Approximately how many people are employed in the Kwinana industrial complex?

(2) Could he assess the value of the development in the complex over the last 10 years in terms of indirect employment opportunities created?

(3) From present commitments in the Kwinana industrial complex, what additional employment opportunities will be created in the next five and 10-year periods?

Mr. COURT replied:

(1) In November, 1968, a survey revealed that there were 3,956 employees directly employed in the Kwinana area at that time. Of these, 2,971 were married males, 821 single males, and 164 females. These figures do not include the number of construction workers—which varies daily. These workers number several hundred.

(2) No detailed research has been undertaken to measure the indirect employment effect due to basic development that has taken place within the area in recent years. There is no doubt, however, that the effects of the employment "multiplier" have been considerable both inside and outside the area. In fact, it is safe to say the consequential growth arising from direct employment is by far the greater factor.

(3) Based on the survey findings, and in relation to present commitments only, it is estimated that approximately 2,000 additional direct employment opportunities will be created in the next five years. It is reasonable to assume that the figure for the 10-year period will exceed 5,000.

These figures will, of course, be greatly exceeded as new industrial opportunities are created.

Indirect employment and consequential "multiplier" effects arising from the direct employment will, as mentioned in (2) above, be an important factor to be taken into account.

THIRD PARTY INSURANCE

Disaster Reserve Fund

33. Mr. LAPHAM asked the Minister representing the Minister for Local Government:

(1) Has the Disaster Reserve Fund, as provided for under the Motor Vehicle (Third Party Insurance) Act, ever become operative?

(2) If so, what balance is to its credit as at the 30th June, 1968?

Mr. NALDER replied:

(1) No.

(2) Not applicable.

Participating Approved Insurers

34. Mr. GRAHAM asked the Minister representing the Minister for Local Government:

To what proportion of the annual dividend is each participating approved insurer entitled under the terms of the Motor Vehicle (Third Party Insurance) Act?

Mr. NALDER replied:

Should a surplus occur in any year after payment of all claims and expenses, participants are entitled to a dividend of an amount not exceeding 5 per cent. of the total premiums received by the trust for that year. The trust need not of necessity declare the full 5 per cent., but may declare any portion thereof. Each participant would be entitled to his percentage interest in the trust of the amount declared by the trust to be a dividend for that year.

It is pointed out that should a surplus in any year exceed the equivalent of 5 per cent. of the premiums received for that year, participants are not entitled to any amount in excess of an amount equivalent to 5 per cent. of the premiums. In other words, the maximum the trust can declare is 5 per cent., but may declare 1 per cent.

MOTOR VEHICLE INSURANCE TRUST

Participating Approved Insurers

35. Mr. GRAHAM asked the Minister representing the Minister for Local Government:

(1) What was the sum due each year by way of dividends to participating approved insurers since the inception of the Motor Vehicle Insurance Trust?

(2) During that period, for which years have the dividends been paid?

Mr. NALDER replied:

(1)

	$
1949-50	27,650
1950	31,580
1951-52	44,456
1952-53	61,634
1953-54	76,564
1954-55	85,784
1955-56	88,300
1956-57	103,258
1957-58	109,687
1958-59	113,240
1959-60	121,382
1960-61	148,230
1961-62	166,455
1962-63	191,820
1963-64	280,510
1964-65	242,506
1965-66	259,012
1966-67	339,754
1967-68	308,661

The above table represents 7½ per cent. of total premiums from 1949-50 to 1963-64 inclusive, and 5 per cent. from 1964 onwards, when the dividend rate was reduced by amendment to the Act.

(2) The years 1949-50 to 1954-55 were completed by June, 1960, and on the 4th September, 1960, a distribution of $59,142 was paid to participants as at that date.

The years 1955-56 and 1956-57 were completed by June, 1962, and on the 31st July, 1962, a distribution of $413,310 was made to the insurers participating in the trust as at that date. The total distribution, therefore, was $472,452. and represented a dividend of 7.3 per cent. to all participants who had remained in the trust to that date.

Subsection (6) of 3P of the Act provides that, at any time in anticipation of a surplus in any year, the trust may pay a dividend to the participants for that year. On the 30th September, 1967, the trust paid such an interim dividend of $242,507 in anticipation of a surplus for the year 1964-65. This amount represents 5 per cent. of the total premium for that year, but should the year ultimately result in a loss, that amount will be repayable by the participants. As at the 30th June, 1968, the estimated surplus for that year was $353,156 after making allowance for claims received but not yet settled which were estimated to cost $1,363,910.

With the exception of the interim dividend mentioned in the previous paragraph, no participant has received a dividend after the year 1956-57.

36. Mr. GRAHAM asked the Minister representing the Minister for Local Government:

What amounts have been—

(a) paid by participating approved insurers by way of contribution to the Motor Vehicle Insurance Fund;

(b) refunded to the insurers, since the Motor Vehicle Insurance Trust was established?

Mr. NALDER replied:

(a) $258,404.00.

(b) $15,195.00.

Investments, and Money on Hand

37. Mr. GRAHAM asked the Minister representing the Minister for Local Government:

What is the total amount that the Motor Vehicle Insurance Trust has invested and on hand at present, and as at the 30th June, 1968?

Mr. NALDER replied:

Amount invested as at 30th June, 1968	$17,444,310
Freehold property	118,552
Bank balance (debit)	216,090
Amount invested as at 31st March, 1969	20,573,354
Freehold property	136,291
Bank balance (debit)	8,270

The above investments represent premium received by the trust over various years which is held against claims received but not yet settled. As at the 31st March, 1969, the claims already received by the trust, but as at that date unsettled, are estimated to cost $18,654,478. The amount invested also includes premium recently received for which the policies have some time to run and accidents may yet occur. The cost thereof would be debited against the premium already received and invested.

Legal Costs

38. Mr. GRAHAM asked the Minister representing the Minister for Local Government:

What has been the total of the legal costs paid by the Motor Vehicle Insurance Trust and the tribunal for each of the last three years respectively—

(a) on its own account;

(b) for successful claimants?

Mr. NALDER replied:

(a) and (b) The amount paid in legal costs in the past three financial years is as follows:—

	Trust's Costs	Claimants' Costs
1966-67	41,661	61,865
1967-68	10,814	12,965
1968-69	1,950	1,658

In each of these years there were 1,280; 2,032; and 3,779 claims received but unsettled as at 31st March, 1969, which will necessitate costs on both accounts.

In addition, the financial years 1967-68 and 1968-69 are not completed and more claims will be received for these two years.

UNIVERSITY OF WESTERN AUSTRALIA

Salaried Officers

39. Mr. MAY asked the Premier:

With regard to the Salaried officers Association of the University of Western Australia (Union of Workers) will he advise—

(1) The number of salaried officers currently employed at the University?

(2) The respective personnel turnover percentages for 1967 and 1968, and for the period the 1st January, 1969 to the 31st March, 1969?

Mr. BRAND replied:

(1) 687.

(2) 1967—23.52 per cent.

1968—23.95 per cent.

1st quarter 1969—4.35 per cent.

LACROSSE No. 1 OIL WELL

Service by Vessel "Missouri"

40. Mr. JAMIESON asked the Minister representing the Minister for Mines:

(1) As the designated authority for Western Australia appointed under the Petroleum (Submerged Lands) Act, 1967-1968, is he aware that an oil well is being drilled in the adjacent area to Western Australia in Bonaparte Gulf and known as Lacrosse No. 1?

(2) Was the oil rig at Lacrosse No. 1 well being serviced from Darwin by the service vessel *Missouri?*

(3) Was a writ of arrest attached to the vessel *Missouri* in Darwin Harbour on the 13th March, 1969, and was the *Missouri* released from the writ of arrest by the High Court in Sydney during the weekend, the 15th-16th March, 1969?

(4) During the period the *Missouri* was under arrest, was one of the vessel's sea cocks left open flooding the vessel including the generator?

(5) Is the *Missouri* again in commission; if not, when will she again be in commission, and if she is now in commission how long was she out of commission?

(6) Was the *Missouri* the only lifeline between the men employed on the drilling rig and the mainland?

(7) If the *Missouri* was not the only lifeline provided to service the drilling rig, what was the alternative lifeline?

(8) If the *Missouri* was the only lifeline, what alternative service lifeline was provided during the period the *Missouri* was out of commission?

(9) During the period the *Missouri* was out of commission, what action did he take to police the laws referred to in section 9 of the Petroleum (Submerged Lands) Act 1967-68, particularly the laws relating to industrial safety?

(10) What action did the operating company (Burmah Oil Company) take to see that the operations were carried out in a workmanlike manner and in accordance with good oil field practice and to secure the safety, health, and welfare of the persons engaged in those operations (section 97 of the Petroleum (Submerged Lands) Act, 1967-68) during the period the *Missouri* was out of commis-time?

(11) Was the *Missouri* subject to the provisions of the Commonwealth Navigation Act or to the State Navigation Act?

(12) If the *Missouri* was subject to the provisions of the State Navigation Act, was an exemption under regulation 102 of that Act in force with respect to the *Missouri* at that time or at any other time?

Mr. BOVELL replied:

(1) Yes.

(2) The *Missouri* was one of two vessels servicing the Sedco drilling platform at Lacrosse No. 1 well. The second service vessel is the *Sedco Helen*.

(3) The *Missouri* was placed under arrest at 5.30 p.m. on the 13th March, 1969, and was released at 2.20 a.m. on the 15th March, 1969.

(4) Some flooding of the engine room occurred between 12 midnight on the 14th March, 1969, and 2.20 a.m. on the 15th March, 1969, causing damage to the generators. It is believed the flooding was caused by a leak developing in the shut-off valve in a discharge line.

(5) The *Missouri* is again in commission. She was out of commission due to the impounding and flooding from 3.30 p.m., 13th March, 1969, to 8.20 p.m., 18th March, 1969.

(6) No.

(7) The second service vessel, the *Sedco Helen*, was in operation, and also there were two helicopters based on the drilling platform. In addition, the company chartered the *Haeremai Star* on the 16th March, 1969, as a substitute for the disabled *Missouri*.

(8) Answered by (7).

(9) None was necessary.

(10) Answered by (7).

(11) The Commonwealth Navigation Act.

(12) Answered by (11).

QUESTIONS (7): WITHOUT NOTICE

POSTPONED QUESTIONS

Provision of Answers

1. Mr. BURKE asked the Minister for Railways:

In view of the fact that the information sought in postponed questions 18, 27, and 31 could have a bearing on a televised debate on a matter of public interest involving both the Minister and myself on Monday night, would he undertake to secure the information and forward it to me by Monday next?

Mr. O'CONNOR replied:

I can give no such undertaking, because some of this information must come from America, in order to answer the questions asked by the honourable member. The questions concerning the W.A.D.C. and De Leuw Cather were handed to me only this morning, and I can give no undertaking to have answers ready by Monday. However, if answers do become available I shall pass them on to the member for Perth.

COMMONWEALTH SECONDARY SCHOOLS PROGRAMME

Benefit to Western Australia

2. Mr. RUSHTON asked the Minister for Education:

Today details of the Commonwealth secondary schools library programme were tabled in the House of Representatives, and mention was made of payments to the States—

(1) To what extent will this State benefit from the Commonwealth secondary schools library programme?

(2) What schools will benefit from the grant this year?

(3) When will the grant become available?

Mr. NALDER (for Mr. Lewis) replied:

(1) Government schools will receive $503,200 and non-Government schools $174,000 annually for each of the next three years.

(2) (a) Government schools: Libraries will be erected at John Forrest Senior High School; Scarborough Senior High School; Perth Modern School; Armadale Senior High School; and Geraldton Senior High School. In addition, all high schools and junior high schools will receive an issue of books.

(b) Non-Government schools: Not known.

(3) The first year's grant will be received in instalments throughout 1969.

NOESCA AIR SERVICE

Commonwealth Subsidy

3. Mr. BURT asked the Minister for Transport:

Is he in a position to advise the House of any action taken by the Federal Government to grant a subsidy to Noesca—the company which is conducting a commuter air service to Leonora, Laverton, and other goldfields' towns?

Mr. O'CONNOR replied:

I thank the honourable member for notice of this question. I regret I did not have the information last night, but the Commonwealth Government did advise me this morning that it has now granted a subsidy to Noesca to operate a service to Leonora, Laverton, and other goldfields' towns. The sudsidy is only in the vicinity of $3,000, but it is felt it will give the company an opportunity to retain its fares at the present rate.

PERTH RAILWAY STATION: LOWERING

Progress Reports: Tabling

4. Mr. BURKE asked the Premier:

In view of the reasons outlined in my question without notice to the Minister for Railways, would the Premier undertake to supply by Monday the answer to question 30 which has been postponed?

The SPEAKER: I do not think the honourable member can ask a question that has been put to the Minister for Railways. How can the Premier give an undertaking to answer a matter which is not within his administration? It is not a matter of policy.

Mr. Tonkin: The question to which the member for Perth refers, was addressed to the Premier himself.

The SPEAKER: I am sorry; I thought it was the question addressed to the Minister for Railways.

Mr. BRAND: I do not know why this question was postponed. I have been away this morning, and when I picked up my papers I found it marked as a question on which I should seek postponent, because we did not have the answer to it. I presume the information required was not available. I cannot give the undertaking asked for. There is nothing difficult about the matter.

PREMIER'S TRIP ABROAD

Accompanying Officers

5. Mr. TONKIN asked the Premier:

It was reported on the radio this morning that on his projected trip abroad the Premier proposes to take Mr. Thornbur, and Mr. Mitchell, and that he will meet in the United Kingdom the Under-Treasurer (Mr. Townsing). Will they be the only officers who will accompany the Premier on this trip?

Mr. BRAND replied:

Yes. There is no-one else contemplated; unless somebody is hanging around wanting to go! Mr. Thornbur and Mr. Mitchell will come with me to America after which they will return to Australia. Mr. Townsing will meet me in the United Kingdom and complete the remainder of the trip.

STATE COAT OF ARMS

Reconsideration of Design

6. Mr. DAVIES asked the Premier:

Would he be prepared to re-consider the official design for the State coat of arms depending on the outcome of the open competition being conducted by the *Daily News*?

Mr. BRAND replied:

I would think that the efforts of some of the artists to produce a coat of arms as indicated in the *Daily News* up to this time have not really been outstanding, because by and large they have adhered to the features to be found in the coat of arms we have accepted and for which the Queen has issued a warrant. The Government will be interested in the outcome of what is considered to be the winning effort, but I would

certainly not give an undertaking to more than consider the matter. I think it will be fair enough to compare the two coats of arms, but I would point out that we have already received a warrant of acceptance and that in the meantime we are having fresh drawings made of the emblem as it is so that it will be more artistically perfect. If there is any further consideration to be given it could be given at that stage.

Entry in Competition

7. Mr. DAVIES asked the Premier:

Would he consider having the State coat of arms entered in the *Daily News* competition?

Mr. BRAND replied:

I would like the *Daily News* to publish the coats of arms of all the other States so that we might compare them.

Mr. Jamieson: A very good point.

AGENT GENERAL ACT AMENDMENT BILL

Second Reading

Debate resumed from the 15th April.

MR. TONKIN (Melville—Leader of the Opposition) [2.46 p.m.]: As the Bill is drawn it only has one purpose, which is to increase the salary of the Agent General from £3,000 sterling to £3,500 sterling. We have no objection to that. We are aware of the fact that since the last adjustment to the Agent General's salary was made, members of Parliament and Ministers have received increases in salaries and, of course, during those years the work of the Agent General has increased.

I have had very good reports of the activity of the Agent General and the alacrity shown by him when he is allotted a task by the Government, sometimes at very short notice. He gives it his full attention and carries out what is required of him. He is entitled to remuneration, and we have no objection to that at all.

The Premier said in the course of his second reading speech that it was also intended to provide $1,000 sterling housing allowance. This has not been done by the Bill, which makes provision only for an increase in salary.

I wonder why a housing allowance has been provided? Is it to meet increased expenses? One would expect that the cost of housing should come out of one's salary and if a salary increase of £500 sterling is insufficient to enable the Agent General to be properly housed, then the matter calls for a further increase in salary. If, however, the housing allowance is intended to meet increased expenses, then this is a roundabout way of doing it. In my view it would have been far better to increase the expense allowance rather than provide a separate housing allowance which has not been provided for previously.

Accordingly, I hope the Premier might explain the reason for this, so that we can be clear as to what we are doing. Surely it must be expected that one's salary is intended to provide for one's cost of housing. If it requires an additional £1,000 sterling over and above an increase of £500 sterling in the salary in order to enable the Agent General to be housed properly, then we are not going about this in the right way. We should be straight forward in what we do and say the salary is inadequate for the purpose, and that we propose such-and-such an increase.

On the other hand, if the expenses of the Agent General's office have substantially increased—and I can very well see that this could be so, because more inquiry along certain lines would involve more entertainment and therefore more cost—then the way to meet them would be by an increase in the expense allowance.

So I would like some explanation as to why the Government decided to do it this way. Possibly it is being done this way by other States; I do not know. I think it is desirable that our Agent General should be on a similar basis to the Agents General of other States.

We are now no longer a claimant State; we stand on our own and we gain considerable prestige as a result. We will detract from that prestige if we expect to have our top officers employed doing work of a similar character to that of other Agents General, but getting a lesser salary. So I am all for paying them on a comparable basis, but I want it to be done in a straightforward way so a full explanation can be given for the step we are taking.

I do not oppose the proposed increase, nor have I any power to do so, because it is not included in the Bill—it is being done by an administrative act. However, as the Premier informed the House—and rightly so—as to the Government's intention in this matter, I trust he will be good enough to provide an explanation.

We support the Bill for the reasons I have given and we think the increase is justified.

MR. JAMIESON (Belmont) [2.52 p.m.]: The increase in salary may be justified as all salaries are now on the increase. However, making allowance for all the moneys received by the Agent General and using what the Premier receives by way of salary and overall allowances as a comparison, I think the Premier comes out on the worse side, particularly when one allows for the rate of exchange. Therefore, we have to have a close look to see that expenditure on such an office is not getting out of hand.

I must support the increase if the other States are paying higher salaries than we are. We cannot allow our Agent General to be on a lower status than the Agents General of the other States. Nevertheless, the whole situation should be reviewed by the Premier during his overseas trip. When he returns, I want to be reassured that we are not duplicating a lot of the work that is being conducted by Australia House.

It seems to me that the number of staff employed at Western Australia House is now around the 30 mark, and that is quite a considerable number for the job that is required to be done. Perhaps we would do better if we had an Agent General at Djakarta, or somewhere like that, in an endeavour to improve our trade. As members are aware, over the years the importance of the association of this State with the motherland has somewhat diminished and it appears to me as though the appointment is now one of prestige rather than an active one, as it used to be. We carried on a tremendous amount of trade and that sort of thing with Great Britain and we had numerous ties with Whitehall. However, these have become fewer and fewer over the years, and, instead of concentrating our efforts in this sphere, more attention should be given to the places I have mentioned.

To that extent, I hope the Premier, while he is overseas, will have a look at the situation so that on his return he will be able to report to Parliament when Revenue and Expenditure Estimates are before the House later this year. No doubt, we will then, after the Premier has examined at first hand the actions and responsibilities associated with this office in London, and particularly the administration of the Agent General, be able to question him as to his attitude.

With those suggestions I, too, support the proposition because I feel that if we are going to retain an Agent General in London, his position cannot be inferior to that of the Agents General of the other States. However, I would like to know exactly what the position is when the Premier is more conversant with the matter.

MR. BOVELL (Vasse—Minister for Lands) [2.55 p.m.]: The member for Belmont has referred to the increase in staff at Western Australia House. The activities at Western Australia House have increased in importance due to the State's vital immigation drive. We have recruiting teams there which, of course, will only be maintained while they are necessary. I think I gave figures yesterday which showed that the number of nominated British migrants that came to Western Australia for the last full year was in excess of 15,000, and the numbers have been increasing over the years.

I cannot emphasise too strongly the need for these migrants as they are assisting in the development of this State; and it is due to the efforts of the Agent General in Great Britain, the recruiting teams, and the Staff of Western Australia House that our immigration programme has been so successful. I believe this accounts for the increased staff at Western Australia House which, in my opinion, is completely justified because of our outstanding immigration achievement.

MR. BRAND (Greenough—Premier) [2.57 p.m.]: I would like to thank the Leader of the Opposition and other members who have spoken in support of the Bill. It is only a small Bill and simply provides for, and authorises, an increase in the salary of the Agent General. However, I felt the House would be interested in the added information which I gave, as it was clearly understood that the action being taken could have been implemented administratively. In that way, we could have said nothing about the matter, but I was endeavouring to point out that we had examined the salary and conditions of the other Agents General and found that each differs in many respects. However, we did not want the Western Australian Agent General to receive a lesser salary or experience lesser conditions than those of his counterparts.

In some cases—I cannot state the full position offhand—the State Governments pay a housing allowance or provide a house. We have given consideration to the purchasing of a house, but I think it is wise to examine the matter whilst I am in England to see we buy the right sort of house and that it is in the right place. In the meantime, it has been decided to pay the Agent General a £1,000 sterling salary allowance.

It was only recently that the Queensland Government purchased a house for its Agent General which, I believe, it provides at a very low rental. In some cases, these houses are provided free of charge, but they have to be maintained by the Agent General concerned.

The reason for more people working in Western Australia House has been given by the Minister for Immigration. I must say that the Agent General has been most persistent over recent years in claiming that he ought to have more staff at Western Australia House to process—if that is the right word—the large number of applications being received at headquarters from people who have a special interest in Western Australia. It is necessary, however, to maintain control in Western Australia, and I have endeavoured to keep the staff to a minimum and to see there is no duplication of the work performed at Australia House.

As suggested by the member for Belmont, I will examine the position while I am in London. It is true we are now living

in vastly different times from those in the past, but I do not suggest there ought to be any changes in regard to the Agent General or the general set-up applying to him until such times as the other States make a move.

I think we can foresee some changes because it is equally important to have such an office in New York and equally important to have an office in Tokyo or Djakarta or such other main centres. We have appointed, as members already know, Mr. Slade as our State representative in Tokyo, and this appointment has proved to be most successful. Following my return I hope that we could make some decision on stationing a man at, say, Singapore, which is another central position and a port which is gaining in importance, and through which there is a great deal of movement. It is a redirection port and one which will become more and more important to Western Australia and Australia because of the amount of goods which will be exported from there.

I trust I have answered the Leader of the Opposition in explaining why, in one case or the other, a house is provided or a housing allowance is made over and above the salary which we have worked out as being comparable with the salaries of other Agents General, when this suggested increase is applied.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by Mr. Brand (Premier), and transmitted to the Council.

POLICE ACT AMENDMENT BILL, 1969

Second Reading

MR. CRAIG (Toodyay—Minister for Police) [3.4 p.m.]: I move—

That the Bill be now read a second time.

Although there appears to be a number of amendments in this Bill to amend the Police Act, they are of a comparatively minor nature. They deal with two separate topics. Firstly some amendments are required as a result of the change in the designation of the rank of inspector in the Police Force; and, secondly, sections 16 and 16A, which deal with the offence of impersonating a police officer, are to be amended.

Dealing with the former, the rank of inspector, of which there were three classes, in addition to that of chief inspector, making four in all, has been changed. The chief inspector becomes the chief superintendent, the inspector 1st class becomes a superintendent, and an inspector 2nd class becomes a senior inspector. The 3rd class inspector retains that designation. This change will make the designations more or less uniform with the designations of this class of officer in the Police Forces throughout Australia, with the exception of Queensland. However, I understand that Queensland is also to fall into line.

It is also interesting to note that amongst the senior inspectors will be a Miss Ethel Scott who was in charge of the women police. Miss Scott will, I think, now be one of the most senior officers in Australia and all members will agree that this recognition of her services is well warranted because of the wonderful contribution she is making, particularly amongst the young girls in this city, and the wonderful help she has been to parents. I know the member for Swan has been associated with her for many years, and he will have no hesitation in agreeing with what I say.

Dealing with the other feature—that is, the offence of impersonating a police officer—recently a charge brought against a person at the Northam Police Court for an offence against this section was dismissed on the grounds that there was no case to answer by reason of the fact that the police had not proven that the accused was not, in point of fact, a member of the Police Force.

In order for the prosecution to prove the person charged is not a member of the Police Force, it would be necessary to call a police officer from the police headquarters staff office, as it is there the records pertinent to personnel employed as law enforcement officers in the Police Force are kept.

When one considers the vastness of this State and the potential resulting from this ruling, it is most desirable that section 16 of the Police Act be amended. It may well be that a person is charged with this offence at a town such as Wyndham or Kununurra and, should a plea of not guilty be entered, the commissioner would be forced to send a staff officer from Perth to that court to give formal evidence of about one minute's duration stating "the accused is not a member of the Police Force."

As an innocent defendant is in a much better position to disprove the complaint than the prosecutor is to prove it, it is fair that the Act should provide an averment in a complaint that a person is not a member of the Police Force—of the State or the Commonwealth, as the case may require—is deemed to be proved in the absence of evidence to the contrary. This provision should cover both sections 16 and 16A of the Act, as they provide for offences of a kindred nature. I commend the Bill to the House.

Debate adjourned, on motion by Mr. Brady.

MINING ACT AMENDMENT BILL, 1969

Second Reading

MR. BOVELL (Vasse—Minister for Lands) [3.10 p.m.]: I move—

That the Bill be now read a second time.

This Bill has been passed in another place and its purpose is to enable the Department of Mines to process applications made under the Mining Act for the quarrying of sand which is required in some mining areas for building operations and construction works outside the precincts of the miner's right.

All that the Bill proposes is to extend the provisions of section 26 of the Act, which at present permits the removal of any stone, clay, or gravel by the holder of a miner's right, for his personal use in connection with mining by the inclusion, also, of sand unconditionally.

While it is desired to approve of applications of this nature, approval cannot be given under existing legislation because the Minister cannot grant a mineral claim for sand, except for silica sand, silica being a mineral; nor, as the regulations stand, may a quarrying area be granted for sand required for such purposes.

Pursuant to the authority at present contained in section 26, a miner may, under regulation 84G, apply for registration of a quarrying area not exceeding 24 acres for the purpose of obtaining stone or gravel for building or other purposes, but building sand does not come within its ambit.

Consequently, it will become apparent to members that the quarrying for sand, either for personal use in connection with mining or for industrial or commercial purposes, has no mention either in section 26 or in regulation 84G.

However, there is an existing urgent demand for building sand and I could instance a recent case at Port Hedland where a construction company required building sand for the making up of concrete forms.

In order that the demand may be met under the provisions of the Mining Act—and it is apparent this is a demand which will be persisting for some undetermined period in the future to meet the requirements of developmental works in mining areas—it is desirable that this small amendment be made to enable the holder of a miner's right to remove not only stone, clay, or gravel, as at present, but also sand from any Crown land not exempted from mining operations. That is the sole purpose of the Bill. I commend the Bill to members.

Debate adjourned, on motion by Mr. Moir.

INSPECTION OF MACHINERY ACT AMENDMENT BILL

Second Reading

MR. BOVELL (Vasse—Minister for Lands) [3.14 p.m.]: I move—

That the Bill be now read a second time.

This Bill was introduced and passed in another place and has as its origin a decision recently made to transfer from the Mines Department to the Department of Labour, the inspection of machinery other than mining machinery.

The Inspection of Machinery Act was passed by Parliament nearly 60 years ago to be administered by the Mines Department at a time when the great bulk of machinery then in operation in the State was being used in connection with mining. In recent years, the marked change in the industrial development of our secondary industries has brought about a new situation, in that the major *quantum* of present-day machinery is handling the output of secondary industries. As a consequence, it is necessary at this point in the State's development to transfer the administration of the Inspection of Machinery Act from the Mines Department to the Department of Labour, as this latter department is concerned more directly with the operations of secondary industries. However, arrangements, as necessary, have been made to keep under the control of the Mines Department that part of the machinery inspection which applies to mining. For this reason, several inspectors of machinery wil be seconded to that department.

I might add, further, that in the event of the services of an inspector of machinery being required under the Mines Regulation Act, for certain purposes, such officer may be co-opted under that Act and for those purposes would be appointed a special inspector of mines. Provision for this is made in section 10 of the Mines Regulation Act, which is the relevant Act and which covers the position adequately.

The rearrangement in administration which has occasioned the introduction of this measure was examined by officers of the Public Service Commissioner, of the Public Works Department, of the Department of Labour, and of the Mines Department, with the result that it was agreed that subsection (5) of section 6 of the Inspection of Machinery Act be deleted, because under the provisions of this subsection any duly appointed inspector of machinery is authorised to exercise any or all of the powers of an inspector of mines under the Mines Regulation Act, 1906, and its amendments.

The reason it is necessary to remove this subsection from the Act is that the qualifications of an inspector of machinery do not necessarily provide him with the knowledge required to fulfil the duties of

an inspector of mines. Nevertheless, inspectors of machinery have in the past been part of the Mines Department, and have often been housed in the same office buildings as the inspector of mines. There has invariably been close co-operation and understanding in their working capacities, but the inspectors of machinery have not assumed the duties of inspectors of mines.

With the transfer of the main administration of the Act from the Mines Department, the position now, however, alters considerably. While the two groups were under the control of the Minister for Mines there was no occasion to deal with this section, because it has never been necessary for those inspectors of machinery in close contact with the mining industry to undertake any of the duties of an inspector of mines, as I have already indicated, and indeed it would certainly be extremely unwise to allow inspectors of machinery with little or no knowledge of mining and with qualifications which are inadequate in that direction, to assume the duties of an inspector of mines. However, now that the Inspection of Machinery Act is to be under the control of the Minister for Labour, it would be both undesirable and impracticable for an officer of one department to assume the duties or responsibilities of an officer of another department, and in this light I commend this Bill to members.

Debate adjourned, on motion by Mr. Moir.

MINES AND MACHINERY INSPECTION ACT REPEAL BILL

Second Reading

MR. BOVELL (Vasse-Minister for Lands) [3.20 p.m.]: I move—

That the Bill be now read a second time.

This is another of the group of three Bills, affecting mining and the inspection of mines and machinery, introduced in another place by the Minister for Mines.

The Mines and Machinery Inspection Act was assented to on the 16th February, 1911, some few years after the passing of the Mining Act of 1904. The 1911 Act had, as its objective, the extension of powers and duties of inspectors, but in the process of time, its provisions have barely been invoked.

In detail, that Act enabled the Governor to confer upon the chief inspector, or any inspector appointed under the Mines Regulation Act of 1906, the Coal Mines Regulation Act of 1902, or the Inspection of Machinery Act of 1904, all or any of the powers of the chief inspector or of an inspector, as the case may be, under all or any of those Acts and subject to such conditions and restrictions, if any, as the Governor might see fit to impose.

Any such chief inspector or inspector, upon whom such powers were conferred, was accordingly deemed to have been duly appointed under such Acts, respectively, and to have the necessary qualifications for such appointment. The Act provides that they might exercise the powers and perform the duties of a chief inspector or an inspector, whichever case might apply, under those Acts accordingly.

At that stage in our development, most of the work of the inspector of machinery was in relation to mining. The duties of the inspectors of metalliferous mines, inspectors of coal mines, and inspectors of machinery, were, of their nature, closely related, and all these officers were under the control of the Minister for Mines, so that their liaison and co-operation was a matter of departmental policy.

Furthermore, the limited transport facilities existing at that point in our history were far removed from the speedy facilities now readily available to everybody in the community. As a result, it was essential at that time, in the event of an accident or an unusual happening occurring on a mine, for the inspector most readily available—and that would be the inspector of mines—to undertake investigations on behalf of the inspector of machinery with a view to preventing unnecessary delays in industry.

Consequently, it will be appreciated by members that the Mines and Machinery Inspection Act of 1911 was introduced and passed in order to permit one inspector to do the work of another, should this be found necessary.

However, as I have already indicated, and as far as can be ascertained, this Act has affected only one officer during this long period. For a long time, the State Mining Engineer has been the Chief Inspector of Mines, State Coal Mining Engineer—who is an inspector under the Coal Mines Regulation Act—and the Chief Inspector of Machinery.

That officer is currently Chief Inspector of Mines, Chief Inspector of Machinery, and Acting State Coal Mining Engineer. The title of Chief Inspector of Machinery is now to be taken from him with the proposed transfer of administration to the Department of Labour. But I want to make it clear that the repeal of this Act will not affect the dual position of Chief Inspector of Mines or Acting State Coal Mining Engineer.

With the Inspection of Machinery Act being placed under the control of the Minister for Labour, as explained when amendments to that Act were being dealt with, the Chief Inspector of Machinery will be controlled by the Minister for Labour, and it would be undesirable and impracticable for officers to come under the split control of two departments.

Furthermore, mining engineering has advanced to the stage where high academic qualifications are necessary for appointment as district inspector of mines.

Inspectors of machinery are not required to possess such qualifications, and it is considered that the little used Mines and Machinery Inspection Act of 1911 has outgrown its original purpose.

I might mention before concluding that the amendment contained in this Bill is a matter which came out of a meeting attended by officers of the Public Service Commissioner, the Public Works Department, the Department of Labour, and the Mines Department, when general legislative requirements appertaining to the transfer of the Inspection of Machinery Act to the Department of Labour were being investigated.

Debate adjourned, on motion by Mr. Moir.

INNKEEPERS BILL

Second Reading

MR. COURT (Nedlands—Minister for Industrial Development) [3.26 p.m.]: I move—

> That the Bill be now read a second time.

During the 1966 session of Parliament, a Bill was introduced in another place carrying the title of Hotel Proprietors Bill, the purpose of which was to modify the liabilities of hotel proprietors. The introduction of that measure arose from representations made by the Western Australian branch of the Australian Hotels Association, which, at that time, was apprehensive as to the continued liability of members of the association, particularly in respect of vehicles belonging to casual visitors as distinct from the vehicles of the guests of licensed establishments.

In presenting some modifications of the law, the Bill also sought to repeal the Innkeepers Acts of 1887 and 1920, but the legislation was not proceeded with when it became apparent that some of its provisions could be regarded as anomalous.

Anomalies in respect of the treatment of different types of premises such as unlicensed hotels, motels, and the like, which do not appear to be subject to the strict liability that the A.H.A. had sought to limit, would have become apparent had the Bill passed into an Act. It therefore became necessary to give further consideration to the proposals submitted by the association, which had sought to limit liability along the lines of the Hotel Proprietors Act, 1956, of the United Kingdom.

Since that time, further consideration has been given to the matter, and renewed representations have been made by the association in the hope of having legislation introduced to place hotel proprietors in the same position as all other trades dealing with the public. This in effect, was a request that they should be liable at common law for wilful acts and negligence only.

The present position is that liability is absolute up to $60 ordinarily, and for an unlimited amount where loss or damage arises out of a wilful act, neglect, or default.

While the proposals submitted by the A.H.A. would have eliminated the former liability, it was noteworthy that this organisation made no proposals to abolish the innkeeper's lien that is given by the 1887 Act. In other words, relief was sought on the one hand, while, on the other, the preservation of a statutory benefit was desired.

One particular aspect of the proposals put before members during the 1966 session—which has since been re-examined—was whether, if innkeepers were relieved of their present strict liability, they should be entitled to retain the right to a lien as is conferred by the Act of 1887.

It would seem that, as the Statutes affecting such liens stand at present, licensees should not retain this entitlement. This Bill accordingly requires that a rule of law that imposes a duty or liability on a person, by reason only of his being an innkeeper, shall no longer apply in Western Australia, and this without affecting the application of any other rule of law.

However, nothing in this provision will relieve an innkeeper of any duty or liability imposed upon him by Statute. Therefore, the Bill proposes that the Innkeepers Act of 1887 and the Innkeepers Act of 1920 be repealed, thus leaving the liquor trade subject to the ordinary common law rights and liabilities.

Debate adjourned, on motion by Mr. Bertram.

PROPERTY LAW BILL

Second Reading

MR. COURT (Nedlands—Minister for Industrial Development) [3.30 p.m.]: I move—

> That the Bill be now read a second time.

This Bill was drafted by the Chief Parliamentary Draftsman from material supplied by Mr. P. R. Adams, Q.C., and its purpose is to amend and consolidate the law relating to property and for incidental purposes. As the Minister for Justice remarked in another place when introducing the measure, the State is indebted to Mr. Adams for the time and effort spent in preparing the material which has been compiled and included in this piece of legislation.

Members will be interested to know that the Bill is accompanied by some explanatory memoranda which set out the background surrounding the need for the legislation. I do not want to horrify some of the more lay members of the House, but this Bill is described as "lawyers' law." I

do not say this in a disparaging way, but it happens to be a Bill which is of particular interest to the legal profession. It is important in that regard, because it does affect many people and a lot of property. It is fair to say in this case the Bill before us is the result of very mature consideration by the legal profession, and it is considered to be in no way politically contentious.

In view of this fact, approval was given —and this was a departure from the normal procedure—for a draft of the Bill to be distributed to His Honour, the Chief Justice, to the Law Society of Western Australia, to the Law Reform Committee, and to the Commissioner of Titles.

Suggestions which were received consequent on the examination of the Bill have been incorporated in the measure now submitted to Parliament. Also incorporated are some further amendments made in another place—which were put forward by Mr. Adams—and they emanated from a paper on the Bill which was read at the Law Society's Summer School, and from some subsequent discussion with members of the legal profession and with the Commissioner of Titles (Mr. J. E. Shillington).

I should imagine if members are sitting here in a couple of years' time and are asked to consider amendments because of bad drafting we will be able to throw this right back at the teeth of the legal profession, as doubts have been expressed on the draftsmanship of some Bills which we have submitted to the House in the ordinary way.

Mr. Brady: It is a wonder they were game enough to make an amendment, from what you have said.

Mr. COURT: I will come to that in a moment. The effect and the extent of the amendments were not so substantial or far-reaching as to detract from the value of the explanatory memorandum which has been prepared for the information of members. The Bill has been discussed in another place, and no doubt it has been perused by those who have some special interest it it. Since it was introduced on the 9th October last, about six months ago, I gather it has been the subject of some close scrutiny by certain members of the legal profession who are particularly interested in the subject matter. It was also the subject of a paper at the Law Society's Summer School; that in itself is a good thing, which enabled further review of the legislation.

This legislation is regarded as important and may be of interest to sections of the community other than the legal section, such as banks, trustee companies, and others who deal in property.

I commend to members the considered remarks made on this Bill in another place by The Hon. I. G. Medcalf who, being a fairly senior member of the legal profession, had a special interest in studying it. Although I have not had a chance to study his comments in detail, it is obvious he applied himself to the legislation and gave another place the benefit of his views.

I have taken action to have prepared the Minister's notes explaining the amendments that were introduced in another place after certain members of the legal profession had applied themselves to a study of the Bill, which was introduced in October last. As much time as possible was given to the people to enable them to study it. I will have those comments circulated, if not this afternoon then certainly before the House reassembles on Tuesday next, although members will appreciate on a reading of the notes that they do not have any serious effect on the memorandum attached to the Bill, or on its original objectives. I commend the Bill to members.

Debate adjourned, on motion by Mr. T. D. Evans.

AIR NAVIGATION ACT AMENDMENT BILL

Second Reading

MR. O'CONNOR (Mt. Lawley—Minister for Transport) [3.37 p.m.]: I move—

> That the Bill be now read a second time.

The Air Navigation Act is the measure by which the State, along with other States, transferred to the Commonwealth the power to exercise control over intrastate aircraft operations; that is, those functions associated with the control of aerodromes, flight operations, and aircraft safety generally. Members will be aware that these controls are exercised by the Department of Civil Aviation and are standardised throughout Australia. I think we all agree that this is a very good thing, and it is better for them to be handled by the authority mentioned, than by the State.

It will be noted that in the Goya Henry case, the judgment handed down was to the effect that all matters related to intrastate aviation constituted a State function, and the Commonwealth had no constitutional power to deal with them. There was also the controversy that arose in New South Wales in 1961 in connection with flight operations in that particular area.

In order to ensure that this did not empower the Commonwealth to encroach on other State functions relating to authorisation, licensing, and regulation of air services within the State, section 8 provides as follows:—

> 8. The provisions of this Act shall not affect in any way, and shall be deemed not to have affected in any

way the operation of sections forty-five, forty-six and forty-seven of the State Transport Co-ordination Act, 1933-1940.

The State Transport Co-ordination Act was repealed in 1966, and transport regulation is now carried out under the Road and Air Transport Commission Act, 1966.

The only purpose of this amending Bill is to delete the reference to the State Transport Co-ordination Act, 1933-1940, and insert in lieu the appropriate reference to the Road and Air Transport Commission Act, 1966. This particular section of the Road and Air Transport Commission Act deals with the power of the State to control and regulate by license, the routes, fares, and timetables of intrastate air services.

I am sure we all agree that while the operations of safety, etc., should be under one control by the Commonwealth, or the Department of Civil Aviation, other factors such as routes, fares, and timetables within the State, should be placed under State control.

Debate adjourned, on motion by Mr. Jamieson.

STOCK JOBBING (APPLICATION) BILL

Second Reading

Debate resumed from the 1st November.

MR. BERTRAM (Mt. Hawthorn) [3.40 p.m.]: This Bill comes before the House at the request, and for the benefit, of the Perth Stock Exchange, one body in our population of 900,000 people, or thereabouts; and I hope to be able to show that it will be of little virtue or advantage to any, or very many, of the 900,000. Indeed, I think there is abundant evidence —certainly there is *prima facie* evidence— to show that this Bill will be to the detriment of the masses. It may well be said that this is another one in the category of Bills which we discussed yesterday— it could be described, really, as a private Bill because it will benefit one body, and one body only; it will amend the law for one body and one body only; and, furthermore, it will be to the detriment of the rest.

Having said that, I think I should state, although it may be completely unnecessary, that I have no animus against the Stock Exchange or any member of it; it is a statement of pure unadulterated fact.

This Bill will become the Stock Jobbing (Application) Act. It seems innocuous enough and there is certainly not much of it. However, its ramifications and what it can do could almost be described as limitless. First of all, many queries arise in one's mind. Let us mention a few of these queries. Firstly, what is a stock jobber? What is a put option? What is a call option? What is a straddle? What is a double?

In his second reading speech the Minister told us a little about a stock jobber, a little about a put option, and also a call option, and that is about where he finished. I venture to say with respect that probably no more than one or two members in this House could tell us what a stock jobber is. Even if we have a weird notion, or a limited notion, of what a stock jobber is, what we have not been told, and what I venture to suggest very few have any appreciation of, is what a stock jobber can do. What are his activities? What does he contribute to society?

I think it is pretty fair comment and an accurate statement to say that a stock jobber is a speculator. In a recent debate in this House it emerged very clearly that nobody was very enthusiatic about, or supported, speculators because they contribute nothing whatever. All they do is to make a quick dollar and, in the process, very often cause all sorts of difficulties. Whatever else he may be, it seems that a stock jobber is a speculator—a man who buys shares and sells them and hopes that he will finish up in front. In general terms, he is a gambler; although he is not really that because if he were on the inside he would not really be gambling; he would have more information than the people on the outside.

Sitting suspended from 3.45 to 4.3 p.m.

Mr. BERTRAM: Just prior to the suspension I made reference to the proposition that stock jobbers are speculators, and to the fact that there appears to be amongst members, without exception, an abhorrence of speculators and a need to do something to curb their activities. More particularly of recent times this need was in respect of land, but I propose to show that it is just as appropriate and pertinent to dealings in shares.

I also listed sundry queries, the answers to which I submitted—with respect—we do not know. The odd one or two of us may know, but I even doubt that. To go on with the queries, I ask this question: Does the stock jobber of 1969 operate any differently from the manner in which he operated in 1734? The reason for that question we will come to shortly.

What is the volume of stock jobbing operations in the State of Western Australia? Obviously, if the operations are of no moment and of little quantity, nobody would be greatly perturbed. However, what is the volume? A recent question directed to the appropriate Minister reads as follows:—

(9) For each of the five years ended the 30th June, 1968, what was the actual (or, if this figure is not available) what was the estimated value of—

(a) margin transactions handled by brokers through the Perth Stock Exchange?

(b) stock jobbing transactions handled by brokers through the Perth Stock Exchange?

The answer was—

(a) and (b) No estimate can be made.

That clearly implies, of course, that we do not know what the figure is, nor do we hazard an estimate, because we simply cannot do it. It is important to make a mental note of that fact, because it does happen to be a fact that the members of the stock exchanges, whilst they do their best to regulate sharebrokers in this State, have their hands full. The members of the Stock Exchange do their best to regulate sharebrokers—members of the Stock Exchange—of which there are only 28 or 29 in this State, but they certainly cannot regulate, much as they would like to, people who are not within their jurisdiction: people who deal in shares and who are not members of the stock exchange.

Another query I pose is this: Why were we told in the second reading speech made by the Minister—the only contribution to the debate thus far—that this Bill is directed to the question of stock jobbing and nothing else? The Bill, which is intend to repeal the Imperial Acts of 1734 and 1737, will not only repeal legislation in those enactments to do with stock jobbing, but also to do with marginal trading. The evils of both are much the same if, in fact, marginal trading is not the greater evil.

Following the last question, if stock jobbers were objectionable in 1734, why are they not so objectionable in 1969? It is also interesting to note, at this point, that in the United Kingdom at present one cannot be a sharebroker and a stock jobber at the same time. My authority for that statement is another answer from the Minister following a recent question. In part, the answer reads as follows:—

> In Australian stock exchanges a member may deal as a principal and as an agent.

Now what that really means is this: a stock jobber is a principal whilst a sharebroker is merely an agent. A stock exchange member, therefore, in England has either to be a broker or a stock jobber whilst in Western Australia he can, at the one time, be both.

I think it is perhaps appropriate at this stage just to recount why this Bill is before Parliament at this time. Very briefly, it seems to be that, firstly, in 1734 following a terrible scandal referred to as the "South Sea Bubble"—when many people were defrauded and lost large sums of money—some sort of legislation was required.

The people lost this money fiddling around with shares and so along came the 1734 Act to which I have already referred. Then, in 1737—three years later—Parliament concluded that the legislation was necessary and made the Act permanent. Somewhere along the line after this, settlement occurred in Australia, and the Imperial Statutes, so far as they were applicable, were transmitted to Australia.

The next step was in 1860 when the Imperial Act was repealed. As I will point out later on, a lot of other Statutes have since been enacted in various parts of the world. The Minister said that stock jobbing goes on round the world generally, and this is partly true. It goes on round the world, but under the strictest supervision; that is to say, supervision by the Legislature and by Statute.

At any rate, came 1968, and it appears that arising out of stock jobbing transactions—which in Western Australia are given another name—a broker had earned a very sizeable sum in commissions and brokerage. The amount was something in the nature of $70,000 and he sued the debtor for this money. The debtor, somehow or other—or perhaps his solicitor—worked out that the 1734 Act which appears to have been completely forgotten in Australia—but more particularly in New South Wales—still applied and the broker could not recover any of his money.

That was the submission and that was held to be the case, so the broker was denied his $70,000. Since then certain States have legislated—or we are told they are in the process of legislating—along lines similar to the Bill we have before us right now.

As I have said, the 1734 Imperial Act not only refers to stock jobbers, but also to margin transactions, and I will read an excerpt from that Act. In modern English, it reads—

> VIII. And whereas it is a frequent and mischievous practice for persons to sell and dispose of stocks, or other securities, of which they are not possessed: be it therefore further enacted by the authority aforesaid. That all contracts and agreements whatsoever, which shall, from and after the said first day of June, one thousand seven hundred and thirty four, be made or entered into for the buying, selling, assigning, or transferring of any public or joint stock or stocks, or other public securities whatsoever, or of any part, share, or interest therein, whereof the person or persons contracting or agreeing, or on whose behalf the contract or agreement shall be made, to sell, assign, and transfer the same, shall not, at the time of making such contract or agreement, be actually possessed of, or entitled unto, in his, her, or their own right, or in his, her, or their own name or names, or in the name or

> names of a trustee or trustees to their use, shall be null and void to all intents and purposes whatsoever; and all and every person and persons whatsoever, contracting or agreeing, or on whose behalf, and with whose consent, any contract or agreement shall be made, to sell, assign, or transfer any public or joint stock or stocks, or other public securities, whereof such person or persons shall not, at the time of making such contract or agreement, be actually possessed of, or entitled unto, in his, her, or their own name or names, or in the name or names of a trustee or trustees, to their use, or their own right, as aforesaid, shall forfeit and pay the sum of five hundred pounds,

That was in the year 1734, and I think it underlines that the mischief has always been recognised and it also underlines the transcendent desire to do something about it, and to stamp out the mischief. So there we have the fact of marginal trading being brought up in that particular Act. Therefore it is perhaps important that we dilate a little further on the question of marginal trading, if I can find a quick reference to it.

I am reading now from page 9 of the American *Senate Reports on Public Bills, etc.* This article is headed "Margin Purchasing," and reads as follows:—

> (a) *The nature of margin purchasing.*—Margin purchasing is speculation in securities—

I think securities are generally known in the broad as shares. To continue—

> —with borrowed money. The credit facilities for the purchase of securities on margin in this country are unequalled anywhere. In the past the sole prerequisite to the establishment of a margin account was the deposit with a broker of a comparatively small portion of the purchase price of the securities.

That is, a margin account with a broker. Continuing—

> The balance was supplied by the broker, who in turn had easy access to the credit reservoirs of the country through the medium of loans from banks, private corporations, and other brokers.
>
> The financial and moral responsibility of the customer was beside the point. The broker, confidently relying upon the mechanism of the exchange to aid him in swiftly liquidating the collateral when necessary, did not hesitate to lend his credit to all comers.

And note that a person did not need to have money available; many people in the United States in the 1930s did not have a penny. The same thing is happening in Perth today; it happened yesterday, and it happened last year. Later perhaps I will refer to instances to prove this. Going on with the quote—

> The celerity with which margin transactions were arranged and the absence of any scrutiny by the broker of the personal credit of the borrower, encouraged persons in all walks of life to embark upon speculative ventures in which they were doomed by their lack of skill and experience to certain loss. Excited by the vision of quick profits, they assumed margin positions which they had no adequate resources to protect, and when the storm broke they stood helplessly by while securities and savings were washed away in a flood of liquidation.

Marginal trading—as, I suppose, a layman would say—is the ability given to people to buy shares and to dabble with them on a shoestring budget, if anything at all.

I think this could fairly be said to extend not only to people who are in the classical sense of marginal dealing, but also to the dealer. What happens with the dealer is that he says to his broker, "I want so many shares. Will you buy them and then sell them?" He does this so that before he is asked to disgorge any money at all he hopes to resell at a profit. I see little difference between that sort of thing, the inflationary trends, and the mischief that arises, and the type of transaction conducted by a fellow who says to a broker, "Buy me so many shares," and that is all. In due course he gets his bill and he hopes to be able to pay for the shares.

I think it was last year—I am speaking from memory and therefore I am not dogmatic as to the facts—that a chap was given credit of about $20,000 or more, and the broker concerned eventually wanted to know when he was going to be paid. The chap did not have any money so, of course, the broker then sold all the securities. The difference between the purchase price and the original sale price was about $3,000 to $4,000, and the broker insisted upon the fellow paying this money, so the man filed his own petition for bankruptcy, and that solved that.

Mr. Jamieson: How to broke a broker!

Mr. BERTRAM: I think I have already mentioned that in the United Kingdom one cannot simultaneously be both a share-broker and a stock jobber. However, one can in W.A., and I refer once again to the *Senate Reports on Public Bills, etc.*, at page 19 under the heading, "Trading by Members and Segregation of Functions of Brokers and Dealers," where it says—

> *Extent of trading by members for their own account.*—

That is the members of the Stock Exchange, of course. To continue—

> The investigation conducted by the subcommittee for the first time dis-

closed the extent of trading by members of organized exchanges for their own account. Statistical data on the subject were compiled for the month of July, 1933, one of the most active months in the history of organized exchanges. The volume of trading on the New York Stock Exchange for that month was 120,271,243 shares.[59] Since every trade involves a purchase and a sale the figure indicates that 120,271,243 shares were bought and 120,271,243 shares were sold, making a total of 240,542,486 shares bought and sold. A summary follows showing the number of shares purchased and the number of shares sold on the New York Stock Exchange for the account of member firms, partners of member firms, and individual members of the New York Stock Exchange during the month of July, 1933:

Just missing a bit, it goes on to say—

Member firms and partners thereof who conduct a commission business act as agents for their customers. When they trade for their own account, they act as principals.

If I may interpolate here, the interesting point in this situation is that a horrible position can arise in which, perhaps, in respect of the same shares, a person is both principal and agent. I do not know who the broker leans towards in such a deal, whether he cares for his own interests or whether he cares for the other. I imagine that he would be fair, but the temptation is there and it should not be. This occurred in the United States. To continue quoting—

A broker may occupy the dual position of agent and principal in a single transaction, and in such case his personal interest necessarily clashes with that of his customer. The New York Stock Exchange has adopted a rule prohibiting a member, when acting as a broker, from buying or selling for his own account or that of a partner or for any account in which he or a partner is interested, securities, the order for the sale or purchase of which has been accepted by him or his firm or a partner for execution, except under the conditions specified in the rule.[58] However assiduous the exchange authorities may be in protecting the rights of the customer, the conflict between the broker's self-interest and his duty to his customer is present, and the customer's welfare is thereby endangered.

When purchases and sales for the account of member firms, partners thereof, and individual members are reported on the ticker tape or in the press, there is, or course, no disclosure of the nature of those transactions. The public, in July 1933, had no means of knowing that approximately 27 percent of all transactions were executed for the account of members of the New York Stock Exchange. A volume of trading which might readily have been construed to reflect a widespread public participation in the market and a genuine revival of confidence in securities, represented to the extent of 27 percent the activities of members themselves. Unfortunately, there is no way of measuring the extent to which the remaining 73 percent of trading was fomented, encouraged, or directly caused by the trading activities of members. The fact that the total number of shares bought by members of the New York Stock Exchange during the month approximates the total number sold by them, evidences that their transactions were of the in-and-out variety, speculative in nature and devoid of investment quality.

I do not think it is stretching the imagination very far to conclude that in all probability the type of situation I have just quoted is obtaining in this State at the present time. The inquiry in the United States of America to which I have been making reference went on for two years. It was not localised or limited to stocks and shares; it had other matters with which to deal. However, it was a very thorough investigation and in the process of it the United States of America enacted the Securities and Exchange Act of 1934, which is still law in the United States, and which I believe has not been amended. So it has stood the test of time for 35 years now.

There seems to me to be quite a similarity between certain aspects of the 1934 United States Act, and the 1734 Imperial Act. I will read from chapter 8 of the 1734 Act—

An Act to prevent the infamous practice of stock-jobbing

WHEREAS great inconveniencies have arisen and do daily arise by the wicked, pernicious and destructive practice of stock-jobbing, whereby many of his Majesty's good subjects have been and are diverted from pursuing and exercising their lawful trades and vocations, to the utter ruin of themselves and families, to the great discouragement of industry, and to the manifest detriment of trade and commerce;

Then it goes on. That is the preamble portion of the 1734 Act. If we look at the same portion of the United States Act which appears in the reports of the 73rd Congress, Session II of June, 1934, we find at page 881 the following:—

An Act

To provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through

the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes.

It might be appropriate to read one or two sections of the earlier part of that Act. Under the heading "Necessity for Regulation as provided in this Title" we find the following:—

Sec. 2. For the reasons hereinafter enumerated, transactions in securities as commonly conducted upon securities exchanges and over-the-counter markets are affected with a national public interest which makes it necessary to provide for regulation and control of such transactions and of practices and matters related thereto, including transactions by officers, directors, and principal security holders, to require appropriate reports, and to impose requirements necessary to make such regulation and control reasonably complete and effective, in order to protect interstate commerce, the national credit, the Federal taxing power, to protect and make more effective the national banking system and Federal Reserve System, and to insure the maintenance of fair and honest markets in such transactions:

(1) Such transactions (a) are carried on in large volume by the public generally and in large part originate outside the States in which the exchanges and over-the-counter markets are located and/or are effected by means of the mails and instrumentalities of interstate commerce; (b) constitute an important part of the current interstate commerce; (c) involve in large part the securities of issuers engaged in interstate commerce; (d) involve the use of credit, directly affect the financing of trade, industry, and transportation in interstate commerce, and directly affect and influence the volume of interstate commerce; and affect the national credit.

(2) The prices established and offered in such transactions are generally disseminated and quoted throughout the United States and foreign countries and constitute a basis for determining and establishing the prices at which securities are bought and sold, the amount of certain taxes owing to the United States and to the several States by owners, buyers, and sellers of securities, and the value of collateral for bank loans.

(3) Frequently the prices of securities on such exchanges and markets are susceptible to manipulation and control, and the dissemination of such prices gives rise to excessive speculation, resulting in sudden and unreasonable fluctuations in the prices of securities which (a) cause alternately unreasonable expansion and unreasonable contraction of the volume of credit available for trade, transportation, and industry in interstate commerce, (b) hinder the proper appraisal of the value of securities and thus prevent a fair calculation of taxes owing to the United States and to the several States by owners, buyers and sellers of securities, and (c) prevent the fair valuation of collateral for bank loans and/or obstruct the effective operation of the national banking system and Federal Reserve System.

(4) National emergencies, which produce widespread unemployment and the dislocation of trade, transportation, and industry, and which burden interstate commerce and adversely affect the general welfare, are precipitated, intensified, and prolonged by manipulation and sudden and unreasonable fluctuations of security prices and by excessive speculation on such exchanges and markets, and to meet such emergencies the Federal Government is put to such great expense as to burden the national credit.

It is realised that certain parts of this legislation are not appropriate to our situation here, nevertheless the reading of them shows the magnitude of the impact of stock exchanges and share dealings in the national context on the national economy.

The Bill we have before us this evening is short, but I wonder whether it is all that sweet. I would like members to be careful and not put their heads in the sand and say, "This is not a very important Bill; one or two members have given attention to it and that is good enough for us." Very often this may be not an unreasonable approach, but if a Bill is an extremely important one, that approach is not good enough and cannot be justified by any stretch of the imagination; because if it happens that that Bill is of great importance and we do not direct our minds to it in a *bona fide* attempt to get to grips with its provisions, we are then responsible for the consequences. This could amount to culpable neglect, because in due time if we do not do something about these things the probability is that we will get hurt here as the people in the United States got hurt; as the people in the United Kingdom have been hurt and, indeed, as they are still being hurt. I will come to that later.

If I might digress at this stage—and I said this in my maiden address—I have no particular love for Statute-making for Statute-making's sake. I agree, as somebody said, that we should use Statutes when we have to, and that is fair enough.

What I do not approve of is the coming to the rescue with a Statute after the event. That is childish and often useless. If we can reasonably anticipate that a situation is going to develop, then we should provide for that situation by Statute.

With the experience we have before us of things that are happening all over the world, and human beings being human beings, we should legislate in advance. We should acquaint ourselves with the position that exists and do our best to see what this thing is before us, and if it emerges that we should do something proper about it, let us do it now; let us not wait.

Our State of Western Australia can be compared with the United States. There was a boom period in the United States, and we are now told that there is a boom period here. Not so long ago a gentleman here set up a firm known as the Perpetual Pools Promotions. What I am about to say is subject to qualification, but it seems to me that our law here cannot do very much about this man. He has been subjected to prosecution, the details of which I am not aware, though I am asking a question to find out what the position is. The fine is probably minimal and it does not get to the root of the problem, because all he did was to put in an advertisement contrary to the Companies Act, and anyone can do that.

Had he been in England, however, it would not have been possible for him to do this, because of the provisions of section 13 of the Prevention of Frauds (Investments) Act, 1958. The legislation did not come into existence on that date, because such legislation in a different form existed in the United Kingdom in 1947.

I do not know from where the promoter of the pools to whom I have referred came, but my suspicion is that he came from the United Kingdom. He would not have got very far over there, because of the provisions of section 13 of the Imperial Act to which I have already referred.

I believe this is not irrelevant to this debate and though it is a digression from the main theme, I think it ought to be mentioned, because this man went round and said to people, "You can give me your money and I will give you a mighty return, because I will buy shares and sell them." He also said later that he would do the same in connection with land. At this time I am concerned as to what his activities were sharewise.

Having referred to section 13 of the Imperial Act, it might be reasonable if I let members know what this section has to say. Under the general heading, "General Provisions for the Prevention of Fraud," section 13 of the Prevention of Frauds (Investments) Act states—

> (1) Any person who, by any statement, promise or forecast which he knows to be misleading, false or deceptive, or by any dishonest concealment of material facts, or by the reckless making of any statement, promise or forecast which is misleading, false or deceptive, induces or attempts to induce another person—
>
> (a) to enter into or offer to enter into—

It then gives particulars, and it is perhaps hardly necessary for me to read them all. The section goes on to say that he shall be guilty of an offence and liable to imprisonment for a term not exceeding seven years, after which it states—

> (2) Any person guilty of conspiracy to commit an offence under the preceding subsection shall be punishable as if he had committed such an offence.

At a glance it seems to me that the activities of this man concerned with the pools promotion would have fallen fairly and squarely on this situation and the impact of the law would have been quite severe on him. Do we have to wait for somebody to come here from somewhere else before taking any action?

The SPEAKER: What is the relevancy of this to the Bill before the House?

Mr. BERTRAM: I think it is relevant, because this man said that he was going to dabble in shares and that the people were going to get some profit out of it. The matter goes further, because it refers to pools.

A few days ago I asked a question of the Minister about pools. Apparently there are various kinds of pools that can be set up in relation to shares. I do not know all the types of pool operations that exist in Western Australia. I would like, however, to refer to the Senate report, which has already been referred to, because I think it summarises the position adequately. At page 30, under the heading, "Manipulative Devices" we find the following:—

> The true function of an exchange is to maintain an open market for securities, where supply and demand may freely meet at prices uninfluenced by manipulation and control. In the past this function has been fulfilled most imperfectly. The exposure of the extent and effect of manipulative practices upon organized exchanges was one of the most salutary and important accomplishments of the investigation. Stock exchange representatives have consistently minimized the extent of manipulative activities upon exchanges and, provided there were no technical wash sales or matched orders, they have not regarded manipulative devices in general use as pernicious or violative of the principles of fair free and open trading. The tendency has been to belittle reports of manipulative activities as unfounded rumors, unworthy

of serious attention. The evidence adduced before the subcommittee has thoroughly discredited this attitude.

We now come to the heading "Pools" where we find the following:—

> (1) *The nature and extent of pool operations.*—Pool operations did not conflict with the rules of the exchanges or violate the standard of ethics established for trading on exchanges.
>
> A pool, according to stock exchange officials, is an agreement between several people, usually more than three, to actively trade in a single security. The investigation has shown that the purpose of a pool generally is to raise the price of a security by concerted activity on the part of the pool members, and thereby to enable them to unload their holdings at a profit upon the public attracted by the activity or by information disseminated about the stock. Pool operations for such a purpose are incompatible with the maintenance of a free and uncontrolled market.

Most of the people who operate in pools —or a substantial number of them—do not own the shares they are manipulating. They have options, and this costs them nothing. Then in cohesion or collusion, or a mixture of both, they buy and sell shares backwards and forwards with the price going up. Obviously this attracts the attention of the public. Someone said at the inquiry that there is a tendency for people to fish in the same pool when fish are coming out. However, the pool makes a handsome profit and the public gets fleeced.

In respect of pools, I doubt very much whether the Stock Exchange would necessarily know a pool was operating in Western Australia. I wonder whether it could really do very much if it did know. I doubt whether the exchange has the power to deal effectively with pools and any other manipulative practices that go on in respect of shares.

Here we so often seem to have a state of mind as to be disinclined to do anything unless the other States have first done it. One example is—no reason has been given, assuming there is a reason—the fact that Western Australia is not prepared to do anything about determining the final right of appeal to the Privy Council because the other States have not done it. I fail to see the logic in this as I do not think we should be tied to the other States. We should be prepared to stand on our own two feet and if we believe that something should be done in a certain direction or, for that matter, not done, we should legislate accordingly and not look elsewhere for ground to be first broken.

It is interesting to note at this time that other States have legislated; and I have referred to the Prevention of Fraud (Investments) Act, section 1 of which under the heading, "Provisions for regulating the Business of Dealing in Securities" reads as follows:—

> Subject to the provisions of the next following section, no person shall—
>
> (a) carry on or purport to carry on the business of dealing in securities except under the authority of a principal's licence, that is to say, a licence under this Act authorising him to carry on the business of dealing in securities . . .

The marginal note is, "Licensing of dealers in securities." Paragraphs (a) and (c) of subsection (1) of section 7 read as follows:—

> The Board of Trade may make rules for regulating the conduct of business by holders of licences, and in particular, but without prejudice to the generality of the preceding provisions of this subsection, such rules may make provision for all or any of the following matters, that is to say:—
>
> (a) for determining the class of persons in relation to whom, and the manner and circumstances in which, any holder of a licence may deal in securities;
>
> (c) for prescribing the books, accounts and other documents which must be kept by the holder of a principal's licence in relation to any dealing in securities under the authority of such a licence;

I have striven to obtain in this State, the rules under that section. I believe they do exist, but strangely enough they are not procurable here. So we leave it at that point and remain completely in the dark. My hunch is that these rules, if they deal with anything, deal with stock jobbing and marginal dealing.

In New Zealand in 1908 there was enacted the Sharebrokers Act which required sharebrokers to be licensed; and its general powers regulated the activities of sharebrokers. Section 11 of that Act reads as follows:—

> Rules may be made—Subject to the provisions of this Act, every registered stock exchange may make rules for the conduct of the business of such exchange and the conduct of its members:
>
> Provided that such rules shall not come into force until approved by the Governor-General in Council and gazetted (and, unless forming part of the rules referred to in section nine hereof, they shall not be so approved and gazetted until a fee of five pounds has been paid in respect thereof).

Similarly, I have made an attempt—I am not prepared to say the rules are not in this State—to obtain these rules, but I have not been able to get hold of them. In respect of the rules in New Zealand, once again, I would be surprised if they did not deal with stock jobbing and marginal dealing. Not having the rules at this stage, I have to leave the debate at that point completely in the dark, because we do not know the extent of the legislation.

In 1945 the South Australian Parliament passed the Sharebrokers Act, which required every broker to keep books and accounts and a record of transactions which must be audited. Section 10 provides for a special audit.

Section 14 empowers the Governor to make regulations. These regulations are not very helpful to my case because that particular piece of legislation appears to have been directed mainly towards protecting people whose funds are held in trust by sharebrokers.

A defalcation took place in Victoria, and South Australia endeavoured to protect the public by making certain that books were kept and a record of transactions audited.

My recollection is that during the debate in South Australia, it was expressly denied that the measure followed the Victorian legislation, and it was said that the Government intended to enact this law irrespective of what might have occurred in Victoria.

Victoria in 1958 passed an Act entitled the "Stock and Share Brokers Act," but to keep the matter in chronological sequence, it should be noted that it repealed the Victorian Act of 1937. At this point it is worth while referring to paragraphs (e) and (f) of subsection (3) of section 6 of the Victorian Stock and Share Brokers Act, which are to be found on page 73 in the Statutes of that State for the year 1958. They read as follows:—

> In such certificate—

This is a certain certificate the auditor must supply. Continuing—

> —and report the auditor shall furnish information with respect to the following matters:—
>
> (e) (In cases where clients have been financed by the broker) whether the market value of the securities held covers the amount of the advance in each case;
>
> (f) Whether all securities lodged by clients for sale and securities purchased for clients and paid for by them are held unencumbered;

I do not know what the position is in respect of the rules made under that Act, but section 16 reads as follows:—

> (1) The Governor in Council may make regulations for or with respect to prescribing all matters necessary or expedient to be prescribed for carrying out or giving effect to this Act.
>
> (2) All regulations made under this Act shall be published in the *Government Gazette* and shall be laid before both Houses of Parliament within fourteen days after the making thereof if Parliament is then sitting and if Parliament is not then sitting then within fourteen days after the next meeting of Parliament; and a copy of all such regulations shall be posted to each member of Parliament.

This may be a little out of sequence, but I think it is true to say that the Companies Act of Western Australia contains a lot of the provisions of the Imperial Companies Act of, I think, 1945. I mention that because if, in fact, that is so and our Companies Act is really much the same as the English Act, my point is that the Prevention of Fraud (Investments) Act is a companion Act of the Imperial Companies Act.

Therefore it would seem to me that if in England a need was seen for a companion Act, then maybe we should see the same need here. In any event, this is something that requires investigation. It is just another query on a very long list thus far in respect of this Bill.

On a quick look at the indices of the Statutes of this State, I see no legislation under the title of, say, "Sharebrokers Act." We are going into a completely undeveloped field. We do know there are some provisions within the Companies Act to do with sharebrokers, prospectuses, and that sort of thing, but the Companies Act does not deal directly with the Stock Exchange and the activities of its members.

Another question I asked recently was—

> How many sharebrokers are members of the Stock Exchange in Western Australia?

The answer to that question was "29." Continuing—

> How many of said members are also stock jobbers?

The answer was, "All." Continuing—

> How many stock jobbers are operating in Western Australia?

The answer was as follows:—

> The above 29 plus 4 member firms of The Stock Exchange of Melbourne that operate in Perth, and there are

two stock jobbers known to be operating outside Stock Exchange membership.

There are two stock jobbers known to be operating outside Stock Exchange membership, but we do not know whether Perpetual Pool Promotions—already referred to—is one of them. I do not know; but what I am concerned about—and I hope members share a similar concern—is the fact that at the moment we have two stock jobbers outside of the Stock Exchange. I ask the question: Do we want 222? This is the sort of thing that will develop very quickly. We have also seen the development of speculation in other fields. If we want to kerb it, let us do so now before the rush starts. It must come, as it is an easy way to make a quick quid.

Already appearing in our papers in recent times is this type of advertisement—

> OPTIONS ALLOW YOU TO DEAL IN THOUSANDS, INSTEAD OF HUNDREDS
>
> Ever had some inside information when you KNOW a share is going to go up—and all you can afford is a couple of hundred? Take out a 3 or 6-month call option instead, and you'll be able to take advantage of many more shares. More and more people are dealing with Options in the market. It makes for sound investing sense. Calls if you think the market is going up; Puts if you consider the price too high. With an option, you're covered all ways. Learn more about option trading by mailing the coupon today.

Let us nip it in the bud.

Mr. Brady: What did you say the box number was?

Mr. BERTRAM: Whilst we are on the subject of newspaper reports, let us look at one in *The Sunday Times* of the United Kingdom under the heading, "Rules Needed for Marginal Gambling." That is precisely what it is—gambling—and we do not want to deceive ourselves by believing otherwise. I will read one or two excerpts from it, as follows:—

> America's Federal Reserve Board has stepped up the "margin requirement" on the New York Stock Exchange from 70 to 80 per cent. If an investor wants to buy $1,000 worth of securities, in other words, he has to put down at least $800 cash and borrow no more than $200 from his broker.

That, of course, is a rule set up under the Securities and Exchange Act of the United States, to which I have referred. In Western Australia there is no statutory rule, but a question elicited the answer that in Western Australia the requirement is 25 per cent.—not a statutory requirement, but a requirement of the Stock Exchange. In other words, it is 25 per cent. in Western Australia as against 70 to 80 per cent. in the United States, a country which we will all agree is not prone to tie the reins too tightly on the activities of private individuals. To continue—

> Americans are well aware of the dangers of excessive margin trading, which (at 20 per cent.) helped accelerate the 1929 Wall Street crash. Now speculating on credit seems to be catching on here. Forced sales when margins ran out almost certainly gave an extra kick to the recent relapse in Aussie nickels—Great Boulder, Hampton Areas and North Kalgurli were all more than 50 per cent. below their 1968 "highs." Unless action is taken to regulate marginal operators, dealings on the next break will be chaotic.

There is an urge in the United Kingdom to do something about marginal trading. Do not let us wait for it here. If it exists, and I suspect it does—although I am not dogmatically saying it does, but only that we should find out—let us legislate also.

Perhaps we could just spend a moment or two on the United States Act, a portion of which I have already read, because I do not think there is any substitute for reading a section which is clear and simple, to save a lot of verbiage and inaccuracy. As I have been referring to margins, let us see what the United States Act says on page 886. Section 7 (a), under the heading "Margin Requirements," reads—

> Sec. 7. (a) For the purpose of preventing the excessive use of credit for the purchase or carrying of securities, the Federal Reserve Board shall, prior to the effective date of this section and from time to time thereafter, prescribe rules and regulations with respect to the amount of credit that may be initially extended and subsequently maintained on any security (other than an exempted security) registered on a national securities exchange. For the initial extension of credit, such rules and regulations shall be based upon the following standard: An amount not greater than whichever is the higher of—
>
> (1) 55 per centum of the current market price of the security, or
>
> (2) 100 per centum of the lowest market price of the security during the preceding thirty-six calendar months, but not more than 75 per centum of the current market price.

That is the tight rein which is applied to margin dealings there. Then on page 889, under the heading of "Prohibition Against

Manipulation of Security Prices," is the following:—

> Sec. 9. (a) It shall be unlawful for any person, directly or indirectly, by the use of the mails or any means or instrumentality of interstate commerce, or of any facility of any national securities exchange, or for any member of a national securities exchange—
>
> (2) To effect, alone or with one or more other persons, a series of transactions in any security registered on a national securities exchange creating actual or apparent active trading in such security or raising or depressing the price of such security, for the purpose of inducing the purchase or sale of such security by others.

Then we come to stock jobbing on page 890. Section 9(6)(b) reads—

> (b) It shall be unlawful for any person to affect, by use of any facility of a national securities exchange, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors—
>
> (1) any transaction in connection with any security whereby any party to such transaction acquires any put, call, straddle, or other option or privilege of buying the security from or selling the security to another without being bound to do so; or
>
> (2) any transaction in connection with any security with relation to which he has, directly or indirectly, any interest in any such put, call, straddle, option, or privilege; or
>
> (3) any transaction in any security for the account of any person who he has reason to believe has, and who actually has, directly or indirectly, any interest in any such put, call, straddle, option, or privilege with relation to such security.

That is the law in the United States today and it has been the law since 1934, so far as I have been able to ascertain. So we are dabbling here today with matters of very sizeable moment, when no less a nation than the United States has found it necessary and proper to do something realistic about it.

Mr. Jamieson: The Commonwealth has no similar Act?

Mr. BERTRAM: No, I do not think so, because it does not come under the jurisdiction of the Commonwealth. To finish off on that note, and just to ram it home, if I have not already convinced members of the seriousness and importance of this law, let us have a look at the United States Act at page 904. Section 32, under the heading of "Penalties" reads—

> Sec. 32. Any person who wilfully violates any provision of this title, or any rule or regulation thereunder the violation of which is made unlawful or the observance of which is required under the terms of this title, or any person who wilfully and knowingly makes, or causes to be made, any statement in any application, report, or document required to be filed under this title or any rule or regulation thereunder, which statement was false or misleading with respect to any material fact, shall upon conviction be fined not more than $10,000, or imprisoned not more than two years, or both, except that when such person is an exchange, a fine not exceeding $500,000 may be imposed; but no person shall be subject to imprisonment under this section for the violation of any rule or regulation if he proves that he had no knowledge of such rule or regulation.

It is fairly sizeable medicine for the offenders, and this leaves the irresistible inference that the United States must have meant business when the legislation was enacted.

One of the members of the inquiring body in the United States was The Honourable Duncan Fletcher, and in the *Congressional Record* of the Senate, which seems to be the equivalent of our *Hansard*, there is recorded a letter to Duncan Fletcher, and I would like to read a portion of it because it sums up the position fairly nicely. It is found on page 8181 as follows:—

> Now, when a man buys stock on the New York Stock Exchange and puts up a marginal payment, he does not get possession of the stock certificate. The broker who holds his money which was paid on the margin also holds possession of the stock certificate. The so-called (he is only the so-called) "buyer" of the stock certificate does not get possession of it and does not expect to ever own it. He is making a bet on next week's or next month's price of the stock and the broker holds the stakes in the bet. He holds the certificate to protect him against a rise in the price, in which case he must pay some money to the bull operator, and he holds the said operator's money to protect him against a drop in the future price of the stock.
>
> It is a matter of gambling and nothing else. In October 1929,

> 7,200,000 accounts of speculators were closed out,—

I supposed that means they foreclosed. To continue—

> —thus depriving those 7,200,000 people of a buying power which they previously had. The demand for diamonds, fur coats, automobiles, and other things which successful people, whether gamblers or others, are wont to purchase fell off, and hundreds of thousands of working people lost their jobs in consequence.
>
> The gambling on the stock exchange in New York is a worse evil than wars, floods, or famine. May you be encouraged to keep up your righteous warfare upon it.

Once again, I do not know whether he is an expert or whether his assertions are accurate, but they are pretty formidable, and they have been used in debate in other places similar to this Parliament. As a consequence of this type of offence, and other types, legislation was enacted. Therefore, can we afford to shut our eyes and carry on until someone is hurt? When this does occur, it will affect not only one or two; it could have a very sizeable effect. Not only will individuals be hurt, but it appears from the evidence—and I am no expert to judge—that the impact and adverse effect upon the national economy could be extreme.

Perhaps it is not altogether inappropriate to mention that if it were demonstrated that it would be necessary, appropriate, and proper to legislate in connection with the Stock Exchange, such action would not be setting a precedent with regard to regulating professional bodies, because there is already, as members are aware, an abundance of legislation of this kind.

I notice there has been no attempt to repeal this legislation. Surely members must acknowledge that we have legislated in respect of medical practitioners, auditors, architects, tax agents, real estate agents, liquidators, and chiropractors, just to mention a few.

As I have sought to show, it may be that the time is overripe—certainly it is ripe—to do something in another direction; that is, in respect of share dealing. If we take notice of the evidence in the form of facts which comes to us from other parts of the world, we will realise that certain nuisances and mischiefs in respect of share dealing could well be looked into as, in many cases, these are far greater than could ever possibly be imagined or anticipated, and certainly far greater than those associated with other professions and occupations in respect of which we have already legislated.

I said at the outset, and I repeat now—because, if anything is a fact it is this—that we, the members of the Parliament, know very little about stock jobbing and we do not know very much more about share transactions, Stock Exchange operations, or the rules and regulations of stock exchanges. In short we know what I think could be properly described as nought. That is what we seem to know. I have also sought to show that not only are we abysmally ignorant in respect of the matter before us, but that same matter is a very important one. Is it not therefore the type of measure on which we are duty bound, without being overcautious, to better acquaint ourselves with regard to just what we are treating?

What does *Erskine May* have to say on this kind of situation? It appears to give the answer on page 498 of the 17th edition, where it is suggested that a Select Committee be appointed. We find—

> This procedure is adopted in cases where the Bill requires a more minute investigation than it could receive on the Floor of the House.

That is clearly the case in respect of this measure; namely, it needs a more minute examination. It needs careful scrutiny so that members might have a little more than the faintest clue in connection with what they are dealing before we, as a House, start making up our minds. We have to find out precisely what is involved. This should be done as a duty and not by way of loyalty, or by some other rule. Recently members were asked to vote in favour of another Bill before the House out of loyalty to some industry. Of course, those members who did so had to perform some mental and moral gymnastics, and backflips.

I am not asking anything of that nature. All I ask is that members face up to the position which exists in Western Australia. There is much to be found out, endless queries to be answered, and a good close examination to be made of just what is before us. This being so, I am unable to support the Bill.

What I ask is that the Government will do what I believe is the proper thing; that is, appoint a Select Committee to have a look at the matter. If it is found that there is no need to legislate any further, then that would be acceptable; that would be the committee's job. At least we would have a fair idea that we were doing the right or the wrong thing. We would know; but at the moment we do not know. Therefore, I ask the Government to do just this, so that members of this House may be able to do their job properly.

MR. JAMIESON (Belmont) [5.20 p.m.]: It is not my intention to try to emulate my colleague, the member for Mt. Hawthorn, because I have not made such an extensive study of the situation as he has. However, it does surprise me, as possibly it surprises a number of other members, to know that there is very little legislation to cover the aspects of an important activity such as stockbroking in this State. It is amazing that the Government, knowing this, would dare to bring down a measure to repeal what legislation there is.

I do not know whether the Minister knew it. He may be a layman on these matters, although I think he must have a fair knowledge of transactions on the share market and allied matters. However, the Minister did not indicate in any way in his introductory speech to the House that there was no other legislation which could effectively take the place of the legislation which is the subject of discussion; that is, there is no other legislation to control any malpractices which may occur in respect of option trading, marginal dealings, and stock jobbing—whatever one likes to call it.

If I understand the member for Mt. Hawthorn correctly, where this legislation has been repealed in other places, it has been found necessary, on occasions, to introduce some other form of legislation at a later stage. Consequently I think that members of the House are entitled to hear from the Government what is intended in this connection. Why has not the Government brought down other legislation in concert with the proposed repealing of this Act? If this were done, the Government could be sure that it would be able to control any situation associated with the Perth Stock Exchange that may eventuate. This is particularly necessary because of the huge amount of trading that has taken place with established companies in minerals and other matters.

This State does not want to get a bad name; nor do we want to get ourselves into a position where, through lack of our own legislation—and administration through legislation—overseas capital which might be invested in shares finishes up going astray. We would have to answer for that and possibly in a very unpopular atmosphere, which could well be current on the financial market. It certainly seems to be a strange situation.

Another factor which seems rather strange is that the proposal is to have a degree of retrospectivity. It states in part—

> 2. This Act shall be deemed to have come into operation on the twenty-fifth day of July, 1968.

I do not say that anyone has been manipulating during this time, but if he has, he should be subject to the rigours of the law in the same way as he would be subject to any other law before it is altered and changed.

We had a recent example of this with regulations in connection with by-laws associated with the Melbourne City Council where somebody who had been convicted of an offence beforehand could not be released from gaol. If the offence is committed while the law is current, surely it is reasonable to expect the person who commits the offence to be subjected to the existing law and not some subsequent law. He runs this risk when he commits the offence.

The layman may not know the contents of this rather ancient Act, but surely those who are closely associated with the activities of stock exchanges and so forth would be aware of the Act, at least to some degree. The Act was obviously used for the purpose of advantage in New South Wales not so very long ago. In consequence of this, unquestionably some tidying up is necessary.

My fear is that the Government will leave us without any protection. If the reply by the member for Mt. Hawthorn to my interjection was correct, it would appear that the Commonwealth does not have any laws covering the situation. Under the powers of the Constitution in connection with financial matters, I would have thought that the Commonwealth would be able to cover some aspects of stock exchanges. Evidently this is not the case, but it has been left to the financial freemasonry which surrounds the various stock exchanges in each State. If that is the case, I do not think it is good enough; because the funds of the public are being handled by these people and many millions of dollars are moving about in the exchange of shares.

Surely members of the Parliament are entitled to know if the Government has in mind some way of making sure that the situation will not get out of hand through the repeal of this ancient Act, even though it may be primitive and its application may be unpalatable to legal people in this day and age.

That is all I have to say on the matter, but I hope the Minister, when he replies, will indicate the Government's intentions. If the Government has nothing in mind, then I suppose the appointment of a Select Committee would be one way of finding out more about the situation.

In any event the Government should at least delay the proclamation of the legislation until such time as it is abundantly sure that it has the power to control any situation which might eventuate.

MR. BRADY (Swan) [5.25 p.m.]: I wish to say a few words in connection with this matter. Unlike other people, I myself am not a dabbler in shares. On two occasions I have had a flutter over a five or ten-year period, but I found out that my investments were not much better at the end of five or ten years than they were originally. I came to the conclusion that, in the main, people who gain from dabbling in shares are those who hold stockbrokers' licences.

My ideas on investment have completely changed from what they were, say, 10 or 15 years ago. I advocate to anyone who seeks my advice on this sort of thing that money is better invested in something of a sound nature, such as Perth Building Society shares, and so on.

There is a tendency now for a certain type of investment to be made in Western Australia and I am concerned that this trend will continue. Apparently in earlier days the Imperial Parliament sought to introduce legislation to control the kind of situation which can arise, and it took this action in consequence of crashes.

When the Minister introduced the measure he mentioned that very powerful interests in New South Wales have had a legal contest in recent times. This law of the Imperial Parliament has been invoked to try to defeat some people from receiv- what they reckoned was their legal right.

Be that as it may, what I am concerned about is that we, as a Parliament, should not encourage the community generally to take the attitude that the right and proper thing in the community is to be a gambler and a speculator. Basically we should all be concerned to try to get a stable community rather than a speculating and gambling community, because of the great harm done to human beings once the the crash arrives.

Whether or not we wish to believe it, the atmosphere now in Western Australia is one where great speculation is taking place. Let us take this evening's *Daily News* as an example. The headline is "Speculators continue to rush new floats." It is dealing with the Petrocarb Exploration issue. It refers to the fact that the public section of the float—1,300,000 shares—has been seven times oversubscribed.

The *Daily News* and *The West Australian* give as much publicity to investments on the Stock Exchange and the share transactions which are taking place throughout the State as they do to the horse racing on Saturday. I cannot help but feel there is a certain amount of alliance between the two in regard to the matter of speculation.

Be that as it may, I am concerned that the Government is now introducing legislation which, as I see it, will allow the stock jobbers to operate, and it could be that a great deal of harm will be done to a great number of people.

I am also a little sore on the point that in regard to share dealing I suppose that every week, every month, and every year we hear of speculators coming in and going out. To the knowledgeable ones on the share market, these people who go out are just plain suckers. They are suckers in that the people who are well acquainted with the share market are able to obtain their shares and handle them to advantage. If they are the sharebrokers who have accepted commissions for buying and selling shares, then I think the general public is being taken for a ride.

As members of a community and of a parliamentary body, I do not think we should encourage that sort of thing; because I do not think it makes for the best in our way of life to encourage speculation and gambling in the community as a whole. There is sufficient gambling going on at the moment on our so-called sport of kings to satisfy anybody who wishes to indulge in gambling. Therefore I do not think we should encourage gambling activities in the share market throughout the Commonwealth, particularly as we are on the verge of a boom in Western Australia which appears as though it will continue.

Those people who speculate on the share market think that such transactions are all right when everything is going well, but time and time again in Western Australia we have had these activities being conducted sometimes in a small way and sometimes in a big way when people who can ill-afford to speculate are caught up in the buoyant atmosphere. Let us take our minds back to 1959 and 1960 when thousands of people gambled their hard-earned savings on oil shares which overnight reached very high prices, but which, in the following week, dropped alarmingly. As a result many people lost their life savings, just as people last week lost their life savings by speculating in this pools promotion organisation which the member for Mt. Hawthorn has referred to this evening.

Similar trends can be seen in other forms of share dealing, and I repeat that we should not encourage this sort of thing. For that reason I am opposed to the legislation introduced by the Minister. We should not encourage people to deal in margins and shares without securities actually passing between the buyer and seller. In my opinion, we are helping to establish a super T.A.B. organisation, and generally, from my point of view as a member of Parliament, it is not a desirable atmosphere for us to create within the community.

I know there are people who say, "Well, if there are suckers around this is the way to educate them," and it seems that the ill-informed, the uneducated, and the unsophisticated members of the community who, in the main, are good living people morally and spiritually, doing a good job in the community, working hard for the money they receive, working to gain their place in the sun, are those who are taken for a ride by the people who deal in some shares.

At present there are sufficient avenues within the community to enable people who desire to gamble to engage in such activity without encouraging them to become involved in that which is actually a very old form of gambling and which is thriving at the moment.

Over the past 10 or 15 years I have heard people say that they can buy shares and then sell them without, in fact, gaining possession of them. In other words, one can bear them or bull them, and so on. The honourable member who has spoken on the Bill at length has carried out a great deal of research on the subject and he has given Parliament the benefit of his labours and the knowledge he has gained. He has also given us, as a parliamentary body, timely warning that we should not accept this type of legislation. Whilst we are today legislating for posterity, as well as the people who are at present living within our community, we should not encourage this type of legislation, and I hope that the Bill as proposed by the Minister, will be defeated.

MR. COURT (Nedlands—Minister for Industrial Development) [5.36 p.m.]: We have heard a lot of words on this subject this afternoon, and no doubt the member for Mt. Hawthorn has done a tremendous amount of research in trying to present to this House a case for the appointment of a Select Committee or some other form of inquiry into stock jobbing and the like.

However, I would, with your indulgence, Mr Speaker, try to bring the House back to the Bill that is before it. The simple situation is that there is this piece of legislation, which appears to be still effective, but which is not in the public interest. I suppose most people, doing business with the Stock Exchange and with various finance houses over the years, would have thought we were not subject to this piece of legislation. Some of the most experienced and those with the best brains in this field in other States saw fit to do business for years and years on the understanding the Act did not apply and it was never challenged. The member for Mt. Hawthorn, being a trained legal practitioner, knows that this sort of thing has been going on for 100 years, but one day some smart aleck comes along who knows there is an old Statute he can invoke, and he does not care whether it was proclaimed in the reign of Queen Elizabeth I or George II, if it suits his purpose.

In my experience the people who invoke this type of legislation are usually very snide people, and they do not enter into this business for the good of the public's health.

Mr. Brady: You do not think the vipers are sometimes bitten?

Mr. Bertram: You are not referring to the solicitor, are you?

Mr. COURT: No, I am not; because it is the client who must make the decision. The solicitor only advises him. I have known solicitors advise people on what is the law and the right thing to do, and they say, "This is my duty; this is the law," but the solicitor tells them he will not act for them because it is snide; and the member for Mt. Hawthorn knows that is true. As he knows, the reputable practitioner will not have this sort of thing on his conscience. However, there are clients who, having been told the law, according to the duty of the lawyer, will say, "This is for me, and I am going to exercise my right to invoke the law," and they are quite within the law in doing so, despite the fact that we might think that, morally and ethically, they are playing the game a bit rough.

The member for Mt. Hawthorn has opposed the Bill on the basis that it was sought by the Stock Exchange of Perth for its benefit. It was introduced not only for the benefit of the members of the Stock Exchange; it was sought by them not only for their benefit, but more particularly in the public interest, including 900,000 others to whom the honourable member referred. What the honourable member said is not correct because the Perth Stock Exchange and the stock exchanges in other States operate in accordance with an extremely tight set of rules which are imposed with very rigid discipline.

Mr. Graham: Of their own making.

Mr. COURT: Leave that out for the moment; I am merely talking about the facts of the case. Whether they should be governed by statutory provisions is another matter, and a separate issue. I want to deal with the facts of the case. The members of the Stock Exchange deal with this business on a very tight basis, and in recent years they have done very well to control the situation among their own members.

Those people who are the most likely to offend are not members of the Stock Exchange. The Stock Exchange members place a high value on their seats on the Exchange. Share dealing is their livelihood and a seat on the Stock Exchange in many instances is a large amount of their capital; it is their goodwill.

I think that over the past 20 years most people have acknowledged that the stock exchanges of Australia have served the community very well indeed. In many cases they have been the initiators of restrictions and provisions to tighten up, for instance, the conditions of a prospectus issued by a company. In my own professional experience I have sometimes found, when preparing a prospectus, that it was more difficult to comply with the requirements that were acceptable to members of the Stock Exchange than it was to comply with the provisions of the Companies Act.

Mr. Bertram: Nobody has argued against that.

Mr. COURT: I am just leading up to my point, because the honourable member in his opening remarks opposed the Bill on the basis that it was introduced for the benefit of members of the Stock Exchange. I am trying to explain it was introduced not for their benefit only. Members of the Stock Exchange have pointed out that it is the professional operating outside the Stock Exchange who is the man who will invoke one of these old laws which people thought no longer operated. The Victorians, the New South Welshmen, the Queenslanders, the South Australians, and the Tasmanians, all thought that such a law was no longer in operation. However, it so happened that, as a result of an oversight, the law had not gone, but had remained in operation.

Mr. Tonkin: Why should it have gone? That is what we want to know!

Mr. COURT: Just a minute! The only State that saw fit to catch up with the situation back in the 1920s was Victoria. This is rather significant so far as I am concerned, because, if the members of this House had their way, what they could do would be to pass all this business over to Victoria. People will still engage in it. We can legislate until the cows come home, but they will still do it. They can do it legitimately in Victoria, because there is no restriction on this business under section 92 of the Commonwealth Constitution; and in any case they can do it in other States that are repealing this legislation.

Let us bear in mind that originally this legislation was introduced in the days of the old South Sea Bubble. In those times the Companies Act, controls by the Stock Exchange, and all the restrictions that are imposed today, did not exist. Further, in those days there was not the type of Press that we now have. That was back in the days of George II.

Mr. Brady: We still have promotion pools that can take people for a ride to the extent of $186,000.

Mr. COURT: That sort of thing is forever with us in one form or another. People would still bet on two flies crawling up a wall. There was a point the member for Mt. Hawthorn did not make. He touched on it, but let it go with just a passing reference. That point is that Britain, when conditions had changed immeasurably, introduced in 1860 an Act to repeal the legislation which made stock jobbing unlawful. By a trick of fate and a switch of dates, and so on, the old Act is still the Statute that operates in the Australian States. So we were requested to bring down this legislation.

Mr. Bertram: By whom?

Mr. COURT: The Stock Exchange drew our attention to it and asked that legislation be brought down, because its members were quick to point out, as I am trying to point out to the honourable member, that it is the smart aleck operating outside the reputable type of business house who will be the fellow that suits himself; who knows that on a rising or a falling market which is against him, he can invoke the old George II Statute. This is what we are legislating against.

If the member for Mt. Hawthorn believes there should be a Statute to govern the operations of the Stock Exchange, or to deal with marginal trading with all this put and call type of dealing, and so control the various types of operations that are practised, and which have been practised throughout the world for years and years, that is another matter.

I think he would have been much more effective had he addressed himself to a motion dealing with this particular question and invited attention to that fact. He would then have been quite entitled to express the view in his motion that the matter should be the subject of some form of parliamentary or other inquiry.

I want to come back to this point, so that members will realise why this Bill is before us. It is not here to protect the Stock Exchange members alone; they will, of course, get some protection, just as the general public will get some protection; it is here to protect the general public against the snide operator who will invoke this old legislation of the George II era if it suits him, and welsh on the contract.

Mr. Bertram: There are only two in it outside the Stock Exchange.

Mr. COURT: The honourable member has apparently forgotten some of his other comments. He said there are two known ones and they are very reputable operators; but there are others. It is the others who might welsh and deal with the poor investor who does not know his way around. If the investor deals with a reputable operator he will not get his fingers burnt, but he may deal with a fringe operator who will have no compunction in saying, "The law will not permit you to sue me."

Mr. Bertram: That is, the crook ought to be brought into the realms of the law.

Mr. COURT: I have been trying to tell the honourable member that this is another issue altogether. If he feels the Stock Exchange should have a Statue because it is not doing well enough under its own disciplinary rules and we should have a Statute to spell out the methods of jobbing, of marginal trading, and of other types of trading, then I would point out that this is another issue altogether. He is quite within his rights in doing his duty to the public by bringing these matters to the notice of the House. I am not questioning the propriety of what he has done; I am trying to make sure the House knows why the legislation is before us. It is not here to protect the Stock Exchange members, because they can look after themselves. It is here to protect a member of the public who has done business with some of these professionals who are on the fringe and who are outside the control and discipline of the regular body.

The member for Belmont queried the reason for the retrospective provision in the Bill. It will be noticed that retrospectivity applies only as far back as the 25th July, 1968, which is the approximate date when this session of Parliament commenced. A suggestion was made that it should be completely retrospective, but the Government declined to accept this viewpoint. We did feel that the date of the 25th July, 1968, was back far enough.

Mr. Jamieson: Have you some details of the case in New South Wales between a member of the Stock Exchange and someone else?

Mr. COURT: Between a member of the Stock Exchange and a person who had been dabbling in this type of trading. If the honourable member reads the judgment he will find the judges were not very sympathetic with the person who welshed on the deal by invoking the George II Statute but they expressed the view that they were not there to correct the law but to interpret it. If members opposite want to protect that type of operator, they should say so. I do not want to protect him.

Mr. Bertram: Who does?

Mr. COURT: If we retain the old Act we will do just that.

I want to make one or two brief comments before I conclude. The atmosphere in which we consider this transaction is very different from what it was in the times of the South Sea Bubble. The Companies Act is being amended continuously. Every time we find loopholes that are discovered by some of the snide operators, we close the loopholes. Many of them have been pointed out to us by professional bodies, by financial bodies, and by institutions like the Stock Exchange. The amendments are quite often the result of Government experience with operators who will not conform with what most people consider to be the decent thing.

Mr. Tonkin: Is it a fact that in the U.S.A similar legislation, after having been repealed has been re-enacted?

Mr. COURT: In the U.S.A., where a more sophisticated control system operates on the security exchanges, there is much more legislation dealing with these matters than there is in Australia.

Mr. Tonkin: Is it a fact that in the U.S.A. the Government has re-enacted similar legislation after it had been repealed?

Mr. COURT: I do no think it was re-enacted in its original form. As a matter of broad principle, in the U.S.A.—I concede this freely—there has been developed a more sophisticated system in respect of security exchange control. I have no doubt that as we become bigger, more sophisticated, more complex, and more international, we will progressively, through our Companies Act, through security exchange control, and through other channels, introduce legislation of a similar type. I hope we will do that with all care so that we do not shut the door against some of the people who should not have the door slammed against them.

In my lifetime in practice, the number of occasions on which the Companies Act has been altered in material ways has been quite considerable. This has been because professional bodies, financial bodies and Governments themselves have found reasons for tightening up the legislation. I have no doubt that even in the lifetime of the Leader of the Opposition there will be further amendments to the Companies Act. In fact, as he well knows, as a result of the deliberations of the Attorneys-General Standing Committee, more amendments are contemplated on a major scale Again this is part of the process of Australia growing up financially, with more complex financial institutions coming into being.

In this State we did have some legislation which was the leader in its field I refer to legislation in respect of share hawking. We have had the gradual tightening up of prospectuses; and today with regard to prospectuses, the requirements of the law, of the Stock Exchange, and of the financial institutions, are so tight that we have seen quite a revolution in the last 20 years in the form of prospectuses and in the protection of the public.

What I want to avoid is a situation whereby by leaving the Act on the Statute book the legitimate operators will go out of business because they will not be willing to operate.

Mr. Tonkin: Go out of what business?

Mr. COURT: Out of the stock jobbing business.

Mr. Tonkin: Would that be a bad thing?

Mr. COURT: Just a minute. If we persist with this legislation and leave it on the Statute book that is what the good operators will do, because they will not have a bar of it. They will not run the risk of operating illegally.

The unsuspecting member of the public who does not know his way about—and to him $1,000 is a lot of money—is the one who will get caught up with the unscrupulous fringe operator outside the Stock Exchange and outside the jobbers of repute. If he wants to get his money back and he goes to the unscrupulous operator's place of business for it, he will find the operator is not there.

The second point is that if we retain the Statute and *bona fide* operators will not do business—and they will not—we are asking people in Perth—

Mr. Tonkin: What will they not do?

Mr. COURT: Stock jobbing and all those kindred operations.

Mr. Tonkin: I cannot see anything to recommend the continuance of stock jobbing. It is a form of gambling.

Mr. COURT: It is not possible to stop people from doing it. It is legal in Queensland; it is legal in New South Wales; and it is legal in Victoria.

Mr. Brady: You do not have to encourage them by taking the lead.

Mr. COURT: The position will be that they will do business with the Melbourne, Sydney, or Queensland offices, according to where their connections are. It will be done on just as large a scale. It is better to make the situation clear in our own State.

If the Opposition desires the Government to introduce legislation to deal with this matter on the broader front—that is, codify the conditions under which one can do this and that, and the type of share dealing—that is another matter.

I suggest to the honourable member that, although Standing Orders are suspended, we complete the Committee stage, and, before the third reading, I will seek an adjournment, so that the third reading can be dealt with next Tuesday, or whenever the measure is high on the notice paper. At that stage I will give considered replies to the points he has raised and, if he is not satisfied, he can then express himself on the third reading. Should he still be not satisfied, he could bring the matter up again during the next session, which is not so very far away.

Before concluding I would like to make one observation: I would not like members to think that the Gevernment sits idly by and allows these things to happen. The Government is taking more than a passing interest, because it is its job to make sure that this trading is, as far as possible, in a healthy condition. It is part and parcel of our modern way of life.

Mr. Tonkin: The Government sits idly by with regard to credit betting.

Mr. COURT: I think I had better conclude on that note.

Question put and passed.

Bill read a second time.

Reference to Select Committee

MR. BERTRAM (Mt. Hawthorn) [5.55 p.m.]: I would like a direction, Sir, from you. As I understand it, if I go along with what the Minister has suggested, it does not seem as though I will be able to move that the Bill be referred to a Select Committee. The probabilities do not seem to be in that direction. I understand that in accordance with Standing Orders one should move for a Bill to be referred to a Select Committee after the second reading.

The SPEAKER: That is so.

Mr. BERTRAM. I do not want to prolong matters, but I want the way to remain open for me. I simply seek your direction in view of what the Minister has said. If we do as he suggests, will it preclude my taking action in the manner I have suggested?

The SPEAKER: I can only tell the honourable member that he is permitted under Standing Order 259 to move that the Bill be referred to a Select Committee. Certainly, if he does not move such a motion at this time and the Bill goes into Committee, he will lose his opportunity under Standing Order 259.

I have not done any research as to whether there is any Standing Order which would allow him, at a later stage, to have the Bill referred to a Select Committee. Frankly, at the moment, I am unaware of any other method.

Mr. BERTRAM: I move—

> That the Bill be referred to a Select Committee

MR. TONKIN (Melville—Leader of the Opposition) [5.58 p.m.]: I dwelt on every word uttered by the Minister for Industrial Development when he was replying to the member for Mt. Hawthorn and I listened in vain for him to make good his statement that the existing law was not in the public interest. If the Minister could have demonstrated just that, and brought forward some evidence to prove it, that would have been sufficient. It does not advance the case at all to make a mere assertion.

I want to be perfectly fair about this, because this is a very important question and we want to do the right thing. I asked the Minister, by way of interjection, if it were a fact that the United States, after having taken action similar to what we are being asked to take now, had subsequently reintroduced the legislation. From my understanding of it, the United States did just that. The legislation was reintroduced in substantially the same form, and for the purpose for which the original legislation had been passed.

That suggests to me we do not know enough about this. It was too much to expect the Minister to be in a position to deal categorically with the arguments advanced by the member for Mt. Hawthorn, who I personally want to compliment on the extent of his research into this question. Ordinarily members would not undertake such a laborious task; but the member for Mt. Hawthorn was able to support his case in opposition to this Bill. It was not outright opposition, but actually a case for further investigation before we take this step, in order to make certain, from information we would be able to gather, that the step we were taking was a desirable one.

I think members must agree that when legislation is introduced, it is introduced for a reason; and Great Britain was not the only country—even though it was done after the South Sea Bubble—which introduced this type of legislation to deal with a special situation. It is true that subsequently steps were taken to repeal the legislation in different places; but what weighs with me—and the member for Mt. Hawthorn read out some references to this which were really remarkable and amazing—is that a country like America where free enterprise has full play and is encouraged, and where there is considerable gambling and no attempt made to prevent it, should find it necessary to put back this curb on stock jobbing.

The Minister says this legislation as it exists at present is not in the public interest. Was it in the public interest when it was first passed? That is the question we have to answer. Why is it not in the public interest now if it was in the public interest when it was first put on the Statute book? If the Minister had been able to give some illustrations as to why it was not in the public interest that the law should remain as it is—and therefore, conversely, it would be in the public interest if it were changed—the situation would have been different.

However, all the Minister was able to say was that it would be in the interests of those who were caught by some snide operator who knew of the existence of this and was prepared to gamble in the knowledge that if he failed he could fall back on this and therefore dodge his obligation.

By way of illustration the Minister said that if the law remains as it is now, those people who have been engaged in stock jobbing all along and have become aware of the danger will, if someone welshes on them, withdraw from this type of trading. That would not concern me at all. If stockbrokers were to deal with the buying and selling of stocks on a proper basis of cash or credit and would stop gambling on the rise and fall of the market, that would not worry me in the slightest. It would certainly not worry me if, as a result of the law remaining as it is, we considerably reduced the volume of gambling on the Stock Exchange.

Therefore, in order that we can know the answers to a number of those queries posed by the member for Mt. Hawthorn, we ought to have the matter inquired into. What is the urgency? If the retrospective clause in this Bill is for the purpose of reversing some decision that has already been made, that can be justified in certain circumstances; but we ought to be told what those circumstances are so that we will know precisely what we are doing. If it is not intended to draw in someone who otherwise would escape, then there is no need to make it retrospective at all, because it can operate from the day it is proclaimed. I would like clarified the question of whether the purpose of making the legislation retrospective is to make it apply to certain cases and, if so, which cases. I believe there is every justification for us to know more about this.

Let us inquire from representatives of the Stock Exchange what the difficulties are so that we will be in a better position to determine whether this is the correct thing.

If the Minister is able, by way of some evidence or illustration, to demostrate how it is not in the public interest that the law should remain as it is, whereas it is in the public interest to have such a law in the United States, then we can perhaps change our attitude. I dwelt on every word the Minister uttered, waiting for him to justify his statement that it was not in the public interest.

Mere statements do not prove anything. They are only expressions of opinion, and we can get 20 different expressions of opinion. We must have some evidence. Either the Minister or someone else on the Government side can possibly give some illustration or some evidence as to how it is not in the public interest that the law should remain as it is.

I think, if we had an inquiry such as that desired by the member for Mt. Hawthorn, we would be in a position to satisfy ourselves whether or not it is in the public interest to change the law. At the present

time there would be few, if any, members in a position to indicate why it is in the public interest that the law should be changed. I think we ought to make an attempt to place ourselves in that position, and I support the move made by the member for Mt. Hawthorn.

MR. COURT (Nedlands—Minister for Industrial Development) [6.8 p.m.]: I will be as brief as I can be in the interest of assisting members. First of all, I cannot do any more—and neither can anyone else in this State—than demonstrate the public interest by saying that if this Statute is left on the Statute book we will be playing into the hands of snide operators. Surely there is a time factor involved in this. It is the snide operator that is protected; I have no fear of the reputable operator.

Mr. Tonkin: Is the snide operator a stockbroker or an individual?

Mr. COURT: He would not be a member of the Stock Exchange of Perth; and if members of the Opposition want to leave the fringe operator to operate and seek out those gullible people—and they will always be with us—then do not alter the law which is on the Statute book. These people now know that this is effective. The honourable member referred to public interest, and if it is not in the public interest to get rid of this Statute then I do not know what is.

Mr. Tonkin: Didn't this snide operator get into trouble because he let a stockbroker down?

Mr. COURT: That is so. The man who highlighted the fact that this legislation was still current in New South Wales had made a large financial commitment and was prepared to welsh on it. What worries me is the fact that the Statute has been highlighted to people at large. Operators can carry on and, when called upon to pay, they can walk out.

Mr. Tonkin: Can you illustrate how a member of the public can suffer under this Statute?

Mr. COURT: Yes, in the business with the fringe operator. The market can go against the fringe operator, and when the member of the public wants his shares the operator is not there, or he tells the person that he can jump in the lake.

Mr. Tonkin: From my angle of the law it does not operate that way.

Mr. COURT: That is how it would operate, and also how it operated in New South Wales. Touching on the United States operation, that country has not imposed a ban. This legislation provides a ban on this type of operation, but the United States legislation imposes a curb with conditions.

I just want to make one final point. If we had not brought this Bill forward, I wonder what the Opposition would have been doing. Would it have been preparing a motion, or seeking information in order to bring forward the sort of suggestion the member for Mt. Hawthorn has brought forward? I suggest, no.

This Government is trying to do the right thing by the public, and trying to repeal the Statute so that the fringe operator is not able to go about his business during the next few months and catch the gullible members of our public, who are forever with us.

Debate adjourned, on motion by Mr. Jamieson.

THE WEST AUSTRALIAN TRUSTEE EXECUTOR AND AGENCY COMPANY LIMITED ACT AMENDMENT BILL

Council's Message

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

MOTOR VEHICLE (THIRD PARTY INSURANCE) ACT AMENDMENT BILL (No. 2), 1969

Receipt and First Reading

Bill received from the Council; and, on motion by Mr. Nalder (Minister for Agriculture), read a first time.

BILLS (4): RETURNED

1. Exotic Stock Diseases (Eradication Fund) Bill.
2. Cattle Industry Compensation Act Amendment Bill.
3. Poultry Industry (Trust Fund) Act Amendment Bill.
4. Banana Industry Compensation Trust Fund Act Amendment Bill.

Bills returned from the Council without amendment.

ADJOURNMENT OF THE HOUSE

MR. BRAND (Greenough—Premier) [6.12 p.m.]: I move—

That the House do now adjourn.

In moving this motion, could I suggest that because of the party on Wednesday, the 23th April, we should sit at 2.15 p.m. on that day.

Question put and passed.

House adjourned at 6.13 p.m.